

ORDER NO. E10- 34

STATE OF NEW JERSEY  
DEPARTMENT OF BANKING AND INSURANCE

IN THE MATTER OF:

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Application by the Commissioner of )  
Banking and Insurance, State of )  
New Jersey, for a Cease and Desist )  
Order to David L. Clark, Real )  
Benefits Association, LLC, William )  
M. Worthy, II, SouthEast Insurance )  
Advisors, LLC, Louis DeLuca, )  
Integrated Insurance Marketing, )  
Insurance Resource Group, )  
Beema Insurance Company Limited, )  
Mirza Shahnawaz Agha, )  
Colin J. Youell, United States )  
Contractors Trust, David L. )  
Nellson a/k/a Davis L. Nellson. )  
American Trade Association, Inc. )  
a/k/a American Trade Association, )  
LLC, Bart S. Posey, Sr., Angie )  
Posey, Smart Data Solutions, LLC, )  
Serve America Assurance, Ltd., )  
DDR Investment Groups Corp., )  
National Prestige Health Care, LLC, )  
DMB Marketing, LLC, Healthcare )  
Residuals, LLC, Monix Asset )  
Holdings, Inc., F.M.A. Marketing, )  
LLC, Pinnacle Health Solutions, )  
LLC, Critical Healthcare and )  
Omni Services Corp. )

CEASE AND DESIST ORDER

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TO: **David L. Clark**  
75 Hardscrabble Road  
Suite 202  
Basking Ridge, New Jersey 07920

-and-

**Real Benefits Association, LLC**  
P.O. Box 074  
Basking Ridge, New Jersey 07920

-and-

**William M. Worthy, II**  
44 Morgan Place  
Isle of Palms, South Carolina 29451

-and-

**SouthEast Insurance Advisors, LLC**  
P.O. Box 462  
Isle of Palms, South Carolina 29451

-and-

**Louis DeLuca**  
1106 Smith Ridge Road  
New Canaan, CT 06840

-and-

**Integrated Insurance Marketing**  
1145 Highbrook  
Suite 701  
Akron, Ohio 44301

-and-

**Insurance Resource Group**  
One International Blvd  
Mahwah, New Jersey 07495

-and-

**Beema Insurance Company Limited**

412-427 4<sup>th</sup> Floor  
Muhammadi House, I.I.  
Chundrigar Road  
P.O. Box 5626  
Karachi-74000, Pakistan

-and-

**Mirza Shahnawaz Agha**

Beema Pakistan Company Limited  
412-427 4<sup>th</sup> Floor  
Muhammadi House, I.I.  
Chundrigar Road  
P.O. Box 5626  
Karachi-74000, Pakistan

-and-

**Colin J. Youell**

Beema Pakistan Company Limited  
412-427 4<sup>th</sup> Floor  
Muhammadi House, I.I.  
Chundrigar Road  
P.O. Box 5626  
Karachi-74000, Pakistan

-and-

**United States Contractors Trust**

3455 Peachtree Road  
NE Suite 500  
Atlanta, Georgia 30326  
AND  
10243 Lexington Lakes Blvd.  
Boynton Beach, FL 33436

-and-

**David L. Nellson a/k/a Davis L. Nellson**  
3455 Peachtree Road  
NE Suite 500  
Atlanta, Georgia 30326  
AND  
10243 Lexington Lakes Blvd.  
Boynton Beach, FL 33436

-and-

**American Trade Association, Inc.**  
**a/k/a American Trade Association, LLC**  
4676 Highway 41 North  
Springfield, Tennessee 37172  
AND  
Julius A. Rousseau, Esq.  
Herrick, Feinstein  
2 Park Avenue  
New York, New York 10012

