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Attorneys for the CSI

**BEFORE THE COMMISSIONER OF SECURITIES AND INSURANCE,
MONTANA STATE AUDITOR**

IN THE MATTER OF)	CASE NO. INS-2015-88
)	
LYNX SERVICES, LLC,)	NOTICE OF PROPOSED AGENCY
)	ACTION AND OPPORTUNITY FOR
Respondent.)	HEARING
)	

Staff of the Office of the Commissioner of Securities and Insurance, Montana State Auditor (CSI), pursuant to the authority of the Montana Insurance Code, Mont. Code Ann. § 33-1-101 et seq. (Code), is proposing to the Commissioner of Securities and Insurance, Montana State Auditor (Commissioner), that she take specific action against Lynx Services, LLC, for violations of the Code. The Commissioner has authority to take such action under the provisions of §§ 33-1-102, 33-1-301, 33-1-311, 33-1-317, 33-1-318, and 33-17-603. Service of process is pursuant to § 33-1-314.

REASONS FOR ACTION

There is reason to believe that the following facts, if true, justify and support such specific action. Furthermore, there is reason to believe that the following facts will be proven true and justify and support an appropriate fine.

ALLEGATIONS OF FACT

1. Respondent Lynx Services, LLC (Lynx), handles automobile glass repair claims for Hartford Fire Insurance Company (Hartford) and State Farm Mutual Automobile Insurance Company (State Farm), and their respective affiliates who issue automobile insurance policies in Montana.

2. Lynx operates a network of automobile glass repair shops in Montana. These repair shops contract with Lynx to be part of its network.

3. Lynx is contracted to provide first-notice-of-loss (FNOL) services for both Hartford and State Farm regarding automobile glass repair, meaning that Lynx personnel may handle glass claims from insureds.

4. Lynx also contracted to receive, process, and pay automobile glass repair invoices from glass repair shops for Hartford and State Farm. Lynx informs glass repair shops what price must be met in repairing the glass.

5. Pursuant to its contract with State Farm, Lynx administers State Farm Glass Claims for State Farm policyholders.

6. Lynx is not licensed as an administrator with the CSI.

CONCLUSIONS OF LAW

1. The Commissioner has jurisdiction over this matter pursuant to the Code.

2. A “person” is an individual, insurer, company, association, organization, partnership, business trust, corporation, or any other legal entity. § 33-1-202(3)

3. Respondent Lynx is a “person” as defined by § 33-1-202(3).

4. An “administrator” is a person who adjusts or settles insurance claims. § 33-17-102(3)(a).

5. Respondent Lynx is an “administrator” as defined by § 33-17-102(3)(a) because it settles and processes insurance claims with glass repair shops. Lynx does not meet any of the exceptions listed in § 33-17-102(3)(b).

6. It is a violation for any person to operate as an administrator in the State of Montana without registering as such with the CSI. § 33-17-603.

7. Lynx acted and continues to act as an administrator without registering as such with the CSI, in violation of § 33-17-603.

8. A person who violates § 33-17-603 is subject to a fine of up to \$25,000 per violation, pursuant to § 33-1-317.

9. The CSI may enjoin violations of the Code pursuant to § 33-1-318.

RELIEF REQUESTED

WHEREFORE, the CSI seeks the following relief:

1. Pursuant to § 33-17-317, imposition of a fine not to exceed \$25,000 per violation of the Code.

2. Pursuant to § 33-1-318, entering of an order enjoining Respondent Lynx from acting an unlicensed administrator in violation of § 33-17-603.

STATEMENT OF RIGHTS

You are entitled to a hearing to respond to this notice, and to present evidence and arguments on all issues involved in this case. You have a right to be represented by an attorney at any and all stages of this proceeding. You may demand a formal hearing before a hearing examiner appointed by the Commissioner pursuant to the Montana Administrative Procedure Act, § 2-4-601 et seq., including § 2-4-631. If you demand a hearing, you will be given notice of the time, place, and nature of the hearing.

If you want to contest the proposed action under the jurisdiction of the Commissioner, you must advise the Commissioner within 21 days of the date you receive this notice. You must advise the Commissioner of your intent to contest the proposed action by **writing** to Brett O'Neil or Michael A. Kakuk, Office of the Commissioner of Securities and Insurance, Montana State Auditor, 840 Helena Avenue, Helena, Montana 59601.

Your written notice must clearly indicate whether you demand a hearing, or whether you waive formal proceedings and, if so, what informal proceedings you prefer for handling this case. Pursuant to § 2-4-603(2), you may not request to proceed informally if the action could result in suspension, revocation, or any other adverse action against a professional license. If you request a hearing, you will be given notice of the date, time, and place of hearing.

You have the right to be accompanied, represented, and advised by counsel. If the counsel you choose has not been admitted to practice law in the state of Montana, he or she must comply with the requirements of *Application of American Smelting and Refining Co.*, 164 Mont. 139, 520 P.2d 103 (1973), and *Montana Supreme Court Commission on the Unauthorized Practice of Law v. O'Neil*, 2006 MT 284, 334 Mont. 311, 147 P.3d 200.

CONTACT WITH COMMISSIONER'S OFFICE

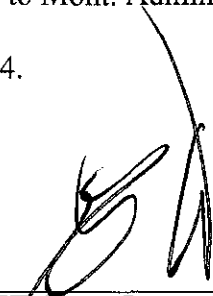
If you have questions or wish to discuss this matter, please contact either Brett O'Neil or Michael A. Kakuk, legal counsel for the CSI, by telephone at (406) 444-2040, or by email at bo'neil@mt.gov or mkakuk@mt.gov. Please make any contacts with this office through your attorney.

POSSIBILITY OF DEFAULT

Failure to give notice or to advise of your demand for a hearing or informal procedure within 15 days will result in the entry of a default order imposing the disciplinary sanctions

against you without further notice to you, pursuant to Mont. Admin. R. 6.2.101, and the Attorney General's Model Rule 10, Mont. Admin. R. 1.3.214.

DATED this 13th of May, 2015.



BRETT O'NEIL
MICHAEL A. KAKUK
Attorneys for the CSI

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on this 13th day of May, 2015, a true and correct copy of the foregoing Notice of Proposed Agency Action and Opportunity for Hearing was served upon the following by certified mail, postage prepaid, return receipt requested:

Lynx Services, LLC
c/o THE PRENTICE-HALL CORPORATION SYSTEM, INC
1201 HAYS STREET
TALLAHASSEE, FL 32301

Lynx Services, LLC
6351 Bayshore Road, Suite 18
Fort Myers, FL 33917

