



**The State of New Hampshire
Insurance Department**

21 South Fruit Street, Suite 14
Concord, NH 03301

**Christopher R. Nicolopoulos
Commissioner**

**David J. Bettencourt
Deputy Commissioner**

May 12, 2023

*VIA FIRST-CLASS & CERTIFIED MAIL: 7011 2000 001 8842 8084
and via e-mail to info@am-protection.com*

AM Protection, Inc.
2700 N Main Street, Suite 601
Santa Ana, CA 92705

Re: AM Protection, Inc. INS No. 23-011-EP

Dear AM Protection, Inc.:

Enclosed please find an Order to Show Cause and Notice of Hearing issued by Commissioner Christopher Nicolopoulos.

A hearing in this matter has been scheduled on **June 20, 2023 at 1:30 PM** at the New Hampshire Insurance Department located at 21 South Fruit Street, Suite 14, Concord, NH. You may find directions and additional information on our website at <http://www.nh.gov/insurance>.

Sincerely,

A handwritten signature in blue ink, appearing to read "J. Hilliard".

Joshua S. Hilliard, Esq.
Compliance and Enforcement Counsel
Telephone: (603) 271-2482
Email: joshua.s.hilliard@ins.nh.gov

**STATE OF NEW HAMPSHIRE
INSURANCE DEPARTMENT**

**In Re: AM Protection, Inc.
Docket No.: Ins. No. 23-011-EP**

**ORDER TO SHOW CAUSE
AND
NOTICE OF HEARING**

The New Hampshire Insurance Department (“NHID”) orders AM Protection, Inc. (“Respondent”) to show cause why the New Hampshire Insurance Commissioner should not levy an administrative fine against it and issue an order for it to cease & desist conducting business in this state. In support of the Order to Show Cause and pursuant to NH RSA 541-A:31, NH RSA 400-A:17 *et seq.* and INS Chapter 200, the NHID states as follows:

STATEMENT OF FACTS

1. Respondent is a California based company which sells and administers consumer guaranty contracts – namely auto warranties – to NH consumers.
2. Entities which market, sell, or administer consumer guaranty contracts in NH are required to register with the NHID; Respondent has never been registered as an obligor in NH, and is not authorized to provide service guaranty contracts to consumers in NH.
3. On or about March 28, 2022, Respondent called NH consumer J.G., a 90-year-old woman diagnosed with Alzheimer’s disease. Respondent convinced J.G. she needed to purchase a warranty for her vehicle and began charging her checking account that day for a policy.
4. That same day, J.G.’s son, R.Z. learned of the sale and called Respondent, requesting that the policy be cancelled and J.G.’s monies returned. Respondent complied and returned the initial deposit for the policy.
5. However, beginning in April of 2022, Respondent began again charging J.G.’s account for the warranty policy, and did so through August of 2022.
6. In September of 2022, R.Z. communicated with the third party which was charging J.G.’s account on behalf of Respondent and secured a partial refund of two months of premium. The remainder of the premium has not been returned to J.G.

7. Throughout that time, Respondent never provided to J.G. a copy of the policy she was being charged for.
8. On January 25, 2023, the NHID requested that Respondent provide information about its business in NH and the transaction with J.G. Respondent failed to respond to that request.
9. On February 10, 2023, the NHID requested that Respondent provide information about its business in NH and the transaction with J.G. Respondent failed to respond to that request.
10. As of May 9, 2023, Respondent has not registered as an obligor or otherwise come into compliance with NH law governing consumer guaranty providers.

STATEMENT OF ISSUES

11. Whether the Respondent violated NH RSA 415-C:3, I (a) by failing to register with the Commissioner while offering, administering, selling, soliciting, negotiating, or acting under a consumer guaranty contract in New Hampshire.
12. Whether Respondent violated NH RSA 415-C:4 by failing to provide proof of financial responsibility to the NHID.
13. Whether Respondent violated NH RSA 415-C:7, I (d) by charging J.G. for a warranty policy she had requested be cancelled.
14. Whether Respondent violated NH RSA 400-A:16, II by failing to provide to the NHID within 10 working days the information requested on January 25, 2023, and February 10, 2023.
15. The NHID reserves the right to amend this statement of issues upon reasonable notice to the Commissioner (or his designated Representative) and the Respondent.

INSURANCE LAWS VIOLATED BY RESPONDENT

16. The NHID maintains the Respondent violated the following New Hampshire insurance statutes: NH RSA 415-C:3, I (a), NH RSA 415-C:4, NH RSA 415-C:7, I (d) and NH RSA 400-A:16, II.

17. The NHID reserves the right to amend this list of insurance laws violated by the Respondent upon reasonable notice to the Commissioner (or his designated Representative) and the Respondent.