-and-

**Bart S. Posey, Sr.**  
2601 Mariview Drive  
Springfield, Tennessee 37172

-and-

**Angie Posey**

2601 Mariview Drive  
Springfield, Tennessee 37172

-and-

**Smart Data Solutions, LLC**

4676 Highway 41 North  
Springfield, Tennessee 37172

-and-

**Serve America Assurance, Ltd.**

William Worthy, President  
P.O. Box 611  
Blythewood, South Carolina 29016

AND

17 Winding Oak Way  
Blythewood, South Carolina 29016

-and-

**DDR Investment Groups Corp.**

1333 Amaryllis Circle  
Orlando, Florida 32828

-and-

**National Prestige Health Care, LLC**  
30 Riverpark Place East  
Fresno, CA 93720

-and-

**DMB Marketing, LLC**  
1780 LaCosta Meadows Drive, Ste. 201  
San Marcos, CA 92078

-and-

**Healthcare Residuals, LLC**  
1780 LaCosta Meadows Drive, Ste. 201  
San Marcos, CA 92078

-and-

**Monix Asset Holdings, Inc.**  
9175 Judicial Drive, 6511  
San Diego, CA 92122

-and-

**F.M.A. Marketing LLC**  
1301 Ygnacio Valley Road  
Walnut Creek, CA 94598

-and-

**Pinnacle Health Solutions, LLC**  
3651 Lindell Road, Suite D173  
Las Vegas, Nevada 89103

-and-

**Critical Healthcare**  
7710 Balboa Avenue, Ste. #307  
San Diego, CA 92024

-and-

**Omni Services Corp.**  
3355 Spring Mountain Road, Suite 253  
Las Vegas, Nevada 89102

THIS MATTER, having been opened to the Commissioner of the Department of Banking and Insurance ("Department"), State of New Jersey, upon information that David L. Clark ("Clark"), Real Benefits Association ("RBA"), William M. Worthy, II ("Worthy"), SouthEast Insurance Advisors, LLC, Louis DeLuca ("DeLuca"), Integrated Insurance Marketing ("IIM"), Insurance Resource Group ("IRG"), Beema Insurance Company, Limited ("Beema"), Mirza Shahnawaz Agha ("Agha"), Colin J. Youell ("Youell"), United States Contractors Trust ("USCT"), David L. Nellson a/k/a Davis

L. Nellson ("Nellson"), American Trade Association, Inc., a/k/a American Trade Association, LLC ("ATA"), Bart S. Posey, Sr., Angie Posey, Smart Data Solutions, LLC ("SDS"), Serve America Assurance, Ltd., DDR Investment Groups Corp., National Prestige Health Care, LLC, DMB Marketing, LLC, Healthcare Residuals, Monix Asset Holdings, Inc., F.M.A. Marketing, LLC, Pinnacle Health Solutions, LLC, Critical Healthcare and Omni Services Corp. (together, the "Respondents"), may have violated various provisions of the insurance laws of the State of New Jersey, including, but not limited to, the New Jersey Insurance Producer Licensing Act, N.J.S.A. 17:22A-26 et seq.; the Foreign and Alien Insurers Act, N.J.S.A. 17B:23-1 et seq.; the Life and Health Insurance Code, N.J.S.A. 17B:17-1 et seq.; the Individual Coverage Act, N.J.S.A. 17B:27A-1 et seq.; the 3<sup>rd</sup> Party Administrators Act, N.J.S.A. 17B:27B-1 et seq.; the Reinsurance Intermediary Act, N.J.S.A. 17:22E-1 et seq.; the Insurance Trade Practices Act, N.J.S.A. 17:30-1 et seq.; and the Unfair Claim Settlement Practices Act, N.J.S.A. 17:30-13.1 et seq.; and

WHEREAS, this cease and desist order shall be effective against each individual Respondent who does not request a hearing within twenty (20) days after service of this Order, their associated entities and unauthorized insurers and

all of their agents, employees, and other representatives who will be ordered to cease and desist from, among other things, engaging in any activity within this State for which they are not currently licensed or do not hold a certificate of authority, from marketing any health insurance products involving unauthorized/unlicensed health insurance companies and from otherwise engaging in the unauthorized business of insurance in New Jersey; and

WHEREAS, pursuant to N.J.S.A. 17:22A-29 and N.J.A.C. 11:17A-1.4, a person shall not sell, solicit or negotiate insurance in this State unless the person is licensed to do so; and

WHEREAS, pursuant to N.J.A.C. 11:17A-1.3(a), no person shall act as an insurance producer or maintain or operate any office in this State for the transaction of the business of an insurance producer, or receive any commission, fee, compensation or other consideration for services rendered as an insurance producer, without first obtaining a license from the Commissioner; and

WHEREAS, pursuant to N.J.A.C. 11:17A-1.3(d), a licensed insurance producer shall not allow an unlicensed person to transact the business of an insurance producer; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40(a)(2), it is unlawful to violate any insurance law or regulation;

