

STATE AUDITOR'S OFFICE
INSURANCE DEPARTMENT
HELENA, MONTANA

IN THE MATTER OF:) Case No.: 2004-333
)
PROFESSIONAL LIABILITY INSURANCE) TEMPORARY CEASE AND DESIST
COMPANY, LTD.; PLIC CLAIMS) ORDER, NOTICE OF PROPOSED AGENCY
MANAGEMENT, INC.; MEDICAL RISK) ACTION AND OPPORTUNITY FOR
ASSOCIATES, RPG, LTD.; UNIMED;) HEARING
CROWN GLOBAL GROUP, LTD;)
WILLIAM A. LEDEE III; MISHIMA)
MURASAKI; IGNATIUS DEBLASI and/or)
their agents and representatives,)
)
Respondents.)

The Montana Insurance Department (hereinafter referred to as "the Department"), pursuant to the authority of the Montana Insurance Code, as found at Section 33-1-101, et seq., Montana Code Annotated [hereinafter cited as MCA], and Section 33-1-318, MCA, hereby issues the following allegations of fact, proposed conclusions of law, order and notice of right to a public hearing, and Temporary Cease and Desist Order:

ALLEGATIONS OF FACT

1. At all times relevant hereto, the above-named Respondents conducted business at 6065 Roswell Road, Suite 1186, Atlanta, GA 30328. Respondents Professional Liability Insurance Company, LTD.; Medical Risk Associates, RPG, LTD
2. On or about June 30, 2003, Respondent Ignatius DeBlasi (DeBlasi) sold what he represented to be a professional liability insurance policy on behalf of the remaining above-named Respondents to BMC, and duly licensed medical clinic, which at all times relevant hereto has done business at 610 N. California Street, Missoula, MT 59802. At all times relevant hereto, DeBlasi was not licensed to do business as an insurance producer by the State of Montana.

3. Respondents issued the professional liability insurance policy at issue to BMC in June of 2001. Blue Mountain Clinic subsequently renewed the policy in 2002, 2003 and 2004. BMC paid insurance premiums to Respondents for said insurance policy between May 29, 2001 and February 4, 2004 totaling \$18,805.52. Respondents misappropriated the insurance premiums by accepting said premiums knowing coverage would not be provided to Blue Mountain Clinic.

4. None of the Respondents possess a valid Certificate of Authority to perform business as an insurance company in the State of Montana. By information and belief, Respondents continue to act as an insurer and transact insurance in Montana without the required Certificate of Authority issued by the Commissioner.

5. Respondents, when in the course of offering and selling the aforescribed professional liability insurance policy, misrepresented material facts known to them to be untrue or made with reckless indifference as to whether they was true, to wit: that none of Respondents were duly licensed insurance producers, that Respondents knew that insurance coverage would not be provided as promised and that Respondents were acting as an insurer and transacting insurance without the required Certificate of Authority. Respondents performed these acts with the intention of causing BMC to rely upon the misrepresentation to its detriment.

CONCLUSIONS

1. The Department has jurisdiction over this matter by reason of Respondents' offer of its health insurance plan to persons in Montana pursuant to Section 33-1-311, MCA.

2. Respondents violated Sections 33-1-102 and 33-2-101, MCA by offering offer its health insurance plan to persons in Montana without the required certificate of authority as hereinabove described.

3. Respondents committed insurance fraud in violation of Section 33-1-1202(4), MCA by accepting insurance premiums knowing that coverage would not be provided

4. Respondents committed insurance fraud in violation of Section 33-1-1302, MCA by, when in the course of offering and selling the aforescribed professional liability insurance policy, misrepresenting material facts known to them to be untrue or made with reckless indifference as to whether they was true, to wit: that none of Respondents were duly licensed insurance producers, that Respondents knew that insurance coverage would not be provided as promised and that Respondents were acting as an insurer and transacting insurance without the required Certificate of Authority with the intention of causing BMC to rely upon the misrepresentation to its detriment.

5. Respondents violated Section 33-17-201, MCA by selling, soliciting and/or negotiating insurance and acting as an insurance producer in this state without being licensed as an insurance producer.