PENALTY REQUESTED

18. In the event that the Hearing Officer determines after an evidentiary hearing that the NHID sustained its burden of proof with respect to the allegations of fact and violations of law outlined above, the NHID requests that the Hearing Officer impose the following sanctions on the Respondent:
- a. Order the Respondent to cease and desist from further consumer guaranty contract operations pursuant to NH RSA 415-C:10, II.
 - b. Order the Respondent to pay a fine in an amount not to exceed \$1,000 per each violation of NH RSA 415-C:7, I (d), or \$10,000 per each willful violation, per RSA 415-C:10, III.
 - c. Order the Respondent to make restitution to J.G. in the amount of charged premium from April 2022 through September 2022 pursuant to NH RSA 415-C:10, IV.
 - d. Order the Respondent to pay a fine in an amount not to exceed \$2,500 per each violation of NH RSA 400-A:16, II.

NOTICE OF HEARING

19. An adjudicatory proceeding shall be commenced for the purpose of resolving the issues articulated above pursuant to NH RSA 541-A:31, NH RSA 400-A:17 *et seq.*, and NH INS 200. To the extent that the Department's rules do not address an issue of policy or procedures, the Department shall apply the N.H. Department of Justice Rules, Part 800.
20. The Respondent shall appear at Department on **June 20, 2023, at 1:30 PM** at the Department's office located at 21 South Fruit Street, Suite 14, in Concord New Hampshire to participate in this adjudicatory proceeding and, if deemed appropriate, be subject to sanctions pursuant to RSA 415-C:10 III and RSA 400-A:15. Respondent's failure to appear at the time and place specified above may result in the hearing being held *in absentia* pursuant to RSA 400-A:19, VII, and sanctions may be imposed without further notice or an opportunity to be heard.
21. Steven Notinger, Esq. is appointed to act as Hearing Officer in this matter with all the authority within the scope of RSA 400-A:19 and Ins 203.01.

22. Kerry Nelson shall serve as clerk to the Hearing Officer. The parties should direct all communications to Ms. Nelson, whose contact information is:

Kerry Nelson, Clerk
New Hampshire Insurance Department
21 South Fruit Street, Suite 14
Concord, NH 03301
Tel: (603) 271-2460; Fax: (603)271-1406
Email: kerry.l.nelson@ins.nh.gov

23. The Respondent has the right to be represented by a lawyer in this proceeding. However, the Respondent shall bear the cost of retaining said lawyer. Should the Respondent elect to retain a lawyer, its lawyer shall file a Notice of Appearance with Ms. Nelson, and said lawyer should do so at the earliest possible date. A copy of the NHID's Notice of Appearance form is enclosed with this Order.
24. Any party may request a transcript of the proceeding. The party requesting a transcript of the proceedings shall file a written request for a certified court reporter with the Hearing Officer at least 10 days prior to the scheduled hearing date. The costs incurred for the services of a certified court reporter shall be borne by the requesting party.
25. Joshua Hilliard, Esq. shall serve as staff advocate representing the interests of the NHID.
26. All routine procedural inquiries may be made by contacting Kerry Nelson, Hearing Clerk, New Hampshire Insurance Department, 21 South Fruit Street, Suite 14, Concord NH 03301, (603) 271-2033, but that all other communications with the Hearing Officer and the Commissioner shall be in writing and filed as provided above. *Ex parte* communications are forbidden by statute and the Department's regulations.
27. A copy of this hearing notice shall be served upon Respondent by certified mail addressed to the mailing address on file with New Hampshire Insurance Department. *See*, RSA 400-A:14.

It is **SO ORDERED**.

NEW HAMPSHIRE INSURANCE DEPARTMENT

Date:

5/12/23



Christopher Nicolopoulos
Insurance Commissioner

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and accurate copy of the foregoing Order to Show Cause and Notice of Hearing was sent this date by first-class mail, postage prepaid, and by certified mail, return receipt requested, to 2700 N Main Street, Suite 601, Santa Ana, CA 92705, and via e-mail to info@am-protection.com.

Date:

5/14/23



Joshua S. Hilliard, Esq.
Compliance & Enforcement Counsel

NEW HAMPSHIRE INSURANCE DEPARTMENT

ATTORNEY APPEARANCE or WITHDRAWAL

Docket No. (if known): _____

Respondent Name or Case Name: _____

APPEARANCE

WITHDRAWAL

Please **ENTER** my appearance as
Counsel for _____

Please **WITHDRAW** my appearance as
Counsel for _____

I confirm that neither I nor any member of my
law firm have been retained by the Department
of Insurance or the Commissioner of Insurance.

Notice of Withdrawal sent to my client on:
_____ at the following address:

I hereby certify that I provided a copy of this original request to the Department and a copy to all other known parties to this matter in accordance with Ins 204.09.

Signed: _____

Name: _____ **NH Bar #:** _____

Firm Name: _____ **Email:** *(see also below)* _____

Physical Address: _____

Mailing Address (if different): _____

Phone: _____

Email Consent: By checking this box, I consent to delivery by email in accordance with Ins 204.09(c). Please send communications and documents to the above email address.

Date: _____ **Signature:** _____

If you do not consent to delivery by email, all communications will be sent to you by personal delivery at your physical address or by United States Postal Service first class mail to your mailing address.