WHEREAS, pursuant to N.J.S.A. 17:22A-40(a)(4), it is unlawful to improperly withhold, misappropriate or convert any monies in the course of doing the insurance business; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40(a)(8), it is unlawful to use fraudulent or dishonest practices, or demonstrate untrustworthiness in the conduct of the insurance business in this State or elsewhere; and

WHEREAS, pursuant to N.J.S.A. 17:22A-41, an insurer or insurance producer shall not pay a commission, service fee, brokerage or other valuable consideration to a person for selling, soliciting or negotiating insurance in this State if that person is required to be licensed under this act and is not so licensed; and

WHEREAS, pursuant to N.J.S.A. 17:22A-47, an insurance producer shall report to the commissioner any administrative action taken against the insurance producer in another jurisdiction; and

WHEREAS, pursuant to N.J.S.A. 17B:23-8, it is unlawful for any insurer, employee, agent, or other representative, to transact the business of insurance in any manner within this

State unless the insurer has been admitted to transact the business of insurance in New Jersey; and

WHEREAS, pursuant to N.J.S.A. 17B:27A-2, an individual health benefit plan includes a certificate issued to an eligible person which evidences coverage of a policy issued to a trust or an association and it is unlawful to issue an individual health benefits plan that does not comply with the Individual Coverage Act, N.J.S.A. 17B:27A-1 et seq.; and

WHEREAS, pursuant to N.J.S.A. 17B:27A-9(e)(1), individual health benefit plans shall not have an anticipated minimum loss ratio of below 80% of the premium; and

WHEREAS, pursuant to N.J.S.A. 17B:27B-2, it is unlawful for any person to act as, or hold himself out to be, a third party administrator in New Jersey unless licensed or registered by the Department; and

WHEREAS, pursuant to N.J.S.A. 17B:30-3 and N.J.S.A. 17B:30-4, it is unlawful for any person to make, or cause to be made, a statement misrepresenting the terms and benefits of an insurance policy or plan; and

WHEREAS, pursuant to N.J.S.A. 17B:30-3, it is unlawful for any person to engage in unfair claim settlement practices; and

WHEREAS, pursuant to N.J.S.A. 17:22E-2a, it is unlawful for any person to act as a reinsurance-intermediary broker or reinsurance intermediary-manager in New Jersey unless licensed as a producer in New Jersey; and

WHEREAS, pursuant to N.J.S.A. 17B:30-1, it is unlawful for any person to engage an unfair deceptive act or practice in the business of health insurance; and

WHEREAS, pursuant to N.J.S.A. 17B:30-13.1, it is unlawful for any person to engage unfair claim settlement practices; and

WHEREAS, the Department alleges as follows:

Respondents. David L. Clark, Real  
Benefits Association, William  
Worthy, Integrated Insurance  
Marketing, Insurance Resources  
Group, Louis Deluca, United  
States Contractor Trust and David  
L. Nellson a/k/a Davis L. Nellson

IT IS APPEARING THAT Respondent Clark's New Jersey individual insurance producer license expired on or about July 31, 2004; and

IT IS FURTHER APPEARING THAT, on October 14, 2004, the Department issued Order to Show Cause No. E04-127 against Clark for, among other things, selling health insurance coverage through illegitimate sham unions, submitting false documentation

to insurers, improperly withholding insurance premium monies, unlawfully charging insureds with association or union dues and failing to cooperate with the Department's investigation; and

IT IS FURTHER APPEARING THAT, on April 23, 2009, Clark signed a Consent Order with the Department (hereinafter "Consent Order"). As Part of the Consent Order, Mr. Clark admitted to violating the insurance laws of New Jersey, including, but not limited to, failing to remit premiums to insurers, failing to disclose health insurance premium amounts to insureds and improperly commingling health insurance premiums; and

IT FURTHER APPEARING THAT the Consent Order revoked Clark's expired insurance license and ordered him to pay a \$40,000 civil penalty to the Department and further enjoined Clark from "soliciting insurance and/or health benefits of any kind in the State of New Jersey or from New Jersey consumers." Clark has not paid the fine in accordance with the Consent Order; and

IT IS FURTHER APPEARING THAT Clark is the Chairman of Real Benefits Association, LLC ("RBA") which has offices in Basking Ridge, New Jersey; and

IT IS FURTHER APPEARING THAT Integrated Insurance Marketing ("IIM") and Insurance Resources Group ("IRG") are

owned and operated by Respondent Louis Deluca and they are affiliated with Clark and RBA. Clark, RBA, Deluca, IRG and IIM are not currently licensed to sell insurance in New Jersey, although Deluca does have an inactive New Jersey non-resident producer license; and

