

BEFORE THE INSURANCE COMMISSIONER OF THE  
STATE OF OKLAHOMA

STATE OF OKLAHOMA, ex rel. )  
KIM HOLLAND, Insurance Commissioner, )  
 )  
Petitioner, )  
 )  
vs. )  
 )  
AMERICA TRADE ASSOCIATION, )  
REAL BENEFITS ASSOCIATION, )  
SMART DATA SOLUTIONS, )  
SERVE AMERICA ASSURANCE, LTD., )  
SERVE AMERICA ASSURANCE, LTD., )  
COMPANY, )  
BEEMA-PAKISTAN COMPANY LTD., )  
OBED KIRKPATRICK, )  
BART POSEY )  
RICHARD BACHMAN )  
WILLIAM M. WORTHY II )  
KATHLEEN CAUTHEN )  
DAVID L. CLARK )  
COLIN YUELL, )  
individually and/or in their capacity as officers, )  
directors or agents of the above named entities. )  
HEALTHCARE AMERICA )  
PINNACLE HEALTH SOLUTIONS, )  
PINNACLE HEALTH SOLUTIONS, LLC, )  
EHEALTHGREEN, )  
EXECUTIVE HEALTHCARE, )  
MY ATA BENEFITS, )  
FIRST AMERICAN HEALTHCARE, )  
SUPERIOR HEALTH CARE, )  
OMNI HEALTHCARE, )  
PROVEN CHOICE, )  
MINI HEALTH CARE, )  
JAMES PARISH )  
NICHOLAS A. WALL )  
BILLY HENSON )  
CLEOTHA MONTGOMERY )  
MICHAEL SCHULTZ, owners of the above named )  
entities )  
 )  
Respondents. )

**FILED**

NOV 09 2009

INSURANCE COMMISSIONER  
OKLAHOMA

Case No. 09-1544-UNI

**APPLICATION FOR EMERGENCY CEASE AND DESIST ORDER**

The Oklahoma Insurance Department (the “Department”) through Assistant General Counsel Julie Delluomo applies for an Emergency Cease and Desist Order against American Trade Association, Smart Data Solutions, Real Benefits Association, Obed Kirkpatrick, Brad Posey, Richard Bachman, William M. Worthy II, Dave Clark, Colin Youell, Serve America Assurance Ltd., Serve America Assurance, Ltd. Company, Beema-Pakistan Company Ltd, Healthcare America , Pinnacle Health Solutions, Pinnacle Health Solutions, LLC, eHealth Green, HealthEnroll, Executive Healthcare, My ATA Benefits, First American Healthcare, Superior Healthcare, Omni Healthcare, Proven Choice, Mini Healthcare, James Parish, Nicholas A. Wall, Billy Henson, Cleotha Montgomery and Michael Schultz, collectively referred to as Respondents. The following information is offered in support of this Application:

**RESPONDENT AND SERVICE**

1. American Trade Association, LLC (“ATA”) is an Arkansas Limited Liability Corporation with a principal place of business at 4676 Highway 41 North, Springfield, TN 37172. Obed Kirkpatrick is the president of ATA.
2. Smart Data Solutions, LLC, is a Tennessee Limited Liability Corporation with a principal place of business also at 4676 Highway 41 North, Springfield, TN 37172. Richard Bachman and Bart Posey are the corporate officers of Smart Data Solutions.
3. Real Benefits Association is a New Jersey Limited Liability Corporation with a principal place of business at 118A Fulton Street, Box 138, New York, NY 10038. David L. Clark is the president of Real Benefits Association.

4. Serve America Assurance Ltd is an unknown company with an unknown principal place of business. Its website, [www.serveamericalltd.com](http://www.serveamericalltd.com), states that Serve America Assurance Ltd. Company is a wholly owned off-shore insurance company of Beema Pakistan Company.

5. Serve America Assurance Ltd. Company is an unknown company with an unknown principal place of business. It was registered as a South Carolina limited liability company on February 5, 2009 by Kathleen Cauthen. It was later dissolved on September 11, 2009. Cauthen has an address of 117 Winding Way, Blythewood, S.C. 29211.

6. William M. Worthy II is purportedly the underwriter for Serve America Assurance Ltd. Worthy has an address of 44 Morgan Place Drive, Isle of Palms. SC 29451.

