



**FILED**

**JAN 07 2022**

**INSURANCE REGULATION**

Docketed by: *AS*

**OFFICE OF INSURANCE REGULATION**

**DAVID ALTMAIER**  
COMMISSIONER

IN THE MATTER OF:

CASE NO.: 288263-21-CO

Application for the Indirect Acquisition of  
FLORIDA C.A.R.S. PROTECTION PLUS, INC. by  
SHELBY 2021 ACQUISITION, L.P.

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CONSENT ORDER

THIS CAUSE came on for consideration upon the filing by SHELBY 2021 ACQUISITION, L.P. (“APPLICANT”), with the FLORIDA OFFICE OF INSURANCE REGULATION (“OFFICE”) of an application for the indirect acquisition of 71.7% of the issued and outstanding voting securities of FLORIDA C.A.R.S. PROTECTION PLUS, INC. (“FLORIDA CARS”), pursuant to Section 628.4615, Florida Statutes (“Application”). Following a complete review of the entire record, and upon consideration thereof, and being otherwise fully advised in the premises, the OFFICE hereby finds as follows:

1. The OFFICE has jurisdiction over the subject matter and the parties herein.
2. APPLICANT has applied for and, subject to the present and continuing satisfaction of the requirements, terms, and conditions established herein, has satisfactorily met all of the conditions precedent to the granting of approval by the OFFICE of the indirect acquisition of 71.7% of the issued and outstanding voting securities of FLORIDA CARS, pursuant to the requirements of the Florida Insurance Code.

3. FLORIDA CARS is a Florida-domiciled Motor Vehicle Service Agreement Company operating pursuant to Chapter 634, Part I, Florida Statutes, and as such, is subject to the jurisdiction and regulation of the OFFICE, pursuant to the Florida Insurance Code.

4. FLORIDA CARS is 100% owned by SPECTRUM AUTOMOTIVE HOLDINGS, CORP. (“SPECTRUM”), a Delaware corporation whose ownership structure is as detailed in the Application and whose ultimate controlling person is Henry Cornell.

5. APPLICANT is a Delaware limited partnership, whose ownership structure is as detailed in the Application. SCOTT KAPNICK, SCOT FRENCH, and MICHAEL PATTERSON (collectively, “PARTNERS”) are affiliates of APPLICANT whose relationship with APPLICANT is as disclosed in the Application.

6. Pursuant to the terms of a Stock Purchase Agreement dated May 17, 2021, APPLICANT proposes to indirectly acquire 71.7% of the issued and outstanding voting securities FLORIDA CARS (“Transaction”).

7. If the OFFICE determines that any individual for whom APPLICANT is required to submit background information as part of this Application is unacceptable under the Florida Insurance Code, APPLICANT, PARTNERS, SPECTRUM, or FLORIDA CARS shall remove or cause the removal of said person within 30 days of notice from the OFFICE and replace them with a person or persons acceptable to the OFFICE, or shall undertake such other corrective action as directed by the OFFICE. Failure to act would constitute an immediate serious danger to the public and the OFFICE may take administrative action as it deems appropriate upon the License of FLORIDA CARS without further proceedings, pursuant to Sections 120.569(2)(n) and 120.60(6), Florida Statutes.

8. APPLICANT and PARTNERS represent that there are no present plans or proposals to make any substantive changes to FLORIDA CARS, including liquidating it, selling any of its assets (except for transactions such as investment portfolio transactions in the ordinary course of business), merging or consolidating it with any person or persons, or making any other major change in its business operations, management, or corporate structure.

9. APPLICANT, PARTNERS, SPECTRUM, and FLORIDA CARS represent that there are no agreements, written or oral, related to the Application and the Transaction that is the subject of this Consent Order that have not been provided to the OFFICE.

10. Any material changes to the information submitted in the Application filing shall be reported to the OFFICE for its review prior to the closing of the Transaction. APPLICANT, PARTNERS, SPECTRUM, and FLORIDA CARS acknowledge that, if the OFFICE determines that any of these reported changes would have a negative material impact to the financial condition or operation of FLORIDA CARS, the OFFICE may rescind its approval as granted in this Consent Order by written notice to APPLICANT, PARTNERS, or SPECTRUM.

