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STATE OF WASHINGTON
OFFICE OF THE INSURANCE COMMISSIONER

In the Matter of

Order No. 14-0117

GLOBAL WARRANTY GROUP, LLC,
d/b/a www.globalwarrantygroup.com,
and WIRELESS PROTECTION
PROGRAM ASSOCIATION d/b/a
www.wirelessprotectionprogram.com,
and ARTHUR KRANTZ, CHARLES S.
PIPIA, and ANDREW J. SCHENKER,
Unauthorized entities and individuals.

OIC RESPONSE TO GLOBAL
WARRANTY'S MOTION TO
DISMISS OIC'S ACTION
AGAINST UNAUTHORIZED
INDIVIDUALS CHARLES S.
PIPIA, ARTHUR KRANTZ,
AND ANDREW J. SCHENKER

The Insurance Commissioner for the state of Washington ("OIC"), by and through the undersigned, his authorized designee, submits the following Response in opposition to this second Motion to Dismiss by the above-named unauthorized entities and individuals ("Global Warranty"). This Response is based on the pleadings in this case and the subjoined Declaration of Darryl Colman, with attachments thereto.

OIC has jurisdiction over Charles S. Pipia ("Pipia"), Arthur Krantz ("Krantz"), and Andrew J. Schenker ("Schenker"), the unauthorized individuals who are the owners as well as chief officers of Global Warranty Group and Wireless Protection Program Association ("WPPA"), the closely-held corporations that are also subject to this enforcement action. Pipia, Krantz, and Schenker, who own and control Global Warranty

1 Group and WPPA, directed or approved Global Warranty's substantial business
2 conducted in Washington, and also knowingly approved of conducting unauthorized
3 business in this state. Therefore, the conduct of Pipia, Krantz, and Schenker provides
4 direct and substantial contacts to Washington state and the regulatory authority of OIC,
5 resulting in personal jurisdiction over the individuals. Accordingly, Global Warranty's
6 motion to dismiss should be denied.

7 **ANALYSIS**

8 A. Personal Jurisdiction Standard

9 "Washington courts are authorized to assert personal jurisdiction over
10 nonresident defendants to the extent permitted by the federal due process clause." *Failla*
11 *v. FixtureOne Corp.*, 2014 Wash. LEXIS 774, slip op. pg. 6 (Wash. Oct. 2, 2014) (citing
12 *Shute v. Carnival Cruise Lines*, 113 Wn.2d 763, 766-67 (1989)). "States can exercise
13 jurisdiction without violating due process if the nonresident defendant has certain
14 minimum contacts with the state such that the maintenance of the suit does not offend
15 traditional notions of fair play and substantial justice." *Failla*, slip op. pg. 6 (citation
16 omitted; *see also International Shoe Co. v. Washington*, 326 U.S. 310 (1945)). With
17 respect to corporate officers, while it is true that:

18 "a corporation's actions cannot be simply imputed to a corporate officer or
19 employee for purposes of determining whether there are minimum
20 contacts necessary to establish jurisdiction ... it is just as true that an
21 officer or employee is not automatically shielded from personal
22 jurisdiction just because his contacts occurred in the context of his
employment."

23 *Failla*, slip op. pg. 8. Instead, personal jurisdiction of individual officers of corporate
24 defendants is evaluated on a case-by-case basis. *Id.*

25 B. Unauthorized Individuals' Business Contacts With Washington

26 "The central concern of the federal constitutional inquiry is the relationship
27 between the defendant, the forum, and the litigation." *Failla*, slip op. pg. 6 (citation
28 omitted). The United States Supreme Court has explained that:

1 “Jurisdiction in these circumstances may not be avoided merely because
2 the defendant did not physically enter the forum State. Although territorial
3 presence frequently will enhance a potential defendant's affiliation with a
4 State and reinforce the reasonable foreseeability of suit there, it is an
5 inescapable fact of modern commercial life that a substantial amount of
6 business is transacted solely by mail and wire communications across state
7 lines, thus obviating the need for physical presence within a State in which
8 business is conducted. So long as a commercial actor's efforts are
‘purposefully directed’ toward residents of another State, we have
consistently rejected the notion that an absence of physical contacts can
defeat personal jurisdiction there.”