7. Beema Pakistan Company Ltd. is a public listed company incorporated under the laws of Pakistan located at 412-427, Muhammadi House, I.I. Chundrigar Road, PO Box 5626, Karachi-74000. Pakistan. Colin Youell is a Director.

8. Healthcare America, Pinnacle Health Solutions eHealthGreen, HealthEnroll, Executive Healthcare, My ATA Benefits, First American Healthcare, Superior Healthcare, Omni Healthcare, Proven Choice and Mini Health Care are various names used on websites by “brokers” who sell the insurance products offered through American Trade Association. Their principle places of business are unknown.

9. James Parish, Nicholas A. Wall, Billy Henson, Cleotha Montgomery and Michael Schultz are owners of these websites.

## **JURISDICTION**

The Insurance Commissioner has jurisdiction over this matter pursuant to the Insurance Code 36 O. S. §§ 101 et seq., specifically pursuant to: Article 6 Authorization of Insurers; 36 O.S. §§ 601 et seq.; the Oklahoma Producer Licensing Act, 36 O.S. §§ 1435.1 et seq.; the Unauthorized Insurance Business Act, 36 O.S. §§ 6103.1 et seq.; the Health Care Fraud Prevention Act, 36 O.S. §§ 1219.1, et seq.

## **ALLEGATIONS OF FACT**

1. The Oklahoma Insurance Department received a complaint from Oklahoma producer David Knox on July 16, 2009. Knox was inquiring on behalf of his customer whether Healthcare America was licensed in Oklahoma. Knox provided an advertisement sent by facsimile to Knox's customer and a proposal and application e-mailed to the customer.

2. Investigation into the matter revealed that Healthcare America is not licensed nor authorized to do business in the State of Oklahoma. The purported insurer of Healthcare America's insurance products is Serve America Assurance Ltd.. No physical address could be located for these entities.

3. Serve America Assurance Ltd. is allegedly the underwriting insurer for the American Trade Association health products. It is purportedly a wholly-owned, off-shore subsidiary insurance company of Beema-Pakistan Insurance Company Ltd.. Serve America Assurance Ltd. Company was organized by Kathleen Cauthen in 2009 and dissolved in 2009. Neither Serve America Assurance Ltd. or Serve America Assurance Ltd Company has a known physical address or is an authorized insurer in the State of Oklahoma. William Worthy is associated with Serve America Assurance Ltd. Company.

Worthy's South Carolina resident producer license, third-party administrator license and his non-resident Tennessee producer license were previously revoked.

4. American Trade Association purports to be a membership association offering nine fully insured and underwritten health insurance plans, health-related discounts and accidental death benefits, as an additional benefit to its members. The president of American Trade Associations is Obed Kirkpatrick. Its physical address is 4676 Highway 41 North, Springfield, TN 37172. ATA claims that it is exempt from licensure because it has filed as a union with the United State Department of Labor. Investigation revealed that American Trade Association is not a legally licensed trade union nor authorized to do business in Oklahoma.

5. Smart Data Solutions purports to be the third party administrator who manages claims for ATA and wire transfers customer's monthly premiums to the insurer Serve America Assurance Ltd. It is also located at 4676 Highway 41 North, Springfield, TN 37172. The corporate officers of Smart Data Solutions are Brad Posey and Richard Bachman. Investigation revealed that Smart Data Solutions is not a licensed third party administrator in Tennessee nor is Smart Date Solutions authorized to do business in Oklahoma.

6. Domains by Proxy, located in Scottsdale Arizona, provided information to the Department that Richard Bachman created the Serve America website; [www.serveamericalltd.com](http://www.serveamericalltd.com) in 2009. Domains by Proxy also provided information to the Department that Bachman created three additional ATA websites; [www.myatabenefits.com](http://www.myatabenefits.com), [www.myatahome.com](http://www.myatahome.com) and [www.rba-ata.com](http://www.rba-ata.com) in 2009.

7. Healthcare America is one of many names used on websites that sell the

Serve America Assurance insurance plans. Other brokers include: [www.pinnaclehealthsavings.com](http://www.pinnaclehealthsavings.com), [www.myatabenefits.com](http://www.myatabenefits.com), [www.ehealthgreen.com](http://www.ehealthgreen.com), [www.firstamericanhealthcare.com](http://www.firstamericanhealthcare.com), Superior Healthcare, Omni Healthcare, Proven Choice and Mini Health Care.