IT IS FURTHER APPEARING THAT RBA's website, www.rbusa.com, recently stated, among other things, that RBA is operated by Clark and that RBA offers limited medical benefit plans around the country, including New Jersey; and

IT IS FURTHER APPEARING THAT Clark and RBA have solicited customers to purchase insurance related products from companies that were not authorized to provide health insurance in New Jersey. In many cases, the purported insurance companies were not authorized to conduct business in any State. In some cases, the products were individual health benefit plans that did not comply with the Individual Coverage Act, N.J.S.A. 17B:27A-1 et seq. The Department has received numerous complaints from RBA's customers whose claims were not paid even after they paid premiums to RBA. At various times, RBA, Clark, Worthy, Deluca and IIM have represented that their insurance products were underwritten by various entities, including, but not limited to, Serve America Assurance, Beema Insurance Company

of Pakistan, Phoenix Insurance Company, Star UK/Phoenix Insurance Company, United States Contractor Trust and Town & Country Life Insurance Company; and

IT IS FURTHER APPEARING THAT in October 2009, Clark, IIM, and Worthy engaged CEO Clubs, Inc. to provide health insurance coverage to CEO Club members. CEO Clubs is a Nevada Corporation and is an association of individuals who join in order to obtain products and services that are marketed to the association. Worthy and Clark represented to Kevin Dunn, Managing Director of CEO Clubs, that they were backed by several insurance companies that could provide health insurance to CEO Club members; and

IT IS FURTHER APPEARING THAT Clark and Worthy informed Mr. Dunn and CEO Clubs that they had obtained a limited medical benefit indemnity group insurance policy with Phoenix Insurance Company. Phoenix Insurance Company is an authorized New Jersey insurance company, but it does not engage in the business of health insurance in any State. On January 25, 2010, Clark provided Mr. Dunn with a signed health insurance policy from Star UK/Phoenix Insurance Company. Subsequently, Mr. Dunn informed Clark that Phoenix Insurance Company informed him that Phoenix Insurance Company does not provide health insurance; and

IT IS FURTHER APPEARING THAT on March 22, 2010 and April 1, 2010, Clark and Worthy provided CEO Clubs with purported insurance documents from the United States Contractor Trust ("USCT"). The documents were signed by David L. Nellson a/k/a Davis L. Nellson as USCT's Senior Trustee. The USCT documents state, in pertinent part, that USCT assumed the liabilities of the Phoenix Insurance Company. USCT is not an authorized insurance company in New Jersey, and upon information and belief, USCT is not an authorized health insurance company anywhere in the United States. On or about March 25, 2010, CEO Clubs's attorneys issued a cease and desist to Clark, Worthy, IRG and IIM and demanded that they stop representing to CEO Club members that their insurance policies are underwritten by Phoenix Insurance Company and demanded the cessation of their marketing to CEO Club members; and

IT IS FURTHER APPEARING THAT Clark, Deluca, RBA, IIM, IRG, Nellson and USCT engaged in conduct which requires that the party hold a valid New Jersey license as an insurance producer, 3<sup>rd</sup> Party Administrator, re-insurance broker or insurance company. However, none of the aforementioned parties holds an active New Jersey license in any of these capacities. Moreover, Clark is specifically prohibited from "soliciting insurance

and/or health benefits of any kind in the State of New Jersey or from New Jersey consumers" and he is violation of the Consent Order; and

IT IS FURTHER APPEARING THAT these parties improperly accepted fees in the course of acting in the business of insurance and they offered insurance related products from insurers that were not authorized to provide health insurance in New Jersey. These parties made misrepresentations to CEO Clubs and New Jersey insureds by claiming, among other things, that their policies were valid and that the insurers were properly authorized to provide health insurance. RBA and Clark then failed to secure legitimate health insurance and properly pay claims in accordance with their alleged health insurance policies; and

IT IS FURTHER APPEARING THAT the above described conduct by Clark, Deluca, RBA, IIM, IRG, Nellson and USCT constitute violations of N.J.S.A. 17:22A-29, N.J.A.C. 11:17A-1.4, N.J.S.A. 17:22A-40(a)(2), N.J.S.A. 17:22A-40(a)(4), N.J.S.A. 17:22A-40(a)(8), N.J.S.A. 17:22A-41, N.J.S.A. 17:22A-47, N.J.S.A. 17B:23-8, N.J.S.A. 17B:27B-2, N.J.S.A. 17B:27A-1 et seq., N.J.S.A. 17B:27A-9(e)(1), N.J.S.A. 17B:30-3, N.J.S.A.