9 *Burger King Corp. v. Rudzewicz*, 471 U.S. 462, 476 (1985).

10 Here, Global Warranty “purposefully directed” its commercial activities toward
11 Washington, doing considerable business in this state. At least 66,000 contracts were
12 sold to Washington consumers between 2010 and 2013, resulting in nearly \$450,000 in
13 sales. This substantial business was directed by, or at least approved of, by Pipia,
14 Krantz, and Schenker. Pipia and Krantz are the sole owners of Global Warranty Group,
15 while Schenker is the chief financial officer (“CFO”) and vice president. (Exhibit A to
16 the subjoined Declaration of Darryl E. Colman, page 2.) Pipia is president; Krantz is
17 secretary, director, and treasurer; and Schenker is director and CFO of WPPA; all three
18 are the sole listed officers of WPPA. (Exhibit B to the Declaration of Darryl E.
19 Colman.) Thus, Pipia, Krantz, and Schenker comprise both the corporate ownership and
20 leadership of Global Warranty, and there is no indication that any major corporate action
21 is taken without their direction or approval. Moreover, Schenker personally responded
22 to OIC’s inquiries in this matter, and Pipia actively participated in and directly received
23 OIC’s response to Global Warranty’s unsuccessful application for service contract
24 provider registration. (Exhibits A and C to the Declaration of Darryl E. Colman.) As
25 Pipia, Krantz, and Schenker directed or had final approval of this business activity
26 directed at Washington, they have sufficient minimum contacts with this state so that
27 OIC may properly exercise personal jurisdiction over them in this enforcement action.
28 *Failla*, slip op. pg. 14; *see also Burger King*, 417 U.S. at 472.

1 C. Individuals' Responsibility For Corporate Wrongdoing

2 "If a corporate officer participates in wrongful conduct or with knowledge
3 approves of the conduct, then the officer, as well as the corporation, is liable for the
4 penalties." *Grayson v. Nordic Constr. Co.*, 92 Wn.2d 548, 554 (1979) (citing *State v.*
5 *Ralph Williams' N. W. Chrysler Plymouth*, 87 Wn.2d 298, 322 (1976) and *Johnson v.*
6 *Harrigan-Peach Land Dev. Co.*, 79 Wn.2d 745, 749 (1971)). "Corporate officers cannot
7 use the corporate form to shield themselves from individual liability." *Ralph Williams*,
8 87 Wn.2d at 322 (citing *Johnson*, 79 Wn.2d at 752). The Washington Supreme Court
9 has determined that "a deceptive practice in violation of the Consumer Protection Act" is
10 a type of "wrongful conduct" which justifies "imposing personal liability on a
11 participating corporate officer." *Grayson*, 92 Wn.2d at 554 (citing *Ralph Williams*, 87
12 Wn.2d 298).

13 The Insurance Code Chapter 48.100, which regulates service contracts, provides
14 in relevant part that

15 "the practices covered by this chapter are matters vitally affecting the
16 public interest for the purpose of applying the consumer protection act,
17 chapter 19.86 RCW. Violations of this chapter are not reasonable in
18 relation to the development and preservation of business. A violation of
19 this chapter is an unfair or deceptive act or practice in the conduct of trade
20 or commerce and an unfair method of competition, as specifically
21 contemplated by RCW 19.86.020, and is a violation of the consumer
22 protection act, chapter 19.86 RCW."

23 RCW 48.110.140 (emphasis added). Failing to register as a service contract provider
24 clearly violates Chapter 48.110 RCW:

25 "A person may not act as, or offer to act as, or hold himself or herself out
26 to be a service contract provider in this state, nor may a service contract be
27 sold to a consumer in this state, unless the service contract provider has a
28 valid registration as a service contract provider issued by the
29 commissioner."
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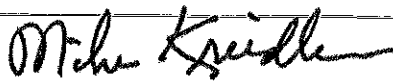
1 RCW 48.110.030(1). Accordingly, Global Warranty's sale of service contracts without
2 having registered as a service contract provider is an unfair and deceptive act that
3 violates the Consumer Protection Act. RCW 48.110.030(1); RCW 48.110.140.

