

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

STATE OF OKLA., *ex rel.* GLEN)
MULREADY, *Ins. Comm'r,*)
)
) *Petitioner,*)
)
vs.)
)
SELECT AUTO INC. *d/b/a* SELECT AUTO)
PROTECT, *a nonregistered vehicle*)
protection warrantor,)
)
) *Respondent.*)

Case No. 23-0777-DIS

**EX PARTE CEASE AND DESIST ORDER WITH CIVIL PENALTIES
AND NOTICE OF RIGHT TO BE HEARD**

Petitioner the State of Oklahoma, *ex rel.* Glen Mulready, Insurance Commissioner (“Commissioner”) issues this Ex Parte Cease and Desist Order with Civil Penalties against Respondent Select Auto, Inc. *d/b/a* Select Auto Protect (“Respondent”) and, in support, alleges and states:

JURISDICTION

1. Petitioner Glen Mulready is the Insurance Commissioner for the State of Oklahoma and has jurisdiction over this matter pursuant to the Vehicle Protection Products Act (“VPPA”), OKLA. STAT. tit. 36, §§ 6750, *et seq.*

2. Respondent, which is incorporated in the State of Delaware with its principal place of business located at 1201 N. Market Street, Suite 111 in Wilmington, Delaware, has operated and continues to operate as an unregistered and unauthorized vehicle protection product warrantor in the State of Oklahoma.

RIGHT TO HEARING

3. Respondent may request that a hearing be held regarding the allegations asserted herein within twenty (20) days from the date that this Order was entered. 36 O.S. § 6659(D); OAC § 365:1-7-1(b).

4. A request for a hearing must be in writing, whether by mail or electronic mail, must state the specific grounds to be relied upon as a basis for setting aside or modifying this Order, and should be addressed to Seth D. Coldiron, Assistant General Counsel, Oklahoma Insurance Department, Legal Division, 400 NE 50th Street, Oklahoma City, Oklahoma 73105, or, electronically, seth.coldiron@oid.ok.gov. OAC § 365:1-7-1(a).

5. All hearings are open to the public, and Respondent has a right to appear in person and with counsel to present evidence, examine witnesses, and make oral arguments. 75 O.S. §§ 309(C) & 310(3) & (5); OAC § 365:1-7-4(a)-(b).

6. If a hearing is requested, a person affected thereby may, at his or her expense, request a stenographic record of the proceeding be made by a competent court reporter. 75 O.S. § 309(G); OAC § 365-1-7-5(a).

7. The proceedings shall be conducted in accordance with the Oklahoma Administrative Procedures Act, OKLA. STAT. tit. 75, §§ 250 *et seq.*, and the promulgated rules pertaining to the Administrative Operations of the Oklahoma Insurance Department, OKLA. ADMIN. CODE, §§ 365:1-7-1 *et seq.* See 36 O.S. § 6659(E); 75 O.S. § 309 & 310; OAC §§ 365:1-7-1 – 365:1-7-9.

8. At any hearing, the Commissioner shall bear the burden to show why this Order is justified. 36 O.S. § 6659(E).

FINDINGS OF FACT

9. Respondent has operated as an unregistered and unauthorized vehicle protection product warrantor in the State of Oklahoma.

10. Respondent is incorporated in the State of Delaware with its principal place of business located at 1201 N. Market Street, Suite 111 in Wilmington, Delaware.

11. Allen Guthrie (“Guthrie”) is an Oklahoma resident who resides at 2017 Edinburg Drive in Yukon, Oklahoma.

12. On August 18, 2023, Guthrie entered a “Platinum Plan” Service Agreement (“SA”) with Respondent under Policy No. 8591498 whereby he agreed to make payments in monthly installments to Respondent, and Respondent promised to pay the cost to repair or replace certain parts of his 2018 Ford Expedition along with the component parts thereof, which purportedly included the engine, transmission, transaxle, cooling, brakes, electrical components, drive axle, steering system, turbo charger, all-wheel-drive, suspension system both front and rear, heater and air conditioning, fuel system, anti-lock braking system, and hi-tech parts subject to certain terms, conditions, and fees.

13. On May 28, 2024, Guthrie wrote an email to Respondent requesting that his SA with Policy No. 8591498 be cancelled.

14. On June 20, 2024, Guthrie wrote another email to Respondent requesting that his SA with Policy No. 8591498 be cancelled.

15. On July 2, 2024, Guthrie wrote a third email to Respondent requesting that his SA with Policy No. 8591498 be cancelled.

16. Respondent failed to honor Guthrie’s request, refused to cancel his SA, and continued to bill him monthly installments.

17. On July 2, 2024, Guthrie filed a complaint (No. 122901) with the Oklahoma Insurance Department's ("Department's") Consumer Assistance and Claims Division ("Consumer Assistance") concerning Respondent's failure to cancel his SA with Policy No. 8591498 and issue a refund for the pro-rated balance due him under the terms of his SA.

