



BEFORE THE IOWA INSURANCE COMMISSIONER

IN THE MATTER OF )  
)  
)  
THPCA both individually and d/b/a TOTAL )  
HOME PROTECTION, and )  
)  
RONALD SERUYA, both individually and )  
d/b/a TOTAL HOME PROTECTION, )  
NPN 17516389, )  
DOB 1/29/XXXX, )  
)  
Respondents. )

Division File No. 101823

**SUMMARY CEASE AND  
DESIST ORDER**

On February 21, 2019 the Iowa Insurance Division (“Division”), filed an amended petition requesting the issuance of an summary cease and desist order against the respondents, THPCA, both individually and d/b/a Total Home Protection (“THPCA”), and Ronald Seruya, both individually and d/b/a Total Home Protection (“Seruya”).

**NOW THEREFORE**, the Commissioner of Insurance, Douglas Ommen, pursuant to the provisions of Iowa Code Chapter 523C—Residential Service Contracts and Iowa Administrative Code chapter 191—103, and in consideration of the amended petition for summary cease and desist filed in this matter, does hereby make and issue the following findings of facts, conclusions of law, and does hereby issue this summary cease and desist order (“Order”):

**I. PARTIES AND JURISDICTION**

1. The Commissioner of Insurance, Douglas Ommen (the “Commissioner”), directly and through his designees, administers and enforces Iowa Code Chapter 523C—Residential Service Contracts and Iowa Administrative Code Chapter 191—103 pursuant to Iowa Code § 505.8.
2. THPCA is a corporation organized and existing under the laws of the State of California and having its principal place of business in the State of Pennsylvania. The registered agent for

service of process for THPCA is LegalZoom.com, Inc., 101 North Brand Boulevard, 11<sup>th</sup> Floor, Glendale, California 91203.

3. The Iowa Secretary of State has not issued a certificate of authority to THPCA to transact business in this state.

4. THPCA is not licensed or registered with the Division to act or conduct business as a residential service contract company in this state.

5. Seruya is an individual resident of the State of New Jersey, with a last known mailing address of 1 Ross Ct, Oakhurst, NJ 07755-1526.

6. Documents on file with the California Secretary of State's office identify Seruya as the chief executive officer, secretary, chief financial officer, and sole director of THPCA.

7. Seruya holds a resident insurance producer license from the State of New Jersey and nonresident insurance producer licenses from the states of Florida, New York, and Pennsylvania. Seruya is not a licensed insurance producer in Iowa. Seruya's National Producer Number is 17516389.

8. THPCA and Seruya are collectively referred to herein as "Respondents".

9. Respondents conduct the business affairs of an unregistered home service company and home service contract business through the d/b/a or trade name "Total Home Protection." Total Home Protection is not a legal entity.

10. Pursuant to Iowa Code § 505.28, Respondents have consented to the jurisdiction of the Commissioner by committing acts governed and prohibited by Iowa Code Chapter 523C.

11. Pursuant to Iowa Code § 523C.20, Respondents have appointed the Commissioner as their attorney to receive service of any lawful process in a noncriminal proceeding against them by engaging in conduct subject to regulation under Iowa Code Chapter 523C.

12. Beginning on or around October 6, 2016, Respondents have engaged in acts and practices within the state of Iowa constituting cause for the issuance of a summary order to cease and desist from engaging in such acts or practices and for other relief under Iowa Code Chapter 523C and rules adopted pursuant to that chapter.

## **II. FINDINGS OF FACT**

### **Consumer A's Complaint**

13. In or around December of 2018, Respondents sold a residential service contract to Consumer A.

14. Consumer A paid the Respondents \$1,825.00 for six years of coverage under the residential service contract.

15. In January of 2019, Consumer A's sink was clogged and she called Respondents to make a claim under her residential service contract.

16. Also in January of 2019, and in response to Consumer A's call, the Respondents sent a plumber to Consumer A's house. After examining the plumbing in Consumer A's home, the plumber spoke with Respondents regarding the nature of the problems he found with Consumer A's plumbing.

17. As a result of the discussion with the plumber, the Respondents denied Consumer A's claim stating that, though the contractual waiting period for coverage to begin had passed, insufficient time elapsed *since* the completion of the waiting period for coverage to be effective.

18. When Consumer A protested the denial of her claim, Respondents offered Consumer A \$500.00 in settlement of her claim, telling her she could spend the money however she saw fit.

