

MIKE KREIDLER
STATE INSURANCE COMMISSIONER

STATE OF WASHINGTON



Phone: (360) 725-7000
www.insurance.wa.gov

FILED

OFFICE OF
INSURANCE COMMISSIONER

2010 SEP -8 A 10:55

MEMORANDUM

Hearings Unit, DIC
Patricia D. Petersen
Chief Hearing Officer

TO: Patricia Peterson
FROM: Gayle Pasero
DATE: September 7, 2010
RE: Demand for hearing

Attached is a demand for hearing received via email on September 7, 2010. The demand is from Mel Sorensen at the law firm of Carney Badley Spellman on behalf of Nation Motor Club, Inc.

The demand for hearing is based on a notice of revocation of registration dated August 24, 2010.

Gayle Pasero

Miller, Susan (OIC)

From: Sorensen, Melvin [sorensen@carneylaw.com]
Sent: Tuesday, September 07, 2010 3:38 PM
To: Miller, Susan (OIC)
Subject: RE: Demand For Hearing--Nation Motor Club, Inc.

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2010 SEP -8 A 10: 55

Thank you for confirming receipt.
Mel Sorensen

Hearings Unit, DIC
Patricia D. Petersen
Chief Hearing Officer

From: Miller, Susan (OIC) [mailto:SusanM@OIC.WA.GOV]
Sent: Tuesday, September 07, 2010 3:38 PM
To: Sorensen, Melvin
Subject: RE: Demand For Hearing--Nation Motor Club, Inc.

We have received the demand for hearing filed on behalf of Nation Motor Club, Inc. This will confirm that the electronic filing will suffice and the demand for hearing will be considered filed and received as of today, September 7, 2010.
Susan

From: Sorensen, Melvin [mailto:sorensen@carneylaw.com]
Sent: Tuesday, September 07, 2010 2:06 PM
To: Miller, Susan (OIC)
Subject: FW: Demand For Hearing--Nation Motor Club, Inc.

Susan,
This is just a brief e-mail to confirm our conversation a few minutes ago in which you indicated that the electronic delivery of the e-mail below and its related attachments is sufficient to confirm service and receipt by the OIC, and that original signed copies of these materials need not be delivered today.
Thank you,
Mel Sorensen
206 607-4152 (Seattle Office)

From: Sorensen, Melvin
Sent: Tuesday, September 07, 2010 1:52 PM
To: mikek@oic.wa.gov
Cc: mikew@oic.wa.gov; Odiorne, Jim (OIC); Pasero, Gayle (OIC)
Subject: Demand For Hearing--Nation Motor Club, Inc.

Commissioner Kreidler,
Attached for your review is a cover letter and Demand for Hearing which are submitted on behalf of the company referenced above. I am also including a copy of the letter from the OIC which is the basis for this Demand. Please do not hesitate to contact me if you would like to discuss this matter.
Thank you,
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August 24, 2010

Hearings Unit, DIC
Patricia D. Petersen
Chief Hearing Officer

CHARLES J GRIMSLEY & ASSOCIATES, PA
3909 NE 163RD STREET, SUITE 304
NORTH MIAMI BEACH FL 33169

ATTN: Charles J. Grimsley, Esq.; Counsel

Re: Notice of Revocation of Registration – Nation Motor Club, Inc.

Dear Mr. Grimsley:

Notice is hereby given pursuant to RCW 48.110.130, that on September 8, 2010 an order will be entered revoking the protection product guarantee provider registration of Nation Motor Club, Inc. The order will not relieve Nation Motor Club, Inc. from any obligation to comply with Title 48 RCW.

The basis for the order of revocation is that Nation Motor Club, Inc.: (1) fails to meet a qualification for which issuance of the registration could have been refused had such failure then existed and had been known to the commissioner. (RCW 48.110.055(5) provides that the commissioner may refuse to issue a registration if the commissioner determines that the protection product guarantee provider, or any individual responsible for the conduct of the affairs of the protection product guarantee provider, is not competent, trustworthy, or financially responsible.); (2) Has made a material misstatement in its application for registration; and (3) Has obtained or attempted to obtain a registration through misrepresentation or fraud.

Chapters 48.04 RCW and 34.05 RCW grant certain rights to appeal the proposed revocation. Please conform any request for appeal to the terms of those statutes.

Please address all questions regarding this notice to Gayle Pasero, CPCU, Manager of Company Licensing, at (360) 725-7210.

