

BEFORE THE INSURANCE COMMISSIONER
OF THE STATE OF CALIFORNIA

In the Matters of

File No. GG 2019 00374

OMEGA VEHICLE SERVICES, LLC d/b/a
DELTA AUTO PROTECT

ORDER TO CEASE AND DESIST
PURSUANT TO INSURANCE CODE
SECTION 12921.8;

and

NOTICE OF MONETARY PENALTY

CHARLES SERUYA, individually and as
Member and Manager of OMEGA
VEHICLE SERVICES, LLC d/b/a DELTA
AUTO PROTECT

NOTICE OF RIGHT TO HEARING

Respondents.

TO: **OMEGA VEHICLE SERVICES, LLC**, and its controlling member **Charles Seruya**, doing
business as DELTA AUTO PROTECT, with an address of 180 John F. Kennedy Boulevard
Unit 300, Philadelphia, Pennsylvania 19103, and to its officers, directors, employees, trustees,
agents, affiliates and service representatives.

WHEREAS, California Insurance Code section 12921.8(a)(1) authorizes the Insurance
Commissioner of the State of California (Commissioner) to issue a cease and desist order
against any person who has acted in a capacity for which a license, registration, or certificate
of authority to conduct insurance business in the State of California is required but not
possessed; and,

WHEREAS, California Insurance Code section 12921.8(c) authorizes the
Commissioner to issue a Cease and Desist Order without holding a hearing prior to issuance
of the Order; and,

WHEREAS, from not later than June 29, 2015, OMEGA VEHICLE SERVICES, LLC,

1 and its controlling person Charles Seruya, doing business as DELTA AUTO PROTECT
2 (Respondents) have through the internet, including through the website identified as
3 www.deltaautoprotect.com (Website), through the toll free telephone line (866) 598-5429.
4 (Toll Free Number), and through other means and devices, solicited the purchase of
5 contracts purported to be vehicle service contracts within the meaning of California Insurance
6 Code sections 12800 *et seq.* (vehicle service contracts) by persons residing in California;
7 and,

8 WHEREAS, from not later than June 29, 2015, Respondents solicited the purchase of
9 purported vehicle service contracts through the internet, including through their Website, and
10 through e-mails sent to persons residing in California; and,

11 WHEREAS, from not later than June 29, 2015, Respondents have through the
12 internet, including through their Website, through the Toll Free Number, and through other
13 means and devices, negotiated and executed contracts purporting to be vehicle service
14 contracts with persons residing in California; and,

15 WHEREAS, from not later than June 29, 2015, Respondents engaged in subsequent
16 transactions arising from duties and obligations pursuant to the purported vehicle service
17 contracts Respondents sold to residents residing in California, including but not limited to
18 receiving, evaluating, and adjusting claims arising under such contracts and through
19 providing services specified in such contracts; and,

20 WHEREAS, from not later than June 29, 2015, Respondents have maintained an
21 internet presence, including through its Website, advertised on the internet, and transacted
22 vehicle service contracts by, among other things, providing fee or premium quotes for
23 contracts marketed and sold to California residents, accepting applications for contracts from
24 persons residing in California, and communicating with persons residing in California
25 regarding one or more terms of a vehicle service contracts; and,

26 WHEREAS, Respondents have not at any time held, and do not now hold, a Vehicle
27 Service Contract Provider license issued pursuant to California Insurance Code section
28 12815 authorizing them to issue, offer or act as an obligor of vehicle service contracts in

1 California; and have not at any time held, and do not now hold, a license to transact vehicle
2 service contracts issued pursuant to California Insurance Code sections 700 and 120; and,

3 WHEREAS, Respondents have acted in a capacity for which a vehicle service
4 contract provider license or certificate of authority is required but was not possessed, as set
5 forth above to wit the following:

- 6 1) On or about June 29, 2015 Respondents sold an illegal vehicle service contract
7 for \$2,499 to Cathy Huang of San Diego, California; and,
- 8 2) On or about October 25, 2015 Respondents sold an illegal vehicle service
9 contract for \$2,900 to Armando Gonzalez of Northridge, California; and,
- 10 3) On or about December 2015 Respondents sold an illegal vehicle service
11 contract for \$2,399 to Stacey Horowitz of San Mateo, California; and,
- 12 4) On or about June 2017 Respondents sold an illegal vehicle service contract for
13 \$1,400 to Alex Madrigal of Placentia, California; and,
- 14 5) On or about September 30, 2017 Respondents sold an illegal vehicle service
15 contract for \$2,500 to Fred Travalena and Rosalinda Riley of Encino, California;
16 and,
- 17 6) On or about October 19, 2017 and March 1, 2018, Respondents sold two illegal
18 vehicle service contracts for \$2,265 and \$1,500, respectively, to Dave
19 Weisberg of Mill Valley, California; and,
- 20 7) On or about February 14, 2018, Respondents sold an illegal vehicle service
21 contract for \$2,500 to Brandon Charif of Beverly Hills, California; and,
- 22 8) On or about March 1, 2018 Respondents sold an illegal vehicle service contract
23 for \$2,000 to Deng Zhou of Santa Clara, California; and,
- 24 9) On or about April 25, 2018 Respondents sold an illegal vehicle service contract
25 for \$2,500 to Terry Martin of Coalinga, California; and,
- 26 10) On or about May 1, 2018 Respondents sold an illegal vehicle service contract
27 for \$2,485 to Maxwell Ervin of Altadena, California; and,
- 28 11) On or about May 1, 2018 Respondents sold an illegal vehicle service contract

- for \$1,800 to Ansen Li of Rosemead, California; and,
- 12) On or about March 15, 2018 Respondents sold two illegal vehicle service contracts for \$3,100 to Charita Devereaux of Homeland, California; and,
- 13) On or about April 18, 2018 Respondents sold an illegal vehicle service contract for \$2,000 to Richard Wapniarski of Highland, California; and,
- 14) On or about May 22, 2018 Respondents sold an illegal vehicle service contract for \$1,800 to Jesus Delfin of San Marcos, California; and,
- 15) On or about June 2018 Respondents sold an illegal vehicle service contract for \$1,800 to Christopher Bruyelle of Cypress, California; and,
- 16) On or about June 22, 2018 Respondents sold an illegal vehicle service contract for \$1,986 to Jesus Delfin of San Marcos, California; and,
- 17) On or about September 12, 2018 Respondents sold an illegal vehicle service contract for \$1,784 to Sheila Hannah of Lake Elsinore, California; and,
- 18) On or about October 5, 2018 Respondents sold an illegal vehicle service contract for \$1,799 to William Wilcox of Chula Vista, California; and,
- 19) On or about January 15, 2019 Respondents sold an illegal vehicle service contract for \$1,769.60 to Jeffrey Sinclair of San Rafael, California; and,
- 20) On or about February 19, 2019 Respondents sold two illegal vehicle service contracts for \$2,000 (\$1,000 each) to Mike Starr of Roseville, California; and,
- 21) On or about March 25, 2019 Respondents sold an illegal vehicle service contract for \$2,368 to LaSean White of Stockton, California; and,
- 22) On or about April 9, 2019 Respondents sold an illegal vehicle service contract for \$1,500 to Cindy Huynh of Westminster, California; and,
- 23) On or about May 1, 2019 Respondents sold an illegal vehicle service contract for \$2,326 to Leonard Lindstrom of Santa Clara, California. Lindstrom made a \$300 down payment; and,
- 24) On or about June 26, 2019 Respondents sold an illegal vehicle service contract for \$1,500 to Alok Bhatia of Long Beach, California; and,

1 25) On or about July 26, 2019 Respondents sold an illegal vehicle service contract
2 for \$2,000 to Lawrence Schatz of Running Springs, California; and,

3 26) On or about August 26, 2019 Respondents sold an illegal vehicle service
4 contract for \$2,210 to Michel Urich of Carlsbad, California; and,

5 WHEREAS, the vehicle service contracts sold by Respondents to California residents
6 contain numerous violations, as set forth below, and are therefore void ab initio. To wit:

7 A. Respondents acted as an insurance company without a certificate of authority [IC
8 §700]; and,

9 B. Respondents acted as a vehicle service contract provider without a license [IC
10 §12815]; and,

11 C. Respondents sold vehicle service contracts without being properly licensed as a
12 seller [IC §12810(a) and §12800(f)]; and,