19. Consumer A refused Respondents' \$500.00 settlement offer. After refusing the offer, Respondents instructed Consumer A to get a repair estimate, provide it to them, and that, upon receipt of the estimate, the Respondents would contact her. While Consumer A obtained the

repair estimate and furnished it to Respondents, Respondents failed to contact Consumer A further regarding her claim.

20. On January 11, 2019, Consumer A filed a complaint against Respondents with the Division's Securities and Regulated Industries Bureau.

21. On or about February 6, 2019, Seruya, in response to subpoena from the Division, stated that Respondents sold 176 residential service contracts in the state of Iowa from October 6, 2016 through January 28, 2019.

**Other State's Actions Against Respondent THPCA and "Total Home Protection"**

22. The California Department of Insurance (the "Department") issued a cease and desist order (the "California Order") against Respondent THPCA on August 6, 2018. The California Order is attached as Exhibit A and incorporated herein by reference.

23. The California Order states that the Department received four consumer complaints against Respondent THPCA involving home service contracts covering appliances and system components sold in the state of California.

24. The Department further went to Respondent THPCA's website and, using an alias, was able to get a quote for a home service contract from Respondent THPCA.

25. Respondent THPCA was not licensed to offer or sell home service contracts in the state of California at any time.

26. The California Order found that Respondent THPCA was transacting the business of home service plans or contracts for homes in California without having been properly licensed by the Department.

27. The Nevada Division of Insurance issued a cease and desist order (“Nevada Order”) against “Total Homeshield/Total Home Protection” on October 31, 2017. The Nevada Order is attached as Exhibit B and incorporated herein by reference.

28. Like the California Order, the Nevada Order found that “Total Homeshield/Total Home Protection” was selling home protection contracts in Nevada without being licensed to do so.

### **III. CONCLUSIONS OF LAW**

#### **Selling Residential Service Contracts without a License**

29. Iowa Code § 523C.1(9) defines a residential service contract as “a contract or agreement between a residential customer and a service company which undertakes, for a predetermined fee and for a specified period of time, to maintain, repair, or replace all or any part of the structural components, appliances, or electrical, plumbing, heating, cooling, or air-conditioning systems of residential property.”

30. Under Iowa Code § 523C.2, a “person shall not issue a residential service contract or undertake or arrange to perform services pursuant to a residential service contract unless the person is a corporation or other form of organization approved by the commissioner by rule and is a licensed service company.”

31. The contract purchased by Consumer A meets the definition of a residential service contract because, pursuant to that agreement, Respondents undertook for a fee of \$1,825.00, to “maintain, repair, and/or replace all or any part of the structural components, appliances, and/or electrical, plumbing, heating, cooling, or air-conditioning systems” of Consumer A’s residential property.

32. Respondents are not, and have never been, licensed as a service company in Iowa.

33. From October 2, 2016 through January 28, 2019, Respondents sold at least 176 residential service contracts in Iowa without being licensed to do so.

34. Under Iowa Code § 523C.19, the Commissioner may issue a summary cease and desist order or take other necessary affirmative action when the Commissioner determines a person has engaged, is engaging, or is about to engage in any act or practice that is a violation of Iowa Code Chapter 523C.

35. Respondents have committed acts and practices that violate Iowa Code § 523C.2 by selling residential service contracts in this state without being licensed to do so. Consequently, Respondents are subject to the entry of an order requiring them to cease and desist from engaging in such acts or practices and to take any other corrective action the Commissioner deems necessary and appropriate pursuant to Iowa Code §§ 523C and 505.8.

#### **IV. PUBLIC INTEREST**

36. It is contrary to the public interest to permit Respondents to engage in the sale of residential service contracts in this state without being properly licensed.

37. Licensure by the Division to sell residential service contracts in Iowa ensures the companies engaged in such activity within this state have the financial wherewithal to perform their obligations under those agreements when they are called upon to do so. *See* Iowa Code §§ 523C.5, 523C.6, and 523C.11.

38. Licensure by the Division to sell residential service contracts in Iowa also ensures the rates charged by such service companies are reasonable in relation to the value of the claims made. *See* Iowa Code § 523C.14.

39. Furthermore, licensure by the Division to sell residential service contracts in Iowa ensures the contract forms utilized by such service companies contain certain important provisions and information for consumers. *See* Iowa Code §523C.7.

40. As evidenced by the allegations in this petition and the exhibits attached hereto, Respondents have a history of selling residential service contracts without the required license to do so.

41. By so violating Iowa law, Respondents escape scrutiny regarding their solvency, avoid rate regulation, and are able to utilize forms that lack important consumer disclosures and information.

