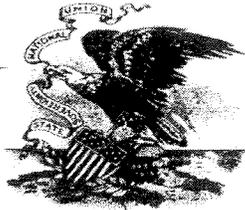


STATE OF ILLINOIS  
DEPARTMENT OF INSURANCE



IN THE MATTER OF: )

NATIONWIDE HOME WARRANTY )

c/o Richard G. Garrett )

1221 Brickell Avenue, 21 Floor )

Miami, Florida 33131 )

Hearing No. 10-HR-0203

c/o Kristina L. Baldwin )

Of Counsel )

Greenberg Traurig, LLP )

54 State Street )

Albany, New York 12207 )

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

**YOU ARE NOTIFIED THAT NATIONWIDE HOME WARRANTY IS HEREBY ORDERED**, pursuant to Section 152/50 of the Illinois Service Contract Act [215 ILCS 152/50], to immediately Cease and Desist the following unlawful conduct:

all selling or offering for sale service contracts in Illinois in violation of the Illinois Service Contract Act [215 ILCS 152/1, *et seq.*].

**YOU ARE FURTHER NOTIFIED** that the basis for this Order To Cease Sales and Offers for Sale is that Nationwide Home Warranty has 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 Nationwide Home Warranty 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 Nationwide Home Warranty of any obligation, duty or performances Nationwide Home Warranty may have incurred to

policyholders and/or service contract consumers in the course of Nationwide Home Warranty's 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.

### **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 Tuesday, April 6, 2010 at 100 West Randolph Street, Suite 9-301, Chicago, Illinois, at the Offices of the Illinois Department of Insurance, at 11:00 A.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 Nationwide Home Warranty 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, Nationwide Home Warranty has the opportunity to appear and be heard, and present such evidence as Nationwide Home Warranty desires 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 Nationwide Home Warranty.

**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, 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 Nationwide Home Warranty's behalf.

**YOU ARE NOTIFIED**, Nationwide Home Warranty's legal counsel, if any, must file a written appearance with the Department of Insurance at the address specified above.

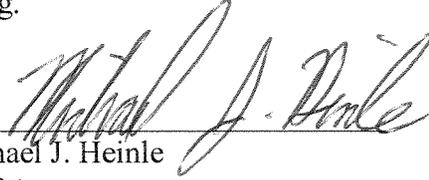
DEPARTMENT OF INSURANCE of the  
State of Illinois

3-25-10  
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. Heinle", written over a horizontal line.

Michael J. Heinle  
Staff Attorney  
Illinois Department of Insurance