8. Investigation revealed that American Trade Association and Smart Data Solutions utilize telemarketing operations through these brokers who send unsolicited advertisements by facsimile throughout the United States and then utilize the above websites to generate sales of unlicensed insurance products. The brokers portray affiliation with licensed insurance companies when, in fact, there is no such business relationship. The brokers continually change their names and list fictitious locations and telephone numbers, making it difficult for consumers to contact them.

9. Real Benefits Association is purportedly a membership trade association that is affiliated with American Trade Association through the brokers' enrollment packets. Its president is David L. Clark. Similar to ATA, RBA claims that it is exempt from licensure because it has filed as a union with the United States Department of Labor. Real Benefits Association is not a legally licensed trade union nor certified to do business in Oklahoma. Real Benefits Association and David L. Clark were previously ordered by the Oklahoma Insurance Department to cease and desist from all activities related to doing unauthorized insurance business in Oklahoma in Case No. 06-1418-UNI.

10. During investigation by the Oklahoma Anti-Fraud Division, investigator Leslie Landwert received a list of sixty-nine (69) Oklahoma customers of the above brokers through American Trade Association and Real Benefits Association. Ronald and Joetta Truelove were two of these customers. The Trueloves enrolled with

Healthcare America on February 1, 2009. During an interview with investigator Landwert, the Trueloves stated that they have paid monthly premiums since their enrollment date to present with none of their medical claims being paid.

11. A review of Oklahoma Insurance Department records determined that no Respondent named in this application is licensed by the Department in any capacity. Investigation revealed that other states, including North Carolina, Ohio, Connecticut, Montana and Indiana have taken regulatory disciplinary action against these various Respondents for unauthorized and unlicensed activities. In addition, many other states are currently investigating the Respondents' activities.

#### **ALLEGED VIOLATIONS OF LAW**

1. Respondents actions fall within the definition of "doing an insurance business in this State" 36 O.S. § 6103.2. The above-cited conduct is in violation of 36 O.S. §§ 6103.2 and 6103.3 and 36 O.S. §§ 1219.4.

2. Respondents have acted or attempted to act as insurance producers in violation of the Oklahoma Producer Licensing Act, 36 O.S. § 1435.1 et.seq.

3. The alleged conduct is an immediate danger to the public or is causing or can be reasonably expected to cause significant, imminent and irreparable public injury.

#### **RELIEF REQUESTED**

The Insurance Commissioner is requested to immediately without notice or hearing issue an Emergency Cease and Desist Order under authority of 36 O.S. § 6103.5 and 36 O.S. § 1219.4, ordering Respondents and their agents, affiliates, employees, and other representatives, both current and successor, whether named or unnamed herein, to cease and desist from all activities related to doing unauthorized insurance business in

this state, including:

1. The making of or proposing to make as an insurer an insurance contract;
2. The making of or proposing to make, as guarantor or surety, any contract of guaranty or surety ship as a vocation and not merely incidental to any other legitimate business or activity of the guarantor or surety;

3. The taking or receiving of any application for insurance;

4. Maintaining any agency or office where any acts in furtherance of an insurance business are transacted, including but not limited to:

- a. execution of contracts of insurance with citizens of this or any other state,

- b. maintaining files or records of contracts of insurance,

- c. processing of claims, or

- d. receiving or collection of any premiums, commissions, membership fees, assessments, dues or other consideration for any insurance or any part thereof;

5. The issuance or delivery of contracts of insurance to residents of this state or to persons authorized to do business in this state;

6. Directly or indirectly acting as an agent for, or otherwise representing or aiding on behalf of another, any person or insurer in:

- a. solicitation, negotiation, procurement or effectuation of insurance or renewals thereof,

- b. dissemination of information as to coverage or rates, or forwarding of applications, or delivery of policies or contracts,

- c. inspection of risks,
- d. fixing of rates or investigation or adjustment of claims or losses,
- e. transaction of matters subsequent to effectuation of the contract and arising out of it, or
- f. in any other manner representing or assisting a person or insurer in the transaction of insurance with respect to subjects of insurance resident, located or to be performed in this state;

7. Contracting to provide indemnification or expense reimbursement in this state to persons domiciled in this state or for risks located in this state, whether as an insurer, agent, administrator, trust, funding mechanism, or by any other method;

8. The doing of any kind of insurance business specifically recognized as constituting the doing of an insurance business within the meaning of the statutes relating to insurance;

9. The doing or proposing to do any insurance business in substance equivalent to any of the foregoing in a manner designed to evade the provisions of the statutes; or

10. Any other transactions of business in this state by an insurer.

In addition, the Commissioner is requested, notwithstanding the above requested orders, to order Respondents to pay all unpaid claims and to order any further relief which may be deemed appropriate and which is authorized by law, whether or not specifically requested herein, consistent with 36 O.S. §§ 6103.1 et seq.