Sincerely,

A handwritten signature in black ink, appearing to read "James T. Odiorne", written over a large, stylized circular flourish.

JAMES T. ODIORNE, CPA, JD
Deputy Insurance Commissioner
Company Supervision Division

cc: Michael G. Watson, Chief Deputy Insurance Commissioner

Miller, Susan (OIC)

From: Sorensen, Melvin [sorensen@carneylaw.com]
Sent: Tuesday, September 07, 2010 1:52 PM
To: Kreidler, Commissioner (OIC)
Cc: Watson, Mike (OIC); Odiorne, Jim (OIC); Pasero, Gayle (OIC)
Subject: Demand For Hearing--Nation Motor Club, Inc.
Attachments: Cover letter.pdf; OIC Notice of Revocation.pdf; Nation Motor Club Demand for Hearing.pdf

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Attached for your review is a cover letter and Demand for Hearing which are submitted on behalf of the company referenced above. I am also including a copy of the letter from the OIC which is the basis for this Demand. Please do not hesitate to contact me if you would like to discuss this matter.

Thank you,
Mel Sorensen
206 607-4152 (Seattle Office)

Hearings Unit, DIC
Patricia D. Pateman
Chief Hearing Officer

Miller, Susan (OIC)

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Thank you,
Mel Sorensen
206 607-4152 (Seattle Office)

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CARNEY
BADLEY
SPELLMAN

Melvin N. Sorensen

2010 SEP -8 A 10: 55

Hearings Unit, DIC
Patricia D. Petersen
Chief Hearing Officer

LAW OFFICES
A PROFESSIONAL SERVICE CORPORATION

701 FIFTH AVENUE, SUITE 3600
SEATTLE, WA 98104-7010
FAX (206) 467-8215
TEL (206) 622-8020
DIRECT LINE (206) 607-4152

Email: sorensen@carneylaw.com

September 7, 2010

The Honorable Mike Kreidler
Washington State Insurance Commissioner
Washington State Office of the Insurance Commissioner
5000 Capitol Blvd.
Tunwater, WA 98051

Re: Nation Motor Club, Inc.—Demand for Hearing

Dear Commissioner Kreidler:

Attached for your review is a Demand for Hearing which is submitted on behalf of the company referenced above. Please do not hesitate to contact my office with respect to this matter.

Respectfully submitted,

CARNEY BADLEY SPELLMAN, P.S.



Melvin N. Sorensen
Attorney for Nation Motor Club, Inc.

MNS:jc

cc: Michael G. Watson, Chief Deputy Insurance Commissioner
James T. Odiorne, Deputy Insurance Commissioner, Company Supervision Division
Gayle Pasero, Manager of Company Licensing

MIKE KREIDLER
STATE INSURANCE COMMISSIONER

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OFFICE OF
INSURANCE COMMISSIONER

Hearings Unit, DIC
Patricia D. Petersen
Chief Hearing Officer

August 24, 2010

CHARLES J GRIMSLEY & ASSOCIATES, PA
3909 NE 163RD STREET, SUITE 304
NORTH MIAMI BEACH FL 33169

ATTN: Charles J. Grimsley, Esq., Counsel

Re: Notice of Revocation of Registration – Nation Motor Club, Inc.

Dear Mr. Grimsley:

Notice is hereby given pursuant to RCW 48.110.130, that on September 8, 2010 an order will be entered revoking the protection product guarantee provider registration of Nation Motor Club, Inc. The order will not relieve Nation Motor Club, Inc. from any obligation to comply with Title 48 RCW.

The basis for the order of revocation is that Nation Motor Club, Inc.: (1) fails to meet a qualification for which issuance of the registration could have been refused had such failure then existed and had been known to the commissioner. (RCW 48.110.055(5) provides that the commissioner may refuse to issue a registration if the commissioner determines that the protection product guarantee provider, or any individual responsible for the conduct of the affairs of the protection product guarantee provider, is not competent, trustworthy, or financially responsible.); (2) Has made a material misstatement in its application for registration; and (3) Has obtained or attempted to obtain a registration through misrepresentation or fraud.

Chapters 48.04 RCW and 34.05 RCW grant certain rights to appeal the proposed revocation. Please conform any request for appeal to the terms of those statutes.

Please address all questions regarding this notice to Gayle Pasero, CPCU, Manager of Company Licensing, at (360) 725-7210.

Sincerely,

A handwritten signature in black ink, appearing to read "James T. Odiorne".