4 Under *Grayson*, supra, any corporate officer who knowingly approves of or
5 participates in violations of the Consumer Protection Act commits "wrongful conduct,"
6 justifying the imposition of personal liability on the officer. 92 Wn.2d at 554 (citing
7 *Ralph Williams*, 87 Wn.2d 298). Pipia, 50% owner of Global Warranty Group and
8 president of WPPA, directly received notice that Global Warranty's application for
9 service contractor registration was denied in 2010. (Exhibit A to the Declaration of
10 Darryl E. Colman, page 2; Exhibit C to the Declaration of Darryl E. Colman). Krantz is
11 the only other owner of Global Warranty Group; Schenker is vice president, CFO, and
12 regulatory point of contact for Global Warranty; and Krantz and Schenker are the
13 remaining officers of WPPA. (Exhibit A to the Declaration of Darryl E. Colman, page
14 2; Exhibit B to the Declaration of Darryl E. Colman). Pipia, Krantz, and Schenker are
15 the corporate leadership of Global Warranty, and collectively had knowledge that
16 registration with OIC was required to do their business in Washington. (*Id.*; Exhibit C
17 to the Declaration of Darryl E. Colman). Thus, these owners and officers knew, or
18 should have known, that doing substantial business in Washington without authorization
19 violated Washington law. See RCW 48.110.030(1); RCW 48.110.140.

20 That Pipia, Krantz, and Schenker continued to do substantial business in
21 Washington without authorization represents a knowing commission of wrongful,
22 unfair, and deceptive conduct, justifying the imposition of personal liability on them in
23 this matter. *Grayson*, 92 Wn.2d at 554 (citing *Ralph Williams*, 87 Wn.2d 298). Their
24 actions, while illegal, were purposefully directed at Washington consumers. *Burger*
25 *King*, 417 U.S. at 472. Pipia, Krantz, and Schenker, Global Warranty's corporate
26 leadership, directed the unauthorized business activity transacted in Washington State,
27 directly giving rise to OIC's enforcement action. It is reasonable and appropriate for
28 Washington to exercise personal jurisdiction over Pipia, Krantz, and Schenker, in order
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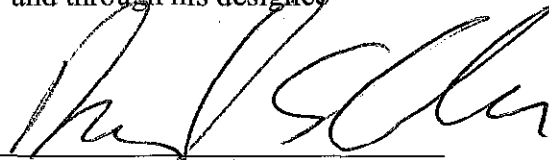
1 to hold them personally liable for failing to comply with Washington law. *See Failla,*
2 slip op. pg. 14-15. Therefore, OIC respectfully requests that the Presiding Officer deny
3 Global Warranty's Motion to Dismiss Pipia, Krantz, and Schenker from this action.
4

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8 DATED this 27th day of October, 2014.
9

10 

11 MIKE KREIDLER
12 Insurance Commissioner

13 By and through his designee

14 

15
16 Darryl E. Colman
17 OIC Insurance Enforcement Specialist
18 Legal Affairs Division

19 **DECLARATION:**

20
21 1. I am the Insurance Commissioner's designee, authorized to present the
22 facts of this case and OIC's legal reasoning to the Hearings Unit. I make this
23 declaration based on personal knowledge.

24 2. Attached as Exhibit A hereto is a true and accurate copy of a letter from
25 Andrew J. Schenker to former OIC employee Alan Singer, dated April 5, 2013.

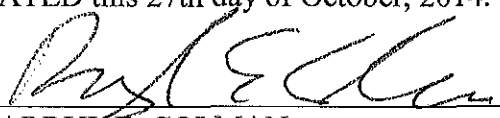
26 3. Attached as Exhibit B hereto is a true and accurate copy of a Biennial
27 Report regarding Wireless Protection Program Association, filed with the Iowa
28 Secretary of State on March 9, 2012, and retrieved from the Iowa Secretary of State by
29 OIC staff.
30

