

**Cairns, Kelly (OIC)**

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**From:** Waters, Paige D. [PWaters@lockelord.com]  
**Sent:** Tuesday, February 21, 2012 3:42 PM  
**To:** Cairns, Kelly (OIC); OIC Hearings Unit  
**Cc:** Philhower, Andrea (OIC)  
**Subject:** Request for a Hearing In Connection With The Attached Orders  
**Attachments:** doc00805820120213062241-c-c.pdf; doc00805920120213062303-c-c.pdf

FILED

2012 FEB 22 A 9:20  
Paige D. Waters  
Chief Hearing Officer

Dear Ms. Cairnes, my clients, The Choice Manufacturing Company, Inc. and The Independent Dealer Group, Inc., respectfully request a hearing in the attached actions brought by the Washington Office of Insurance. We understand that pending the requested hearings in both matters, the respective Cease & Desist and Revocation Orders will be stayed pending the requested hearings. In the interim, we are working with the Washington OIC through Ms. Philhower to resolve the issues. Please let me know if you require any additional information in order to effectuate a stay of the attached Orders. Thanks very much. Paige

**Paige D. Waters**  
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Locke Lord LLP  
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OFFICE OF  
INSURANCE COMMISSIONER

RECEIVED 12-03-09

In the Matter of )  
 )  
 THE CHOICE MANUFACTURING )  
 COMPANY, INC., )  
 a.k.a. )  
 THE CHOICE WARRANTY, INC. )  
 An Unauthorized Entity )  
 )  
 And )  
 )  
 PETER MASI, )  
 Its principal, )  
 )  
 Respondents. )

No. 12-0039

ORDER TO CEASE AND DESIST

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Pursuant to RCW 48.02.080 of the Washington Insurance Code ("Code"), the Insurance Commissioner of the State of Washington orders The Choice Manufacturing Company, Inc. a.k.a. The Choice Warranty, Inc. (the "Choice company") and all of its officers, directors, trustees, employees, agents, and affiliates; as well as Peter Masi, its sole shareholder (collectively, "Respondents") to immediately cease and desist from further violating the Code by doing business in Washington as a Service Contract Provider or Protection Product Guarantee Provider without obtaining authorization under Chapter 48.110 RCW. This Order includes requiring Respondent to cease sale of its Prolong Plus vehicle warranty in Washington or to Washington residents.

**THIS ORDER IS BASED ON THE FOLLOWING:**

1. The Washington State Office of the Insurance Commissioner ("OIC") received complaints from three consumers who had purchased from Respondents a vehicle warranty called "Prolong Plus." Each consumer claimed that Respondents had improperly denied claims under the warranty.
2. The Prolong Plus warranty required the consumers to put additives into the radiators, engine oil, air conditioning, and/or batteries of the covered vehicles. The additives are manufactured by Respondents. Respondent Choice company is the entity offering the Prolong Plus warranty.
3. In each case, the consumer was required to provide his or her address. In each case, the address was in Washington. In each case, the additives were mailed to the consumers at addresses in Washington.



4. Respondent Choice company is not an authorized service contract or protection product guarantee provider in Washington. Respondent Choice company sought to become authorized as a protection product guarantee provider in 2008, but the application was denied because the Choice company failed to meet the requirements of Chapter 48.110 RCW in several respects.
5. Despite the denial of the Choice company's application for authorization, Respondents continued the unauthorized sale of the Prolong Plus vehicle warranty in Washington.
6. Respondents' unauthorized sale of the Prolong Plus warranty in Washington violates Chapter 48.110 RCW.
7. Moreover, when the Washington State Office of the Insurance Commissioner ("OIC") sought to investigate these violations, Mr. Masi and the Choice company refused to provide information or otherwise cooperate with the investigation.
8. Respondents' refusal to cooperate with the investigation into its unauthorized activities as a service contract provider or protection product guarantee provider violates RCW 48.110.120(1).

Any violation of the terms of this Order by Respondents, their officers, directors, agents, or employees, or affiliates, will render the violator(s) subject to the full penalties authorized by RCW 48.02.080, 48.05.140, and other applicable sections of the Insurance Code of the State of Washington.

Respondents are personally liable for the performance of all unauthorized service contracts or protection product guarantees sold by Respondents under RCW 48.15.020. Such contracts are voidable except at the instance of the insurer under RCW 48.15.030.

Respondents have the right to demand a hearing pursuant to RCW Chapters 48.04 and 34.05. This Order shall remain in effect subject to the further order of the Commissioner.

THIS ORDER IS EFFECTIVE IMMEDIATELY AND IS ENTERED at Tumwater, Washington, this 10<sup>th</sup> day of February, 2012.

MIKE KREIDLER  
Insurance Commissioner

By:   
Andrea L. Philhower, Staff Attorney  
Legal Affairs Division

CERTIFICATE OF MAILING

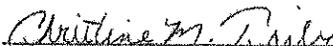
The undersigned certifies under the penalty of perjury under the laws of the State of Washington that I am now and at all times herein mentioned, a citizen of the United States, a resident of the State of Washington, over the age of eighteen years, not a party to or interested in the above-entitled action, and competent to be a witness herein.

On the date given below I caused to be served the foregoing ORDER TO CEASE AND DESIST on the following Individual and Corporation via US Mail.

