

JUN 15 2020

STATE OF ARIZONA
DEPARTMENT OF INSURANCE

DEPT OF INSURANCE
BY AS 06/15/2020

In the Matter of:

No. 20A- 038 -INS

PRIDE HOME WARRANTY INC.

ORDER TO CEASE AND DESIST

Respondent.

The State of Arizona Department of Insurance (“Department”) received evidence that **Pride Home Warranty Inc. (“PHW” or “Respondent”)** offered or issued service contracts in the State of Arizona without a license. Accordingly, the Director of Insurance of the State of Arizona (“Director”) makes the following Findings of Fact and Conclusions of Law and enters the following Order pursuant to A.R.S. § 20-1095.09 (B).

FINDINGS OF FACT

1. PHW is a Delaware domestic corporation¹, file number 6811021, incorporated on or about March 22, 2018.

2. PHW’s last known address, as set forth in their home service agreements, is 200 Continental Drive, Suite 401-729, Newark, Delaware 19713. The same address is confirmed on PHW’s profile with the Better Business Bureau (“BBB”).

¹ Per the Arizona Corporation Commission’s (“ACC”) website/public database, Respondent is not organized as a foreign-domiciled corporation and has not submitted an “Application for Authority to Transact Business or Conduct Affairs in Arizona.” In addition, Respondent has not registered its name as a trade name with the Arizona Secretary of State.

1 3. The “ReviewHomeWarranties” website identifies Issac Assis as PHW’s President
2 and Chief Executive Officer.²

3 4. According to Delaware’s Division of Corporations, PHW’s registered agent of record
4 is Interstate Agent Services, LLC. The company’s address as listed on PHW’s filing is 501
5 Silverside Road, Suite 102, Wilmington, Delaware 19809.

6 5. PHW does not hold a permit as a service company in Arizona.

7 **DEPARTMENT COMPLAINTS**

8 6. On or about May 30, 2019, the Department received a complaint from Arizona
9 consumer C.V., who resides in Bullhead City, Arizona. According to C.V., she purchased a
10 home service policy from PHW on December 26, 2018. C.V. paid \$1,080.00 for a three
11 year contract.

12 7. On or about December 26, 2018, C.V. received correspondence from PHW. The
13 correspondence was in regard to C.V.’s “new home warranty enrollment” and purchase of a
14 “Platinum Plus” plan, under policy number 11186.

15 8. On or about April 22, 2019, C.V. submitted a claim to PHW because her air
16 conditioning was not working. When PHW denied the claim, C.V. cancelled her contract.
17 After the cancelation, PHW refunded to C.V. a prorated amount of \$453.03 from the total
18 amount C.V. paid for the policy.

19 9. On or about June 11, 2019, the Department spoke with Morris Grant of PHW
20 regarding C.V.’s complaint. When asked about PHW’s permit (license) status in Arizona,
21 Mr. Grant responded, “The company is not licensed in Arizona [but] working off its

22

² <https://www.reviewhomewarranties.com/pride-home-warranty-review/>

1 Delaware license.” Mr. Grant said he was unaware that PHW needed to be licensed in
2 Arizona to sell policies.

3 10. The Department made a recovery of \$117.00 on behalf of C.V in addition to the
4 previously refunded amount by PHW.

5 11. On or about August 23, 2019, the Department received a complaint from an Arizona
6 consumer E.M. who resides in Surprise, Arizona. According to E.M., he purchased a home
7 service policy from PHW on March 14, 2019. E.M. paid \$449.99 for a one year contract.

8 12. On or about March 14, 2019, E.M. received correspondence from PHW. The
9 correspondence was in regard to E.M.’s “new home warranty enrollment” and purchase of a
10 “Platinum Plus” plan, policy number 11500.

11 13. On or about June 17, 2019, E.M. submitted a claim for his garage door. E.M
12 cancelled his contract after PHW denies his claim. E.M. subsequently asked PHW to
13 disregard his request for cancellation but was told the cancellation would not be reversed.
14 After the cancelation, PHW refunded to E.M. a prorated amount of \$96.00 of the total
15 amount E.M. paid for the policy

16 14. The Department was unsuccessful in establishing contact with an PHW
17 representative in regards to E.M.’s complaint.

18

19

20

21 ///

22 ///

1 15. According to the aforementioned "ReviewHomeWarrantites" website as well as the
2 BBB profile³, PHW is no longer in business.

3 16. The Department's Financial Affairs Division, which reviews and processes service
4 company permit applications, confirmed that PHW has never held an Arizona permit as a
5 service company.

6 **CONCLUSIONS OF LAW**

7 1. Respondent's conduct, as alleged above, constitutes offering and issuing service
8 contracts without a permit, within the meaning of A.R.S. § 20-1095.01(A).

9 2. Service company contracts issued by the Respondent are enforceable and valid
10 contracts, within the meaning of A.R.S. § 20-1095.05

11 3. Grounds exist for the Director to order Respondent to cease and desist its violations
12 pursuant to A.R.S. § 20-1095.09(B).

13 **ORDER**

14 IT IS HEREBY ORDERED THAT:

15 1. Respondent shall immediately cease and desist from unlawfully offering or
16 issuing service contracts in the State of Arizona.

17 **NOTICE OF OPPORTUNITY FOR HEARING**

18 Pursuant to Title 20 of the Arizona Revised Statutes, Respondent is hereby notified
19 that it may request a hearing pursuant to A.R.S. § 20-161 to contest the order to cease and
20 desist.

21
22 _____
³ <https://www.bbb.org/us/de/newark/profile/home-warranty-plans/pride-home-warranty-inc-0251-92007324>

1 **COPY** of the foregoing delivered by
Certified Mail and U.S. First-Class Mail
2 this 17th day of June, 2020, to:

3 Issac Assis, President/CEO
Pride Home Warranty Inc.
4 200 Continental Drive, Suite 401-729
Newark, DE 19713
5 Respondent
(tracking no. 9489 0090 0027 6152 2616 09)

6 Interstate Agent Services, LLC
7 501 Silverside Road, Suite 102
Wilmington, DE 19809
8 Statutory Agent for Respondent
(tracking no. 9489 0090 0027 6152 2615 93)

9 **COPY** delivered same date to:

10 Deian Ousounov, Regulatory Legal Affairs Officer
11 Ana Starcevic, Paralegal Project Specialist
Catherine M. O'Neil, Consumer Legal Affairs Officer
12 Steven Fromholtz, Division Manager
Aqueelah Currie, Licensing Supervisor
13 Wendy Greenwood, Investigator
Linda Lutz, Legal Assistant
14 Arizona Department of Insurance
100 North 15th Avenue, Suite 261
15 Phoenix, Arizona 85007-2630

16 
17 Francine Juarez

18
19
20
21
22