Respectfully submitted on this 9<sup>th</sup> day of November, 2009.



Julie Delluomo

Julie Delluomo, OBA #14410  
Assistant General Counsel  
Oklahoma Department of Insurance  
P.O. Box 53408  
Oklahoma City, Oklahoma 73152-3408  
Telephone: (405) 521-2746  
Facsimile: (405) 522-0125

**CERTIFICATE OF MAILING**

I, Julie Delluomo hereby certify that a true and correct copy of the above and foregoing Application for Emergency Cease and Desist Order was mailed postage prepaid with return receipt requested on this 9<sup>th</sup> day of November 2009 to:

Serve America Assurance, Ltd.  
c/o Beema-Pakistan Company, Ltd  
412-427 Muhammadi House  
I.I. Chundrigar Road, P.O. Box 5626  
Karachi 74000 Pakistan

**INTERNATIONAL CERTIFIED MAIL**  
**# RE 295 672 367 US**

Serve America Assurance, Ltd. Company  
Kathleen Cauthen  
117 Winding Oak Way  
Blythewood, SC 29016

**CERTIFIED MAIL:**  
**# 7006 0810 0002 6163 8846**

Beema-Pakistan  
412-427 Muhammadi House  
I.I. Chundrigar Road, P.O. Box 5626  
Karachi 74000 Pakistan

**INTERNATIONAL CERTIFIED MAIL**  
**# RE 295 672 438 US**

America Trade Association  
4676 Highway 41  
Springfield, TN 37172

**CERTIFIED MAIL:**  
**# 7006 0810 0002 6163 8853**

America Trade Association  
400 Memorial Blvd.  
Springfield, TN 37172

**CERTIFIED MAIL:**  
**# 7006 0810 0002 6163 8860**

Real Benefits Association  
118A Fulton Street  
Box 138  
New York, NY 10038

**CERTIFIED MAIL:**  
**# 7006 0810 0002 6163 9263**

Smart Data Solutions  
4676 Highway 41  
Springfield, TN 37172

**CERTIFIED MAIL:**  
**# 7006 0810 0002 6163 8891**

Healthcare America  
Db: [www.Healthcareamericaonline.com](http://www.Healthcareamericaonline.com)  
P.O. Box 181, Wilshire Blvd  
Beverly Hills, CA 90212

**CERTIFIED MAIL:**  
**# 7006 0810 0002 6163 8938**

Dave Clark, President  
Real Benefits Association  
118A Fulton Street  
Box 138  
New York, NY 10038

**CERTIFIED MAIL:**  
**# 7006 0810 0002 6163 9270**

Obed Kirkpatrick  
4676 Highway 41  
Springfield, TN 37172

**CERTIFIED MAIL:**  
**# 7006 0810 0002 6163 8877**

Obed Kirkpatrick  
1705 Rocking Chair Place  
Franklin, TN 37067

**CERTIFIED MAIL:**  
**# 7006 0810 0002 6163 8884**

William M. Worthy  
44 Morgan Place Dr.  
Isle of Palms, SC 29451

**CERTIFIED MAIL:**  
**# 7006 0810 0002 6163 9287**

Bart Posey  
c/o Smart Data Solutions  
4676 Highway 41  
Springfield, TN 37172

**CERTIFIED MAIL:**  
**# 7006 0810 0002 6163 8907**

Bart Posey  
3448 Forest Park Road  
Springfield, TN 37172

**CERTIFIED MAIL:**  
**# 7006 0810 0002 6163 8914**

Richard Bachman  
c/o Smart Data Solutions  
4676 Highway 41  
Springfield, TN 37172

**CERTIFIED MAIL:**  
**# 7006 0810 0002 6163 8921**

Colin Youell, Director  
Beema-Pakistan  
412-427 Muhammadi House  
I.I. Chundrigar Road, P.O. Box 5626  
Karachi 74000 Pakistan