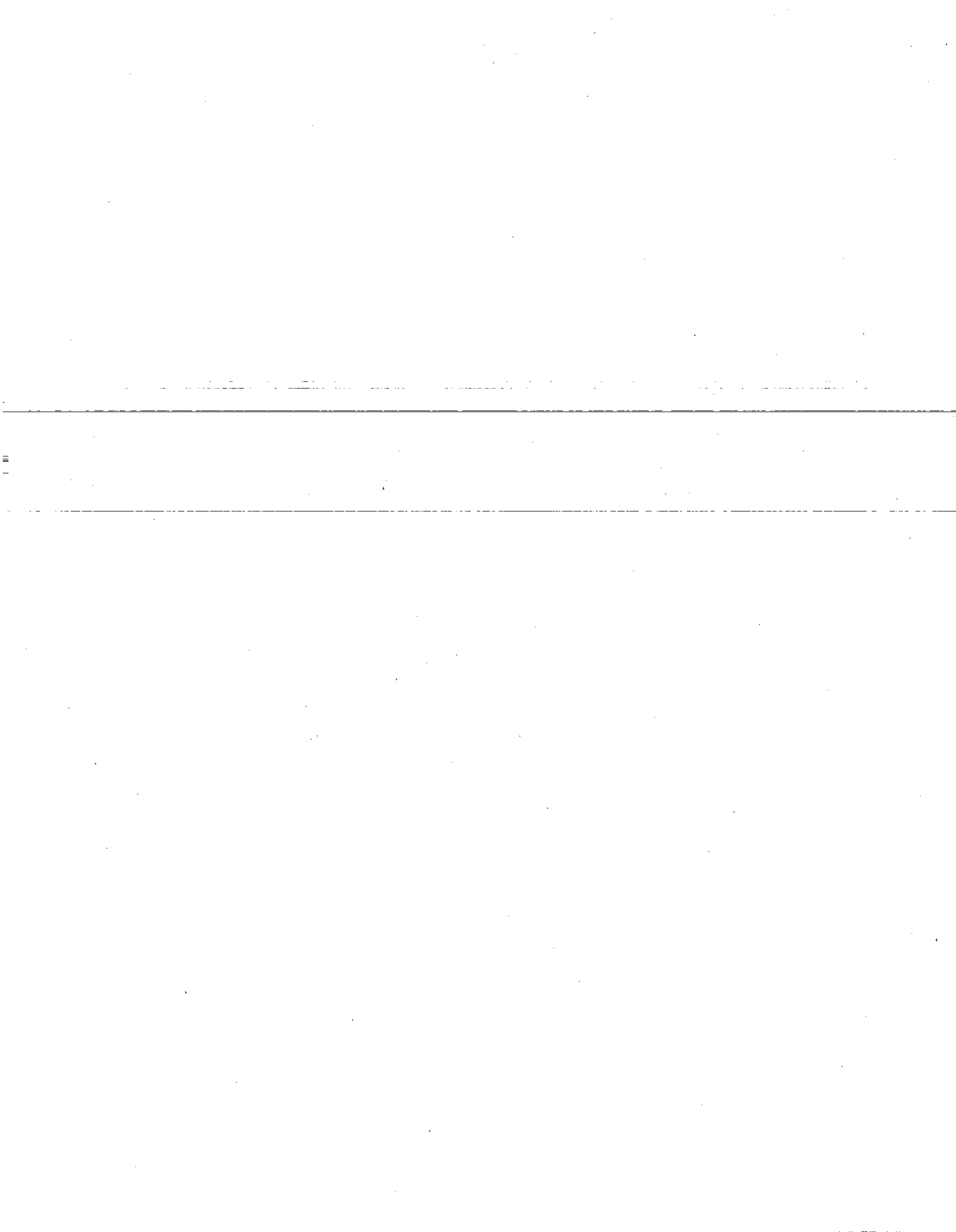
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4. Attached as Exhibit C hereto is an email from Susan Baker, OIC employee, to representatives of Global Warranty Group, including Charles S. Pipia, one of the named unauthorized individuals herein. This email was sent to Mr. Pipia and a Ms. Huett on or about November 16, 2010.

I declare under penalty of perjury under the laws of the state of Washington that the foregoing is true and correct.

DATED this 27th day of October, 2014.