11. Within 10 business days after the Transaction is completed, APPLICANT shall submit, or cause to be submitted, to the OFFICE all documents evidencing completion of the Transaction not already provided to the OFFICE. Further, APPLICANT, PARTNERS, SPECTRUM, or FLORIDA CARS shall notify the OFFICE within 3 business days of learning that the Transaction will not occur.

12. All parties to this Consent Order acknowledge that completion of the Transaction is subject to obtaining any other requisite regulatory or governmental approvals and that this Consent Order shall be deemed null and void if the Transaction is not completed within 60 days of the execution of this Consent Order. Accordingly, if APPLICANT fails to receive any other

requisite approvals or the Transaction is not completed timely, the provisions of this Consent Order shall terminate automatically and have no effect.

13. Any prior orders, consent orders, or corrective action plans that FLORIDA CARS has entered into with the OFFICE prior to the issuance of this Consent Order shall apply and remain in full force and effect for FLORIDA CARS, except where provisions of such orders, consent orders, or corrective action plans have expired; have been superseded by subsequent orders, consent orders, or corrective action plans; or are inconsistent with this Consent Order.

14. APPLICANT, PARTNERS, SPECTRUM, and FLORIDA CARS affirm that all information, explanations, representations, statements, and documents provided to the OFFICE in connection with this Application, including all attachments and supplements thereto, are true and correct and fully describe all transactions, agreements, ownership structures, understandings, and control with regard to the acquisition and future operations of FLORIDA CARS. APPLICANT, PARTNERS, SPECTRUM, and FLORIDA CARS further agree and affirm that said information, explanations, representations, statements, and documents, including all attachments and supplements thereto, are material to the issuance of this Consent Order and have been relied upon by the OFFICE in its determination to enter into this Consent Order.

15. Any deadlines, reporting requirements, other provisions, or requirements set forth in this Consent Order may be altered or terminated by written approval of the OFFICE. Such approval must be requested in writing prior to any proposed deviation from the terms of this Consent Order.

16. APPLICANT, PARTNERS, SPECTRUM, and FLORIDA CARS affirm that all requirements set forth herein are material to the issuance of this Consent Order.

17. APPLICANT, PARTNERS, SPECTRUM, and FLORIDA CARS expressly waive a hearing in this matter, the making of findings of fact and conclusions of law by the OFFICE, and all further and other proceedings herein to which they may be entitled by law or rules of the OFFICE. APPLICANT, PARTNERS, SPECTRUM, and FLORIDA CARS hereby knowingly and voluntarily waive all rights to challenge or to contest this Consent Order in any forum available to them, now or in the future, including the right to any administrative proceeding, state or federal court action, or any appeal.

18. Each party to this action shall bear its own cost and fees.

19. APPLICANT, PARTNERS, SPECTRUM, and FLORIDA CARS agree that, upon execution of this Consent Order by the OFFICE, failure to adhere to one or more of the terms and conditions contained herein, may result, without further proceedings, in the OFFICE suspending, revoking, or taking other administrative action as it deems appropriate upon the License of FLORIDA CARS in this state in accordance with Sections 120.569(2)(n) and 120.60(6), Florida Statutes.

20. The parties agree that this Consent Order shall be deemed to be executed when the OFFICE has signed and docketed a copy of this Consent Order bearing the notarized signatures of PARTNERS, as well as the authorized representatives of APPLICANT, SPECTRUM, and FLORIDA CARS.

WHEREFORE, the agreement between SHELBY 2021 ACQUISITION, L.P., SCOTT KAPNICK, SCOT FRENCH, MICHAEL PATTERSON, SPECTRUM AUTOMOTIVE HOLDINGS, CORP., FLORIDA C.A.R.S. PROTECTION PLUS, INC., and the FLORIDA OFFICE OF INSURANCE REGULATION, the terms and conditions of which are set forth above, is APPROVED, and the Application for the indirect acquisition of FLORIDA C.A.R.S. PROTECTION PLUS, INC., pursuant to Section 628.4615, Florida Statutes, is APPROVED.

