

MIKE WINSOR

Office of the Commissioner of Securities and
Insurance, Montana State Auditor (CSI)
840 Helena Avenue
Helena, Montana 59601
(406) 444-2040

Attorney for the CSI

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

IN THE MATTER OF:

UNITED NATIONAL WORKFORCE ASSOCIATION,
INC., a.k.a. UNITED GROUP PROGRAMS, INC.;
OPTI-MED PLAN; C. MURPHY LEOPOLD, EDWARD
DEMMING, ROBERT D. EDELHEIT, JONATHAN
EDELHEIT, MARC ALAN EDELHEIT, TERESA
COHEN, ALLEN D. STERN, individually and in their
capacities as officers, directors or agents of the
foregoing entities;

NEW HEALTH CARE MANAGEMENT GROUP, INC.,
d.b.a. FAMILY SECURITY COUNCIL, INC., d.b.a.
ADOVA HEALTH, d.b.a DESIGN SAVERS PLAN;
VENTURE SUPPORT GROUP; KATZ/BYARS
INSURANCE SERVICES, INC.; FEDERAL
CHAMBER OF COMMERCE; JOHN BYARS,
ARNOLD H. KATZ, IRA GOTTLIEB,
WILLIAM BYARS, KEVIN KIRBAS,
MICHAEL FAYARD, STEVE KELLEY,
CURTIS G. MOORE, SHELTON TUCKER;
ROBERT E. BYRNE, individually and in their capacities
as officers, directors or agents of the foregoing entities;

CONSUMER ALLIANCE USA,
MARK KUHL, SCOTT INTRAVIA,
CAMERON STRONG, MICHAEL SACKETT,
individually and in their capacities as officers, directors or
agents of the foregoing entity;

XYZ BUSINESS ENTITIES 1-25 and
JANE or JOHN DOES 1-25,

Respondents.

CASE NO. INS-2006-71

**MOTION FOR ENTRY OF
FINAL AGENCY DECISION
BY DEFAULT**

The Office of the Commissioner of Securities and Insurance, Montana State Auditor (CSI), by and through counsel, hereby moves that final agency decision by default be entered against Respondents New Health Care Management Group, Inc.; Family Security Council, Inc.; United National Workforce Inc.; Adova Health; John Byars; William Byars; Kevin Kirbas; Steve Kelly; Curtis G. Moore; Katz/Byars (KBIS) Insurance Services, Inc.; Venture Support Group; Federal Chamber of Commerce; and Arnold Katz (Default Respondents) for failure to appear or otherwise defend in the above-entitled case. All of the other Respondents have entered into consent agreements with the CSI in order to resolve the issues raised by the Notice and Order.

A Notice of Proposed Agency Action and Opportunity for Hearing (Notice) was issued on May 29, 2009. A Temporary Cease and Desist Order and Opportunity for Hearing (Order) was issued on May 29, 2008. Service was made on the Default Respondents by certified mail, pursuant to Mont. Code Ann. § 33-1-314.

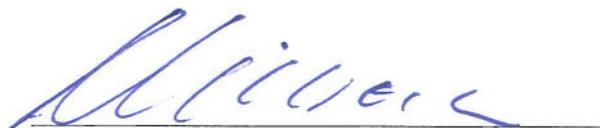
The CSI served a Rule 10 Notice on Larry James White, Esq., and Respondents. Larry James White, Esq., filed a Response to the Rule 10 Notice to Larry James White, Esq., and Respondents dated September 3, 2010, by providing John Byars' and William Byars' contact information. Further, Larry James White, Esq., filed a Notice of Withdraw as Counsel for Respondents John Byars, William Byars, United National Workforce, Inc./ Stephan Rogers, New Healthcare Management Group, Inc./Stephan Rogers, Family Security Council, Inc./Stephan Rogers, dated September 16, 2010. More than 20 days have pass since the Rule 10 Notice, and Respondents John Byars, William Byars, United National Workforce, Inc./ Stephan Rogers, New Healthcare Management Group, Inc./Stephan Rogers, Family Security Council, Inc./Stephan Rogers have not appeared.

No response, or request for hearing, either verbal or written, was received from Default Respondents by the CSI within 15 days of receipt of the Notice and Order, the amount of time fixed to request a hearing on the matters.

Default was entered as against the Default Respondents on April 14, 2011, by the Hearing Examiner, Michael J. Rieley, appointed herein. The Notice and Order, incorporated herein by reference, alleged that the Default Respondents, in concert with the other Respondents, committed multiple violations of the Montana Insurance Code, Mont. Code Ann. § 33-1-101, et seq. (Code).

Pursuant to Mont. Code Ann. § 33-1-317, the Commissioner of Securities and Insurance, Montana State Auditor (Commissioner) may fine the Default Respondents up to \$25,000 per each violation of the Code, in addition to other penalties. Pursuant to Mont. Code Ann. § 33-1-318, the Commissioner may issue an order directing the Respondents to cease and desist transacting the business of insurance in Montana. Staff of the Insurance Department asserts that a fine of \$25,000 is appropriate and should be imposed, jointly and severally, upon the Default Respondents. Additionally, staff asserts that the Commissioner should issue an order directing the Default Respondents to permanently cease and desist transacting the business of insurance in Montana. An Affidavit supporting this request is attached.