JAMES T. ODIORNE, CPA, JD
Deputy Insurance Commissioner
Company Supervision Division

cc: Michael G. Watson, Chief Deputy Insurance Commissioner

FILED

2010 SEP -8 A 10: 55

Hearings Unit, DIC
IN THE OFFICE OF THE INSURANCE COMMISSIONER
STATE OF WASHINGTON
Ren
Chief Hearing Officer

In the Matter of

NATION MOTOR CLUB, INC.

NOTICE OF REVOCATION OF
REGISTRATION

DEMAND FOR HEARING

I. DEMAND FOR HEARING

Nation Motor Club, Inc ("Nation") is a registered protection product guarantee provider in the State of Washington. Pursuant to RCW 48.04.010(1)(b), Nation requests a hearing on OIC Notice of Revocation of Registration contained in Deputy Insurance Commissioner James Odiome's August 24, 2010 letter to Mr. Charles J. Grimsley & Associates, said notice providing that an order of revocation is to be entered on September 8, 2010.

II. NATION IS AGGRIEVED BY THE OIC THREATENED ACTS

The OIC's August 24 letter providing its Notice of Revocation of Registration to Nation on September 8, 2010 states that the "basis for the order of revocation order is that Nation Motor Club, Inc.: (1) fails to meet a qualification for which issuance of the registration could have been refused had such failure then existed and had been known to the commissioner. (RCW 48.110.055(5) provides that the commissioner may refuse to issue a registration if the commissioner determines that the protection product guarantee provider, or

1 any individual responsible for the conduct of the affairs of the protection product guarantee
2 provider, is not competent, trustworthy, or financially responsible.)” Nation is aggrieved
3 that the effect of the OIC’s threatened revocation would be to require the company to cease
4 marketing activity in Washington. Nation is further aggrieved that the basis of revocation
5 provided in the August 24 letter is vague and fails to provide specific notice of the conduct or
6 circumstance that warrants revocation.
7

8 The OIC’s August 24 letter providing its Notice of Revocation of Registration to
9 Nation on September 8, 2010 also states that Nation has “made a material misstatement in its
10 application for registration”, and has “obtained or attempted to obtain a registration through
11 misrepresentation or fraud.” Nation is aggrieved that these assertions are vague and fail to
12 provide specific notice of the alleged material misstatements or misrepresentations. Nation
13 denies any material misstatement in its application for registrations or that it obtained or
14 attempted to obtain its registration through misrepresentation or fraud.
15

16 III. GROUNDS RELIED UPON FOR RELIEF

17
18 The OIC’s August 24, 2010 letter providing a Notice of Revocation of Registration to Nation
19 Motor Club, Inc. is impermissibly vague and fails to provide sufficient notice of the conduct or
20 circumstances that warrant revocation of the protection product guarantee provider registration
21 of Nation Motor Club, Inc., and there is no reasonable basis for the OIC to revoke the
22 registration.
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IV. RELIEF REQUESTED

Nation requests the OIC to withdraw the Notice of Revocation of the protection product guarantee provider registration.

V. OFFICE OF ADMINISTRATIVE HEARINGS

Pursuant to RCW 48.04.010(5), Nation Motor Club, Inc. hereby demands that this hearing be presided over by an Administrative Law Judge from the Office of Administrative Hearings.

Respectfully submitted this 7th day of Sept., 2010.

CARNEY BADLEY SPELLMAN, P.S.

By 
Melvin N. Sorensen, WSBA # 14817
Attorney for Nation Motor Club, Inc.

Miller, Susan (OIC)

From: Sorensen, Melvin [sorensen@carneylaw.com]
Sent: Tuesday, September 07, 2010 1:52 PM
To: Kreidler, Commissioner (OIC)
Cc: Watson, Mike (OIC); Odiorne, Jim (OIC); Pasero, Gayle (OIC)
Subject: Demand For Hearing--Nation Motor Club, Inc.
Attachments: Cover letter.pdf; OIC Notice of Revocation.pdf; Nation Motor Club Demand for Hearing.pdf

FILED

2010 SEP 07 10:51 AM

Commissioner Kreidler,
Attached for your review is a cover letter and Demand for Hearing which are submitted on behalf of the company referenced above. I am also including a copy of the letter from the OIC which is the basis for this Demand. Please do not hesitate to contact me if you would like to discuss this matter.
Thank you,
Mel Sorensen
206 607-4152 (Seattle Office)

Hearings Unit, DIC

Chief of Office