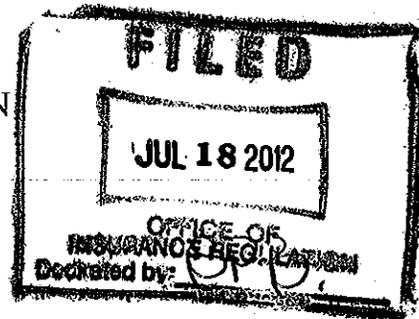


OFFICE OF INSURANCE REGULATION



KEVIN M. McCARTY
COMMISSIONER

IN THE MATTER OF:

GLOBAL WARRANTY GROUP

CASE NO.: 114917-11

CONSENT ORDER

THIS CAUSE came on for consideration upon agreement between GLOBAL WARRANTY GROUP (hereinafter referred to as "GWG") and the OFFICE OF INSURANCE REGULATION (hereinafter referred to as the "OFFICE"). Based on the representations made by the company and a complete review of the entire record, and upon consideration thereof, and being otherwise fully advised in the premises, the OFFICE hereby finds as follows:

1. The OFFICE has jurisdiction over the subject matter of, and parties to, this proceeding.
2. GWG is a registered Florida limited liability company. GWG does not hold a certificate of authority pursuant to Chapter 624 or Chapter 634, Florida Statutes.
3. The OFFICE conducted an investigation of GWG pursuant to Sections 634.402 and 634.437, Florida Statutes. As a result of such investigation, the OFFICE alleged that GWG violated Section 634.403(1), Florida Statutes, by providing and/or offering to provide service

warranties for cellular phones in the State of Florida without an appropriate certificate of authority.

4. Based on the aforementioned allegations, the OFFICE issued an Order to Cease and Desist on March 9, 2011.

5. GWG timely filed a Notice of Petition requesting a proceeding to review the corrective actions taken by GWG.

6. Further review of the wireless protection program revealed that it provides both service warranty and property insurance coverage for cellular phones.

7. As one of GWG's corrective actions, effective March 29, 2011, Lyndon Southern Insurance Company ("LYNDON"), a Florida licensed property and casualty insurer and subsidiary of Fortegra Financial Corporation, became the obligor on the wireless protection program offered through GWG in the State of Florida.

8. GWG expressly waives a hearing in this matter and the making of Findings of Fact and Conclusions of Law by the OFFICE, and all further and other proceedings herein related to the aforementioned allegations to which the parties may be entitled by law or rules of the OFFICE. GWG hereby knowingly and voluntarily waives all rights to challenge or to contest this Consent Order, in any forum now or in the future available to it, including the right to any administrative proceeding, circuit or federal court action, or any appeal.

9. GWG agrees that upon the execution of this Consent Order, it shall be subject to the following terms and conditions:

a. GWG shall not engage in the activities which require a certificate of authority or license pursuant to the Florida Insurance Code, until such time as it becomes duly authorized to conduct such activity.

b. GWG shall pay an administrative penalty of twenty thousand dollars (\$20,000) and administrative costs of five thousand dollars (\$5,000) within thirty days of the execution of this Consent Order.

10. GWG hereby acknowledges the requirements of the above-referenced sections of law, and agrees that any future violations of these sections may be deemed willful and subject to appropriate penalties.

11. GWG agrees that failure to adhere to one or more of the above terms and conditions of this Consent Order shall constitute a violation of a lawful order of the OFFICE, and shall subject it to such administrative action as the OFFICE may deem appropriate.

12. GWG hereby affirms that all material representations made to the OFFICE in the course of this matter are true and correct, and accurately describe the wireless protection programs and operational structure utilized by GWG and LYNDON. If the information provided to the OFFICE includes any material misrepresentation or omissions, GWG shall be subject to such administrative action as the OFFICE may deem appropriate.

13. Although the OFFICE is not requiring GWG to obtain a certificate of authority or license at this time, after further review and consideration, GWG may be required to obtain a certificate of authority or license at a subsequent time. The parties agree to engage in good faith discussions regarding the necessity of a certificate of authority or license. Should it become necessary for GWG to obtain a certificate of authority or license as a result of these discussions,

GWG agrees to file the appropriate application with the OFFICE within 60 days of such determination.

