

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

**FILED**

SEP 17 2013

INSURANCE COMMISSIONER  
OKLAHOMA

STATE OF OKLAHOMA, *ex rel.* )  
JOHN D. DOAK, Insurance Commissioner, )  
 )  
Petitioner, )  
 )  
v. )  
 )  
STEREOTOWN, INC., a licensed service )  
warranty association, # 861285 )  
 )  
Respondent. )

Case No. 13-0913-DIS

**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 861285. Respondent is domiciled in the state of Ohio and has a statutory home office address of 2875 Needmore Road, Dayton, Ohio 45414.

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 861285. Respondent is domiciled in the state of Ohio and has a statutory home office address of 2875 Needmore Road, Dayton, Ohio 45414.

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, Stereotown, 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

A handwritten signature in blue ink that reads "Julie Meaders".

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:


Stereotown, Inc.  
2875 Needmore Road  
Dayton, OH 45414

Certified Mail No.  
7001 0320 0003 9967 5284

**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)*

*KH-Legal*

7001 0320 0003 9967 5284

OFFICIAL U.S. MAIL

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



Sent To: Stereotown, Inc.  
 Street, Apt. No.; or PO Box No.: 2875 Needmore Road  
 City, State, ZIP+4: Dayton, OH 45414  
 rlg/13-0913-DIS/Cond. Adm. Ord.

PS Form 3800, January 2004

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> <li>Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul>	<p>A. Signature  <i>X [Signature]</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name)  <i>Douglas Braggman</i></p> <p>C. Date of Delivery  <i>9-20-13</i></p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes        If YES, enter delivery address below: <input type="checkbox"/> No  <b>RECEIVED</b>  <b>OKLAHOMA INSURANCE DEPARTMENT</b>  <b>SEP 24 2013</b></p>
<p>1. Article Addressed to:</p> <div style="border: 1px solid black; padding: 5px; margin: 10px 0;"> <p>Stereotown, Inc.            2875 Needmore Road            Dayton, OH 45414            rlg/13-0913-DIS/Cond. Adm. Ord.</p> </div>	<p>3. Service Type <i>Legal Division</i>  <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail  <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise  <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p>
<p>2. Article Number  <i>(Transfer from service label)</i></p>	<p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>
<p>7001 0320 0003 9967 5284</p>	
<p>PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540</p>	