

FILED

JAN 26 2021

INSURANCE REGULATION
Docketed by:



OFFICE OF INSURANCE REGULATION

DAVID ALTMAIER
COMMISSIONER

IN THE MATTER OF:

CASE NO.: 275247-21-CO

Application for the Direct Acquisition of
FLORIDA C.A.R.S. PROTECTION PLUS, INC., by
SPECTRUM AUTOMOTIVE HOLDINGS, CORP.

CONSENT ORDER

THIS CAUSE came on for consideration upon the filing by SPECTRUM AUTOMOTIVE HOLDINGS, CORP. (“APPLICANT”), with the FLORIDA OFFICE OF INSURANCE REGULATION (“OFFICE”) of an application for the approval of the direct acquisition of 100% of the issued and outstanding voting securities of FLORIDA C.A.R.S. PROTECTION PLUS, INC. (“FLORIDA CARS”), pursuant to Section 628.4615, Florida Statutes (“Application”). Following 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 and the parties herein.
2. APPLICANT has applied for and, subject to the present and continuing satisfaction of the requirements, terms, and conditions established herein, has satisfactorily met all of the conditions precedent to the granting of approval by the OFFICE of APPLICANT’s direct acquisition of 100% of the issued and outstanding voting securities of FLORIDA CARS, pursuant to the requirements of the Florida Insurance Code.

3. FLORIDA CARS is a Florida-domiciled Motor Vehicle Service Agreement Company operating pursuant to Chapter 634, Part I, Florida Statutes, and as such, is subject to the jurisdiction and regulation of the OFFICE, pursuant to the Florida Insurance Code.

4. FLORIDA CARS is 100% owned by FL CPP HOLDINGS, LLC, a Delaware limited liability company ("FLCCP"), which is 100% owned by Summit Park II, LP, a North Carolina limited partnership, whose General Partner is SPP INVESTMENTS GENERAL PARTNER II, LLC ("SSPGP"), a North Carolina limited liability company.

5. APPLICANT is a Delaware corporation, whose ownership structure is detailed in the Application, and whose ultimate controlling person is HENRY CORNELL.

6. The Application represents that on October 1, 2020, APPLICANT entered into a Stock Purchase Agreement ("Agreement") with FLCCP, and FLORIDA CARS whereby APPLICANT agreed to acquire 100% of the issued and outstanding voting securities of FLORIDA CARS, as described in the Agreement ("Transaction"). Upon completion of the Transaction, FLORIDA CARS will be 100% owned by APPLICANT.

7. APPLICANT, HENRY CORNELL, and FLORIDA CARS represent that, except as disclosed in the Application, no officer, director, or 10% or greater shareholder of APPLICANT, and none of the post-acquisition officers and directors of FLORIDA CARS have been found guilty of, or have pleaded guilty or nolo contendere to, a felony or misdemeanor, other than a civil traffic offense.

8. If the OFFICE determines that any individual for whom APPLICANT is required to submit background information as part of this Application is unacceptable under the Florida Insurance Code, APPLICANT, HENRY CORNELL, or FLORIDA CARS shall remove said person within 30 days of notice from the OFFICE and replace them with a person or persons

acceptable to the OFFICE, or shall undertake such other corrective action as directed by the OFFICE. Failure to act would constitute an immediate serious danger to the public and the OFFICE may take administrative action as it deems appropriate upon the Certificate of Authority of FLORIDA CARS without further proceedings, pursuant to Sections 120.569(2)(n) and 120.60(6), Florida Statutes.

9. APPLICANT, HENRY CORNELL, and FLORIDA CARS represent that there are no present plans or proposals to make any substantive changes to FLORIDA CARS, including liquidating it, selling any of its assets (except for transactions such as investment portfolio transactions in the ordinary course of business), merging or consolidating it with any person or persons, or making any other major change in its business operations.

10. Any material changes to the information submitted in the Application filing shall be reported to the OFFICE for its review prior to the closing date. APPLICANT, HENRY CORNELL, FLORIDA CARS, SPPGP, and FLCCP acknowledge that if the OFFICE determines that any of these reported changes would have a negative, material impact to the financial condition or operation of FLORIDA CARS, the OFFICE may rescind its approval as granted in this Consent Order by written notice to APPLICANT or FLORIDA CARS.

11. All parties to the Consent Order agree that this Consent Order shall be deemed null and void if the Transaction is not completed within 60 days of the execution of the Consent Order.

12. Within 10 business days after the Transaction is completed, APPLICANT shall submit, or cause to be submitted, to the OFFICE all documents evidencing completion of said Transaction not already provided to the OFFICE. Further, APPLICANT or FLORIDA CARS shall notify the OFFICE within 3 business days of learning that the Transaction contemplated in the Application will not occur.

13. Any prior orders, consent orders, or corrective action plans that FLORIDA CARS has entered into with the OFFICE prior to the issuance of this Consent Order shall apply and remain in full force and effect for FLORIDA CARS, except where provisions of such orders, consent orders, or corrective action plans have expired; have been superseded by subsequent orders, consent orders, or corrective action plans; or are inconsistent with this Consent Order.