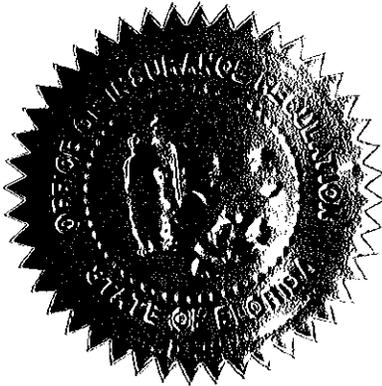
14. This Consent Order in no way supersedes nor interferes with the Department of Financial Services' authority to take administrative action against its licensee or any other party within its jurisdiction.

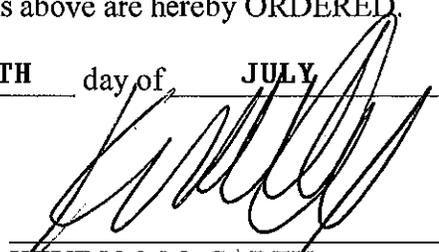
15. Except as noted above, each party to this action shall bear its own costs and attorney's fees.

WHEREFORE, the agreement between GWG and the OFFICE, the terms and conditions of which are set forth above, is APPROVED.

FURTHER, all terms and conditions above are hereby ORDERED.

DONE AND ORDERED this 18TH day of JULY, 2012.





KEVIN M. McCARTY
Commissioner
Office of Insurance Regulation

By execution hereof, GLOBAL WARRANTY GROUP consents to entry of this Consent Order, agree without reservation to all of the above terms and conditions, and shall be bound by all provisions herein. The undersigned represents that he or she has the authority to bind GLOBAL WARRANTY GROUP to the terms and conditions of this Consent Order.

GLOBAL WARRANTY GROUP

By: _____

Print Name: CHARLOS P. DIA

Title: PRESIDENT

Date: JUNE 6, 2012

Corporate Seal

STATE OF NEW YORK

COUNTY OF NAASSAU

The foregoing instrument was acknowledged before me this 6 day of JUNE 2012, by CHARLOS P. DIA, who is personally known to me or has produced the following identification _____.

Patricia Smid
Notary Public State of New York
No. 01946214109
Qualified in Nassau County
Commission Expires 11/30/13

Patricia Smid
Signature of Notary

Patricia Smid
Print or Type Name

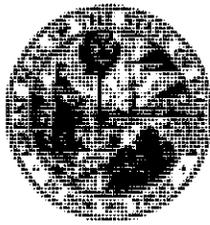
My Commission Expires: 11/30/13

COPIES FURNISHED TO:

STEVEN M. MALONO, ESQUIRE
Attorney for Global Warranty Group
215 South Monroe Street
Tallahassee, Fl 32301

JIM PAFFORD, DIRECTOR
Florida Office of Insurance Regulation
Market Investigations
200 East Gaines Street, Room 645A-3
Tallahassee, Florida 32399-4210

MONICA T. ROSS, ASSISTANT GENERAL COUNSEL
Florida Office of Insurance Regulation
Legal Services Office
200 East Gaines Street, Suite 646E
Tallahassee, Florida 32399-4206



OFFICE OF INSURANCE REGULATION

FINANCIAL SERVICES
COMMISSION

RICK SCOTT
GOVERNOR

JEFF ATWATER
CHIEF FINANCIAL OFFICER

PAM BONDI
ATTORNEY GENERAL

ADAM PUTNAM
COMMISSIONER OF
AGRICULTURE

KEVIN M. MCCARTY
COMMISSIONER

INVOICE

ADMINISTRATIVE PENALTY IMPOSED BY CONSENT ORDER

In order to ensure that your payment is received and properly credited, please make your check payable to the Florida Department of Financial Services and **return this invoice with your payment** to:

Department of Financial Services
Revenue Processing Section
P.O. Box 6100
Tallahassee, Florida 32314-6100

REFERENCE

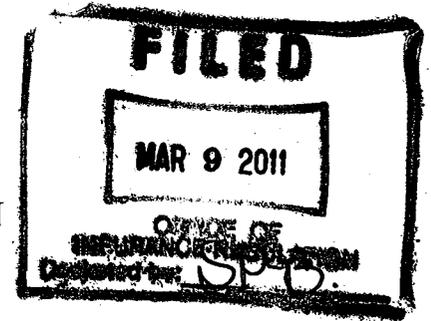
NAME: Global Warranty Group
ADDRESS: 500 Middle Country Road
CITY, STATE, ZIP: St. James, NY 11780
CASE #: 114917-11
ATTORNEY: Monica T. Ross
SOURCE: Market Investigations, Special Investigations Unit