DATED this 13 day of June, 2012.



MIKE WINSOR
Attorney for the CSI

CERTIFICATE OF SERVICE

I certify that this 14 day of June, 2012, a true and correct copy of the foregoing

Request for Entry of Default was served on the following by U.S. mail with postage prepaid at the following addresses:

Larry James White, Esq.
Smith, White, Sharma & Halpern
1126 Ponce de Leon Avenue, NE
Atlanta, GA 30306

New Health Care Management Group, Inc.
Curtis G. Moore
2406 Terra Verde Lane
Naples, FL 34105

John Byars
400 Galleria Pkwy Suite 1500
Atlanta, GA 30339

Family Security Council
Stephen Rogers
2406 Terra Verde Lane
Naples, FL 34105

William Byars
400 Galleria Pkwy Suite 1500
Atlanta, GA 30339

Family Security Council Inc.
c/o Larry H. Margolis, Registered Agent
1348 Ponce De Leon Ave
Atlanta, GA 30339

United National Workforce, Inc.
Stephen Rogers
2406 Terra Verde Lane
Naples, FL 34105

United National Workforce Association, Inc.
c/o National Registered Agents, Inc.
3761 Venture Drive
Duluth, GA 300096

New Health Care Management Group, Inc.
c/o Larry J. White, Registered Agent
1126 Ponce de Leon Avenue
Atlanta, GA 30339

KBIS Insurance Services, Inc.
c/o William G. Byars, Registered Agent
2839 Paces Ferry Road, Suite 550
Atlanta, GA 30339

New Health Care Management Group, Inc.
Stephen Rogers
2406 Terra Verde Lane
Naples, FL 34105

KBIS Insurance Services Inc.
2451 Cumberland Parkway
Suite 3823
Atlanta, GA 30339

New Health Care Management Group, Inc.
Kevin Kirbas
2406 Terra Verde Lane
Naples, FL 34105

William G. Byars
KBIS Insurance Services Inc.
2502 Carolyn Drive
Smyrna, GA 30080

New Health Care Management Group, Inc.
Steve Kelly
2406 Terra Verde Lane
Naples, FL 34105

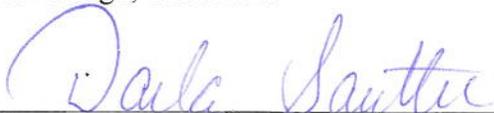
KBIS Insurance Services, Inc.
William Byars
400 Galleria Pkwy Suite 1500
Atlanta, GA 30339

Federal Chamber of Commerce
c/o Arnold Katz
11300 Sorrento Valley Road, Suite 101
San Diego, CA 92121

Arnold H. Katz
2100 NE 191 Drive
North Miami Beach, FL 33179

Venture Support Group
c/o Arnold H. Katz
731 S. Highway 101 Suite 2E
Solana Beach, CA 92075

Venture Support Group
c/o Arnold H. Katz
11300 Sorrento Valley Rd. Ste. 101
San Diego, CA 92121



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CURTIS G. MOORE, SHELTON TUCKER;
ROBERT E. BYRNE, individually and in their capacities
as officers, directors or agents of the foregoing entities;

CONSUMER ALLIANCE USA,
MARK KUHL, SCOTT INTRAVIA,
CAMERON STRONG, MICHAEL SACKETT,
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XYZ BUSINESS ENTITIES 1-25 and
JANE or JOHN DOES 1-25,

Respondents.

CASE NO. INS-2006-71

**AFFIDAVIT OF
BRYAN STANLEY**

STATE OF MONTANA)
 :SS
County of Lewis and Clark)

BRYAN STANLEY, being first duly sworn, deposes and says:

1. I am an investigator for the Office of the Commissioner of Securities and Insurance, Montana State Auditor (CSI) and was one of the investigators assigned to the above-captioned matter.
2. I conducted my investigation using standard investigation methods. I reviewed the records of the CSI, requested information from the Respondents and interviewed persons of interest.
3. My investigation showed that the Default Respondents worked in concert with the other Respondents to solicit and sell health insurance bundled with medical care discount card products to Montana residents in violation of Montana law, as detailed in the Notice of Proposed Agency Action and Opportunity for Hearing.
4. The imposition of a fine against the Default Respondents in the amount of \$25,000, jointly and severally, appears to be just and appropriate considering the extent of harm caused to Montana insurance consumers, the Default Respondents' conduct, and the nature of the violations of the Montana Insurance Code.



BRYAN STANLEY
Investigator
Office of the Commissioner of Securities
and Insurance, Montana State Auditor

SUBSCRIBED and SWORN to before me this 13th day of June, 2012, by Bryan Stanley.

