

**BEFORE THE INSURANCE COMMISSIONER OF THE  
STATE OF OKLAHOMA**

STATE OF OKLAHOMA, *ex rel.* )  
JOHN D. DOAK, Insurance Commissioner, )  
 )  
Petitioner, )  
 )  
v. )  
 )  
EXPRESS SYSTEMS, INC., a licensed service )  
warranty association, # 862775 )  
 )  
Respondent. )

Case No. 13-0912-DIS

**FILED**  
SEP 17 2013  
INSURANCE COMMISSIONER  
OKLAHOMA

**CONDITIONAL ADMINISTRATIVE ORDER**  
**AND NOTICE OF RIGHT TO BE HEARD**

COMES NOW the State of Oklahoma, *ex rel.* John D. Doak, by and through his undersigned attorney, and alleges and states as follows:

**JURISDICTION**

1. John D. Doak is the Insurance Commissioner of the State of Oklahoma and as such is charged with the duty of administering and enforcing all provisions of the Oklahoma Service Warranty Act, 15 O.S. §§ 141.1 et seq.
2. Respondent is a licensed service warranty association in the State of Oklahoma holding license number 862775. Respondent is domiciled in the state of California and has a statutory home office address of 11 Vanderbilt, Irvine, California 92618.
3. The Insurance Commissioner may levy a fine of up to One Hundred Dollars (\$100.00) a day for each day an association neglects to file the annual statement in the form and within the time provided by the Service Warranty Act 15 O.S. § 141.14(B).
4. If the Respondent requests a hearing in this matter, the Insurance Commissioner will appoint an independent hearing examiner who shall sit as a quasi-judicial officer and preside over the hearing requested by the Respondent. 36 O.S. § 319.

### **ALLEGATIONS OF FACT**

1. Respondent is a licensed service warranty association in the State of Oklahoma holding license number 862775. Respondent is domiciled in the state of California and has a statutory home office address of 11 Vanderbilt, Irvine, California 92618.

2. Respondent failed to file its 2013 Service Warranty Annual Financial Statement due on or before May 1, 2013, pursuant to the provisions of 15 O.S. § 141.14, and has failed to do so as of the date of this filing.

3. The Insurance Commissioner hereby finds that there is clear and convincing evidence that Respondent failed to file its 2013 financial statement on or before May 1, 2013; and that Respondent's conduct not only violates the respective provisions of the Service Warranty Act but also prohibits the Commissioner from determining Respondent's solvency and compliance with the reserve account requirements and other financial provisions of 15 O.S. §141.6.

### **CONCLUSIONS OF LAW**

1. Respondent failed to file its 2013 financial statement in violation of 15 O.S. § 141.14 thereby prohibiting the Commissioner from confirming that the solvency requirements and the reserve and financial requirements set forth in 15 O.S. § 141.6 have been met.

2. Respondent has violated 15 O.S. § 141.5 by failing to furnish the Insurance Commissioner with evidence satisfactory that the management of the association is competent and trustworthy and can successfully manage the affairs of the association in compliance with the law.

### **ORDER**

**IT IS THEREFORE ORDERED, ADJUDGED AND DECREED** by the Insurance Commissioner, subject to the following paragraphs, that the Respondent has violated provisions

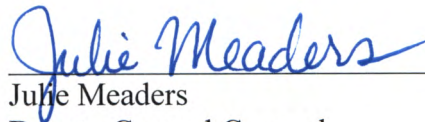
of the Service Warranty Act and as a result, Express Systems, Inc.. is **FINED IN THE AMOUNT OF ONE THOUSAND DOLLARS (\$1,000.00)** for violation of the Service Warranty Act and is **ORDERED TO SUBMIT** its 2013 service warranty annual financial statement within **thirty (30) days** of receipt of this order.

**IT IS FURTHER ORDERED** that unless Respondent requests a hearing with respect to the Allegations of Fact set forth above within thirty (30) days of the date of mailing of this Order, this Order and the penalties set forth above shall become a Final Order on the thirty-first day following the date of mailing of this Order. Such request for a hearing, if desired, shall be made in writing, addressed to Julie Meaders, Deputy General Counsel, Oklahoma Insurance Department, Legal Division, 3625 NW 56<sup>th</sup> Street, Suite 100, Oklahoma City, Oklahoma 73112 and must be served on the Oklahoma Insurance Department within the thirty (30) days allotted. The proceedings on any such requested hearing will be conducted in accordance with the Oklahoma Insurance Code, 36 O.S. §101 *et seq.* and the Oklahoma Administrative Procedures Act 75 O.S. §250 *et seq.*

WITNESS My Hand and Official Seal this 17<sup>th</sup> day of September 2013.



JOHN D. DOAK  
INSURANCE COMMISSIONER  
STATE OF OKLAHOMA

  
\_\_\_\_\_  
Julie Meaders

Deputy General Counsel  
3625 NW 56<sup>th</sup> Street, Suite 100  
Oklahoma City, OK 73112  
Telephone: (405) 521-2746  
Facsimile: (405) 522-0125

**CERTIFICATE OF MAILING**

I, Julie Meaders, hereby certify that a true and correct copy of the above and foregoing Conditional Order and Notice of Right to be Heard was mailed by certified mail with postage prepaid and return receipt requested on this 17<sup>th</sup> day of September 2013, to:


Express Systems, Inc.  
11 Vanderbilt  
Irvine, CA 92618

Certified Mail No.  
7001 0320 0003 9967 5291

**CERTIFIED MAIL NO:**

And a copy delivered to:

Lauren Bouse  
Financial Division

  
\_\_\_\_\_  
Julie Meaders  
Deputy General Counsel

**U.S. Postal Service**  
**CERTIFIED MAIL RECEIPT**  
 (Domestic Mail Only; No Insurance Coverage Provided)

OFFICIAL USE

7001 0320 0003 9967 5291

Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
<b>Total Postage &amp; Fees</b>	



Sent To: Express Systems, Inc.  
 11 Vanderbilt  
 Irvine, CA 92618  
 City, State, ZIP+4: rlg/13-0912-DIS/Cond. Adm. Ord.

PS Form 3800, January 2008

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Express Systems, Inc.  
 11 Vanderbilt  
 Irvine, CA 92618  
 rlg/13-0912-DIS/Cond. Adm. Ord.

2. Article Number  
 (Transfer from service label)

7001 0320 0003 9967 5291

PS Form 3811, February 2004

Domestic Return Receipt

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature: *[Signature]*  Agent  Addressee

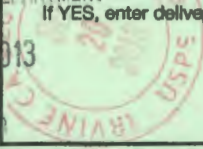
B. Received by (Printed Name): *Rachelle Krickler* C. Date of Delivery

D. Is delivery address different from item 1?  Yes  No  
 If YES, enter delivery address below:

3. Service Type  
 Certified Mail  Express Mail  
 Registered  Return Receipt for Merchandise  
 Insured Mail  C.O.D.

4. Restricted Delivery? (Extra Fee)  Yes

RECEIVED  
 OKLAHOMA INSURANCE DEPARTMENT  
 SEP 24 2013  
 Legal Division



102595-02-M-1540