Fine Due: \$20,000.00
Costs Due: \$ 5,000.00
Total Amount Due: \$25,000.00

Amount Remitted:

OFFICIAL USE ONLY – [PLEASE DO NOT MARK BELOW THIS LINE]

<u>B/T</u>	<u>T/C</u>	<u>F/T</u>	<u>AMOUNT</u>
C	1105	J	\$0.00
C	1249	J+	\$0.00



OFFICE OF INSURANCE REGULATION

KEVIN M. McCARTY
COMMISSIONER

IN THE MATTER OF:
GLOBAL WARRANTY GROUP, LLC

CASE NO.: 114917-11

ORDER TO CEASE AND DESIST

TO: Global Warranty Group, LLC
500 Middle Country Road, Suite 100
Saint James, New York 11780

YOU ARE HEREBY NOTIFIED that pursuant to the Florida Insurance Code, including but not limited to Sections 634.402 and 634.437, Florida Statutes, the STATE OF FLORIDA OFFICE OF INSURANCE REGULATION (the "OFFICE") has caused an investigation to be made of the activities of GLOBAL WARRANTY GROUP, LLC ("GWG") with respect to its service warranty association activities in the state of Florida. Pursuant to Section 634.403, Florida Statutes, the OFFICE intends to enter an Order requiring GWG to cease and desist from engaging in the unauthorized and unlicensed business of a service warranty association in the state of Florida. As grounds therefore, the OFFICE alleges that:

1. The OFFICE has jurisdiction over the subject matter hereof and parties to this proceeding.

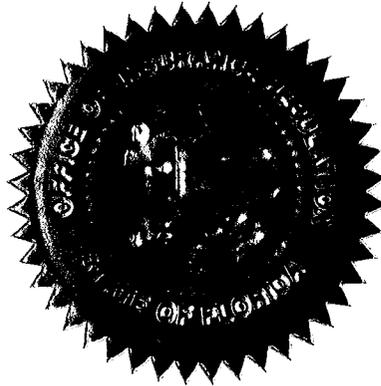
2. GWG is a limited liability company authorized to do business in the state of Florida. Its principal place of business is located at 500 Middle County Road, Suite 100, St. James, New York 11780.
3. Charles Pipia and Arthur Krantz are listed as the managers of GWG on its Florida Department of State 2010 Annual Report.
4. GWG has never been granted a license to act as a service warranty association, or otherwise transact insurance, in the state of Florida.
5. On information and belief, GWG has never been granted a license to act as a service warranty association sales representative by the Florida Department of Financial Services.
6. It is further alleged that GWG provides and/or offers to provide service warranty contracts to Florida consumers via its websites, www.globalwarrantygroup.com, www.pcprotectprograms.com, and www.stars.wirelessprotectionprogram.com, without a license. GWG also offers its wireless protection program via cellular phone dealers located in the state of Florida.
7. During the OFFICE's initial investigation, GWG represented that it was marketing agent for Heritage Administrative Service ("HAS"), a Nebraska-domiciled administrator. HAS was purportedly insured by Heritage Warranty Insurance RRG, Inc. ("HWI,"), a risk retention group domiciled in South Carolina.
8. HWI has never completed an application for a risk retention group letter of registration from the OFFICE. Neither HAS nor HWI have been granted a license to act as a service warranty association, or otherwise transact insurance, in the state of Florida.