Further, all terms and conditions contained herein are hereby ORDERED.

DONE and ORDERED this 14<sup>th</sup> day of January, 2022



*David Altmaier*

David Altmaier, Commissioner  
Office of Insurance Regulation

By execution hereof, FLORIDA C.A.R.S. PROTECTION PLUS, INC., consents to entry of this Consent Order, agrees without reservation to all of the above terms and conditions, and shall be bound by all provisions herein. The undersigned represents that they have the authority to bind FLORIDA C.A.R.S. PROTECTION PLUS, INC., to the terms and conditions of this Consent Order.

FLORIDA C.A.R.S. PROTECTION PLUS, INC.  
By: [Signature]  
Print Name: LANCE LALOE  
Title: PRESIDENT  
Date: \_\_\_\_\_

STATE OF Pennsylvania  
COUNTY OF Westmoreland

The foregoing instrument was acknowledged before me by means of  physical presence or  online notarization, this 22<sup>nd</sup> day of December 2021, by Lance Laloe  
(name of person)  
as President for Florida Cars Protection Plus, Inc  
(type of authority; e.g., officer, trustee, attorney in fact) (company name)

[Signature]  
(Signature of the Notary)  
Janice M Mura  
(Print, Type or Stamp Commissioned Name of Notary)

Personally Known  OR Produced Identification \_\_\_\_\_  
Type of Identification Produced \_\_\_\_\_  
My Commission Expires March 28, 2025

Commonwealth of Pennsylvania - Notary Seal  
Janice M. Mura, Notary Public  
Westmoreland County  
My commission expires March 28, 2025  
Commission number 1275679  
Member, Pennsylvania Association of Notaries

By execution hereof, SPECTRUM AUTOMOTIVE HOLDINGS, CORP., consents to entry of this Consent Order, agrees without reservation to all of the above terms and conditions, and shall be bound by all provisions herein. The undersigned represents that they have the authority to bind SPECTRUM AUTOMOTIVE HOLDINGS, CORP., to the terms and conditions of this Consent Order.

SPECTRUM AUTOMOTIVE HOLDINGS, CORP.

By: [Signature]

Print Name: Robert J. Hunt

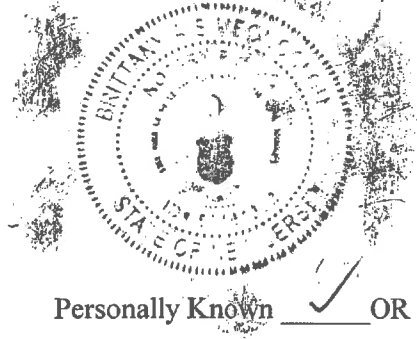
Title: CF

Date: 1/5/22

STATE OF New Jersey

COUNTY OF Essex

The foregoing instrument was acknowledged before me by means of  physical presence or  online notarization, this 6 day of January 2022, by Brittany A. Simeonoglou (name of person) as notary public for Spectrum Automotive Holdings, Corp. (type of authority, e.g., officer, trustee, attorney in fact) (company name)



Brittany A. Simeonoglou  
NOTARY PUBLIC  
State of New Jersey  
ID # 50161302  
My Commission Expires  
June 1, 2026

(Print, Type or Stamp Commissioned Name of Notary)

Personally Known  OR Produced Identification

Type of Identification Produced \_\_\_\_\_

My Commission Expires June 1, 2026



By execution hereof, SHELBY 2021 ACQUISITION, L.P., consents to entry of this Consent Order, agrees without reservation to all of the above terms and conditions, and shall be bound by all provisions herein. The undersigned represents that they have the authority to bind SHELBY 2021 ACQUISITION, L.P., to the terms and conditions of this Consent Order.

SHELBY 2021 ACQUISITION, L.P.