DARRYLE E. COLMAN
OIC Insurance Enforcement Specialist
Legal Affairs Division





April 5, 2013

Washington State Office of the Insurance Commissioner
PO Box 40255
Olympia, Washington 98504-0255
Attn: Alan Michael Singer, Staff Attorney, Legal Affairs

In Re: Global Warranty Group – OIC matter no. 1058462

Dear Mr. Singer;

Below please find my responses to your questions as outlined in your email dated March 19, 2013.

PREMISE: As you can see, one of the attached PDF documents (“5-11-11 Wireless Protection Program Association sales materials”) includes a May 2011 “Wireless Protection Program Extended Service Contract.” It purports to relate the “Wireless Protection Program Association” (“WPPA”) promised coverage for a “Loss” and it sets out the “Terms and Conditions” for its “Handset Maintenance Protection Program.” You will note the “Terms and Conditions” reference Global Warranty Group (“GWG”) as the “administrator.” Regarding this:

1. **QUESTION:** Please fully explain the legal status of the WPPA? For example, is (or was) it a legal entity, such as a limited liability company, or does (did) it not truly exist? If it exists or existed, please fully explain and indicate who owns both WPPA and GWG and identify all of each’s voting and all nonvoting owners, managers, members, principals, officers, capital contributors, and directors. Please also explain the relationship between the WPPA and GWG.

RESPONSE:

- a) Please fully explain the legal status of the WPPA? For example, is (or was) it a legal entity, such as a limited liability company, or does (did) it not truly exist?
 - a. The Wireless Protection Program Association, Inc. (“WPPA”) is a legal entity, with its own federal identification number (EIN 32-0130265), established on October 11, 2004 is currently operating, and is domiciled in Iowa.
 - b) If it exists or existed, please fully explain and indicate who owns both WPPA and GWG and identify all of each’s voting and all nonvoting owners, managers, members, principals, officers, capital contributors, and directors.
 - a. WPPA is owned by its Members.

WPPA has contracted with Global Warranty Group, LLC. (“GWG”) to provide the following services as described in the Managerial Services Agreement;

- a. Provide management personnel and administration of all operations and programs offered by the Association.
- b. Assist in billing, collection and processing of fees. Premiums and other remittances from its members.

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631.750.0300 | Fax 631.750.9617
www.globalwarrantygroup.com

Page 1

EXHIBIT A PAGE



- c. Assist in the administration and processing of claims and disbursements.
- d. Assist in the maintenance of necessary computer and other records.
- e. Assist in the giving of required notices to Members of any lapse of coverage.
- f. Assist in the forwarding to the Association of all written consumer complaints and resolve the same.
- g. Assist in the provision of those standard supplies, contracts and infrastructure needed for the administration of the programs.
- h. Assist in the processing of requests for termination of coverage in accordance with the terms and conditions of the programs,
- i. Assist in the processing of changes requested by Members including name changes, address changes, increases and decreases in coverage amounts, reinstatements, etc...
- j. Assist in the processing and payment of all due and payables fees.
- k. Such other services as may be reasonably required from time to time in connection with the maintenance, support and administration of the products (programs).

c) Regarding Global Warranty Group, LLC. ("GWG") the administrator, it has two members:

- i. Charles Pipia, Member (50%)
- ii. Arthur Krantz, Member (50%)

And two officers:

- iii. Andrew J. Schenker, Sr. VP, Chief Financial Officer
- iv. Karl Lassig, Sr. VP, Chief Operating Officer

2. **QUESTION:** Describe the money flow for this program. Specifically, take me through an example of when a claim is paid: where does the deductible go, who expends time and money meeting the obligation to "cover Loss of Your Covered Product"? Where is GWG at in this money flow chain, and how does what it receives differ from WPPA?

RESPONSE:

a) Describe the money flow for this program.

- a. WPPA recognizes the total funds collected less the amount retained by the dealer, collected by its Members.
- b. The premium is then submitted per its agreement to Starr Indemnity & Liability Company ("Starr") the programs insurance company.
- c. GWG's administration fee pays for time and personnel expended to administer the program, marketing, office supplies, and funds management, etc... needed to support the WPPA program.

b) Specifically, take me through an example of when a claim is paid: where does the deductible go, who expends time and money meeting the obligation to "cover Loss of Your Covered Product"?

