

1 Michael Winsor
Special Assistant Attorney General
2 Montana State Auditor's Office
840 Helena Avenue
3 Helena, MT 59601
(406) 444-2040
4 Attorney for the Department of Insurance
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7

8 **BEFORE THE STATE AUDITOR AND COMMISSIONER OF INSURANCE**
STATE OF MONTANA

9 IN THE MATTER OF:

Case No. 2006-1

10 AMERICAN EVANGELISTIC ASSOCIATION)
and its division CHRISTIAN CARE)
11 MINISTRY, d.b.a. MEDI-SHARE;)
12 AMERICAN EVANGELISTIC ASSOCIATION)
INTERNATIONAL, INC., CHRISTIAN)
13 CARE MINISTRY, INC.; EDWARD)
JOHN REINHOLD a.k.a E. JOHN REINHOLD,)
14 ROBERT YATES BALDWIN, JR., KEVIN)
CAMILLI, RICHARD CHASE, ROGER CRAFT,)
15 HENRY DECKER, MARJORIE DOUGLAS,)
CHARLES FARMER, JUDY FARMER, JAMES)
16 R. GILLESPIE, MALCOLM GOSDIN, CHARLES)
SAYLOR, NEAL SIGEL, EDWARD STAM,)
17 SAMUEL TOWNSEND, personally and in their)
capacities as officers or directors; and/or their)
18 agents, representatives, successors and assigns;)
CARLSON, FREDERICK and COMPANY, PA,)
19 ROBERT E. CARLSON;)
CBA ADMINISTRATORS,)
20 LARRY GASKILL, GARY SPATZ,)
RUDY WAGONER, and JOHN DOES 1-25,)
21

**NOTICE OF PROPOSED
AGENCY ACTION AND
OPPORTUNITY FOR
HEARING (ADMINISTRATIVE
FINE, PERMANENT CEASE
AND DESIST ORDER AND
RESTITUTION)**

22 Respondents.

23 TO: Edward John Reinhold
3507 Carriage Gate Drive
24 West Melbourne, FL 32904

Keven Camilli
460 Mosswood Blvd.
Indialantic, FL 32904-9596

25 Robert Y. Baldwin
President, Christian Care Ministry
26 P. O. Box 120099
West Melbourne, FL 32912-0099
27

Richard D. Chase
45227 Callesito Ordenes
28 Temecula, CA 92592-1644

1 Roger Craft
505 N. John Rodes Blvd.
2 Melbourne, FL 32934

3 Henry Dekker
1260 Hollow Brook Ln.
4 Malabar, FL 32950-6803

5 Marjorie Douglas
505 N. John Rodes Blvd.
6 Melbourne, FL 32934

7 Charles and Judy Farmer
505 N. John Rodes Blvd.
8 Melbourne, FL 32934

9 James R. Gillespie
441 Sandy KY
10 Melbourne Beach, FL 32951-2723

11 Malcolm Gosdin
160 Hacienda Dr.
12 Merritt Is, FL 32952-6406

13 Charles Saylor
2312 Malabar Lakes Dr.
14 Palm Bay, FL 32905-4474

15 Neil Siegal
505 N. John Rodes Blvd.
16 Melbourne, FL 32934

17 Edward Stam
505 N. John Rodes Blvd.
18 Melbourne, FL 32934

19 Samuel Townsend
2519 Riverview Dr.
20 Melbourne, FL 32901-7339

21 CBA Administrators
c/o Christian Care Ministries
22 505 N. John Rodes Blvd.
23 Melbourne, FL 32934

24 Larry Gaskill
505 N. John Rodes Blvd.
25 Melbourne, FL 32934

26 Gary Spatz
505 N. John Rodes Blvd.
27 Melbourne, FL 32934

28

Rudy Wagoner
505 N. John Rodes Blvd.
Melbourne, FL 32934

Carlson, Frederick and Company, PA
4732 Luce Road
Lakeland, FL 33813-2324

Robert E. Carlson
Carlson, Frederick and Company, PA
4732 Luce Road
Lakeland, FL 33813-2324