17B:30-4, N.J.S.A. 17:22E-2a, N.J.S.A. 17B:30-1 and N.J.S.A. 17B:30-13.1; and

Respondents William M. Worthy II,  
SouthEast Insurance Advisors, LLC,  
American Trade Association, Inc.  
a/k/a American Trade Association,  
LLC, Smart Data Solutions, LLC,  
Bart S. Posey, Sr., Angie Posey,  
Beema Insurance Company Ltd-  
Pakistan, Mirza Shahnawaz Agha and  
Colin J. Youell

IT IS FURTHER APPEARING THAT Respondent Worthy was a licensed nonresident insurance producer in New Jersey but he has since surrendered his license; and

IT IS FURTHER APPEARING THAT, upon information and belief, Worthy's producer licenses were previously revoked by South Carolina and Texas; and

IT IS FURTHER APPEARING THAT Worthy is a Director of Respondent SouthEast Insurance Advisors, LLC which is based in Isle of Palms, South Carolina; and

IT IS FURTHER APPEARING THAT Transportation Services Association, Inc. ("TSA") was incorporated by Worthy in 2005. TSA was engaged in the marketing of insurance plans; and

IT IS FURTHER APPEARING THAT, in 2008, TSA's services merged with American Trade Association, LLC and American Trade Association, Inc. (together, "ATA"); and

IT IS FURTHER APPEARING THAT ATA marketed health care insurance products to New Jersey insureds that are purportedly underwritten by Serve America Assurance. Serve America Assurance is not a licensed insurance company in New Jersey or any other State. Worthy is the President of Serve America Assurance; and

IT IS FURTHER APPEARING THAT Serve America Assurance has agreements with RBA and ATA to provide health care insurance products to their members; and

IT IS FURTHER APPEARING THAT Serve America Assurance is a subsidiary and/or agent of Beema Insurance Company of Pakistan. Beema Insurance Company is not licensed and/or authorized to provide health insurance in New Jersey or any other State; and

IT IS FURTHER APPEARING THAT Respondent Mirza Shahnawaz Agha is the President of Beema Insurance Company and Respondent Colin J. Youell is its Director; and

IT IS FURTHER APPEARING THAT Worthy and SouthEast Insurance Advisors agreed with Youell to be the exclusive United States agents of Beema Insurance Company health insurance products; and

IT IS FURTHER APPEARING THAT on or about March 10, 2008, Worthy and SouthEast Insurance Advisors, LLC wrote a letter to Respondent Bart S. Posey of Smart Data Solutions ("SDS") which documented Worthy's agreement that SDS would act as an administrative agent for Serve America Assurance and Beema Insurance Company; and

IT IS FURTHER APPEARING THAT Bart S. Posey, Sr. is the owner and/or operator of SDS and ATA and both companies have the same address; and

IT IS FURTHER APPEARING THAT Bart Posey's wife, Angie Posey, is a director of ATA and engaged Paylogix and other organizations in obtaining and/or servicing customers for ATA, SDS and RBA; and

IT IS FURTHER APPEARING THAT as part of their agreement, SDS collects premiums, processes insurance claims and deals with all customer service issues arising out of the RBA and ATA association memberships which are underwritten by Beema Insurance Company and Serve America Assurance; and

IT IS FURTHER APPEARING THAT on or about April 14, 2010, the Chancery Court for the State of Tennessee issued a Memorandum and Order which ultimately provided for the liquidation of ATA and SDS. Among other things, the Tennessee

Court found that ATA, SDS, Bart Posey, Angie Posey, Worthy and Youell knew or should have known that Serve America Assurance and Beema Insurance Company were "shams and posed a significant risk of nonpayment of claims for ATA members;" and

IT IS FURTHER APPEARING THAT individuals and associations interested in insurance coverage marketed by the Respondents were required to become members of associations such as RBA and ATA. Individuals were charged through their credit cards or agreed to permit the Respondents to automatically deduct the monthly premium and other fees directly from the individual's bank account; and