42. Respondent has engaged, is engaging, and will continue to engage in the unlicensed sale of residential service contracts in this state if not prohibited from doing so by order of the Commissioner.

43. Respondents' aforementioned actions are contrary to the public interest.

44. It is in the public interest and in furtherance of the consumer protection laws of this state for the Commissioner to issue a summary cease and desist order prohibiting Respondents from engaging in the selling of residential service contracts in Iowa without being properly licensed.

## V. ORDER

**WHEREFORE, IT IS ORDERED** pursuant to the powers granted to the Commissioner of Insurance by Iowa Code Chapter 532C:

- A. Respondents, pursuant to Iowa Code §532C.19, shall immediately cease and desist selling residential service contracts in the state of Iowa and shall immediately cease and desist performing any other act or practice recognized as the selling of a residential service contract in the state of Iowa;

- B. Respondents shall immediately cease and desist from advertising or holding themselves out as a company authorized to sell residential service contracts in the state of Iowa;
- C. Respondents shall immediately add a prominent disclaimer or notice to any website or sales documents that market Respondent's residential service contracts stating that residential services contracts are not available in the state of Iowa.

SO ORDERED on the 25<sup>th</sup> day of February, 2019.



DOUGLAS M. OMMEN  
Iowa Insurance Commissioner

Copies to:

THPCA  
300 McGaw Drive, 2<sup>nd</sup> Floor  
Edison, NJ 08837

THPCA  
325 Chestnut Street, Suite 800  
Philadelphia, PA 19106

THPCA  
295 Pierson Avenue, Suite 104  
Edison, NJ 08837

THPCA  
LegalZoom.com, Inc.  
101 North Brand Boulevard, 11<sup>th</sup> Floor  
Glendale, CA 91203

Ronald Seruya, President and Director  
1 Ross Ct  
Oakhurst, NJ 07755-1526  
**RESPONDENTS**

John Leonhart  
**ATTORNEY FOR THE DIVISION**

CERTIFICATE OF SERVICE

The undersigned certifies that the foregoing instrument was served upon all parties to the above cause, or their attorney, at their respective addresses disclosed on the pleadings on February 25, 2019

By:  First Class Mail  Personal Service  
 Restricted certified mail, return receipt  Email, by consent  
 Certified mail, return receipt  \_\_\_\_\_

Signature: Hilary Foster  
Hilary Foster



### **NOTICE OF RIGHT TO REQUEST HEARING**

**YOU ARE NOTIFIED** that you may request a contested case proceeding and a hearing on this matter within thirty (30) days from the date that the order is issued according to Iowa Code § 523C.19. This request must be in writing and sent to the attention of the Enforcement Bureau, Iowa Insurance Division, 601 Locust St., 4th Floor, Des Moines, IA 50309.

If requested, a notice of the hearing shall be prepared by the Division and shall be issued no later than thirty (30) days from the date of receipt of a timely request for a contested case proceeding and hearing. The resulting hearing will be held in accordance with Iowa Administrative Code Chapter 191—3.

### **NOTICE OF FINAL ORDER AND FAILURE TO REQUEST A HEARING**

If you fail to request a hearing within thirty (30) days of the date of this Cease and Desist Order, the Order shall become final by operation of law and shall be enforceable by the Commissioner of Insurance in an administrative or court proceeding.

### **NOTICE OF EXHAUSTION OF ADMINISTRATIVE REMEDIES AND RIGHT TO SEEK JUDICIAL REVIEW**

The failure to request a hearing may constitute a failure to exhaust your administrative remedies and limit the issues subject to judicial review. You may seek judicial review of this Order pursuant to Iowa Code Chapter 17A after the Order becomes final.

### **NOTICE OF PENALTIES FOR VIOLATION OF THIS ORDER**

**YOU ARE NOTIFIED** that a person who violates this Order shall be deemed in contempt of this Order. The Commissioner may petition the district court to hold a hearing to enforce the order as certified by the Commissioner. The district court may assess a civil penalty against you and may issue further orders as it deems appropriate.

### **NOTICE OF IMPACT OF FINAL ORDER**

A final Cease and Desist Order may adversely affect existing business or professional licenses and may result in license revocation or disciplinary action.

Further notice is given that the Iowa Insurance Division may review this Cease and Desist Order for a potential license revocation or disciplinary action.

A final order in an administrative action does not resolve any potential criminal or civil violations or causes of action that might arise from the same or similar conduct that is the subject of this order. It may result in criminal law enforcement authorities, including the fraud bureau of the Iowa Insurance Division, pursuing a criminal investigation or prosecution of potential criminal law violations.