13 D. Respondents marketed vehicle service contract forms that have not been filed
14 with the Commissioner [IC §12820(a)]; and,

15 E. Respondents failed to obtain approved back-up insurance for the vehicle service
16 contracts they sold in California [IC §12830(a); and,

17 F. Respondents failed to disclose on vehicle service contracts the California
18 Department of Insurance toll-free phone number and web address for assistance
19 [IC §12820(b)(1)(A)]; and,

20 G. Respondents failed to disclose on vehicle service contracts a vehicle service
21 contract provider license number [IC §12820(b)(3); and,

22 H. Respondents systematically denied claims by failing to exercise the proper
23 standard of proof [IC §12850]; and,

24 I. Respondents failed to comply with California Civil Code section 1794.4 and
25 1794.41

26 WHEREAS, because Respondents have violated California Insurance Code sections
27 12800 *et seq.*, the contracts sold to California residents do not qualify as legal vehicle service
28 contracts, and instead constitute illegal insurance policies, pursuant to California Insurance

Code sections 22, 116(a), (b), (c) and (d), and 12805(a)(3). Respondents have not received a certificate of authority from the Commissioner to act as an insurance company, as required by California Insurance Code section 700(a). Consequently, its transaction of insurance as an insurance company has been in violation of California Insurance Code section 700(b). The violations of sections 12815(a) and 12830 by Respondents may constitute felonies, pursuant to section 12845, and be subject to a fine up to \$500,000. The violation of California Insurance Code section 700(a) is punishable as a felony pursuant to section 700(b).

NOW THEREFORE,

RESPONDENTS ARE HEREBY ORDERED TO IMMEDIATELY CEASE AND DESIST from soliciting, negotiating, issuing, or renewing any vehicle service contracts in California with residents of California, through any means, including through its Website, the internet (including via e-mail), the Toll Free Number, or otherwise and IMMEDIATELY CEASE AND DESIST collecting contract fees from any California resident through any means.

NOTICE OF MONETARY PENALTY

PLEASE TAKE NOTICE that pursuant to Insurance Code section 12921.8, the Commissioner may impose a monetary penalty equal to five times the amount of money received by Respondents while acting in the capacity for which a vehicle service contract provider license is required but was not possessed, or five thousand dollars (\$5,000) for **each day** that Respondents acted in the capacity for which a vehicle service contract provider license is required but was not possessed, whichever is greater.

//

NOTICE OF RIGHT TO HEARING

Insurance Code section 12921.8(c) provides in part, as follows:

A person to whom a cease and desist order has been issued, may, within seven days after service of the order, ... request a hearing by filing a request for a hearing with the commissioner.

If you desire a hearing in this matter, your written request for a hearing must be received within seven days after you are served with this Order to Cease and Desist. The

1 seven days begins to run on the day after the day you are served, and if the seventh day falls
2 on a weekend, the period in which your request must be filed is extended until Monday or the
3 next business day if Monday is a holiday.

4 Your written request for a hearing in this matter must be directed to the following
5 persons;

6 Michael Tancredi
7 Assistant Chief Counsel
8 California Department of Insurance
9 300 South Spring Street, 12th Floor
10 Los Angeles, California 90013

11 James Browne
12 Senior Staff Counsel
13 California Department of Insurance
14 1901 Harrison Street, 4th Floor
15 Oakland, California 94612

16 PLEASE TAKE NOTICE that you are being served pursuant to Insurance Code
17 sections 12815(a), 1610 through 1612, and 12931 under which the commission of the acts
18 set forth in this Order to Cease and Desist Pursuant to Insurance Code section 12921.8 and
19 Notice of Monetary Penalty constitute your appointment of the Commissioner as your
20 attorney and agent for service of process. If you do not respond within the time period set
21 forth above, your default will be taken and the Commissioner will enter an order imposing the
22 statutory monetary penalty specified herein.

23 //

24 //

25 IN WITNESS WHEREOF, I have set my hand and affixed my official seal this 29th day
26 of April 2020.

27 RICARDO LARA
28 Insurance Commissioner

By: 

Sara Urakawa
Sr. Staff Counsel