CEASE AND DESIST ORDER

Pursuant to Section 33-1-318, MCA, it appears to the Department that the above named Respondents have engaged, are engaged or are about to engage in acts or practices constituting violations of the Montana Insurance Code and therefore hereby orders Respondents to cease and desist from engaging in any act, practice, or course of business that violates any section of the Montana Insurance Code, including, but not limited to, Sections 33-1-102, 33-2-101, 33-1-1202, 33-1-1302 and 33-17-201, MCA.

Section 33-18-1005(1), MCA, provides that any willful violation of this cease and desist order may be punished by a penalty of \$25,000.00 upon each person in such violation, in addition to all other penalties imposed by the laws of the State of Montana.

NOTICE OF PROPOSED AGENCY ACTION

Staff of the Insurance Department of the office of the State Auditor and Department of Insurance of the State of Montana (Department), pursuant to the authority of the Securities Code of Montana, Section 30-10-101, et seq., MCA is proposing to the Department that he take disciplinary action against the above-named Respondents for violations of the Montana Insurance Code as hereinabove described. The Department has authority to take such action under the provisions of Sections 33-1-102, 33-1-311, 33-1-301, 33-1-317, 33-1-318, 33-18-1004 and 33-18-1005 , MCA.

In particular, the staff of the Insurance seeks disciplinary action against Respondents including imposition of a fine not to exceed \$25,000.00 per violation pursuant to Section 33-18-1005(1), in addition to all other penalties imposed by the laws of the State of Montana.

Service of process is pursuant to Section 33-1-314, MCA.

STATEMENT OF RIGHTS

You are entitled to a hearing and to respond to this notice and present evidence and arguments on all issues involved in this case. You may have a formal hearing before a hearing examiner appointed by the Commissioner. This is provided for by the Montana Administrative Procedure Act, Sections 2-4-601, MCA and following, including Section 2-4-631, MCA. If you demand a hearing, you will be given notice of the time, place and the nature of the hearing. Pursuant to Mont. Code Ann. Section 33-1-701(2) (1999), the hearing shall be held within 30 days after receipt of the demand by the commissioner, unless postponed by mutual consent.

You have a right to be represented by an attorney at any and all stages of this proceeding. If you want to resist the proposed action under the jurisdiction of the Commissioner, you must so advise him within fifteen (15) days of the date you receive this notice. You may so advise him

by writing to John Kurtz, Insurance Attorney, State Auditor's Office, 840 Helena Avenue, Helena, Montana 59601. While so advising Mr. Kurtz, you should make clear 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 Section 2-4-603(2), MCA, you may not request to proceed informally if the action could result in suspension, revocation or any other adverse action against a professional license.

Should you request a 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., (1973), 164 Mont. 139, 520 P.2d 103.

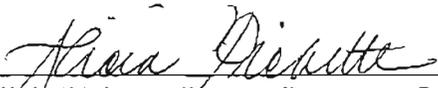
POSSIBILITY OF DEFAULT

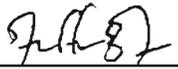
Failure to give notice or to advise of your demand for a hearing or form of informal procedure within fifteen (15) days of receipt of this NOTICE OF PROPOSED AGENCY ACTION AND OPPORTUNITY FOR HEARING will result in the entry of a default order imposing the disciplinary sanctions against you and/or your license, all without any more notice to you, pursuant to 6.2.101, Administrative Rules of Montana and the Attorney General's Model Rule 10, 1.3.214.

CONTACT WITH INSURANCE COMMISSIONER'S OFFICE

If you have questions or wish to discuss this matter, please contact John Kurtz, legal counsel for the State Auditor, at 840 Helena Avenue, Helena, MT, 59604-4009, (406) 444-1936 or, within Montana, (800) 332-6148. If you are represented by an attorney, please make any contacts with this office through your attorney

DATED this 9th day of August, 2004.