By: Jake Blair

Print Name: Jake Blair

Title: Managing Director

Date: January 4, 2022

STATE OF New York

COUNTY OF New York

The foregoing instrument was acknowledged before me by means of  physical presence or  online notarization, this 4 day of January, 2022, by Jake Blair

as authorized signatory for Shelby 2021 Acquisition, L.P.  
(type of authority; e.g., officer, trustee, attorney in fact) (company name)

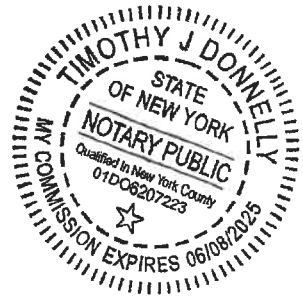
[Signature]  
(Signature of the Notary)

Timothy Donnelly  
(Print, Type or Stamp Commissioned Name of Notary)

Personally Known X OR Produced Identification \_\_\_\_\_

Type of Identification Produced \_\_\_\_\_

My Commission Expires June 8, 2025



By execution hereof, SCOTT KAPNICK consents to entry of this Consent Order, agrees without reservation to all of the above terms and conditions and shall be bound by all provisions herein.

*Scott Kapnick*

SCOTT KAPNICK

Date: 12/22/21

STATE OF New York

COUNTY OF New York

The foregoing instrument was acknowledged before me by means of  physical presence or  online notarization, this 22 day of December 2021, by Scott Kapnick

as individual for \_\_\_\_\_  
(type of authority; e.g., officer, trustee, attorney in fact) (company name)

*[Signature]*

(Signature of the Notary)

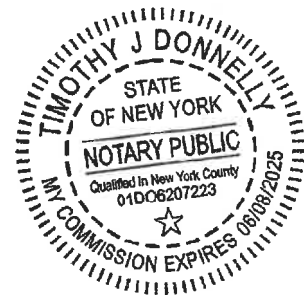
Timothy Donnelly

(Print, Type or Stamp Commissioned Name of Notary)

Personally Known X OR Produced Identification \_\_\_\_\_

Type of Identification Produced \_\_\_\_\_

My Commission Expires June 8, 2025



By execution hereof, SCOT FRENCH consents to entry of this Consent Order, agrees without reservation to all of the above terms and conditions and shall be bound by all provisions herein.

Scot French  
SCOT FRENCH

Date: 12.22.2021

STATE OF New York

COUNTY OF New York

The foregoing instrument was acknowledged before me by means of  physical presence or  online notarization, this 22 day of December 2021, by Scot French

as individual for \_\_\_\_\_  
(type of authority; e.g., officer, trustee, attorney in fact) (name of person)

(company name)

[Signature]

(Signature of the Notary)

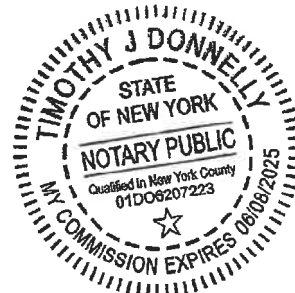
Timothy Donnelly

(Print, Type or Stamp Commissioned Name of Notary)

Personally Known X OR Produced Identification \_\_\_\_\_

Type of Identification Produced \_\_\_\_\_

My Commission Expires July, 2025



By execution hereof, MICHAEL PATTERSON consents to entry of this Consent Order, agrees without reservation to all of the above terms and conditions and shall be bound by all provisions herein.

Michael Patterson

MICHAEL PATTERSON

Date: 12/22/21

STATE OF New York

COUNTY OF New York

The foregoing instrument was acknowledged before me by means of  physical presence or  online notarization, this 22 day of December 2021, by Michael Patterson

as individual for \_\_\_\_\_  
(type of authority; e.g., officer, trustee, attorney in fact) (name of person)  
(company name)

[Signature]

(Signature of the Notary)

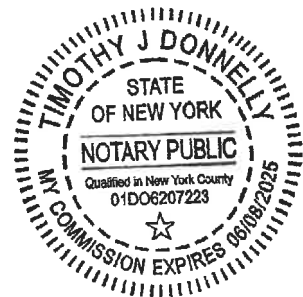
Timothy Donnelly

(Print, Type or Stamp Commissioned Name of Notary)

Personally Known X OR Produced Identification \_\_\_\_\_

Type of Identification Produced \_\_\_\_\_

My Commission Expires June 8, 2025



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