

**STATE OF OHIO
OFFICE OF THE ATTORNEY GENERAL
CONSUMER PROTECTION SECTION**

IN THE MATTER OF:)	DOCKET NO. 463472
ADMINISTRATION PLUS USA, LLC)	
)	
AND)	
)	
PROTECTION PLUS USA, LLC)	

ASSURANCE OF VOLUNTARY COMPLIANCE

This Assurance of Voluntary Compliance ("Assurance") is entered into this 9th day of April, 2014 between Administration Plus USA, LLC ("Administration Plus") and Protection Plus USA, Inc., ("Protection Plus") a wholly-owned subsidiary of Administration Plus USA, LLC (collectively "Respondents") and the Attorney General of the State of Ohio ("Attorney General"). For purposes of this Assurance, "Respondents" means Administration Plus USA, LLC and Protection Plus USA, Inc., doing business under these names or under any other business name, their agents, representatives, salespersons, employees, instructors, independent contractors, successors and assigns, and all persons acting in concert or participation with Respondents, directly or indirectly, through any corporate device, partnership or association within the State of Ohio.

WHEREAS, the Attorney General, having reasonable cause to believe that Respondents have engaged in acts and practices which violate the Consumer Sales Practices Act, R.C. 1345.01 et seq., and the Substantive Rules, Ohio Administrative Code 109:4-3 et seq., has conducted an investigation pursuant to the authority granted him by R.C. 1345.06; and

WHEREAS, the Attorney General may, pursuant to R.C. 1345.06(F), enter into and accept an Assurance of Voluntary Compliance; and

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**CONSUMER PROTECTION SECTION
PUBLIC INSPECTION FILE**

WHEREAS, this Assurance of Voluntary Compliance is an assurance in writing by Respondents of their intent to comply with the provisions of the Consumers Sales Practices Act and the Substantive Rules; and

WHEREAS, Respondents desire to comply with all aspects of the Consumer Sales Practices Act, Respondents hereby voluntarily enter into this Assurance with the Attorney General.

NOW THEREFORE, in consideration of the mutual promises and conditions set forth herein, the parties hereto **AGREE** as follows:

(1) The “Effective Date” shall mean the date indicated on the first page of this Assurance.

(2) By accepting this written Assurance, the Attorney General agrees to terminate the current investigation of Respondents’ business practices and actions occurring on or before the Effective Date of this Assurance.

(3) By giving this written Assurance, Respondents agree to comply with all the terms of this Assurance and to conduct their business in compliance with all applicable Ohio laws, including without limitation, the Consumer Sales Practices Act (“CSPA”), R.C. 1345.01 et seq. and the Substantive Rules, Ohio Administrative Code, 109:4-3 et seq.

I. DEFINITIONS

The following are the definitions for the words and terms for purposes of this Judgment:

1. “Administrator,” means Administration Plus, whose responsibility it was to adjudicate repair claims under Vehicle Service Contracts that were advertised, marketed, entered into, and sold by other companies (“Marketers”).

2. “Obligor,” means Protection Plus, the company on whose behalf Marketers marketed, entered into, and sold Vehicle Service Contracts to consumers and whose

responsibility it was to pay for any repairs covered under the contracts.

3. Except where specifically noted otherwise, “Respondents” means Administration Plus, and its subsidiary, Protection Plus, operating under its own name or any other business names, including all other persons acting in concert or participation with the Respondents, directly or indirectly, or acting on behalf of Respondents or at Respondents’ direction, through any corporate device, partnership or association, jointly and severally, including all persons and entities that receive notice of this Judgment.

4. “Vehicle Service Contract” means a contract or agreement (a) that contains a separately stated consideration for a specific duration to perform the repair, replacement or maintenance of a motor vehicle and includes vehicle protection products; or (b) that provides indemnification for repair, replacement or maintenance of a motor vehicle due to an operational or structural defect in materials. Such Vehicle Service Contract may or may not include additional provisions for incidental payment of indemnity under limited circumstances, including but not limited to, towing, rental and emergency road service.

II. BACKGROUND AND STATEMENT OF FACTS

5. Administration Plus USA, LLC is an Ohio limited liability company with its principal place of located at 5131 Post Road, Suite 260, Dublin, Ohio 43017.

