MIKE KREIDLER
STATE INSURANCE COMMISSIONER

STATE OF WASHINGTON

OFFICE OF
INSURANCE COMMISSIONER

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June 9, 2008

LONNIE J. LAWTON; SR VP, CFO
HELZBERG DIAMOND SHOPS
1825 SWIFT
N KANSAS CITY MO 64116-3671

Re: Notice of Intent to Suspend Registration
Issued to Helzberg Diamond Shops Inc (OIC No. 193108)

Dear Mr. Lawton:

Notice is hereby given pursuant to RCW 48.110.130(1) that on June 23, 2008, an order will be entered suspending the registration of Helzberg Diamond Shops Inc to act as a service contract provider. The order will not relieve Helzberg Diamond Shops Inc from its obligations to comply with Chapter 48.110 RCW.

The 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); (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).

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

Sincerely,

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

cc: Vernon E. Stoner, Chief Deputy Insurance Commissioner