

STATE OF ILLINOIS
DEPARTMENT OF INSURANCE



IN THE MATTER OF:)

) Hearing No. 09-HR-0518

NATIONAL HOME PROTECTION)

42 West 38th Street, Suite 800)

New York, New York 10018)

**ORDER TO CEASE AND DESIST
SALES AND OFFERS FOR SALE**

YOU (NATIONAL HOME PROTECTION) ARE HEREBY ORDERED pursuant to Sections 152/50 of the Illinois Service Contract Act [215 ILCS 152/50] to immediately Cease and Desist the following unlawful conduct:

National Home Protection must immediately Cease and Desist all selling or offering for sale service contracts in violation of the Illinois Service Contract Act [215 ILCS 152/1, *et seq.*].

YOU ARE NOTIFIED that in accordance with Section 152/50 of the Illinois Service Contract Act the basis for this Order To Cease Sales and Offers for Sale is that You have transacted service contract business in Illinois without complying with the financial requirements [215 ILCS 152/15] and the registration requirements [215 ILCS 152/25] for service contract providers pursuant to the Illinois Service Contract Act [215 ILCS 152/1, *et seq.*]. The Illinois Department of Insurance alleges that such activity threatens to render You insolvent or may cause irreparable loss or injury to the property or business of persons or companies located in Illinois. The above described pattern and practice of activities constitutes grounds for this Order.

YOU ARE FURTHER NOTIFIED, nothing contained herein shall relieve you of any obligation, duty or performances you may have incurred to policyholders in the course of your unauthorized or unlawful activities.

YOU ARE FURTHER NOTIFIED, nothing contained in this Order shall in any way limit or prohibit the Director of Insurance from any future exercise of his powers and remedies with respect to the conduct and violations of the Illinois Service Contract Act or the Illinois Insurance Code alleged or implied herein.

Hearing Officer # 2

NOTICE OF HEARING

YOU ARE FURTHER NOTIFIED, pursuant to Section 152/50 of the Illinois Service Contract Act that a Hearing will be held on February 19, 2010 at 320 West Washington, Street, Springfield, Illinois 62767-001 at the Offices of the Illinois Department of Insurance, at 1:00 P.M. or as soon thereafter as the business of the Department will allow, before the Director of Insurance of the State of Illinois or such authorized Hearing Officer as the Director may designate. The Director of Insurance or such authorized Hearing Officer will be empowered to administer oaths, examine witnesses and require the production of any books, records, documents or papers relevant to the inquiry.

YOU ARE FURTHER NOTIFIED, in accordance with Section 152/50 of the Illinois Service Contract Act [215 ILCS 152/50], that the purpose of this Hearing is to provide You with an opportunity for a Hearing prior to the effective date of the Order to Cease Sales and Offers for Sale to determine whether you have violated or are in violation of Section 152/15 and Section 152/25 of the Illinois Service Contract Act [215 ILCS 152/1, *et seq.*].

YOU ARE FURTHER NOTIFIED, at the time and place set forth above, you have the opportunity to appear and be heard, and present such evidence as You desire in this matter.

YOU ARE FURTHER NOTIFIED, this Hearing will be conducted in accordance with 50 Ill. Adm. Code 2402 which governs Illinois Insurance Department administrative hearing procedures, and pursuant to Section 100/10-25 of the Illinois Administrative Procedure Act [5 ILCS 100/10-25]. Pursuant to 50 Ill. Adm. Code 2402.270 the Director may order that the costs of this Hearing be assessed against You.

YOU ARE FURTHER NOTIFIED that the State of Illinois requires all persons, prior to entering the Department's Offices, to present one of the following acceptable forms of photo identification:

- Valid driver's license or valid identification card from any U.S. state;
- Valid U.S. passport or valid passport issued by another country;
- Any valid military identification;
- any valid picture identification issued by a government entity within the U.S.; or
- Valid identification issued by a foreign consulate.

FAILURE TO PRESENT AN ACCEPTABLE FORM OF IDENTIFICATION COULD RESULT IN YOUR BEING DENIED ACCESS TO THE DEPARTMENT'S OFFICES.

YOU ARE FURTHER NOTIFIED, all requests for continuances of this hearing must be served upon the Department Hearing Officer, Mr. Tim Cena, and the Department attorney, Michael J. Heinle, in writing not less than five (5) days prior to the date of hearing.

YOU ARE FURTHER DIRECTED, to acknowledge receipt of this ORDER TO CEASE AND DESIST SALES AND OFFERS OF SALE AND NOTICE OF HEARING to the Department of Insurance, State of Illinois, and to notify the Department of the name of legal counsel, if any, who will appear on Your behalf.

YOU ARE NOTIFIED, Your legal counsel, if any, must file a written appearance with the Department of Insurance at the address specified above.

DEPARTMENT OF INSURANCE of the
State of Illinois

4 February 2010
DATE


MICHAEL T. MCRAITH
DIRECTOR OF INSURANCE

NOTICE OF APPEARANCE

Pursuant to 50 Ill. Admin. Code 2402.70, the undersigned hereby enters his appearance as Counsel for the Department in the above-captioned Hearing.

A handwritten signature in black ink, appearing to read "Michael J. Henle", written over a horizontal line.

Michael J. Henle
Staff Attorney
Illinois Department of Insurance