6. Protection Plus USA, Inc. is a wholly-owned subsidiary of Defendant Administration Plus USA, LLC and is located at 5131 Post Road, Suite 260, Dublin, Ohio 43017.

7. Sean M. Gouhin is the owner and president of Administration Plus.

8. LG Warranty Co. (“LG Warranty”) offered a variety of administration and obligor services for various vehicle service contract products with its principal place of business formerly at 5131 Post Road, Dublin, OH 43017. LG Warranty is not a party to this matter.

9. Sean M. Gouhin was the organizer and initial co-owner of LG Warranty; however, he relinquished his ownership in July 2007.

10. There is no common ownership between LG Warranty and Administration Plus and they are not affiliated in any other way.

11. Respondents contracted to be Administrators and pay covered repairs as Obligors for contracts advertised and sold by Marketers.

12. The Vehicle Service Contracts for which Respondents were the Administrator and the Obligor were backed by insurance.

13. Administration Plus was a contracted Administrator to Western Insurance Company for certain of Western Insurance Company's insured Vehicle Service Contracts.

14. LG Warranty Co. was a contracted Administrator of Western Insurance Company for certain of Western Insurance Company's insured Vehicle Service Contracts.

15. Based on a contract between Protection Plus and Western Insurance Company, Protection Plus is insured by Western Insurance Company for some of the Vehicle Service Contracts it is the Obligor for.

16. Respondents paid insurance premiums and claim reserves to Western Insurance Company to pay consumers' claims under these Vehicle Service Contracts.

17. At one point in time, several incorrect Vehicle Service Contracts were sold to consumers. In said contracts, Administration Plus was incorrectly listed as the Administrator and Protection Plus was incorrectly listed as the Obligor; LG Warranty should have been listed as the Administrator on those contracts.

18. To correct the situation, an Assignment and Assumption of Obligor duties was executed by all parties, along with Western Insurance Company. At that point in time,

Administration Plus agreed with Western Insurance Company that as of 1/1/2011 it would assume the administration duties of those contracts previously administered by LG Warranty.

19. Following the events in Paragraph 18, Western and LG entered into a Termination Agreement.

20. In August of 2011, Western Insurance Company was put into liquidation by the Utah Department of Insurance.

21. LG Warranty has filed three proofs of claims in the Western Insurance Company liquidation. Said claims have been denied; however Respondents are appealing that denial.

22. Respondents have filed a proof of claim in the Western Insurance Company liquidation for \$2,318,896.74 that they paid to Western Insurance Company. Said claim has not yet been accepted or denied.

23. Respondents have failed to pay for consumers' repairs as required by the consumers' Vehicle Service Contracts. Respondents contend that this failure is a result of the Western Insurance Company liquidation and the fact that Western Insurance Company has refused to release the reserves held by Western Insurance Company for the payment of said claims.

III. STATEMENT OF LAW AND COMPLIANCE PROVISIONS

24. Respondent Administration Plus is a "supplier" as that term is defined in R.C. 1345.01(C) as Respondents Administration Plus was, at all times relevant herein, engaged in the business of effecting consumer transactions by administering Vehicle Service Contracts in Franklin County to individuals in the State of Ohio and across the United States for purposes that were primarily personal, family or household within the meaning specified in R.C. 1345.01(A) and (D).

25. Respondent Protection Plus is a "supplier" as that term is defined in R.C.

1345.01(C) as Respondent Protection Plus was, at all times relevant herein, engaged in the business of effecting consumer transactions by entering into Vehicle Service Contracts in Franklin County with individuals in the State of Ohio and across the United States for purposes that were primarily personal, family or household within the meaning specified in R.C. 1345.01(A) and (D).

26. Respondents shall comply with the CSPA, R.C. 1345.01 et seq., and the Substantive Rules enacted thereunder;

27. Respondents shall refrain from committing an unfair or deceptive act or practice in connection with a consumer transaction, in violation of the CSPA, R.C. 1345.02(A);

28. Respondents shall refrain from committing unfair and deceptive acts or practices in violation of the Consumer Sales Practices Act, R.C. 1345.02(A) and Ohio Adm. Code 109:4-3-09, by accepting money from consumers for goods and services and failing to make full delivery of the goods or services or refund the money paid by consumers.