18. On July 5, 2024, the Department's Consumer Assistance wrote Respondent informing it of Guthrie's complaint (No. 122901) and demanding a response within twenty (20) days per the Unfair Claims Settlement Practices Act ("UCSPA"), OKLA. STAT. tit. 36 § 1250.4(B).

19. On September 5, 2024, a Senior Claims Processor with Consumer Assistance spoke with Respondent's representatives, including a supervisor, who acknowledged Respondent's intent to cancel Guthrie's SA with Policy No. 8591498 and provide the Department with evidence of its registration within seven (7) days.

20. On September 18, 2024, the Department's Consumer Assistance wrote Respondent explaining that it was in violation of VPPA, OKLA. STAT. tit. 36, § 6653(A), for failing to register as a vehicle protection product warrantor and in violation of the UCSPA, OKLA. STAT. tit. 36, § 1250.4(C), for failing to respond to Consumer Assistance's July 5th inquiry.

21. To date, Respondent has refused and failed to respond to Complaint No. 122901 and failed to address its registration issues or alleged violations of the VPPA or the UCSPA.

Concluding Findings of Fact

22. To date and at all relevant times, Respondent never registered with the Department as a vehicle protection product warrantor as required by the VPPA. 36 O.S. §§ 6652(A), 6653(A).

23. To date and at all relevant times, Respondent never provided the Department with evidence assuring its faithful performance of its obligations to its contract holders as required by the VPPA. 36 O.S. § 6654.

24. To date and at all relevant times, Respondent never filed its Vehicle Protection Product contracts sold in Oklahoma or its warranty reimbursement policy with the Department as required under the VPPA. 36 O.S. §§ 6653(B)(5) & (6), 6654(1)(b).

25. To date and at all relevant times, Respondent never responded to Consumer Assistance's inquiries about Complaint No. 122901 within twenty (20) days, as required by the Insurance Code, the VPPA and the UCSPA. 36 O.S. §§ 109(B), 1250.4(B), 6658(D).

VIOLATIONS OF LAW

26. Respondent violated the VPPA, OKLA. STAT. tit. 36, §§ 6652(A) and 6653(A), by failing to register as a warrantor before issuing, selling, or offering vehicle protection product contracts in the state of Oklahoma.

27. Respondent violated the VPPA, OKLA. STAT. tit. 36, § 6654, by failing to maintain warranty reimbursement policies or by failing to maintain a net worth or stockholders' equity of Fifty Million Dollars (\$50,000,000.00) to ensure its faithful performance of its obligation to contract holders in the State of Oklahoma.

28. Respondent violated the VPPA, OKLA. STAT. tit. 36, § 6653(B)(5), by failing to file with the Department copies of its vehicle protection product contracts marketed, sold, offered for sale, issued, made, proposed to be made, or administered in the State of Oklahoma.

29. Respondent violated the VPPA, OKLA. STAT. tit. 36, §§ 6653(B)(6) and 6654(1)(b) & (2)(b), by failing to file with the Department copies of its warranty reimbursement policies or, alternatively, its Form 10-K or Form 20-F filed with the federal Securities Exchange Commission showing that it maintains the statutorily required insurance policies, net worth, or securities to ensure its faithful performance of its obligations to contract holders in the State of Oklahoma.

30. Respondent violated the Insurance Code, the VPPA, and the UCSPA, OKLA. STAT. tit. 36 §§ 109(B), 1250.4(B), 6658(D), by failing to respond to Consumer Assistance's written inquiry concerning Complaint No. 122901 within twenty (20) days.

31. Pursuant to the VPPA, OKLA. STAT. tit. 36, § 6659(G), the Commissioner may assess a civil penalty of not more than Five Hundred Dollars (\$500.00) per violation and no more than Ten Thousand Dollars (\$10,000.00) in the aggregate for all violations of a similar nature.

32. Pursuant to the UCSPA, OKLA. STAT. tit. 36, § 1250.4(D), any violation shall subject the provider to discipline including a civil penalty of not less than One Hundred Dollars (\$100.00) nor more than Five Thousand Dollars (\$5,000.00).