Jacqueline T. Lenmark, Esq.
Peter Funk, Esq.
Keller, Reynolds, Drake, Johnson &
Gillespie, P.C.
P.O. Box 598
Helena, MT 59624

1 PLEASE TAKE NOTICE:

2 Staff of the Insurance Department of the Office of the State Auditor and Commissioner
3 of Insurance of the state of Montana, pursuant to the authority of the Montana Insurance Code,
4 Mont. Code Ann. § 33-1-101, *et seq.*, is proposing that the Commissioner take disciplinary
5 action against the Respondents for violations of the Montana Insurance Code. Specifically,
6 staff is proposing that, pursuant to Mont. Code Ann. § 33-1-317, the Commissioner impose a
7 fine not to exceed \$25,000.00 for each violation of the Montana Insurance Code in addition to
8 all other penalties imposed by the laws of Montana. Additionally, the Department requests
9 that the Cease and Desist Order be made permanent and that Respondents be required to make
10 full restitution to Montana citizens for all financial losses sustained as a result of fraud together
11 with interest at a rate of 10% per annum from the date of the fraud pursuant to Mont. Code
12 Ann. § 33-1-1302. Further, for violations of Mont. Code Ann. § 33-38-105, the Department
13 seeks to impose an administrative fine of \$25,000.00 for each day of violation. The
14 Commissioner has authority to take such action under the provisions of Mont. Code Ann. §§
15 33-1-102, 33-1-311, 33-1-314, 33-1-315(5), 33-1-317, 33-1-318, 33-1-402, 33-1-413, 33-1-
16 1202, 33-1-1211, 33-1-1302, 33-2-104, 33-2-109, 33-2-110, 33-2-111, 33-2-514, 33-2-516,
17 33-2-601, and 33-2-612, 33-38-105.

18 **REASONS FOR ACTION**

19 There is reasonable cause to believe that the following facts will be proven true and will
20 justify agency action against Respondents.

21 **ASSERTIONS OF FACTS**

22 1. At all times relevant hereto: Respondents American Evangelistic Association,
23 Christian Care Ministry d.b.a Medi-Share, American Evangelistic Association International Inc.,
24 Christian Care Ministry, Inc., Edward John Reinhold a.k.a. E. John Reinhold, Robert Yates
25 Baldwin, Jr. a.k.a. Robert Baldwin and/or their agents, representatives and assignees
26 (Respondents) have engaged in the solicitation of individuals in Montana to enter into a
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1 “membership program” (insurance contract) for the purpose of reimbursing “members”
2 (policyholder’s) medical expenses.

3 2. Respondent American Evangelistic Association is an unincorporated association.
4 Respondents American Evangelistic Association Inc., and Christian Care Ministry Inc. are
5 affiliated entities formed by the said unincorporated association. Respondents do business as
6 Christian Care Medi-Share and Christian Care Medi-Share, Inc. Respondent Edward John
7 Reinhold is the Chairman, CEO and creator of American Evangelistic Association, Medi-Share
8 and the other affiliated entities. Respondent Robert Baldwin is, ostensibly, the current President
9 of Medi-Share. The remaining individuals named have aided or represented Respondents and
10 are or were officers, directors, and/or agents, representatives, successors and/or assigns of the
11 named unincorporated or incorporated entities herein named; or were or are the alter egos and
12 instrumentalities of the same. At all times material hereto, the unincorporated and incorporated
13 entities herein named were used as a subterfuge to justify the wrongs or perpetrate the fraud
14 alleged herein. John Does 1-25 are individuals or entities not yet identified who have aided or
15 represented Respondents in the unauthorized transaction of insurance.

16 3. Respondents maintain an offshore trust in the Bahamas purportedly for the benefit of
17 policyholders. The administrator of the offshore trust is located in the British Virgin Islands.

18 4. Respondents’ primary business location is in Melbourne, Florida. Respondents’ web
19 site, <http://medi-share.org>, lists an address for Medi-Share at 505 N. John Rodes Blvd.,
20 Melbourne, Florida. Medi-Share previously listed 3507 Carriage Drive, Post Office Box 120099,
21 West Melbourne, Florida as its business address.