29. Respondents shall continue to actively pursue recovery on the proof of claim filed in the Western Insurance Company liquidation. Respondents shall report to the Attorney General monthly regarding the status of the recovery.

30. Respondents shall actively pursue recovery of funds belonging to the consumers identified in Attachment A against the Marketers of the Vehicle Service Contracts that Respondents were the Administrators or Obligors under. Within three months, and every three months thereafter, Respondents shall report to the Attorney General and provide evidence of affirmative action to recover these funds. Failure to pursue this recovery shall constitute a violation of this Assurance and make all suspended payments immediately due and owing.

IV. CONSUMER RESTITUTION AND PAYMENT TO THE STATE

31. Respondents shall pay valid claims under Vehicle Service Contracts or requested

cancellation refunds, to those consumers on Attachment A, referenced and incorporated herein. Payments to consumers under this paragraph are suspended up and until such time Respondents make a recovery under any proofs of claim being pursued by Respondents in the liquidation of Western Insurance Company or in any private action brought by the Respondents against Marketers that sold the Vehicle Service Contracts to consumers identified in Attachment A. Upon any recovery in the Western Insurance Company liquidation or via an action against any Marketer, restitution due under this paragraph is immediately due and owing and should be made before payment of any outside liabilities. If the recovery by Respondents is not enough to pay each of the consumers on Attachment A in full, the Ohio Attorney General will distribute the funds to consumers on a pro rata basis. Attachment A will be revised as necessary by agreement of the parties to address any additional complaints received by the Ohio Attorney General.

32. Pursuant to R.C. 1345.07(D), Respondents are liable for a civil penalty in the amount of Twenty-five Thousand Dollars (\$25,000). Said penalty is suspended upon timely compliance with this Judgment. If Respondents fail to comply with all other provisions in this Judgment, Twenty-five Thousand Dollars (\$25,000) in civil penalties shall be immediately due and payable upon demand.

33. The Respondents have represented that they are currently insolvent, and that any funds currently held in their bank accounts are tied to Vehicle Service Contracts which Respondents are obligated under that are insured by entities other than Western Insurance Company. Respondents have further represented that this insolvency does not take into account any recovery which Defendants might receive under their proof of claim(s) in the liquidation of Western Insurance Company or in any action against a Marketer. The Attorney General has relied upon these representations and if these representations are found to be untrue, the civil

penalty and consumer restitution shall be immediately due and payable upon demand.

V. PENALTIES FOR FAILURE TO COMPLY

35. As a means of ensuring compliance with the provisions of this Assurance, Respondents shall comply with the following terms:

A. Until such time as the monetary provisions of this Assurance have been satisfied, Respondents shall notify the Ohio Attorney General of the following information:

- i. Any changes in mailing address of the Respondents;
- ii. Any change in the ownership of the Respondents;
- iii. Any change in the mailing address or contact information for the owner of the Respondents;
- iv. Any change in the Respondents' names or use of any fictitious names;
- v. Any change in the Respondents' business entity status; or
- vi. Any recovery by the Respondents on the proof of claim filed in the Western Insurance Company liquidation.
- vii. Any recovery by Respondents in any private litigation against Marketers of the Vehicle Service Contracts connected to any of the Consumers listed on Attachment A now or as may be amended in the future.

B. For the purposes of this Order, Respondents shall notify the Ohio Attorney General within ten days if any of the information in Section A changes and shall mail all required notifications to:

Ohio Attorney General
Consumer Protection Section
30 E. Broad St., 14th Floor
Columbus, Ohio, 43215

C. Failure to report any change in the information listed in subsection A, as required by subsection B, will, at the discretion of the Attorney General, result in the suspended civil penalty set forth in paragraph 4 of this Assurance becoming immediately due and payable by the Respondents.

36. Respondents shall provide the Ohio Attorney General with copies of financial documents to verify the Respondents' financial status within 14 days of any written request from the Ohio Attorney General.