The Choice Manufacturing Company, Inc.  
a.k.a. The Choice Warranty, Inc.  
c/o Timothy G. Schoenwalder  
204 South Monroe Street  
Tallahassee, FL 32301  
[ts@blanklaw.com](mailto:ts@blanklaw.com)

The Choice Manufacturing Company, Inc.  
Peter Masi, Principal  
777 Corporate Drive  
Mahwah, New Jersey, 07430  
[prmasi@asi-profits.com](mailto:prmasi@asi-profits.com)

SIGNED this 10<sup>th</sup> day of February 10, 2012, at Tumwater, Washington.

  
Christine M. Tribe



OFFICE OF  
INSURANCE COMMISSIONER

RECEIVED FEB 13 2012

In the Matter of	)	No. 12-0040
	)	
INDEPENDENT DEALER GROUP, INC.,	)	ORDER REVOKING REGISTRATION
	)	
A Registered Service Contract Provider and	)	
Protection Product Guarantee Provider	)	
	)	

To: Tara Darcy  
 Independent Dealer Group, Inc.  
 777 Corporate Dr.  
 Mahwah, New Jersey, 07430

Independent Dealer Group, Inc.  
 PO Box 802  
 Mahwah, New Jersey, 07430

IT IS ORDERED AND YOU ARE HEREBY NOTIFIED that, pursuant to RCW 48.110.030(4); RCW 48.110.120(2); and RCW 48.110.130(1)(a)(b),(d), (e), and (l); the registrations as a Service Contract Provider and as a Protection Product Guarantee Provider, Washington State OIC Number 500498, issued to Independent Dealer Group, Inc., are REVOKED, effective February 28, 2012.

THIS ORDER IS BASED ON THE FOLLOWING:

Independent Dealer Group, Inc. is wholly owned by a single shareholder, Peter Masi. Mr. Masi also wholly owns, as the sole shareholder, The Choice Manufacturing Co., Inc., also known as The Choice Warranty, Inc. (hereinafter, the "Choice company"). Both Independent Dealer Group, Inc. and the Choice company are New Jersey Corporations.

Upon information and belief, both companies also share officers, directors, management, employees, representatives, premises, practices, and other business assets in common.

The Choice company sought to become authorized as a protection product guarantee provider in Washington State in 2008, but the application was denied because the Choice company failed to meet the requirements of Chapter 48.110 RCW in several respects. Despite the denial of the Choice company's application for authorization, the Choice company and its sole owner, Peter Masi, knowingly engaged in the unauthorized sale of the Prolong Plus vehicle warranty in Washington.



ORDER REVOKING REGISTRATION

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company's application for authorization, the Choice company and its sole owner, Peter Masi, knowingly engaged in the unauthorized sale of the Prolong Plus vehicle warranty in Washington.

The Choice company's unauthorized sale of the Prolong Plus warranty in Washington violates Chapter 48.110 RCW and is the subject of Cease and Desist Order No. 12-0039.

Peter Masi, as the principal individual responsible for the conduct of the affairs of the Choice company has demonstrated by his conduct in transacting insurance through his unregistered company that he is not competent, trustworthy, or financially responsible under RCW 48.110.030(4). As a result, RCW 48.110.130(1)(e) authorizes OIC to revoke the registrations of Independent Dealer Group, Inc. due to Mr. Masi's responsibility for the insurance sales to Washington residents of the Choice Warranty, Inc.

As additional, independent authority for revocation, the foregoing facts authorize OIC to revoke the registrations of Independent Dealer Group, Inc. under RCW 48.110.130(1)(d), due to its affiliation, sharing of general management, interlocking directorate and/or ownership with the Choice company.

NOTICE. Without its registration, Independent Dealer Group, Inc. may not act as, offer to act as, or hold itself out to be a service contract provider or protection product guarantee provider in Washington. It may not sell contracts to consumers within this State.

NOTICE CONCERNING YOUR RIGHT TO A HEARING. If you are aggrieved by this Order, RCW 48.04.010 permits you to demand a hearing. Pursuant to that statute and others: You must demand a hearing, in writing, within 90 days after the date of this Order, which is the day it was mailed to you, or you will waive your right to a hearing. Your demand for a hearing must specify briefly the reasons why you think this Order should be changed. Upon receipt of your demand for hearing, you will be contacted by an assistant of the Chief Hearing Officer to schedule a teleconference with you and the Insurance Commissioner's Office to discuss the hearing and the procedures to be followed.

Please send any demand for hearing to Insurance Commissioner, attention Hearings Unit, Office of the Insurance Commissioner, P.O. Box 40259, Olympia, WA 98504-0259, with a copy to the undersigned.

ENTERED AT TUMWATER, WASHINGTON, this 10<sup>th</sup> day of February, 2012.

MIKE KREIDLER  
Insurance Commissioner

By Andrea L. Pullman

CERTIFICATE OF MAILING

The undersigned certifies under the penalty of perjury under the laws of the State of Washington that I am now and at all times herein mentioned, a citizen of the United States, a resident of the State of Washington, over the age of eighteen years, not a party to or interested in the above-entitled action, and competent to be a witness herein.

On the date given below I caused to be served the foregoing ORDER REVOKING REGISTRATION on the following Corporation via US Mail.

To: Tara Darcy  
Independent Dealer Group, Inc.  
777 Corporate Dr.  
Mahwah, New Jersey, 07430

Independent Dealer Group, Inc.  
PO Box 802  
Mahwah, New Jersey, 07430

SIGNED this 10<sup>th</sup> day of February 10, 2012, at Tumwater, Washington.

  
Christine M. Tribe