

STATE OF WASHINGTON

Phone: (360) 725-7000
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FILED

OCT 15 2008

Hearings Unit, OIC
Patricia D Petersen
Chief Hearing Officer



OFFICE OF
INSURANCE COMMISSIONER
HEARINGS UNIT

Fax: (360) 664-2782

STATE OF WASHINGTON
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
of a true copy of this document to
parties listed below
DATED this *16* day of *Oct 2008*
at Tumwater, Washington.

Signed: *Wendy Galloway*

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

Wendy Galloway
Paralegal
(360) 725-7002
Wendyg@oic.wa.gov

BEFORE THE STATE OF WASHINGTON
OFFICE OF INSURANCE COMMISSIONER

In the Matter of:)	
)	No. D08-0103
HELZBERG DIAMOND SHOPS, INC.,)	
)	NOTICE OF HEARING
A Washington State Service Contract)	
Provider.)	

TO: Michele Swarts, Divisional VP-Controller
Helzberg's Diamond Shops, Inc.
1825 Swift Avenue
North Kansas City, Missouri 64116

Lori Beam, Esquire
Seigfreid, Bingham, Levy, Selzer & Gee
911 Main Street, Suite 2800
Kansas, City, Missouri 64105

Rachel Baker, Esquire
Seigfreid, Bingham, Levy, Selzer & Gee
911 Main Street, Suite 2800
Kansas City, Missouri 64105

COPY TO: Mike Kreidler, Insurance Commissioner
Vernon Stoner, Chief Deputy Insurance Commissioner
James T. Odiome, Deputy Commissioner, Company Supervision Div.
Carol Sureau, Deputy Commissioner, Legal Affairs Division
Andrea Philhower, Staff Attorney, Legal Affairs Division
Office of the Insurance Commissioner
PO Box 40255
Olympia, WA 98504-0255

On June 20, 2008, a Demand for Hearing was received from Michele Swarts, Divisional Vice President-Controller of Helzberg's Diamond Shops, Incorporated ("Helzberg"). The purpose of said Demand for Hearing is to contest the Insurance Commissioner's ("Commissioner") June 9, 2008 Notice of Intent to Suspend the Registration of Helzberg Diamond Shops, Incorporated to act as a service contract provider in Washington State. The Commissioner's basis for the order of suspension is that Helzberg Diamond Shops, Inc., (1) failed to demonstrate that it meets the indemnification requirements for service contracts required under RCW 48.110.050(2); and (2) failed to submit its audited financial statement or other acceptable financial report, as required under RCW 48.110.030(2)(c) and 48.110.130(1)(e). Because Helzberg's request was received pursuant to RCW 48.04.020, the demand for hearing stays issuance of the order pending a hearing on this matter. Helzberg states that it has submitted documents that demonstrate its compliance with these statutes and hereby appeals the decision and order of the Commissioner.

On August 6, 2008, the undersigned held a first prehearing teleconference in this matter. Helzberg appeared by and through Rachel Baker, Esq. and Lori Beam, Esq. of Seigfreid, Bingham, Levy, Selzer & Gee of Kansas City, Missouri. The Commissioner appeared pro se, by and through Alan Singer, Staff Attorney in the OIC's Legal Affairs Division. During said prehearing conference, the undersigned reviewed administrative procedure and addressed all questions and concerns of the parties. It was stated by the parties that they were working on negotiations and that more time is necessary to continue their discussions. It was agreed that a second prehearing conference would be held in 60 days.

Accordingly, a second prehearing conference was scheduled on October 6, 2008 to discuss the status of the case. Helzberg appeared by and through Ms. Baker and Ms. Beam. The OIC appeared pro se, by and through Andrea Philhower, Staff Attorney in the OIC's Legal Affairs Division. During the second prehearing conference a hearing date was scheduled to be held on Tuesday, January 6, 2009, at 10 a.m., Pacific Standard Time, in person. Prior to the scheduled hearing, it was agreed that the Commissioner would file his brief no later than January 2, 2009, and Helzberg's brief would be due on or before January 5, 2009. Any future questions or concerns, or requests for additional prehearing conferences, which may arise, may be directed by any party to Wendy Galloway, Paralegal to the undersigned, who can be reached by telephone at (360) 725-7002, or at the above address.

The hearing will be held under the authority of Title 48 RCW and specifically RCW 48.04, Title 34 RCW and regulations applicable thereto. Helzberg will be represented by Rachel Baker, Esq. and Lori Beam, Esq. of Seigfreid, Bingham, Levy, Selzer & Gee, 911 Main Street, Suite 2800, of Kansas City, Missouri. They can be reached by telephone at (816) 421-4460. The Commissioner will appear pro se, by and through Andrea Philhower, Staff Attorney in the OIC's Legal Affairs Division. Her address is Office of the Insurance Commissioner, P.O. Box 40255, Olympia, WA 98504-0255, and her telephone number is (360) 725-7063.

As required by RCW 34.05.434(2)(I), you are advised that a party who fails to attend or participate in the hearing or other stage of the adjudicative proceeding may be held in default in accordance with ch. 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 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 in person on **Tuesday, January 6, 2009, at the hour of 10 a.m., Pacific Standard Time**, in the Office of the Insurance Commissioner, located at 5000 Capitol Boulevard, Tumwater, Washington 98501.

ENTERED AT TUMWATER, WASHINGTON, this 15th day of October, 2008 pursuant to RCW 48.04, Title 34 RCW and applicable regulations.



PATRICIA D. PETERSEN
Chief Hearing Officer
Presiding Officer



OFFICE OF
INSURANCE COMMISSIONER
HEARINGS UNIT

Fax: (360) 664-2782

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

Wendy Galloway
Paralegal
(360) 725-7002
wendyg@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, Washington 98504-0255

REQUEST FOR INTERPRETER

I am a party or witness in Matter No. _____, 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: _____

