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OFFICE OF
INSURANCE COMMISSIONER

2012 APR 19 P 12:05

HEARINGS UNIT
Fax: (360) 664-2782

Patricia D. Petersen
Chief Hearing Officer
(360) 725-7105

Hearings Unit
Patricia D. Petersen
Kelly A. Cairns
Paralegal
(360) 725-7002
hearings@oic.wa.gov

BEFORE THE STATE OF WASHINGTON
OFFICE OF INSURANCE COMMISSIONER

In the Matter of

**The Choice Manufacturing Company,
Inc., a.k.a. The Choice Warranty, Inc.,**

An Unauthorized Entity,

and Peter Masi,

Its Principal.

) **Docket Nos. 12-0039 and 12-0040**

) **NOTICE OF HEARING**

In the Matter of

Independent Dealer Group, Inc.,

**A Registered Service Contract Provider
and Protection Product Guarantee
Provider.**

~~TO:~~ The Choice Manufacturing Co., Inc.
a.k.a. The Choice Warranty, Inc.
c/o. Timothy G. Schoenwalder
204 South Monroe Street
Tallahassee, FL 32301

The Choice Manufacturing Co., Inc.
Peter Masi, Principal
777 Corporate Drive
Mahwah, New Jersey 07430

Tara Darcy
Independent Dealer Group, Inc.
777 Corporate Drive
Mahwah, New Jersey 07430

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

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Paige D. Waters, Esq.
Locke Lord LLP
111 South Wacker Drive
Chicago, IL 60606

COPY TO: Mike Kreidler, Insurance Commissioner
Michael G. Watson, Chief Deputy Insurance Commissioner
John F. Hamje, Deputy Commissioner, Consumer Protection Division
Andrea Philhower, Staff Attorney, Legal Affairs Division
Carol Sureau, Deputy Commissioner, Legal Affairs Division
Office of the Insurance Commissioner
PO Box 40255
Olympia, WA 98504-0255

On February 10, 2012, the Insurance Commissioner (OIC) issued an Order to Cease and Desist, No. 12-0039, against The Choice Manufacturing Company, Inc. a.k.a. The Choice Warranty, Inc. and Peter Masi, its principal (collectively referred to hereinafter as "Choice") requiring that it immediately cease and desist from what the OIC alleges are violations of the Insurance Code by selling its Prolong Plus vehicle warranty in Washington or to Washington residents, thus acting as a Service Contract Provider or Protection Product Guarantee Provider, without having obtained authorization under Chapter 48.110, RCW. In addition, on February 10, 2012, the OIC issued an Order Revoking Registration No. 12-0040, revoking the registration of Independent Dealer Group, Inc. ("IDG") as a Service Contract Provider and as a Protection Product Guarantee Provider, Washington State OIC Number 500498, due to IDG's affiliation, sharing of general management, and interlocking directorate and/or ownership with Choice.

On February 21, 2012, The Choice Manufacturing Company, Inc. and Peter Masi, its principal, and Independent Dealer Group, Inc., filed a Demand for Hearing to contest both Orders. Said Demand for Hearing was filed by and through Paige D. Waters, Esq. of Locke Lord LLP, their attorney.

Accordingly, on March 5, 2012, the undersigned held a first prehearing conference which included all parties. The OIC was represented by Andrea Philhower, Esq., Staff Attorney in the Legal Affairs Division. Choice, Peter Masi and IDG were represented by Paige D. Waters, Esq. of Locke Lord LLP of Chicago, Illinois. The undersigned reviewed procedure to be expected at hearing and answered all questions and concerns of the parties. Of note, the undersigned advised that while the Order Revoking Registration herein was automatically stayed pursuant to RCW 48.04.020, the Order to Cease and Desist was not. During said prehearing conference the parties agreed that the hearing herein should take place on May 7, 2012, commencing at 10 a.m. in person.

Accordingly, **YOU ARE HEREBY NOTIFIED that a hearing will be held commencing on Monday, May 7 at 10:00 a.m. Pacific Standard Time and continuing on each successive day until terminated.** The purpose of this hearing, which will include all parties, is to consider

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Choice and IDG's challenge to the OIC's Order to Cease and Desist and the OIC's Order Revoking Registration.