14. APPLICANT, HENRY CORNELL, and FLORIDA CARS affirm that all information, explanations, representations, statements, and documents provided to the OFFICE in connection with this Application, including all attachments and supplements thereto, are true and correct and fully describe all transactions, agreements, ownership structures, understandings, and control with regard to the acquisition and future operations of FLORIDA CARS. APPLICANT, HENRY CORNELL, and FLORIDA CARS further agree and affirm that said explanations, representations, statements, and documents, including all attachments and supplements thereto, are material to the issuance of this Consent Order and have been relied upon by the OFFICE in its determination to enter into this Consent Order.

15. FLORIDA CARS shall report to the OFFICE, Property & Casualty Financial Oversight, any time that FLORIDA CARS is named as a party defendant in a class action lawsuit within 15 days after the class is certified. FLORIDA CARS shall include a copy of the complaint at the time the class action lawsuit is reported to the OFFICE.

16. FLORIDA CARS shall maintain an information security program for the security and protection of confidential and proprietary information under its control that complies with all applicable laws and regulations regarding information security. FLORIDA CARS agrees that it shall continually monitor and enhance its information security program in order to mitigate data

security breaches. FLORIDA CARS further agrees that it shall notify the OFFICE within 5 business days of identifying a data breach.

17. Executive Order 13224 prohibits any transactions by U.S. persons involving the blocked assets and interests of terrorists and terrorist support organizations. FLORIDA CARS shall maintain and adhere to procedures necessary to detect and prevent prohibited transactions with those individuals and entities, which have been identified at the Treasury Department's Office of Foreign Assets Control website, <http://www.treas.gov/ofac>.

18. Within 60 days from the execution of this Consent Order, APPLICANT shall submit, or cause to be submitted, to the OFFICE a certification evidencing compliance with all the requirements of this Consent Order. Any exceptions shall be so noted and contained in the certification. Exceptions noted in the certification shall also include a timeline defining when the outstanding requirements of the Consent Order will be completed. Said certification shall be submitted to the OFFICE via electronic mail directed to the attention of the Assistant General Counsel representing the OFFICE in this matter and as named in this Consent Order.

19. Any deadlines, reporting requirements, other provisions, or requirements set forth in this Consent Order may be altered or terminated by written approval of the OFFICE. Such written approval by the OFFICE is subject to statutory or administrative regulation limitations.

20. APPLICANT, HENRY CORNELL, FLORIDA CARS, SPPGP, and FLCCP expressly waive 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 they may be entitled by law or rules of the OFFICE. APPLICANT, HENRY CORNELL, FLORIDA CARS, SPPGP, and FLCCP hereby knowingly and voluntarily waive all rights to challenge or to contest this Consent Order in

any forum available to them, now or in the future, including the right to any administrative proceeding, state or federal court action, or any appeal.

21. APPLICANT, HENRY CORNELL, FLORIDA CARS, SPPGP, and FLCCP affirm that all requirements set forth herein are material to the issuance of this Consent Order.

22. APPLICANT, HENRY CORNELL, FLORIDA CARS, SPPGP, and FLCCP agree that, upon execution of this Consent Order by the OFFICE, failure to adhere to one or more of the terms and conditions contained herein, may result, without further proceedings, in the OFFICE suspending, revoking, or taking other administrative action as it deems appropriate upon the License of FLORIDA CARS in this state in accordance with Sections 120.569(2)(n) and 120.60(6), Florida Statutes.

23. Each party to this action shall bear its own cost and fees.

24. The parties agree that this Consent Order shall be deemed to be executed when the OFFICE has signed and docketed a copy of this Consent Order bearing the signature of HENRY CORNELL, as well as the signatures of the authorized representatives of APPLICANT, FLORIDA CARS, SPPGP, and FLCCP, notwithstanding the fact that the copy may have been transmitted to the OFFICE electronically. Further, APPLICANT, HENRY CORNELL, FLORIDA CARS, SPPGP, and FLCCP agree that their signature or that of their authorized representatives as affixed to this Consent Order shall be under the seal of a Notary Public.

WHEREFORE, subject to the terms and conditions set forth above, the Application for the direct acquisition of 100% of the issued and outstanding voting securities of FLORIDA C.A.R.S. PROTECTION PLUS, INC., by SPECTRUM AUTOMOTIVE HOLDINGS, CORP., pursuant to Section 628.4615, Florida Statutes, is APPROVED.

All terms and conditions contained herein are hereby ORDERED,

DONE and ORDERED this 26 day of January, 2021.



David Altmaier

David Altmaier, Commissioner
Office of Insurance Regulation

By execution hereof, FLORIDA C.A.R.S. PROTECTION PLUS, INC., consents to entry of this Consent Order, agrees without reservation to all of the above terms and conditions, and shall be bound by all provisions herein. The undersigned represents that they have the authority to bind FLORIDA C.A.R.S. PROTECTION PLUS, INC., to the terms and conditions of this Consent Order.