- a. The following is an overview of the Claims Process:
- b. Customer contacts the 24/7/365 Claims Center to initiate a claim.

GLOBAL WARRANTY GROUP, LLC | 500 Middle Country Road | St. James, New York 11780
631.750.0300 | Fax 631.750.9617
www.globalwarrantygroup.com



- c. Customer Service Representative (CSR) verifies all claimant contract information.
- d. CSR collects the *deductible* information provided from claimant (credit card information). Credit card is charged via a merchant account and funds transmitted to GWG to be used to offset the cost of the replacement device.
- e. CSR submits the claim for processing.
- f. The claim then moves to the Claims Department where a Claims Representative (CR) reviews the claim to insure all information has been properly entered and received.
- g. Claims Department transfers Claim into "be ordered status" device is ordered and shipped to the customer via 2nd day air.
- h. Claim is sent to accounting for processing closing and payment to the vendor.
- i. GWG then receives funds from Starr to pay for claims and GWG nets the collected deductible to offset the Members claim.

3. **QUESTION:** GWG's website identifies a number of offered programs, including one which appears to be the same "Wireless Protection Program." Please fully explain each of GWG's offered-in-Washington programs, and please provide a copy of all consumer contracts and terms and conditions of these programs, along with a description of how these products/programs are sold to Washington residents.

RESPONSE: GWG's website is there for commercial promotion of GWG. The Association has its own website www.wirelessprotectionprogram.com. On the Association website members can find additional benefits and services.

Attached are copies of two types of replacement programs offered in Washington, one for iPhone, iPad and Tablets and the other for all other devices. Each of the offered programs use the same documents, the difference is in the program fees which can be paid monthly, prepaid with 1 or 2 year terms. And the deductibles based on the type of devices owned by the Member.

The WPPA programs are offered for sale by independent wireless retailers in Washington. As part of its services GWG provides training to store owners and store personnel, brochures and marketing material.

PREMISE: I understand that the attached Excel document was provided by you and/or Mr. Hart of Fortegra to Ms. Hanson. It appears to list 21,781 Washington residents who were sold a GWG product between January 1, 2010 and January 1, 2012 – the vast majority of which appear to have been sold a product through Diamond Wireless. I understand that \$161,662.18 was collected from these sales. Regarding this:

Please note that the spreadsheet sent to Ms. Hanson was provided by me.

The spreadsheet has also been corrected for a pricing error.

4. **QUESTION:** What product exactly was the product that the aforementioned Washington residents were sold? Was it the same "Wireless Protection Program Extended Service Contract" that I have attached? If multiple products were sold, please specify and break down which of the listed consumers bought which product, and please include a copy of the form(s) of the consumer contract(s) that was or were sold to these people.



RESPONSE: For the period 1/1/10 to 1/1/12 as stated above the following contracts types where sold, copies attached:

Program Name	Form Number
Dealer Monthly (3 Tier)	B3-DEAL3TIER -8/11
Dealer Monthly (Diamond)	DiaW DWP SILC 1112
iPhone Tablet	iPhone 2yr Tablet 8.11 LS
Preferred 1 Year	B4-PREF1YR - 8.11
Preferred 2 Year	B5-PREF2YR - 8/11

5. QUESTION: As to the money collected from these Washington residents, please clarify (a) the total amount these consumers in the Excel document attached were charged by dealers for the sale of this product or these products, (b) the amount of money retained by the selling dealers, (c) a breakdown of the amount and location where sales proceeds went to be set aside to pay claims, and (d) a copy of the contract between GWG and each of its dealers selling GWG's products to Washington residents.

