



OFFICE OF
INSURANCE COMMISSIONER

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HEARINGS UNIT
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BEFORE THE STATE OF WASHINGTON
OFFICE OF INSURANCE COMMISSIONER

In the Matter of:)	No. 10-0199
)	
CHW GROUP, INC., doing business as)	FINAL ORDER TERMINATING
CHOICE HOME WARRANTY)	PROCEEDING
and www.ChoiceHomeWarranty.com ,)	
VICTOR MANDALAWI, JAMES MOSS,)	
DAVID BAILEY, STEVEN SAFDEIH,)	
MICHAEL GUTHOLC,)	
Respondents)	
)	

TO: Darren Oved, Esq.
Oved & Oved LLP
Attorneys and Counselors at Law
101 Avenue of the Americas, 15th Floor
New York, NY 10013-1991

COPY TO: Mike Kreidler, Insurance Commissioner
Michael G. Watson, Chief Deputy Insurance Commissioner
Carol Sureau, Esq. Deputy Commissioner, Legal Affairs Division
Alan M. Singer, Esq. Staff Attorney, Legal Affairs Division
James T. Odiorne, CPA, JD, Deputy Commissioner, Company Supervision Div.
Office of the Insurance Commissioner
PO Box 40255
Olympia, WA 98504-0255

On November 1, 2010, the Insurance Commissioner ("Commissioner") received a letter from Darren Oved, Esq., of Oved & Oved LLP in New York City. Mr. Oved advised that he represented CHW Group, Inc., Victor Mandalawi, David Bailey, Steven Safdeih and Michael Guthole ("Respondents") and that apparently James Moss does not exist. Said letter was



considered a Demand for Hearing. The purpose of said Demand for Hearing is to contest the Commissioner's Order to Cease and Desist, No. 10-0199, dated October 21, 2010.

On Monday, November 15, 2010, the undersigned held a first prehearing teleconference in this matter. Mr. Oved appeared on behalf of Respondents. The Commissioner appeared pro se, by and through Alan M. Singer, Esq., Staff Attorney in the Commissioner's Legal Affairs Division. During said prehearing conference, the undersigned reviewed administrative procedure to be expected at hearing, citing Title 48 RCW, relevant sections of which are set forth in the Order to Cease and Desist, and 34 RCW, the Administrative Procedures Act and addressed all questions and concerns of the parties. By agreement of the parties, a hearing was scheduled for January 10, 2011. The parties were informed if they had any future questions or concerns, or requests for additional prehearing conferences, they should contact Nicole Kelly, Paralegal to the undersigned, who can be reached by telephone at (360) 725-7002, e-mail at nicolek@oic.wa.gov, or at the above address.

Of significance during said prehearing conference, the undersigned advised the Respondents that RCW 48.04.020(1) does not provide for an automatic stay of the Commissioner's Order as the Order was by its terms made effective immediately. For this reason, Respondents moved for a discretionary stay pursuant to RCW 48.04.020(2). The parties agreed to a schedule for submission of written briefs and oral argument to be followed promptly by a ruling thereon. Accordingly, on November 22, 2010, Respondents filed their letter brief in support of their Motion for Discretionary Stay and on November 29 the Commissioner filed his brief in opposition to Respondents' Motion for Discretionary Stay, and on November 30 the parties presented oral argument before the undersigned, by telephone, on this Motion. After considering the arguments of the parties and the entire hearing file, including Respondents' statement that they had fully complied with said Order except for the requirement that they advise each of their Washington consumers of this action, the undersigned determined that there was insufficient evidence to support a discretionary stay herein and on December 1, 2010 entered her Order Denying Respondents' Motion for Discretionary Stay. Thereafter, Respondents advised the undersigned that because their motion for discretionary stay was denied they since that time had complied with the remaining term of the Order by contacting each of their Washington consumers and informing them about this action.

