



OFFICE OF INSURANCE REGULATION



KEVIN M. MCCARTY
COMMISSIONER

IN THE MATTER OF:

CASE NO: 104176-09-CO

QUALXSERV, LLC.
2009 Unauthorized Entity Investigation

CONSENT ORDER

THIS CAUSE came on for consideration upon the agreement between QUALXSERV, LLC. (hereinafter referred to as "QUALXSERV") and the OFFICE OF INSURANCE REGULATION (hereinafter referred to as the "OFFICE"). Following a complete review of the entire record, and upon consideration thereof, and being otherwise fully advised in the premises, the COMMISSIONER OF THE OFFICE OF INSURANCE REGULATION hereby finds as follows:

1. The OFFICE has jurisdiction over the subject matter of, and parties to, this proceeding.
2. QUALXSERV is not authorized to provide or offer Service Warranty Agreements in Florida and is subject to the jurisdiction and regulation of the OFFICE pursuant to the Florida Insurance Code.
3. The OFFICE conducted an investigation of QUALXSERV and, as a result of that investigation, it has been determined that QUALXSERV has violated the following provisions of the Florida Insurance Code and/or Florida Administrative Code, to wit:
 - a. Section 634.403(1), Florida Statutes – Offering and providing Service Warranty Agreements to Florida residents without the required license issued by the OFFICE.

4. QUALXSERV confirmed to the OFFICE that it provided Service Warranty Agreements, as defined by Section 634.401(13), Florida Statutes, to Florida consumers from 2005 through September 2007.

5. QUALXSERV confirmed to the OFFICE that it had 258,909 Service Warranty Agreements written and in force on June 30, 2007, and as of the time of this Order it continues to service approximately 152,000 Service Warranty Contracts in Florida.

6. QUALXSERV confirmed to the OFFICE that all Service Warranty Agreements in question resulted from QUALXSERV's exclusive relationship with Dell USA, L.P. ("DELL") and DELL's affiliates. QUALXSERV confirmed that pursuant to the aforementioned exclusive relationship, QUALXSERV provided only technical service and support for the referenced Service Warranty Agreements. QUALXSERV did not solicit, collect premiums, pay claims, negotiate or market the sale of the Service Warranty Agreements in question.

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

(a) QUALXSERV shall pay a penalty of \$10,000 and administrative costs of \$5,000 on or before the 30th day after this Consent Order is executed.

(b) QUALXSERV agrees to no longer solicit, negotiate, or effectuate new contracts for any insurance product including, but not limited to, Service Warranty Agreements unless properly authorized and licensed by the OFFICE.

(c) QUALXSERV agrees to continue servicing all current Service Warranty Agreements written in Florida or for Florida consumers until the expiration date of the last existing contract.

(d) QUALXSERV is hereby placed on notice of the requirements of the above referenced sections of law and agrees that any future violations of these sections by

QUALXSERV may be deemed willful by the OFFICE and subject QUALXSERV to such administrative action as the OFFICE may deem appropriate.

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

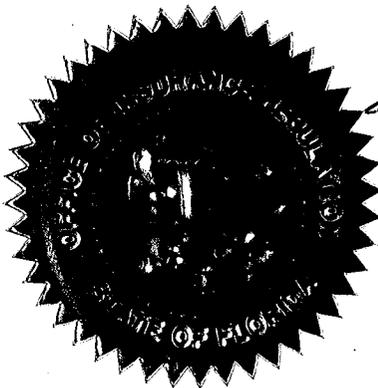
6. QUALXSERV agrees that the failure to adhere to one or more of the above terms and conditions of this Consent Order shall constitute a violation of a lawful order of the OFFICE, and shall subject QUALXSERV to such administrative action as the OFFICE may deem appropriate.

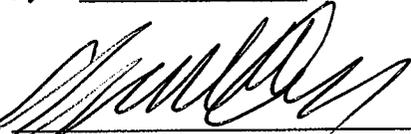
7. Except as noted above, each party to this action shall bear its own costs and attorney's fees.

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

FURTHER, all terms and conditions contained herein are hereby ORDERED.

DONE AND ORDERED this 13TH day of APRIL, 2011.





KEVIN M. McCARTY
Commissioner
Office of Insurance Regulation

By execution hereof, QUALXSERV, LLC. consents to entry of this Order, agrees without reservation to all of the above terms and conditions, and shall be bound by all provisions therein. The undersigned represents that he or she has the authority to bind QUALXSERV, LLC to the terms and conditions of this Consent Order.

QUALXSERV, LLC.

By: [Signature]

[Corporate Seal]

Print Name: STEVE SIEKER

Title: CFO

Date: 4/6/11

STATE OF Massachusetts

COUNTY OF Middlesex

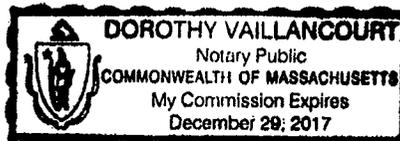
The foregoing instrument was acknowledged before me this 6th day of April, 2011, by Steve Sieker, who is personally known to me or has produced the following identification drivers license.

[Signature]
Signature of Notary

[Notarial Seal]

Dorothy Vaillancourt
Print or Type Name

My Commission Expires:



COPIES FURNISHED TO:

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