ORDER

IT IS, THEREFORE, ORDERED, ADJUDGED, AND DECREED, pursuant to the VPPA, OKLA. STAT. tit. 36, § 6659(B)(1), that Respondent and any of its agents, affiliates, employees, or other representatives, both current and successor, whether named or unnamed herein, shall **CEASE AND DESIST** from all activities related to issuing, selling, or offering for sale vehicle protection product contracts in the state of Oklahoma, including without limitation:

- a. Engaging in or transacting the unauthorized business of vehicle protection product contracts in the State of Oklahoma while unregistered,
- b. Selling, vending, soliciting, or offering for sale vehicle protection product contracts to Oklahoma consumers,
- c. Advertising, publicizing, or circulating to Oklahoma consumers promotional information related to or concerning vehicle protection product contracts, in print, video, electronic form, or any other type of media,
- d. Representing, convincing, stating, or claiming to Oklahoma consumers that Respondent is registered as a vehicle protection product warrantor in the State of Oklahoma,
- e. Failing to fully disclose to, misrepresenting to, or concealing from Oklahoma consumers that Respondent is not authorized and unregistered as vehicle protection product warrantor within the State of Oklahoma.

IT IS ORDERED, ADJUDGED, AND DECREED, pursuant to the VPPA, OKLA. STAT. tit. 36, § 6659(C), that this Order is effective immediately and shall continue in full force and effect until a hearing is requested at which time this Order will be suspended from its original effective date until completion of a hearing and final decision.

IT IS, FURTHER, ORDERED, ADJUDGED, AND DECREED, pursuant to the VPPA, OKLA. STAT. tit. 36, § 6659(G), that a civil penalty in the amount of **Five Hundred Dollars (\$500.00)** is, hereby, imposed upon Respondent for its violation of §§ 6652(A) and 6653(A), by failing to register as a warrantor of vehicle protection product contracts before issuing, selling, or offering vehicle protection product contracts in the State of Oklahoma.

IT IS ORDERED, ADJUDGED, AND DECREED, pursuant to the VPPA, OKLA. STAT. tit. 36, § 6659(G), that a civil penalty in the amount of **Five Hundred Dollars (\$500.00)** is, hereby, imposed upon Respondent for its violation of § 6653(B)(5), by failing to file copies of its vehicle protection product contracts marketed, sold, offered for sale, issued, made, proposed to be made, or administered in the State of Oklahoma.

IT IS ORDERED, ADJUDGED, AND DECREED, pursuant to the VPPA, OKLA. STAT. tit. 36, § 6659(G), that a civil penalty in the amount of **Five Hundred Dollars (\$500.00)** is, hereby, imposed upon Respondent for violation of §§ 6653(B)(6) and 6654(1)(b) & (2)(b), by failing to file copies of its warranty reimbursement policies or, alternatively, its Form 10-K or Form 20-F filed with the federal Securities Exchange Commission evidencing that Respondent maintains the statutorily required insurance policies, net worth, or securities to ensure its faithful performance of its obligations to contract holders in the State of Oklahoma.

IT IS ORDERED, ADJUDGED, AND DECREED, pursuant to the Insurance Code, OKLA. STAT. tit. 36, § 109(B), the VPPA, OKLA. STAT. tit. 36, § 6658(D), and the UCSPA, OKLA.

STAT. tit. 36, § 1250.4(D), that a civil penalty in the amount of **Two Thousand Five Hundred Dollars (\$2,500.00)** is, hereby, imposed upon Respondent for its violation of §§ 109(B), 6658(D), and 1250.4(D), by failing respond to Consumer Assistance's written inquiry regarding consumer Complaint No. 122901 within twenty (20) days.

IT IS, FURTHER, ORDERED, ADJUDGED, AND DECREED, that the sum of all civil penalties imposed herein totals **Four Thousand Dollars (\$4,000.00)** and, therefore, that the sum of all civil penalties imposed for violations of the UCSPA do not exceed Five Thousand Dollars (\$5,000.00) per § 1250.4(D), and that the aggregate amount of civil penalties imposed for violations of the VPPA, which are of a similar nature, do not exceed Ten Thousand Dollars (\$10,000.00) per § 6659(G).

IT IS, THEREFORE, ORDERED, ADJUDGED, AND DECREED that should Respondent fail to request a hearing within twenty (20) days from the date of this Order, it shall become a **FINAL ADMINISTRATIVE ORDER**.

WITNESS My Hand and Official Seal this 23rd day of January 2025.

**GLEN MULREADY
INSURANCE COMMISSIONER
STATE OF OKLAHOMA**



**BRIAN DOWNS,
FIRST DEPUTY INSURANCE COMMISSIONER AND
CHIEF OF STAFF**

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the above and foregoing was mailed via certified mail return receipt, with postage prepaid, on this _____ day of January 2025, to:

Via certified mail return receipt:

SELECT AUTO INC.
1201 N. Market Street, Ste 111
Wilmington, DE 19801

*Respondent,
Select Auto Inc. d/b/a Select Auto Protect*

-and-

David Tabache
c/o SELECT AUTO, INC.
1201 N. Market Street, Ste 111
Wilmington, DE 19801

*Registered Agent for Respondent,
Select Auto, Inc.*

A copy was delivered to:

Consumer Assistance and Claims Division
Regulated Industry Services Division

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*Attorney for Petitioner,
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