22 Respondent E. John Reinhold lives or lived at 4047 Snowy Egret Drive, Melbourne,
23 Florida, and lists a business address at 3507 Carriage Gate Drive, West Melbourne, Florida
24 32904. Robert Yates Baldwin, Jr., President of Christian Care Ministry, lists his business
25 address as P.O. Box 120099, West Melbourne, Florida 32912-0099. Robert Yates Baldwin, Jr.
26 lives at or lived at 402 Melbourne Beach, FL 22951-2729.

1 5. At all times relevant hereto, Respondents solicited, induced and negotiated with
2 Montana citizens in order to effectuate insurance contracts. Additionally, Respondents paid
3 some medical expenses arising out of said contracts. Montanans were required to make
4 applications and disclose medical histories. Pursuant to the contract, the policyholders are
5 required to pay a "Monthly Share Cost" (premium). Pursuant to the insurance contract,
6 Respondents assumed the responsibility for expenses up to \$1,000,000.00 after policyholder's
7 payments of an "Initial Member Responsibility"(deductible). Further, Respondents maintain in
8 their promotional materials that "all eligible needs have been met" and market the Medi-Share
9 product as a safe and reliable alternative to insurance. Respondents require policyholders to sign
10 arbitration agreements in their contract with consumers.

11 6. Respondents offer, by way of example, a "250 Program" wherein a member over 40
12 years old with three or more persons in their family would pay to Respondents \$404.00 per
13 month. The "Member" (policyholder) then has an "Initial Member Responsibility" (deductible)
14 of \$250.00 per incident. Respondents are then responsible for expenses of up to \$1,000,000.00
15 per incident. (Exhibit 1).

16 7. Respondents are not licenced as an insurer in the State of Montana and have
17 maintained that, because they do not guarantee that any claims will be paid, they are not an
18 insurance company but a biblical alternative to insurance and therefore not subject to state and
19 federal regulation and taxation. (Exhibit 2). Respondents have perpetrated and maintained their
20 non-insurance facade by cleverly constructing a "Medi-Share Terminology." (Exhibit 3).

21 8. Respondents target members of Evangelical Christian groups and attempt to relate to
22 or exploit characteristics common to the demographic. Respondents attempt to portray
23 themselves as members of the group and/or people who can relate to the members of the group in
24 order to gain trust and eventually money. Respondents encourage their members to provide
25 referrals and offer a reward or reduction of premium in the amount of \$100.00 to members who
26 refer the product to others. According to Respondents, they have successfully targeted 1, 577
27 Montana citizens as members who have paid premiums to Respondents.

1 9. Neither do Respondents timely pay claims in a manner comporting with Montana law
2 nor do Respondents provide for mandatory minimum coverages and claim reserves.
3 Respondents have also avoided Montana premium taxes by avoiding registration and regulation
4 as an insurer.

5 10. On or about October 23, 2003, Pastor Michael Rowden (Rowden) of Flathead
6 County, Montana, applied for healthcare coverage under Respondents' "250 Program." On or
7 about December 3, 2003, he was accepted. Respondents required Rowden to sign an arbitration
8 agreement.

9 11. On or about June 28, 2004, Rowden contracted a systemic infection resulting in
10 endocarditis (a heart infection) and damage to his aortic heart valve. This injury required
11 Rowden to have open-heart surgery and an aortic valve replacement on November 8, 2004, as
12 well as other related medical treatment.

13 12. Rowden tendered his heart condition medical bills to Respondents for payment and
14 Respondents denied payment for Rowden's medical bills claiming that Rowden's heart condition
15 was a pre-existing condition.

16 13. On or about February 20, 2006, Rowden filed an action against Respondents in the
17 First Judicial District Court in Cause No. BDV-2006-109 and joined the State Auditor as a
18 necessary party.

19 14. On May 19, 2006, Respondents reversed their declination of coverage and paid
20 Rowden's heart related medical bills.

21 15. On January 1, 2007, following partial summary judgment motions presented by the
22 parties in district court, the court ruled that the Medi-Share product was insurance, and that
23 Respondents were transacting unauthorized insurance business in Montana. (Exhibit 4).

24 16. The district court also ordered Respondents to apply for a certificate of authority with
25 the Department of Insurance within thirty days of its January 1, 2007 order. (Exhibit 4).