RESPONSE:

- a) The total amount these consumers in the Excel document attached were charged by dealers for the sale of this product or these products.
 - a. In each of the files listed below there is a column labeled suggested retail price, this should represent the amount the dealer charged the Washington resident.
 - i. WADOI Contract Summary as Submitted Jan2010_Jan2012 4 4 12 (4).xls
 - ii. WPPA Washington Activations 20120201 to 20130331.xls
- b) The amount of money retained by the selling dealers.
 - a. For the period January 1, 2010 to January 31, 2012 total retained by dealers was \$ 46,451.74.
 - b. For February 1, 2102 to March 31, 2013 the amount retained was \$ 80,401.56.
- c) A breakdown of the amount and location where sales proceeds went to be set aside to pay claims.
 - a. For the period January 1, 2010 to January 31, 2012 total for premium and admin was \$ 148,981.69.
 - b. For February 1, 2102 to March 31, 2013 the total for premium and admin was \$ 312,517.58.



- d) A copy of the contract between GWG and each of its dealers selling GWG's products to Washington residents.
 - a. The only dealer we have a contract with is Diamond Wireless a copy of which is attached.
- 6. **QUESTION: What Washington sales have taken place since January 1, 2012, to the present day? Please provide an updated document listing such sales, the name, address, and date of sale, the specific product sold, a copy of the form of the contract sold, and the monies collected. (Please provide a copy of the Wireless Protection Program contract currently being solicited in Washington, if it has changed from the one included in the attached May 2011 "Wireless Protection Program Extended Service Contract.") If sales are ongoing through new or different dealers, please identify those dealers.**

RESPONSE:

- a) What Washington sales have taken place since January 1, 2012, to the present day?
 - a. From February 1, 2012 to March 31, 2013 retail sales to Washington resident have totaled \$392,919.14.
 - b) Please provide an updated document listing such sales, the name, address, and date of sale, the specific product sold, a copy of the form of the contract sold, and the monies collected.
 - a. The attached excel spreadsheet entitled "WPPA Washington Activations 20120201 to 20130331" contains all of the information requested.
 - c) (Please provide a copy of the Wireless Protection Program contract currently being solicited in Washington, if it has changed from the one included in the attached May 2011 "Wireless Protection Program Extended Service Contract.")
 - a. Contracts currently being sold in Washington:
 - i. B3-DEAL3TIERM357 SILC 912
 - ii. DiaW DWP SILC 1112
 - iii. D11-IPH2YTabSILC 912
 - iv. D10-IPhMonthly Tab SILC 92012
 - v. B5-Pref2Y49 SILC 912
 - d) If sales are ongoing through new or different dealers, please identify those dealers.
 - a. Dealer list is the same except for the following:
 - i. No longer a dealer:
 - 1. Buzz Wireless
 - ii. New dealers:
 - 1. Wireless Retailers
 - 2. GIG Harbor Wireless
 - 3. Cellphone Outlet, Inc.
- 7. **QUESTION: For all Washington sales made, regardless of date, provide a list identifying the Washington residents who have made claims under the programs they purchased. For each claimant, please indicate whether the claim was paid or honored, or whether it was denied or dishonored. Please include each consumer's telephone number.**



RESPONSE: Attached you will find the following report which delineates all claims for Washington residents from 1/1/2010 to 3/31/2013. Please note that every claim has been honored.

File name: WPPA Claims Report WA 01012010-03312013

PREMISE: I have also attached a PDF document ("Global Warranty Group Wireless Protection Program brochure") that appears to be a brochure for the Wireless Protection Program. Regarding this:

8. QUESTION: Please provide copies of all sales materials and brochures and other product or program-related literature provided or made available to Washington residents, whether by your company or any of its dealers/agents.

a. Please see attached file.

9. QUESTION: As to "Tough Cell" (www.toughcell.com) (a) please indicate whether it ever has been or ever will be sold or offered to Washington residents and, if so, explain how (i.e., if sold through dealers, please identify the dealers or other sellers to explain how it's sold) (b) please identify Tough Cell's legal status (for example, is (or was) it a legal entity, such as a limited liability company, or does (did) it not truly exist), (c) please identify who owns Tough Cell and identify all of its voting and all nonvoting owners, managers, members, principals, officers, capital contributors, and directors, (d) please explain the relationship between the Tough Cell and GWG, and (e) please identify any other similar offerings to Tough Cell's that GWG has any similar relationship to and that is offered to Washington residents.

RESPONSE: Tough Cell is not related in way to GWG or WPPA. Tough Cell is/was an independent internet-based wireless retailer who no longer sells our programs.