IT IS FURTHER APPEARING THAT Worthy, Bart Posey, Angie Posey, SouthEast Insurance Advisors, ATA, SDS, Beema, Agha and Youell engaged in conduct which requires that they hold a valid New Jersey license as an insurance producer, 3<sup>rd</sup> Party Administrator, re-insurance broker or insurance company. However, none of the aforementioned parties holds an active New Jersey license in any of these capacities. Moreover, these parties improperly accepted fees in the course of acting in the business of insurance and they offered insurance related products from purported insurers that were not authorized to provide health insurance in New Jersey. These parties made

misrepresentations to New Jersey residents and other insureds by claiming, among other things, that their policies were valid and properly authorized to provide health insurance. In some cases, the products were individual health benefit plans that did not comply with the Individual Coverage Act, N.J.S.A. 17B:27A-1 et seq. Ultimately, insureds were left with little recourse when their claims went unpaid as a result of these parties' unlawful conduct; and

IT FURTHER APPEARING THAT the above described conduct by Worthy, SouthEast Insurance Agency, ATA, SDS, Beema, Agha and Youell constitute violations of N.J.S.A. 17:22A-29, N.J.A.C. 11:17A-1.3(a), N.J.A.C. 11:17A-1.3(d), N.J.A.C. 11:17A-1.4, N.J.S.A. 17:22A-40(a), N.J.S.A. 17:22A-41, N.J.S.A. 17:22A-47, N.J.S.A. 17B:23-8, N.J.S.A. 17B:27A-1 et seq., N.J.S.A. 17B:27A-9(e)(1), N.J.S.A. 17B:27B-2, N.J.S.A. 17B:30-3, N.J.S.A. 17B:30-4, N.J.S.A. 17:22E-2a, N.J.S.A. 17B:30-1 and N.J.S.A. 17B:30-13.1; and

DDR Investment Groups Corp, National  
Prestige Health Care, DMB Marketing,  
Healthcare Residuals, Monix Asset  
Holdings, F.M.A. Marketing LLC,  
Pinnacle Health Solutions, Critical  
Healthcare, ATA and Omni Services  
Corp.

IT IS FURTHER APPEARING THAT a billing and collection company called Paylogix, Inc. was engaged by SDS, Angie Posey and Bart Posey to collect fees on behalf of certain marketing organizations; and

IT IS FURTHER APPEARING THAT the marketing organizations that enrolled members who reside in New Jersey include DDR Investment Groups Corp, National Prestige Health Care, DMB Marketing, Healthcare Residuals, Monix Asset Holdings, F.M.A. Marketing LLC, Pinnacle Health Solutions, Critical Healthcare, ATA and Omni Services Corp. (together, the "Marketing Organizations"). None of the Marketing Organizations are licensed in New Jersey as a 3<sup>rd</sup> Party Administrator, insurance producer, re-insurance broker or insurance company; and

IT IS FURTHER APPEARING THAT the Marketing Organizations assisted in enrolling individuals in health insurance plans that were operated by RBA and ATA and underwritten by unlicensed insurers Serve America Assurance and Beema Insurance Company. Subsequently, the Marketing Organizations paid RBA and ATA fees in connection with those enrollments; and

IT IS FURTHER APPEARING THAT the Marketing Organizations enrolled New Jersey residents in RBA's unauthorized insurance plans after Clark's New Jersey insurance producer license expired, and in many cases, after Clark's New Jersey insurance producer license was revoked. In some cases, the products were individual health benefit plans that did not comply with the Individual Coverage Act, N.J.S.A. 17B:27A-1 et seq.; and

IT FURTHER APPEARING THAT the Marketing Organizations above described conduct constitute violations of N.J.S.A. 17:22A-29, N.J.A.C. 11:17A-1.3(a), N.J.A.C. 11:17A-1.3(d), N.J.A.C. 11:17A-1.4, N.J.S.A. 17:22A-40(a), N.J.S.A. 17:22A-41, N.J.S.A. 17:22A-47, N.J.S.A. 17B:23-8, N.J.S.A. 17B:27A-1 et seq., N.J.S.A. 17B:27A-9(e)(1), N.J.S.A. 17B:27B-2, N.J.S.A. 17B:30-3, N.J.S.A. 17B:30-4, N.J.S.A. 17:22C-6, N.J.S.A. 17B:27B-2, N.J.S.A. 17:22E-2a, N.J.S.A. 17B:30-1 and N.J.S.A. 17B:30-13.1;

and

**NOW, THEREFORE, IT IS on this 22nd day of June , 2010**

ORDERED that the Respondents, their agents, employees, or other representatives to cease and desist from:

1. Engaging in or transacting the unauthorized business of insurance in the State of New Jersey, including the

- selling or directly or indirectly assisting in the procurement of health care coverage with non-existent insurance or insurance through an insurer not authorized in New Jersey; and
2. Advertising insurance related products in or from New Jersey, including health benefit plans, unless authorized to do so; and
  3. Seeking, soliciting, pursuing and/or obtaining or directly or indirectly assisting in the procurement of health care coverage with non-existent insurance or insurance through an insurer not authorized in New Jersey; and
  4. Soliciting New Jersey residents by email, facsimile, telephone or internet to induce them to purchase any insurance product, including health care coverage, unless authorized to do so; and
  5. Offering New Jersey residents a plan, trust, annuity or policy for any form of insurance without complying with all New Jersey insurance laws and regulations; and
  6. The making of, or proposing to make, as an insurer, an insurance contract, annuity, or other insurance related product, other than by a licensed insurance agent acting on behalf of an insurer possessing a certificate of authority to do the business of insurance in New Jersey in compliance with all applicable statutes and regulations; and
  7. Directly or indirectly making, publishing, disseminating, circulating or placing before the public, in any publication, commercial, email, circular, or website, an advertisement, announcement or statement concerning any assertion, representation or statement with respect to the business of insurance, which is false or misleading; and
  8. The doing of any business specifically recognized as constituting the insurance business within the meaning of the statutes and regulations of the State of New

Jersey, without fully complying with the New Jersey Insurance Producer Licensing Act, N.J.S.A. 17:22A-26 et seq.; the Foreign and Alien Insurers Act, N.J.S.A. 17B:23-1 et seq.; the Life and Health Insurance Code, N.J.S.A. 17B:17-1 et seq.; the Individual Coverage Act, N.J.S.A. 17B:27A-1 et seq.; the 3<sup>rd</sup> Party Administrators Act, N.J.S.A. 17B:27B-1 et seq.; the Reinsurance Intermediary Act, N.J.S.A. 17:22E-1 et seq.; the Insurance Trade Practices Act, N.J.S.A. 17:30-1 et seq.; and the Unfair Claim Settlement Practices Act, N.J.S.A. 17:30-13.1 et seq.; and

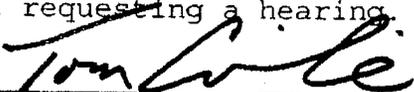
9. The receiving or collection of any premium, commission, membership fees, assessments, dues, or any other consideration for insurance or insurance related product, without first complying with the statutes and regulations of the State of New Jersey; and
10. Selling individual health plans in New Jersey in violation of N.J.S.A. 17B:27A-1 et seq.

IT IS PROVIDED that each individual Respondent has the right to request an administrative hearing, to be represented by counsel or other qualified representative, at their own expense, to take testimony, to call or cross-examine witnesses, to have subpoena and subpoena *duces tecum* issued and to present evidence or argument if a hearing is requested; and

IT IS FURTHER PROVIDED that, unless a request for a hearing is received from the individual Respondent within twenty (20) days of the service of this Cease and Desist Order, the right to a hearing in this matter shall be deemed to have been waived by the individual Respondent and this cease and desist order shall be effective against each individual Respondent who

does not request a hearing. A hearing may be requested by mailing the request to Thomas F. Ritardi, Manager of Enforcement, Department of Banking and Insurance, P.O. Box 329, Trenton, N.J. 08625 or by faxing the request to the Department at (609) 292-5337. The request shall contain:

- (A) The licensee's name, address, and daytime telephone number;
- (B) A statement referring to each charge alleged in this Cease and Desist Order and identifying any defense intended to be asserted in response to each charge. Where the defense relies on facts not contained in the Cease and Desist Order, those specific facts must be stated;
- (C) A specific admission or denial of each fact alleged in this Cease and Desist Order. Where the Respondent has no specific knowledge regarding a fact alleged in this Cease and Desist Order, a statement to that effect must be contained in the hearing request. Allegations of this Cease and Desist Order not answered in the manner set forth above shall be deemed to have been admitted; and
- (D) A statement requesting a hearing.

  
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Thomas B. Considine  
Commissioner