26 17. On January 25, 2007, the district court ruled that Rowden's benign heart murmur in
27 the distant past could not be considered a pre-existing condition for insurance purposes under
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1 Montana law and that Rowden's heart valve replacement was not related to that condition, but
2 was caused by the infection he acquired in June 2004, after his acceptance into the Medi-Share
3 insurance program. (Exhibit 5).

4 18. Respondents failed to apply for a certificate of authority and to disclose the identities
5 of Montana consumers who had purchased the Medi-Share product when requested by the
6 Department of Insurance. (Exhibit 2). Respondents have continued to transact the business of
7 insurance in Montana even after the district court determined that they were unauthorized
8 insurers.

9 19. Terry Orndorff, a financial examiner assisting the State Auditor, reviewed
10 Respondents' financial statements and determined that Respondents do not maintain claims
11 reserves, are paying claims out of cash flow, and are significantly undercapitalized for the
12 amount of business that they are writing in violation of Section 33-1-101, *et seq.*, and Section 33-
13 2-1201, M.C.A. Respondents' conduct is injurious to Montana consumers and the insurance
14 buying public. (Exhibit 6).

15 20. On April 18, 2007, the Department filed an Order To Post Bond, Temporary Cease
16 and Desist Order and Opportunity for Hearing(the Department's Order). Respondents were
17 ordered to post a bond with the Department by May 3, 2007 in the amount of 1.5 million dollars
18 to be held as security for the payment of the claims of Montana citizens. Respondents failed to
19 post bond as ordered.

20 21. The Order required the Respondents to immediately cease the unauthorized
21 transaction of insurance in the State of Montana including the effectuation of contracts and the
22 taking of premiums. Further, the Order declared that the Respondents would be held responsible
23 for the contracts that they had effectuated with Montana citizens. Respondents continued to
24 accept premiums from Montana citizens subsequent to the district court's determination that
25 Respondents were unauthorized insurers and subsequent to the Department's Order.

26 22. On April 20, 2007, in the *Rowden* case against Respondents, the jury returned a
27 special verdict finding that: a) Plaintiff suffered \$75,000.00 in breach of contract damages; b)
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1 Medi-Share Defendants' failure to pay Rowden's medical bills was vexatious and without
2 reasonable cause; c) the Medi-Share Defendants violated the Unfair Trade Practices Act; d) the
3 Medi-Share Defendants engaged in constructive fraud; e) the amount Plaintiff Rowden was
4 entitled to for Medi-Share Defendants' violation of the UTPA and constructive fraud was
5 \$750,000.00; and f) the Medi-Share Defendants conduct warranted an award of punitive
6 damages in the amount of \$10,000.00. The total amount of the award was \$835,000.00. (Exhibit
7 7).

8 23. After the Department's issuance of the Cease and Desist Order the Respondents sent
9 out letters to their Montana policyholders soliciting monies to pay for their (Respondent's)
10 lawyers fees.

11 24. The Respondents have marketed their product as safe and reliable, have accepted
12 premiums, and have represented to consumers that all eligible claims have been paid in the past
13 with the intention that consumers would rely upon their representations to their detriment, while
14 knowing that they did not maintain claims reserves and that claims would not be paid. On one
15 hand the Respondents have, therefore, represented to consumers that their claims would be paid
16 and on the other hand have written disclaimers into their materials that there are no guarantees
17 that any claims would be paid in order to avoid state and federal regulation and to avoid judicial
18 scrutiny of their claims practices.

19 25. Respondents have also marketed an unauthorized disability income insurance plan
20 and an unregistered medical/pharmacy discount card (Christian Sure Care) plan to Montana
21 Consumers.

22 26. In addition to the Montana district court decision that Respondents are unauthorized
23 insurers, state courts in Oklahoma, Wisconsin, and South Dakota have recently ruled that Medi-
24 Share is insurance. (Exhibits 8, 9, 10)

25 27. In 2002, the Kentucky Department of Insurance determined that Medi-Share was an
26 unauthorized insurance company and issued a cease and desist order as against the Respondents.
27 The order was opposed in court by Medi-Share and in an opinion virtually devoid of meaningful
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1 analysis, a Kentucky circuit court ruled to the contrary, holding that Medi-Share was not in the
2 business of insurance and relying heavily on Kentucky's religious publication exemption to its
3 insurance code. (Exhibit 11). The Kentucky Medi-Share case has been appealed by the
4 Kentucky Attorney General's office.