FLORIDA C.A.R.S. PROTECTION PLUS, INC.

By: [Signature]

Print Name: Lance M. LaCoe

Title: President/CEO

Date: January 25, 2021

STATE OF Pennsylvania

COUNTY OF Westmoreland

The foregoing instrument was acknowledged before me by means of physical presence

or online notarization, this 25th day of January 2021, by Lance M. LaCoe

as President/CEO for Florida C.A.R.S. Protection Plus, Inc.
(type of authority; e.g., officer, trustee, attorney in fact) (name of person) (company name)

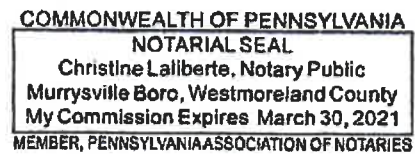
[Signature]
(Signature of the Notary)

Christine L. Laliberte
(Print, Type or Stamp Commissioned Name of Notary)

Personally Known x OR Produced Identification _____

Type of Identification Produced _____

My Commission Expires: 3/30/2021



By execution hereof, FL CPP HOLDINGS, LLC, consents to entry of this Consent Order, agrees without reservation to all of the above terms and conditions, and shall be bound by all provisions herein. The undersigned represents that they have the authority to bind FL CPP HOLDINGS, LLC, to the terms and conditions of this Consent Order.

FL CPP HOLDINGS, LLC

By: [Signature]

Print Name: Lance M. LaCoe

Title: President/CEO

Date: January 25, 2021

STATE OF Pennsylvania

COUNTY OF Westmoreland

The foregoing instrument was acknowledged before me by means of physical presence

or online notarization, this 25th day of January 2021, by Lance M. LaCoe

as President/CEO for Florida CPP Holdings, LLC
(type of authority; e.g., officer, trustee, attorney in fact) (company name)

[Signature]
(Signature of the Notary)

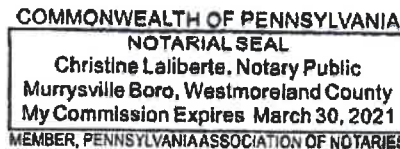
Christine L. Laliberte

(Print, Type or Stamp Commissioned Name of Notary)

Personally Known OR Produced Identification _____

Type of Identification Produced _____

My Commission Expires: 3/30/2021



By execution hereof, SPP INVESTMENTS GENERAL PARTNER II, LLC, consents to entry of this Consent Order, agrees without reservation to all of the above terms and conditions, and shall be bound by all provisions herein. The undersigned represents that they have the authority to bind SPP INVESTMENTS GENERAL PARTNER II, LLC, to the terms and conditions of this Consent Order.

SPP INVESTMENTS GENERAL PARTNER II, LLC

By: [Signature]

Print Name: ROBERT G. CALTON III

Title: MANAGER

Date: 1/20/12

STATE OF North Carolina

COUNTY OF Mecklenburg

The foregoing instrument was acknowledged before me by means of physical presence

or online notarization, this 21 day of January 2021, by Robert G. Calton III

as Manager for SPP Investments General Partner II, LLC.
(type of authority; e.g., officer, trustee, attorney in fact) (name of person) (company name)

KRISTINA ARZUMANOVA
NOTARY PUBLIC
MECKLENBURG COUNTY
NORTH CAROLINA
MY COMMISSION EXPIRES 7/14/2021

[Signature]
(Signature of the Notary)
Kristina Arzumanova
(Print, Type or Stamp Commissioned Name of Notary)

Personally Known _____ OR Produced Identification X

Type of Identification Produced Drivers License

My Commission Expires: July 14, 2021

By execution hereof, SPECTRUM AUTOMOTIVE HOLDINGS, CORP., consents to entry of this Consent Order, agrees without reservation to all of the above terms and conditions, and shall be bound by all provisions herein. The undersigned represents that they have the authority to bind SPECTRUM AUTOMOTIVE HOLDINGS, CORP., to the terms and conditions of this Consent Order.

SPECTRUM AUTOMOTIVE HOLDINGS, CORP.

By: Emily Pollack

Print Name: Emily Pollack

Title: President and Secretary

Date: January 19, 2021

STATE OF New York

COUNTY OF New York

The foregoing instrument was acknowledged before me by means of physical presence

or online notarization, this 19th day of January 2021, by Emily Pollack
as President and Secretary for Spectrum Automotive Holdings Corp.
(type of authority; e.g., officer, trustee, attorney in fact) (company name)

STEPHEN M. BOSCOLA
NOTARY PUBLIC-STATE OF NEW YORK
No. 01BO6393128
Qualified in New York County
My Commission Expires 06-10-2023

Stephen M. Boscola
(Signature of the Notary)

Stephen M. Boscola
(Print, Type or Stamp Commissioned Name of Notary)

Personally Known OR Produced Identification

Type of Identification Produced _____

My Commission Expires: JUNE 10, 2023

COPIES FURNISHED TO:

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