

STATE OF ARIZONA
Department of Insurance and Financial Institutions
FILED August 10, 2023 by AS

STATE OF ARIZONA

DEPARTMENT OF INSURANCE AND FINANCIAL INSTITUTIONS

In the Matter of Unlicensed Activity of:

J.S.V.G., INC

2975 S Pacific Avenue
Yuma, AZ 85365

Respondent.

No. 23A- 036 -INS

CONSENT ORDER

The Arizona Department of Insurance and Financial Institutions (the "Department") has received evidence that J.S.V.G., Inc. ("Respondent") has violated provisions of Arizona Revised Statutes ("A.R.S.") Title 20. Respondent wishes to resolve this matter without the commencement of formal proceedings, and admits the following Findings of Fact are true, and consents to the entry of the following Conclusions of Law and Order.

FINDINGS OF FACT

1. Respondent is an Arizona domiciled corporation.
2. The Department originally issued a service company permit, SBS Company Number 511597798, to Respondent on July 29, 2020.
3. Respondent renewed its service company permit with the Department in April 2021, effective January 1, 2021, through December 31, 2021.
4. Respondent also renewed its service company permit with the Department in April 2022, effective January 1, 2022, through December 31, 2022.
5. Respondent failed to timely renew its service company permit for the year 2023 by the end of its permit term on March 31, 2023.
6. Respondent's service company permit expired at midnight on March 31, 2023.

1 7. On or about April 21, 2023, the Department sent an email to Respondent stating that
2 “[Respondent’s] Service Company Permit is expired. [Respondent] is no longer authorized to issue
3 service contracts to Arizona residents, effective [April] 01, 2023.”

4 8. On or about April 24, 2023, Respondent submitted its permit renewal application for the
5 year 2023 with the Department.

6 9. On or about May 1, 2023, the Department sent an email to Respondent requesting that
7 Respondent provides information related to its unlicensed service company activities in Arizona since
8 April 1, 2023.

9 10. On or about May 2, 2023, Respondent responded to the Department’s May 1 email and
10 stated the following:

- 11 • Respondent sold and/or renewed 138 service contracts in Arizona since April 1, 2023.
- 12 • At the time of the May 2 response, Respondent had 5,776 contracts in force in Arizona.

13 **CONCLUSIONS OF LAW**

14 11. The Director has jurisdiction over this matter.

15 12. Respondent’s conduct, as described above, constitutes a violation of Title 20 or any rule,
16 subpoena or order of the Director. A.R.S. § 20-295(A)(2).

17 13. Respondent’s conduct, as described above, constitutes offering and issuing service
18 contracts without a permit. A.R.S. § 20-1095.01(A).

19 14. Respondent is not exempt from the permit requirement. A.R.S. § 20- 1095.02(A).

20 15. Service company contracts issued by Respondent are enforceable and valid contracts.
21 A.R.S. § 20-1095.05.

22 16. Respondent’s permit shall have a permit term that expires on the last day of the month,
23 three months after the company’s fiscal year-end date. A.A.C. R20-6-407(D)(1).

24 17. Respondent’s conduct, as described above, constitutes the offering and renewing of service
25 contracts without an active permit. A.A.C. R20-6-407(D)(3)(b).

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1 18. Grounds exist for the Director to revoke or suspend any permit issued to a service company
2 if the Director finds the service company has violated any provision of this article. A.R.S. § 20-
3 1095.09(2).

4 19. Grounds exist for the Director to order Respondent to cease and desist from offering and
5 issuing service contracts without a permit. A.R.S. § 20-1095.09(B).

6 20. Grounds exist, in addition to or instead of any suspension or revocation for the Director to
7 impose a civil penalty of not more than \$250.00 for each unintentional failure or violation up to an
8 aggregate civil penalty of \$2,500.00, or impose a civil penalty of not more than \$2,500.00 for each
9 intentional failure or violation, up to an aggregate civil penalty of \$15,000.00. A.R.S. § 20-295(F).

10 **ORDER**

11 **IT IS ORDERED**

12 1. Respondent shall immediately pay to the Department a civil money penalty in the amount
13 one hundred dollars (\$100.00).

14 2. Respondent shall pay to the Department the outstanding late renewal fees in the amount of
15 five hundred seventy-five dollars (\$575.00).

16 3. Respondent shall continue to investigate and pay all claims arising out of acts covered by
17 Respondent's service contracts issued to Arizona residents for so long as such claims may legally be
18 brought against the contract holders.

19 4. Respondent shall not sell and issue any service contracts in Arizona without an active
20 service company permit.

21 Effective this 10th day of August, 2023.

22
23 *Barbara D. Richardson*
24 _____
25 Barbara D. Richardson, Director
26 Arizona Department of Insurance and Financial Institutions

CONSENT TO ORDER

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1. Respondent has reviewed the foregoing Findings of Fact, Conclusions of Law and Order.

2. Respondent consents to the personal and subject matter jurisdiction of the Department in this matter, and voluntarily consents to the entry of this Order.

3. Respondent is aware of its right to an administrative hearing in this matter and hereby knowingly and voluntarily waives that right.

4. Respondent states that no promise of any kind or nature whatsoever, except as expressly contained in this Consent Order, was made to it to induce it to enter into this Consent Order and that it has entered into this Consent Order knowingly and voluntarily.

5. Respondent acknowledges that the acceptance of this Consent Order by the Director is solely to settle this matter and does not preclude the Department from instituting other proceedings as may be appropriate now or in the future. Furthermore, and notwithstanding any language in this Consent Order, this Consent Order does not preclude in any way any other state agency or officer or political subdivision of this state from instituting proceedings, investigating claims, or taking legal action as may be appropriate now or in the future relating to this matter or other matters concerning Respondent, including but not limited to violations of Arizona’s Consumer Fraud Act.

6. Respondent acknowledges that, other than with respect to the Department, this Consent Order makes no representations, implied or otherwise, about the views or intended actions of any other state agency or officer or political subdivision of the state relating to this matter or other matters concerning Respondent.

7. Respondent waives all rights to seek an administrative or judicial review or otherwise to challenge or contest the validity of this Consent Order and its accompanying parts before any court of competent jurisdiction.

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8. Sandra Otteni represents that she is the President of Respondent and, as such, is authorized to sign the Consent to Assessment on behalf of Respondent.

DATED this 23 day of JUNE, 2023.

By: Sandra Otteni, Pres.
J.S.V.G., Inc.
Sandra Otteni, President

1 **COPY** of the foregoing delivered/mailed
this 10th day of August 2023, to:

2 J.S.V.G., Inc.
3 Attn: Chancey Schreiber, Secretary
4 2975 S Pacific Avenue
5 Yuma, AZ 85365
6 clo581@aol.com
7 Respondent

8 **COPY** of the foregoing delivered/mailed same date, to:

9 Deian Ousounov, Assistant Director
10 Gio Espinosa, Regulatory Legal Affairs Officer
11 Ana Starcevic, Paralegal Project Specialist
12 Catherine O'Neil, Consumer Legal Affairs Officer
13 Steven Fromholtz, Licensing Manager
14 Linda Lutz, Legal Assistant
15 Kyle Tapia, Investigator
16 Arizona Department of Insurance and Financial Institutions
17 100 North 15th Avenue, Suite 261
18 Phoenix, Arizona 85007-2630

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14 *Ana Starcevic*

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