5 28. In addition to Montana, the Oklahoma and Illinois Departments of Insurance have
6 both recently issued cease and desist orders against the Respondents. (Exhibits 12-13).

7
8 **CONCLUSIONS OF LAW**

9 1. The State Auditor is the Commissioner of Insurance. Mont. Code Ann. § 2-15-
10 1903.

11 2. The Montana Insurance Department is under the control and supervision of the
12 Commissioner. Mont. Code Ann. §§ 2-15-1902 and 33-1-301.

13 3. The Commissioner and Insurance Department have jurisdiction over this matter.
14 Mont. Code Ann. § 33-1-311.

15 4. The Commissioner shall administer the Insurance Department to protect insurance
16 consumers. Mont. Code Ann. § 33-1-311(3).

17 5. Pursuant to Mont. Code Ann. § 33-1-102(1), a person or entity may not transact
18 a business of insurance in Montana or a business relative to a subject resident, located, or to be
19 performed in Montana without complying with the Montana Insurance Code, Mont. Code Ann. §
20 33-1-101, *et seq.*

21 6. Pursuant to Mont. Code Ann. § 33-1-201(5), insurance is defined as a contract
22 whereby one undertakes to indemnify another or pay or provide a specified or determinable
23 amount or benefit upon determinable contingencies.

24 7. Pursuant to Mont. Code Ann. § 33-1-201(6), an insurer includes every person or
25 entity engaged as an indemnitor, surety, or contractor in the business of entering into contracts of
26 insurance.

1 8. No person or entity shall act as an insurer and/or transact insurance in Montana
2 except as authorized by a certificate of authority issued by the Commissioner. Mont. Code Ann.
3 § 33-2-101.

4 9. The Medi-Share products sold by Respondents constitute insurance in that the
5 products indemnify participants/members or pay a specified or determinable amount or benefit
6 upon determinable contingencies. Mont. Code Ann. §33-1-201(5). Additionally, Respondents
7 are acting as insurers by engaging in these programs. Mont. Code Ann. § 33-1-201(6).

8 10. Pursuant to Mont. Code Ann. § 33-1-201, "transact", with respect to insurance,
9 includes any of the following: (a) solicitation and inducement; (b) preliminary negotiations;
10 (c) effectuation of a contract of insurance; (d) transaction of matters subsequent to effectuation
11 of the contract of insurance and arising out of it.

12 11. By transacting insurance in Montana without a certificate of authority, the
13 Respondents have committed multiple violations of Mont. Code Ann. § 33-2-101. According to
14 Mont. Code Ann. § 33-2-101(3) a person who knowingly violates this section is guilty of a
15 felony punishable as provided in 46-18-213 and in addition is subject to the civil penalty provided
16 in 33-1-317.

17 12. By representing or aiding an unauthorized insurer, Respondents have committed
18 multiple violations of Mont. Code Ann. § 33-2-104. According to Mont. Code Ann. § 33-2-
19 104(3) a person who knowingly violates this section is guilty of a felony as provided in 46-18-
20 213.

21 14. The Respondents have committed multiple violations of Mont. Code Ann. § 33-1-
22 318(3) by failing to post bond as required by the Order, by continuing to accept premiums
23 subsequent to the Order and by soliciting payments for their lawyer fees from Montana enrollees.

24 15. Pursuant to Mont. Code Ann. §33-1-1302, a person commits the act of insurance,
25 medical care discount card, or pharmacy discount card fraud, when in the course of offering or
26 selling insurance, a medical discount card, or a pharmacy discount card, the person misrepresents
27 a material fact, known to the person to be untrue or made with reckless indifference as to whether
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1 it is true, with the intention of causing another person to rely upon the misrepresentation to that
2 relying person's detriment.