37. The Attorney General may assert any claim that Respondents have violated this Assurance in a separate civil action to enforce this Assurance, or to seek any other relief afforded by law, as provided by statute.

38. This Assurance shall in no way exempt Respondents from any other obligations imposed by law, and nothing contained herein shall relieve Respondents of any legal responsibility for any acts or practices engaged in by Respondents other than those acts specifically resolved by this Assurance.

39. Pursuant to R.C. 1345.06(F), nothing in this Assurance shall in any way preclude any investigative or enforcement action against Respondents under any legal authority granted to the Attorney General:

A. With respect to the transactions or occurrences which are the subject of this enforcement action, if the terms of this Assurance are not fully obeyed; or

B. With respect to transactions or occurrences which are not the subject of this action.

VI. REPRESENTATIONS AND WARRANTIES

40. The Attorney General and Respondents represent and warrant that they negotiated the terms of this Assurance in good faith.

41. Respondents warrant and represent that the individual signing this Assurance on behalf of Respondents is doing so in his official capacity and is fully authorized by Respondents to enter into this Assurance and legally bind Respondents to all of the terms and conditions of this assurance.

SIGNATURES

ACCEPTED BY:

FOR THE OHIO ATTORNEY GENERAL, MICHAEL DEWINE



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Consumer Protection Section
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Columbus, Ohio 43215-3428
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(866) 521-9921 (facsimile)
teresa.heffernan@ohioattorneygeneral.gov

4/9/2014
DATE

FOR THE RESPONDENTS ADMINISTRATION PLUS USA, LLC AND
PROTECTION PLUS USA, INC.



SEAN GOUHIN
President and Owner

4/9/14
DATE

Administration Plus
EAGO 463472
Attachment A

		Date of Complaint	First	Last
1	787184	7/12/2013	Landius	Alexander
2	804612	2/21/2014	Belinda	Anderson
3	787556	7/18/2013	Jerry	Atkins
4	790680	8/20/2013	Chad	Babbert
5	805477	3/4/2014	Holly	Baker
6	785615	6/21/2013	Diane	Bennett
7	805322	3/3/2014	Tremania	Bethune
8	765440	9/11/2012	Monique	Bouchard
9	795339	10/22/2013	Kimberly	Bragg
10	785821	6/23/2013	David	Brown
11	795536	10/23/2013	Derrick	Brown
12	795041	10/16/2013	Darrell	Bunch
13	790738	8/21/2013	Larry	Canham
14	784100	6/3/2013	Tammy	Carey
15	798596	12/4/2013	Cynthia	Chandler
16	803446	2/7/2014	Bruce	Crevier
17	786903	7/9/2013	Tommy	Dille
18	767438	10/4/2012	Douglas	Duvigneaud
19	767290	10/2/2012	Robert	Eck
20	770127	11/14/2012	Jeffery	Flood
21	782331	5/9/2013	James	Gallo
22	797898	11/25/2013	Lori	Goebel
23	792654	9/12/2013	Chaim	Golovenzitz
24	793177	9/18/2013	Charles	Greeley
25	786962	7/9/2013	Harvey	Griffin
26	771764	12/6/2012	Lonnie	Hansen
27	785638	6/21/2013	Arlene	Hatton
28	789264	8/1/2013	Kellianne	Hawkins
29	791471	8/28/2013	James	Henry
30	790898	8/22/2013	Craig	Herrmann
31	801786	1/22/2014	Melvin	Hines
32	791749	9/3/2013	Clint	Johnson
33	769670	11/5/2012	John	Knopik
34	804373	2/19/2014	Bert	Loayza
35	796891	11/12/2013	Gwendolyn	Martin
36	795278	10/21/2013	Neferiti	Matthews
37	771500	12/4/2012	Robert	McDonald
38	787547	7/17/2013	Willie	Moore
39	786198	6/28/2013	Jules	Morris
40	790495	8/29/2013	Christina	Neale
41	785628	6/21/2013	Robert	Nitti
42	790737	8/21/2013	Danry	Ogburn
43	788841	8/1/2013	Annagjio	Payne
44	791141	8/26/2013	Nathaniel	Pinkard
45	790921	8/23/2013	Donald	Robinson
46	800789	1/10/2014	Serena	Rosa
47	788346	7/26/2013	Peggy	Ross
48	804359	2/19/2014	Francis	Schaub
49	795382	10/22/2013	Jill	Schoenecker
50	790505	8/19/2013	April	Sims
51	791707	8/30/2013	Curtisa	Smith
52	772315	12/13/2012	John	Smith