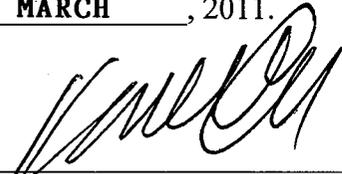
9. The OFFICE has received information that GWG, either independently or on behalf of HAS and/or HWI, engaged in unauthorized service warranty business with over 3,000 Florida consumers.
10. On or about September 14, 2009, GWG informed the OFFICE that, effective October 1, 2009, GWG would be fully insured under a contractual liability insurance policy issued through various Fortegra Financial insurance companies, including Lyndon Southern Insurance Company (“Lyndon”), a property and casualty insurer licensed to do business in Florida.
11. The OFFICE has received information that, the business contemplated by the contractual agreement between GWG and Lyndon was never launched, and GWG has not been acting a sales representative for Lyndon. Additionally, Lyndon has represented to the OFFICE that it has not sold any cell phone replacement products.
12. Section 634.403 (1), Florida Statutes, provides in relevant part:

“No person in this state shall provide or offer to provide service warranties unless authorized therefor under a subsisting license issued by the office.”
13. Despite the fact that GWG is not licensed as a service warranty association, or licensed and appointed as a sales representative for an authorized service warranty association, it continues to provide and/or offer to provide service warranties to Florida consumers via its websites and cellular phone dealers.
14. GWG’s service warranty association activities in Florida are not exempted by any provision of the Florida Statutes or by any federal statute.

WHEREFORE, because GWG has violated the Florida Insurance Code by providing and/or offering to provide service warranties in the state of Florida without a license it is in violation of Section 634.403, Florida Statutes, and the OFFICE is entitled to issue a cease and desist order pursuant to Section 634.403(3), Florida Statutes.

DONE and ORDERED this 9TH day of MARCH, 2011.





KEVIN M. McCARTY
Commissioner
Office of Insurance Regulation

NOTICE OF RIGHTS

Pursuant to Sections 120.569 and 120.57, Florida Statutes and Rule Chapter 28-106, Florida Administrative Code (F.A.C.), you may have a right to request a proceeding to contest this action by the Office of Insurance Regulation (hereinafter the "Office"). You may request a proceeding by filing a Petition. Your Petition for a proceeding must be in writing and must be filed with the General Counsel acting as the Agency Clerk, Office of Insurance Regulation. If served by U.S. Mail the Petition should be addressed to the Florida Office of Insurance Regulation at 612 Larson Building, Tallahassee, Florida 32399-4206. If Express Mail or hand-delivery is utilized, the Petition should be delivered to 612 Larson Building, 200 East Gaines Street, Tallahassee, Florida 32399-0300. The written Petition must be received by, and filed in the Office no later than 5:00 p.m. on the twenty-first (21) day after your receipt of this notice. Unless your Petition challenging this action is received by the Office within twenty-one (21) days from the date of the receipt of this notice, the right to a proceeding shall be deemed waived. Mailing the response on the twenty-first day will not preserve your right to a hearing.

If a proceeding is requested and there is no dispute of material fact the provisions of Section 120.57(2), Florida Statutes may apply. In this regard you may submit oral or written evidence in opposition to the action taken by this agency or a written statement challenging the grounds upon which the agency has relied. While a hearing is normally not required in the absence of a dispute of fact, if you feel that a hearing is necessary one may be conducted in Tallahassee, Florida or by telephonic conference call upon your request.

If you dispute material facts which are the basis for this agency's action you may request a formal adversarial proceeding pursuant to Sections 120.569 and 120.57(1), Florida Statutes. If you request this type of proceeding, the request must comply with all of the requirements of Rule Chapter 28-106.2015, F.A.C., including but not limited to:

- a) A statement requesting an administrative hearing identifying those material facts that are in dispute. If there are none, the petition must so state; and
- b) A statement of when the respondent received notice of the agency's action.

These proceedings are held before a State Administrative Law Judge of the Division of Administrative Hearings. Unless the majority of witnesses are located elsewhere, the Office will request that the hearing be conducted in Tallahassee.

In some instances, you may have additional statutory rights than the ones described herein.

Failure to follow the procedure outlined with regard to your response to this notice may result in the request being denied. Any request for administrative proceeding received prior to the date of this notice shall be deemed abandoned unless timely renewed in compliance with the guidelines as set out above.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing Order to Cease and Desist has been sent by Certified Mail this 9TH day of MARCH, 2011, to the following:

GLOBAL WARRANTY GROUP, LLC
500 Middle Country Road, Suite 100
Saint James, New York 11780



Monica T. Ross
Fla. Bar No. 0056988
Assistant General Counsel
Office of Insurance Regulation
200 East Gaines Street, Suite 646E
Tallahassee, Florida 32399-4206
Phone: (850) 413-4159
Fax: (850) 488-0657