



# Bulletin

Motor Vehicle Sales Authority of British Columbia



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17 December, 2008

## **ATTENTION: Dealers, Salespeople, Business Office staff**

The following news release was on the wire today.

### **Beware of new extended warranty scam!**

(SURREY, B.C. - 17 December, 2008) - British Columbia's Registrar of Motor Dealers, Ken Smith, has joined other Canadian regulators with a warning to the public about an apparent new fraud involving the sale of extended warranties.

"I want to first emphasize that this does not concern any of the warranty products sold by reputable licensed dealers, yet another reason to deal only with licensed professionals," Smith said. "In fact, this was brought to the attention of the authorities by responsible members of the industry."

This new scam is a phone solicitation from a U.S. firm representing itself as "Warranty Center," or "World Wide Warranties, Inc." and also doing business under a number of other names. The sales pitch begins by advising a consumer that their vehicle warranty will expire in two days. The caller then claims the customer information was provided by the vehicle manufacturer. Consumers are then offered the chance to purchase a five-year extended warranty for \$175 and a credit card number is requested.

A Saskatchewan industry report stated that the sales effort is ". . . to the point of being very rude and harassing (consumers) for a credit card number. The telephone prefixes that have been appearing on customers' phone are 732, 203, and 603."

Added B.C.'s Smith, "people must always be careful about giving our credit card numbers to unknown parties and, with respect to extended warranties, check your documentation. Discuss it with your dealer."

**See also the January 9, 2009 release from British Columbia's Financial Institutions Commission (following).**

**FOR MORE INFORMATION, PLEASE CONTACT:**

Judy McRae, Manager Corporate Services and Communication, Phone: 604-575-6164

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[www.vehiclesalesauthority.com](http://www.vehiclesalesauthority.com)

January 9, 2009

Financial Institutions Commission

## **SUPERINTENDENT TAKES ACTION AGAINST AGGRESSIVE VEHICLE WARRANTY TELEMARKETERS**

Surrey – The Superintendent of Financial Institutions, Mr. W. Alan Clark, issued a Cease and Desist order today against a number of companies and individuals involved in telemarketing extended vehicle warranties to British Columbians.

The Order was issued against:

- World Wide Warranties, Inc. of St. Louis, Missouri, also doing business as:
  - The Choice – Gold Key c/o Canadian Auto Warranty Services and as
  - Canadian Auto Warranty Services.
- National Dealers Warranty Inc. of St. Peters, Missouri, also doing business as National Dealers Warranty;
- Auto Warranty Protection Services Inc. of St. Peters, Missouri, also doing business as:
  - The Choice – Gold Key c/o Auto Warranty Protections Services and as
  - The Choice – Gold Key c/o Auto Warranty Protection Services;
- Rudge Gilman, President and Director of National Dealers Warranty Inc. and of World Wide Warranty, Inc.;
- Mark Travis, Vice President and Director of National Dealers Warranty Inc. and of World Wide Warranty, Inc.;
- Nicholas Hamilton, Secretary and Director of National Dealers Warranty Inc. and of World Wide Warranty, Inc.;
- Richard Brettelle, Treasurer and Director of Auto Warranty Protection Services Inc.; and
- Steve Proetz, a Director of Auto Warranty Protection Services Inc.

The Order requires these parties to immediately cease all attempts to do insurance business in British Columbia including the marketing of extended vehicle warranties in this province. A copy of the Cease and Desist Order has been published on FICOM's website at <http://www.fic.gov.bc.ca/pdf/enforcement/trust/fia20090108.pdf>.

The Financial Institutions Commission has received complaints that representatives of these companies have been aggressively cold calling residents in British Columbia trying to sell them extended vehicle warranty insurance.

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“In British Columbia, vehicle warranties are regulated as insurance contracts in order to protect consumers” says Mr. Clark. “It is important that consumers who put their hard earned money into a vehicle warranty be able to rely on that warranty if problems arise.”

According to FICOM staff, these companies and individuals are not offering warranties legitimately in the province and consumers can not rely on any of the representations that the telemarketers are making about honouring the protection purported to be provided.

Consumers should note, that World Wide Warranties Inc., one of the parties named in the Cease and Desist Order, should not be confused with WGI Service Plan Division Inc., a North Vancouver insurance agent that is a duly licensed agent in the province and which had previously gone under the name World Wide Warranty Inc.

People who have purchased warranties from any of the entities named in the Cease and Desist Order are encouraged to immediately contact FICOM at 604 953-5300.

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Media contact:

Colin Parcher  
Executive Director, Investigations  
Financial Institutions Commission

604 953-5232