On December 27, 2010, the Commissioner filed a Motion for Telephone Testimony of Patricia Ryan and A. Tom Klindt. While the Respondents had no objections to telephonic testimony of the witnesses, they questioned the relevancy of the testimony and, on January 5, 2011, asked that a prehearing conference be held to discuss the exchange of *witness lists and other information necessary to ensure the effective and efficient administration of the hearing*. A third prehearing conference was held at 1:00 p.m. on January 6, at which time the hearing was rescheduled to commence on Tuesday, February 1, 2011 at 11:00 a.m. and continue on subsequent days thereafter until terminated.

Thereafter, the undersigned received the attached Stipulation Regarding Withdrawal of Hearing Demand from the parties. Said Stipulation 1) confirms that Respondents have withdrawn their request for hearing; 2) that the Commissioner's representative Alan Michael Singer, Esq. and Brian S. Tretter, Esq. of Oved & Oved, LLP who represents Respondents together with Mr.

FINAL ORDER TERMINATING PROCEEDINGS
CHW GROUP, INC., No. 10-0199

Oved, have discussed the matter and that the Commissioner has no objections to Respondents' withdrawal; 3) that Respondents understand and agree that by their withdrawal there will be no hearing and that Order No. 10-0199 will remain in full force and effect; 4) that the parties agree and represent that Respondents have made no promises for their withdrawal and that there are no side or other settlement agreements regarding their withdrawal; and 5) that Respondents understand that they are relinquishing any and all right to further contest or appeal of Order No. 10-0199.

Based upon the above activity,

IT IS HEREBY ORDERED that this proceeding is terminated with prejudice.

IT IS FURTHER ORDERED that the Commissioner's Order No. 10-0199 has been in effect since October 21, 2010 and shall remain in effect indefinitely.

ENTERED AT TUMWATER, WASHINGTON, this 27th day of January, 2011, pursuant to RCW 48.04, Title 34 RCW and applicable regulations.

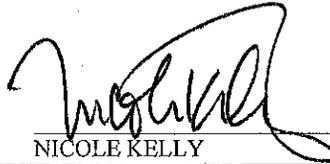


PATRICIA D. PETERSEN
Chief Hearing Officer
Presiding Officer

Declaration of Mailing

I declare under penalty of perjury under the laws of the State of Washington that on the date listed below, I mailed or caused delivery through normal office mailing custom, a true copy of this document to the following people at their addresses listed above: Brian S. Tretter, Esq., Darren Oved, Esq., Mike Kreidler, Michael G. Watson, Carol Sureau, Esq., Alan M. Singer, Esq., and James T. Odiorne, CPA, JD.

DATED this 27th day of January, 2011.



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THE STATE OF WASHINGTON
OFFICE OF THE INSURANCE COMMISSIONER

CHW GROUP, INC., doing business as
CHOICE HOME WARRANTY and
www.ChoiceHomeWarranty.com,
VICTOR MANDALAWI, "JAMES
MOSS," DAVID BAILEY, STEVEN
SAFDIEH, MICHAEL GUTHOLC
Unauthorized Individuals and Entities,

Docket No. 10-0199

Hearings Unit, DIC
Patricia D. Petersen
Chief Hearing Officer

STIPULATION REGARDING
WITHDRAWAL OF HEARING
DEMAND

Respondents.

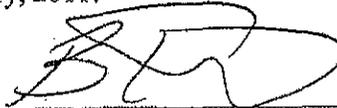
COMES NOW the undersigned Office of the Insurance Commissioner ("OIC") staff attorney and counsel for the above-named Respondents to stipulate as follows:

- Respondents hereby withdraw their request for a hearing. The undersigned OIC staff attorney and one of the counsel for Respondents, Daren Oved, discussed the matter, and the undersigned OIC staff attorney has no objection to this withdrawal.
- Respondents understand and agree that by their withdrawal, there will be no hearing, and that the order No. 10-0199 will remain in full force and effect. Respondents have been made no promises for their withdrawal of their hearing request, and there are no side agreements regarding their withdrawal. By their withdrawal, Respondents understand that they are relinquishing any and all right to further contest or appeal OIC's order No. 10-0199.

SO STIPULATED, this 24th day of January, 2011.



Alan Michael Singer
Office of the Insurance Commissioner
Legal Affairs Division, Staff Attorney



Brian S. Tretter
Oved & Oved, LLP
Counsel for Respondents