**INTERNATIONALCERTIFIED MAIL**  
**# RE 295 672 384 US**

Pinnacle Health Solutions  
Db: [www.pinnaclehealthsavings.com](http://www.pinnaclehealthsavings.com)  
c/o James Parish  
1481 Glencrest Drive  
San Marcos, CA 92078

**CERTIFIED MAIL:**  
**# 7006 0810 0002 6163 9119**

Michael Schultz  
Pinnacle Health Solutions  
National Registered Agents, Inc. of NV  
1000 East William Street, Suite 204  
Carson City, NV 89701

**CERTIFIED MAIL:**  
**# 7006 0810 0002 6163 9126**

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

**CERTIFIED MAIL:**  
**# 7006 0810 0002 6163 9133**

eHealthGreen  
dba: [www.eHealthGreen.com](http://www.eHealthGreen.com)  
1481 Glencrest Drive  
San Marcos, CA 92078

**CERTIFIED MAIL:**  
**# 7006 0810 0002 6163 9140**

eHealthGreen  
1481 Glencrest Drive  
San Marcos, CA 92078

**CERTIFIED MAIL:**  
**# 7006 0810 0002 6163 9157**

[www.HealthEnroll.net](http://www.HealthEnroll.net)  
c/o American Trade Association  
4676 Highway 41  
Springfield, TN 37172

**CERTIFIED MAIL:**  
**# 7006 0810 0002 6163 9164**

Executive Healthcare  
[www.executivehealthcare.biz](http://www.executivehealthcare.biz)  
c/o Cleotha Montgomery  
1801 Crape Myrtle Circle  
Irving, TX 75038-8416

**CERTIFIED MAIL:**  
**# 7006 0810 0002 6163 9171**

[www.myatabenefits.com](http://www.myatabenefits.com)  
c/o American Trade Association  
4676 Highway 41  
Springfield, TN 37172

**CERTIFIED MAIL:**  
**# 7006 0810 0002 6163 9188**

[www.firstamericanhealthcare.com](http://www.firstamericanhealthcare.com)  
Liquid Chips  
c/o Free Private Reg  
P.O. Box 81024  
Burnaby, BC V5H 4 K2  
Canada

**INTERNATIONALCERTIFIED MAIL**  
**# RE 295 672 398 US**

[www.firstamericanhealthcare.com](http://www.firstamericanhealthcare.com)  
Hostmaster, Domain  
c/o Free Private Reg  
Suite 210 – 3602 Gilmore Way  
Burnaby, BC V5G 4 W9  
Canada

**INTERNATIONALCERTIFIED MAIL**  
**# RE 295 672 375 US**

First American Healthcare  
James Parish  
1481 Glencrest Drive  
San Marcos, CA 92069

**CERTIFIED MAIL:**  
**# 7006 0810 0002 6163 9195**

First American Healthcare  
Nicholas A. Wall  
Liquid Chips  
1481 Glencrest Drive  
San Marcos, CA 92069

**CERTIFIED MAIL:**  
**# 7006 0810 0002 6163 9201**

First American Healthcare  
c/o American Trade Association  
4676 Highway 41  
Springfield, TN 37172

**CERTIFIED MAIL:**  
**# 7006 0810 0002 6163 9218**

Superior Health Care  
c/o American Trade Association  
4676 Highway 41  
Springfield, TN 37172

**CERTIFIED MAIL:**  
**# 7006 0810 0002 6163 9225**

Omni HealthCare  
c/o American Trade Association  
4676 Highway 41  
Springfield, TN 37172

**CERTIFIED MAIL:**  
**# 7006 0810 0002 6163 9232**

Proven Choice  
c/o American Trade Association  
4676 Highway 41  
Springfield, TN 37172

**CERTIFIED MAIL:**  
**# 7006 0810 0002 6163 9249**

Mini Health Care  
c/o American Trade Association  
4676 Highway 41  
Springfield, TN 37172

**CERTIFIED MAIL:**  
**# 7006 0810 0002 6163 9256**

and a copy was hand-delivered to:

Director, OID Consumer Assistance

Director, OID Financial Division

Director, OID Anti-Fraud Division

Director, OID Producer Licensing Division

  
Julie Delluomo