3 16. Respondents committed multiple violations of Mont. Code Ann. § 33-1-1302 by
4 representing that all eligible medical bills, "needs" had been paid; that the Medi-Share product
5 was not insurance; that it was not subject to state and federal regulations; and that it was a safe
6 and reliable alternative to authorized insurance. The Medi-Share product is not safe because the
7 Respondents do not maintain claim reserves and are undercapitalized for the amount of business
8 that they write. The company is run like a Ponzi scheme which relies upon new money coming in
9 from old and new enrollees. Respondents made these representations, knowing that they were
10 untrue or with reckless indifference as to the truth of the representations, with the intention of
11 causing insurance consumers to rely on the misrepresentation to the consumer's detriment.

12 17. Respondents violated Mont. Code Ann. § 33-1-1302 by representing to insurance
13 consumers that their claims would be paid and making contemporaneous disclaimers that there
14 was no guarantee that consumer claims would be paid and by this device inducing consumers to
15 rely upon the Respondents' claimed trustworthiness while at the same time attempting to deny
16 consumers the protections of the insurance code and due process by claiming that the Medi-Share
17 product is not insurance.

18 18. Pursuant to Mont. Code Ann. § 33-1-1202(4), a person commits the act of insurance
19 fraud when the person accepts premium money knowing that coverage will not be provided.

20 19. Respondents violated Mont. Code Ann. § 33-1-1202(4) by failing to maintain claim
21 reserves and accepting premiums from Montana consumers knowing that coverage would not be
22 provided in the event that there was not enough premium money coming in to pay claims.

23 20. Pursuant to §33-1-315(5), a person who knowingly fails to attend, answer, and
24 produce records, documents, or other evidence requested by the commissioner or the
25 commissioner's designee, who knowingly fails to give full and truthful information or to answer
26 in writing to any material inquiry of the commissioner or the commissioner's designee relative to
27 the subject of an examination, investigation, or hearing, or who knowingly fails to appear and
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1 testify under oath before the commissioner or the commissioner's designee is subject to the
2 provisions of §§ 33-1-317 and 33-1-318, MCA.

3 21. Respondents have violated § 33-1-315(5) on at least four occasions by knowingly
4 failing to answer and produce records, documents or other evidence requested by the
5 commissioner's designees and have knowingly failed to give full and truthful information or to
6 answer in writing to material inquiries of the commissioner's designees relative to the
7 investigation of the Respondents by failing to answer written requests from Investigators Jerry
8 Stier and Mike McKee and the commissioner's legal counsel for the identities of Medi-Share
9 enrollees and other information. Respondents have also knowingly failed to answer oral requests
10 for information made by the commissioner's designees in a telephone conference.

11 22. Pursuant to §33-38-105, a medical care discount card supplier may not market,
12 promote, sell, or distribute a medical care discount card in this state unless the supplier holds a
13 certificate of registration, as a supplier, issued by the commissioner.

14 23. "Medical care discount card" means a paper or plastic device or other mechanism,
15 arrangement, account, or other device that does not constitute insurance, as defined in 33-1-201,
16 that purports to grant, for consideration, a discount or access to a discount in a medical
17 care-related purchase from a health care provider. Mont. Code Ann. § 33-38-102

18 24. "Medical care discount card supplier" means a person engaged in selling or
19 furnishing, either as principal or agent, for consideration, one or more medical care discount
20 cards to another person or persons. Mont. Code Ann. § 33-38-102.

21 25. Respondents committed multiple violations of Mont. Code Ann. § 33-38-105 by
22 marketing or promoting a medical card discount plan called Christian Care Sure Care in the State
23 of Montana.

24 26. Respondents have violated Mont. Code Ann. § 33-2-705 by failing to report and pay
25 premium taxes.

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1 27. The alleged violations are sufficient to authorize the issuance of a permanent order
2 requiring Respondents to cease and desist from engaging in activities of the kind herein alleged.
3 Mont. Code Ann. § 33-1-318.

4 28. The alleged conduct is fraudulent or hazardous and creates an immediate danger to
5 the public or is causing or can be reasonably expected to cause significant, imminent and
6 irreparable public injury.