I am hopeful that the responses to your questions above; along with the attached exhibits provides you with the information that you need to satisfy your investigation favorably. However, if you need anything further or have any questions please do not hesitate to contact me. As I mentioned in the past to Ms. Hanson if we need to change or amend anything we will comply post haste. Thank you.

Sincerely,

Andrew J. Schenker
Sr. Vice President
Chief Financial Officer

Attachments



MATT SCHULTZ
Secretary of State
State of Iowa

IOWA 2012
BIENNIAL REPORT
for an
IOWA CORPORATION
Required by Iowa Code
Chapter 490

MATT SCHULTZ
Secretary of State

FILED

Date: 3/9/2012 9:44 AM
Corp No.: 384717
Cert No.: A12384717

1. Name of the corporation, its registered agent and office.

WIRELESS PROTECTION PROGRAM ASSOCIATION, INC.
CORPORATION SERVICE COMPANY
505 5TH AVE STE 729
DES MOINES IA 50309

2. The corporation has: No officers No directors

3. Officer(s):

Pres Sec Treas Dir

Name

ANDREW J SCHENKER

Address

500 MIDDLE COUNTRY RD STE 100

Address

City	State	Zip	Country
ST JAMES	NY	11780	USA

Pres Sec Treas Dir

Name

ARTHUR KRANTZ

Address

500 MIDDLE COUNTRY RD STE 100

Address

City	State	Zip	Country
ST JAMES	NY	11780	USA

Pres Sec Treas Dir

Name

CHARLES PIPIA

Address

500 MIDDLE COUNTRY RD STE 100

Address

City	State	Zip	Country
ST JAMES	NY	11780	USA

4. Address of the principal office of the corporation:

Name

Address

500 MIDDLE COUNTRY RD

Address

City	State	Zip	Country
ST JAMES	NY	11780	USA

5. Does the corporation hold an interest in agricultural land in Iowa? No

6. Is the corporation a "family farm corporation"? No

7. Signed: ANDREW J. SCHENKER Capacity: CFO



OFFICE OF
INSURANCE COMMISSIONER

November 16, 2010

GLOBAL WARRANTY GROUP, LLC
500 MIDDLE COUNTRY ROAD, SUITE 100
ST. JAMES NY 11780

ATTN: Sandy Huett, and
Charles Pipia

via Email to: sandy.huett@y2yc.com
via Email to: cpipia@Globalwarrantygroup.com

RE: Application to act as a (non-vehicle) Service Contract Provider under CH 48.110 RCW

Dear Ms. Huett and Mr. Pipia:

Thank you for your recent application. Following review, the applicant does not qualify for registration for the following reasons:

- 1) There were numerous inconsistencies between Mr. Pipia's biographical affidavit and the background check information obtained by this Office, and both bios that were submitted were incomplete.
- 2) An audited financial statement was not provided as required under RCW 48.110.030(2)(c).
- 3) The application was incomplete as to item #13(a)-(b) -no LLC formation documents or Operating Agreement was submitted.
- 4) Your response to item #16, concerning disclosure of all your affiliates, was incomplete as compared to our research.
- 5) It appears that the applicant has been engaged in unlicensed business in Washington. This Office made contact with Mr. Pipia in April, 2009 in response to a consumer complaint. He indicated that we could expect an application within two weeks. That application was never received. Further indication of unlicensed activities is your answer to application item #17 indicating that the applicant is presently operating in all 50 states. And, an additional indication of unlicensed activity is that the reimbursement policy effective date is 3/1/2010.

As allowed under RCW 48.110.030(4), the application is denied. If you have any questions or need additional information, please contact me at 360-725-7232, or by e-mail at SusanB@pic.wa.gov. Thank you.

RCW 48.110.030(1) provides that an entity shall not act as, offer to act as, or represent itself as a service contract provider in Washington, or sell a service contract to a Washington consumer, unless the entity has a valid registration as a service contract provider issued by this Office. Be aware that issuance of a service contract without registration constitutes an illegal act of insurance, punishable as a felony under Chapter 48.15 RCW.

Sincerely,

Susan Baker
Company Licensing Specialist