Alicia Pichette, Deputy Insurance Commissioner

By: 
John K. Kurtz
Insurance Attorney

CERTIFICATE OF SERVICE

I hereby certify that I mailed a true and correct copy of the foregoing TEMPORARY CEASE AND DESIST ORDER AND NOTICE OF PROPOSED AGENCY ACTION to the following persons by depositing the same in the U.S. Mail, certified, return receipt requested, on this 9 day of AUGUST, 2004.

TO:

Ignatius DeBlasi
5920 Roswell Road, N.E.
Bldg. B-107, Suite 332
Atlanta, GA 30328

Ignatius A. Deblasi
3015 Four Oaks Drive
Atlanta, GA 30360

PLIC Claims Management, Inc.
6065 Roswell Road, Suite 1186
Atlanta, GA 30328

Professional Liability Insurance Company, Ltd.
10 Queens Street,
Hamilton, HM 11, Bermuda

William A. Ledee III
10 Queens Street
Hamilton, HM 11, Bermuda

Medical Risk Associates, RPG, Ltd.
45 Par-La-Ville Road, Suite 378
Hamilton, HM 11, Bermuda

Medical Risk Associates, RPG, Inc.

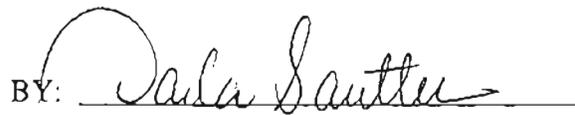
45 Par-La-Ville Road, Suite 378 ✓
Hamilton, HM 11, Bermuda

Unimed
5920 Roswell Road, N.E.
Building, 107, Suite 332 ✓
Atlanta, GA 30328

Unimed
6025 Sandy Springs Circle, Suite 312 ✓
Atlanta, GA 30328

Crown Global Group, LTD
45 Par-La-Ville Road, Suite 378
Hamilton, HM 11, Bermuda

Mishima Murasaki
45 Par-La-Ville Road, Suite 378 ✓
Hamilton, HM 11, Bermuda

BY: 

STATE AUDITOR'S OFFICE
INSURANCE DEPARTMENT
HELENA, MONTANA

IN THE MATTER OF:) Case No.: 2004-333
)
PROFESSIONAL LIABILITY INSURANCE) AMENDED TEMPORARY CEASE AND
COMPANY, LTD.; PLIC CLAIMS) DESIST ORDER, NOTICE OF PROPOSED
MANAGEMENT, INC.; MEDICAL RISK) AGENCY ACTION AND OPPORTUNITY
ASSOCIATES, RPG, LTD.; UNIMED;) FOR HEARING
CROWN GLOBAL GROUP, LTD;)
WILLIAM A. LEDEE III; MISHIMA)
MURASAKI; IGNATIUS DEBLASI and/or)
their agents and representatives,)
)
Respondents.)

COMES NOW The Montana Insurance Department (hereinafter referred to as "the Department"), pursuant to the authority of the Montana Insurance Code, as found at Section 33-1-101, et seq., Montana Code Annotated [hereinafter cited as MCA], and Section 33-1-318, MCA, hereby issues the following amended allegations of fact, proposed conclusions of law, order and notice of right to a public hearing, and Temporary Cease and Desist Order:

ALLEGATIONS OF FACT

1. At all times relevant hereto, the above-named Respondents conducted business at 6065 Roswell Road, Suite 1186, Atlanta, GA 30328; 3015 Four Oaks Drive, Atlanta, GA 30360; 6065 Roswell Road, Suite 1186, Atlanta, GA 30328; 10 Queens Street, Hamilton, HM 11, Bermuda; 45 Par-La-Ville Road, Suite 378, Hamilton, HM 11, Bermuda; 5920 Roswell Road N.E., Building 107, Suite 332, Atlanta, GA 30328; and/or 6025 Sandy Springs Circle, Suite 312, Atlanta, GA 30328.

2. On or about June 30, 2003, Respondent Ignatius DeBlasi (DeBlasi) sold what he represented to be a professional liability insurance policy on behalf of the remaining above-named Respondents to BMC, and duly licensed medical clinic, which at all times relevant hereto

has done business at 610 N. California Street, Missoula, MT 59802. At all times relevant hereto, DeBlasi was not licensed to do business as an insurance producer by the State of Montana.