The OIC will appear by and through Andrea Philhower, Staff Attorney in the Legal Affairs Division. Ms. Philhower's address is Office of the Insurance Commissioner, Legal Affairs Division, P.O. Box 40255, Olympia, WA 98504-0255 and her telephone number is (360) 725-7063. Choice and IDG will appear and will be represented by Paige D. Waters, Esq. Ms. Water's address is Locke Lord LLP, 111 South Wacker Drive, Chicago, Illinois 60606, and her telephone number is (312) 443-1815.

Patricia D. Petersen, Esq., Presiding Officer, who serves as Chief Hearing Officer for the Office of the Insurance Commissioner, has been designated to hear and determine this matter. Her address is Office of Insurance Commissioner, P.O. Box 40255, Olympia, Washington 98504-0255. Her telephone number is (360) 725-7105. All interested individuals and entities who have questions or concerns concerning this proceeding should direct them to her paralegal Kelly Cairns, at the same address. Ms. Cairns' telephone number is (360) 725-7002.

The hearing will be held under the authority granted by the Commissioner under Chapter 48.04 RCW. The basic facts relied upon are those set forth above, which are more specifically included in the OIC's above referenced Order to Cease and Desist and Order Revoking Registration and in Choice and IDG's above referenced Demand for Hearing.

The hearing will be governed by the Administrative Procedure Act, Chapter 34.05 RCW, and the model rules of procedure contained in Chapter 10-08 WAC. All parties may be represented at the hearing. They may examine witnesses and fully respond and present evidence and argument on all issues involved.

As required by RCW 34.05.434(2)(i), you are advised that a party who fails to attend or participate in any stage of the proceeding may be held in default in accordance with Chapter 34.05 RCW.

Pursuant to WAC 10-08-040(2) and in accordance with ch. 2.42 RCW, if a limited English speaking or hearing impaired or speech impaired party or witness needs an interpreter, a qualified interpreter will be appointed. There will be no cost to the party or witness therefore, except as may be provided by ch. 2.42 RCW. A Request for Interpreter form is attached to the original of this Notice, with instructions thereon.

This Notice is provided pursuant to RCW 48.04.010 and RCW 34.05.434.

Based upon the above activity,

IT IS HEREBY ORDERED that the adjudicative proceeding in this matter shall commence on May 7, 2012, at 10:00 a.m. Pacific Standard Time in the Office of the Insurance Commissioner, 5000 Capitol Blvd., Tumwater, WA and continuing on each successive day until terminated.

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ENTERED AT TUMWATER, WASHINGTON, this 19th day of April, 2012, pursuant to Title 48 RCW and specifically RCW 48.04 and Title 34 RCW and regulations applicable thereto.



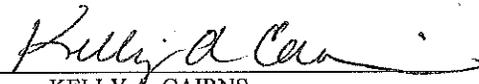
PATRICIA D. PETERSEN
Presiding Officer

Attachment

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 above identified individuals at their addresses listed above.

DATED this 19th day of April, 2012.



KELLY A. CAIRNS

HEARINGS UNIT
Fax: (360) 664-2782

Patricia D. Petersen
Chief Hearing Officer
(360) 725-7105

Hearings Unit
Paralegal
(360) 725-7002
Hearings@oic.wa.gov

To request an interpreter, complete and mail this form to:

Chief Hearing Officer
Office of Insurance Commissioner
P.O. Box 40255
Olympia, WA 98504-0255

REQUEST FOR INTERPRETER

I am a party or witness in Matter No. 12-0039 and 12-0040, before the Insurance Commissioner. I NEED AN INTERPRETER and request that one be furnished.

Please check the statements that apply to you:

I am a non-English-speaking person. I cannot readily speak or understand the English language. My primary language is _____ (insert your primary language). I need an interpreter who can translate to and from the primary language and English.

I am unable to readily understand or communicate the spoken English language because:

- I am deaf.
- I have an impairment of hearing.
- I have an impairment of speech.

[Please state below or on the reverse side any details which would assist the Commissioner or Presiding Officer in arranging for a suitable interpreter or in providing appropriate mechanical or electronic amplification, viewing, or communication equipment.]

Date: _____

Signed: _____

Please print or type your name: _____

Address: _____

Telephone: _____