Administration Plus
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Attachment A

53	796487	11/5/2013	Otis	Smithson
54	796491	11/5/2013	Jennifer	Starr
55	794672	10/9/2013	Novell	Stewart
56	787202	7/12/2013	Celestine	Thomas
57	787732	7/19/2013	Raymond	Vrazel
58	792112	9/6/2013	Brian	White
59	804253	2/18/2014	Patricia	Williams
60	787095	7/11/2013	Chien/Diana	Yang
61	805378	3/3/2014	Tamiko	Flores
62	801906	1/23/2014	Melvin	Rollins
63	792308	9/10/2013	James	Axelrod
64	788614	7/30/2013	Andrew	Baldy
65	744884	2/9/2012	Schranetta	Brigner
66	801115	1/11/2014	Catherine	Dieckman
67	779685	4/4/2013	Sarah	Dufort
68	799193	12/13/2013	Ronna	Foster
69	800621	1/7/2014	Reginald	Green
70	764721	9/1/2012	Monnie	Howard
71	779609	4/5/2013	Glenn	Knaut
72	799962	12/26/2013	Daniel	Mason
73	763523	8/21/2012	Anthony	Messer
74	783143	5/21/2013	Gerardo	Montiel
75	780510	4/16/2013	Mary	Reynolds
76	779892	4/8/2013	Edward	Sarkel
77	803837	2/11/2014	Andrew	St. Clair
78	787039	7/10/2013	Shanelle	Staggers
79	763836	8/23/2012	Albert	Suied
80	805701	3/3/2014	David	Teynor
81	793772	9/26/2013	Mary	Varvarosky
82	765578	9/12/2012	Susan	Vasquez
83	794268	10/3/2013	Andrias	Woody
84	774117	1/15/2013	Jennifer	Havens
85	798900	12/10/2013	Anthony	Buckner
86	786378	7/2/2013	Raymond	Hall
87	783909	5/30/2013	Shawn	Harrington
88	796384	11/4/2013	Robert	Hiatt
89	804104	2/14/2014	Charles	Hisey
90	804499	2/20/2014	Everett	Hite
91	797505	11/19/2013	Sherry	Lantrip
92	797349	11/18/2013	Derrith Watchman	Moore
93	793823	9/26/2013	James	Turner
94	794518	10/8/2013	Katherine	Walters
95	787335	7/16/2013	Chivon	White
96	763221	8/16/2012	Jerry	Boyer
97	795768	10/28/2013	Lewis	Caballero
98	799476	12/17/2013	Angela	Coda
99	797520	11/20/2013	Dustin	Collom
100	782125	5/7/2013	James	Cook
101	788270	7/25/2013	Ladiamond	Dixon
102	798254	12/2/2013	Christopher	Gathers
103	799218	12/16/2013	Charlene	Hardester
104	802755	2/3/2014	James	Headlee
105	798395	12/3/2013	Kevin	Jones
106	785862	6/25/2013	Sharon	Layne

Administration Plus
EAGO 463472
Attachment A

107	785859	6/25/2013	Shirlina	Mohammed
108	764333	8/9/2012	Jeri	Molinelli
109	795313	10/21/2013	Kelly	Nibb
110	766842	9/27/2012	Adam	Ostrem
111	790870	8/22/2013	Nayana	Talsania
112	783135	5/21/2013	Carolyn	Thormann
113	786272	7/1/2013	Treshelle	Toney
114	768585	10/19/2012	Linda	Vandale
115	795387	10/22/2013	Tonya	Wells
116	797581	11/20/2013	Maryam	Zahedi
117	786432	7/2/2013	Roy	Fortune
118	781463	4/26/2013	Jason	Luongo
119	785253	6/17/2013	Holly	Richards