3. Respondents issued the professional liability insurance policy at issue to BMC in June of 2001. Blue Mountain Clinic subsequently renewed the policy in 2002, 2003 and 2004. BMC paid insurance premiums to Respondents for said insurance policy between May 29, 2001 and February 4, 2004 totaling \$18,805.52. Respondents misappropriated the insurance premiums by accepting said premiums knowing coverage would not be provided to Blue Mountain Clinic.

4. None of the Respondents possess a valid Certificate of Authority to perform business as an insurance company in the State of Montana. By information and belief, Respondents continue to act as an insurer and transact insurance in Montana without the required Certificate of Authority issued by the Commissioner.

5. Respondents, when in the course of offering and selling the aforescribed professional liability insurance policy, misrepresented material facts known to them to be untrue or made with reckless indifference as to whether they was true, to wit: that none of Respondents were duly licensed insurance producers, that Respondents knew that insurance coverage would not be provided as promised and that Respondents were acting as an insurer and transacting insurance without the required Certificate of Authority. Respondents performed these acts with the intention of causing BMC to rely upon the misrepresentation to its detriment.

CONCLUSIONS

1. The Department has jurisdiction over this matter by reason of Respondents' offer of its professional liability insurance policy to persons in Montana pursuant to Section 33-1-311, MCA.

2. Respondents violated Sections 33-1-102 and 33-2-101, MCA by offering offer its professional liability insurance policy to persons in Montana without the required certificate of authority as hereinabove described.

3. Respondents committed insurance fraud in violation of Section 33-1-1202(4), MCA by accepting insurance premiums knowing that coverage would not be provided.

4. Respondents committed insurance fraud in violation of Section 33-1-1302, MCA by, when in the course of offering and selling the aforescribed professional liability insurance policy, misappropriating insurance premiums paid to them by BMC, and by misrepresenting material facts known to them to be untrue or made with reckless indifference as to whether they was true, to wit: that none of Respondents were duly licensed insurance producers, that Respondents knew that insurance coverage would not be provided as promised and that Respondents were acting as an insurer and transacting insurance without the required Certificate of Authority, with the intention of causing BMC to rely upon the misrepresentation to its detriment.

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Montana Insurance Code, including, but not limited to, Sections 33-1-102, 33-2-101, 33-1-1202, 33-1-1302 and 33-17-201, MCA.

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Pursuant to Section 33-1-701, MCA, the hearing shall be held within 30 days after receipt of the demand by the commissioner, unless postponed by mutual consent.

You have a right to be represented by an attorney at any and all stages of this proceeding. If you want to resist the proposed action under the jurisdiction of the Commissioner, you must so advise him within fifteen (15) days of the date you receive this notice. You may so advise him by writing to John Kurtz, Insurance Attorney, State Auditor's Office, 840 Helena Avenue, Helena, Montana 59601. While so advising Mr. Kurtz, you should make clear 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 Section 2-4-603(2), MCA, you may not request to proceed informally if the action could result in suspension, revocation or any other adverse action against a professional license.

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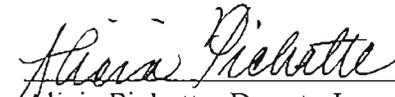
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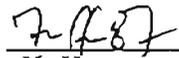
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DATED this 7th day of September, 2004.



Alicia Pichette, Deputy Insurance Commissioner

By: 

John K. Kurtz
Insurance Attorney

CERTIFICATE OF SERVICE

I hereby certify that I mailed a true and correct copy of the foregoing TEMPORARY CEASE AND DESIST ORDER AND NOTICE OF PROPOSED AGENCY ACTION to the following persons by depositing the same in the U.S. Mail, certified, return receipt requested, on this 7th day of September, 2004.

TO:

Jacqueline T. Lenmark
KELLER, REYNOLDS DRAKE
JOHNSON & GILLESPIE, P.C.
50 South Last Chance Gulch
P.O. Box 598
Helena, MT 59624

BY: 7/7/07