7
8 **RELIEF REQUESTED**

9 For violating provisions of the Montana Insurance Code, staff of the Department seeks
10 to impose an administrative fine against each Respondent not to exceed \$25,000.00 for each of
11 the multiple violations of the Montana Insurance Code in addition to all other penalties
12 imposed by the laws of Montana. Mont. Code Ann. § 33-1-317. Additionally, the
13 Department requests that the Cease and Desist Order be made permanent and that Respondents
14 be required to make full restitution to Montana citizens for all financial losses sustained as a
15 result of the fraud together with interest at a rate of 10% per annum from the date of the fraud
16 pursuant to Mont. Code Ann. § 33-1-1302. Further, for violations of Mont. Code Ann. § 33-
17 38-105, the Department seeks to impose an administrative fine of \$25,000.00 for each day of
18 violation.

19 **STATEMENT OF RIGHTS**

20 You are entitled to a hearing and to respond to this Notice of Proposed Agency Action
21 and to present evidence and arguments on all issues involved in this case. You may have a
22 formal hearing before a hearing examiner appointed by the Commissioner as provided in the
23 Montana Administrative Procedure Act. Mont. Code Ann. § 2-4-601, *et seq.*

24 You have a right to be represented by an attorney at any and all stages of this
25 proceeding. If you wish to contest the allegations herein, you must make a written request for
26 a hearing within 15 days of receipt of this notice to Michael Winsor, Special Assistant
27 Attorney General, State Auditor's Office, 840 Helena Ave., Helena, MT 59601. The hearing
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1 shall then be held within 45 days of the Commissioner's receipt of the hearing request, unless
2 the time is extended by agreement of the parties or by order of the hearing examiner. While so
3 advising Mr. Winsor, your written notice must clearly indicate whether you request a hearing,
4 or whether you waive formal proceedings and, if so, what informal proceedings you prefer for
5 handling this case. Pursuant to Mont. Code Ann. § 2-4-603(2), you may not request to
6 proceed informally if the action could result in suspension, revocation or any other adverse
7 action against a professional license. If you request a hearing, you will be given notice of the
8 date, time, and place of the hearing.

9 Should you request a hearing, you have the right to be accompanied, represented and
10 advised by an attorney. If the attorney you choose has not been admitted to the practice of law
11 in the State of Montana, he or she must comply with the requirements of *Application of*
12 *American Smelting and Refining, Co.*, 164 Mont. 139, 520 P.2d 103 (1973).

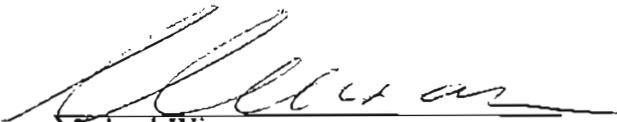
13 **CONTACT WITH THE COMMISSIONER'S OFFICE**

14 If you have questions or wish to discuss this matter, please contact Michael Winsor,
15 Special Assistant Attorney General, State Auditor's Office, 840 Helena Ave, Helena, MT,
16 59601, (406) 444-2040. If you are represented by an attorney, please make any contacts with
17 this office through your attorney.

18 **POSSIBILITY OF DEFAULT**

19 Failure to give written notice of your demand for a formal hearing or for informal
20 procedure within 15 days, will result in the entry of a default order imposing any sanctions
21 available under Montana law, without any additional notice to you, pursuant to Mont. Admin.
22 R. 6.6.101 and the Attorney General's Model Rule 10, Mont. Admin. R. 1.3.214.

23 DATED this 22 day of May, 2007.

24
25 
26 Michael Winsor
27 Special Assistant Attorney General
28

CERTIFICATE OF SERVICE

I certify that this 22 day of May 2007, a true and correct copy of the foregoing Notice of Proposed Agency Action and Opportunity for Hearing was served on the following by certified mail with postage prepaid and return receipt requested.

Edward John Reinhold
3507 Carriage Gate Drive
West Melbourne, FL 32904

Malcolm Gosdin
160 Hacienda Dr.
Merritt Is, FL 32952-6406

Robert Y. Baldwin
President, Christian Care Ministry
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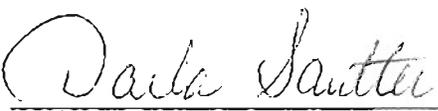
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