

STATE OF OREGON  
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES  
INSURANCE DIVISION

In the Matter of **Lenovo (United States) Inc.** ) **STIPULATION and**  
 ) **FINAL ORDER**  
 ) Case No. INS 14-08-003

**STIPULATION**

The Director of the Oregon Department of Consumer and Business Services (director), and through the Insurance Division, commenced this administrative proceeding, pursuant to Oregon Revised Statutes (ORS) 731.256, to take enforcement action against Lenovo (United States) Inc. (Lenovo).

Lenovo desires to conclude this proceeding without a hearing by entering into this stipulation pursuant to ORS 183.417(3).

Lenovo waives all rights relative to an administrative hearing and judicial review thereof.

Lenovo stipulates to the following facts, conclusions, action, and to the issuance of a final order incorporating this stipulation.

Lenovo understands that the stipulation and final order is a public record and shall be posted permanently on the Insurance Division's website.

**Facts and Conclusions**

Licensing Information

Lenovo has been registered in Oregon as a service contract obligor since 6/10/13. Lenovo does not have an NAIC number (cocode). Lenovo's federal employer identification number is 52-2449153. Lenovo's last recorded business mailing address is 1009 Think Place, Morrisville, NC 27560-9002; and telephone number is 855-253-6686.

Sold Service Contracts in Oregon as an Obligor Without Being Registered

Lenovo is subject to enforcement action pursuant to ORS 646A.154(2) because of the following circumstances. ORS 646A.154(2) prohibits a person who is an obligor,

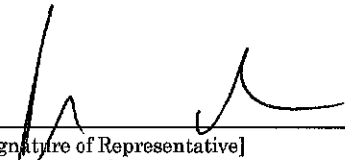
as defined in ORS 646A.152(2), of service contracts, as defined in ORS 646A.152(4) and described in ORS 646A.154(1), from selling or offering to sell, or issuing, service contracts in Oregon unless the obligor has, *inter alia*, registered with the director pursuant to ORS 646A.154(3) and OAR 836-200-0000 *et seq.* At all relevant times, Lenovo manufactured and sold notebook computers. On or about 4/18/11, Lenovo applied to the director to register as an obligor in Oregon. On or about 9/6/11, the application was denied because the application was incomplete and Lenovo failed to provide the missing information after the director requested the missing information. On or about 1/18/13, Lenovo again applied to register as an obligor. On 6/10/13, the application was approved and Lenovo was registered as an obligor in Oregon. However, from 5/20/08 to 6/4/13, which included periods before Lenovo applied the first time on or about 4/18/11, and after Lenovo applied the second time on or about 1/18/13, Lenovo sold to persons residing in Oregon 1,283 service contracts providing mechanical breakdown coverage for the computers. Lenovo received in excess of \$100,000 in gross sales revenue for selling the service contracts.

#### **Action**

Pursuant to ORS 731.988(1), Lenovo is assessed a civil penalty of \$70,000. The payment shall be made in the form of a check payable to the "Department of Consumer and Business Services" for the full amount due. The payment shall be delivered or mailed to the Insurance Division at the Labor and Industries Building, 350 Winter Street NE Room 300, Salem, OR 97301-3880; or mailed to the Insurance Division at PO Box 14480, Salem, OR 97309-0405. The payment shall be received by the Insurance Division before the date of the final order.

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Dated 8-29-14

  
[Signature of Representative]

John Stamer  
[Printed Name of Representative]

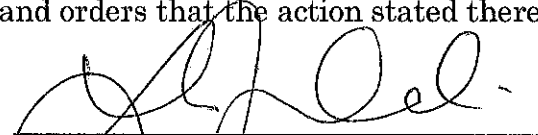
ED, NA Service Delivery  
[Printed Title of Representative]

Lenovo (United States) Inc.

**FINAL ORDER**

The director incorporates herein the above stipulation, adopts it as the director's final decision in this proceeding, and orders that the action stated therein be taken.

Dated SEP 12 2014



Laura N. Cali, FCAS, MAAA  
Insurance Commissioner and Chief Actuary

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