

MIKE WINSOR
Office of the Commissioner of
Securities & Insurance
840 Helena Avenue
Helena, MT 59601
406-444-2040

Attorney for the Department of Insurance

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

IN THE MATTER OF:)
) Case No. INS 2007-79
)
NATIONAL ALLIANCE OF ASSOCIATIONS,)
a.k.a. NATIONAL TRADE BUSINESS) **CONSENT AGREEMENT AND**
ASSOCIATION, a.k.a. NATIONAL) **FINAL ORDER FOR**
TRANSPORTATION BENEFITS ALLIANCE) **RESPONDENTS CONSUMER**
ASSOCIATION, a.k.a. NATIONAL TRADE) **ALLIANCE USA (CAUSA),**
BUSINESS ALLIANCE OF AMERICA, a.k.a.) **PROFESSIONAL RISK AND**
ALLIANCE ASSOCIATION HEALTH, a.k.a) **ASSET MANAGEMENT**
QUALIFIED ADMINISTRATIVE SPECIALISTS) **INSURANCE SERVICES INC.**
OF AMERICA, a.k.a. AMERICAN EMPLOYERS) **(PRAM), SCOTT INTRAVIA,**
ASSOCIATION, a.k.a. NATIONAL ALLIANCE) **CAMERON STRONG, MICHAEL**
HEALTHCARE, a.k.a. HEALTHCARE ALLIANCE,) **SACKETT, MARK KUHLs and**
a.k.a. ASSOCIATION HEALTH CARE) **DAVID P. WILSON**
MANAGEMENT INC., a.k.a. ALLIANCE)
HEALTH, a.k.a. AFFINITY HEALTH, a.k.a)
AFFINITY ASSOCIATION GROUP, a.k.a.)
NATIONAL ASSOCIATION OF PRIVATE)
ENTERPRISE, a.k.a. ALLIANCE ASSOCIATION)
HEALTH, a.k.a. NATIONAL ALLIANCE OF)
ENTREPRENEURS;)
)
PROFESSIONAL BENEFITS CONSULTANTS OF)
DELAWARE, a.k.a. PROFESSIONAL BENEFITS)
CONSULTANTS INC., a.k.a. PBC DIRECT, a.k.a.)
PERSONAL BENEFITS CONSULTANTS INC.;)
)
THOMAS J. SULLIVAN; JAMES DOYLE;)
CHRISTOPHER ASHIOTES; ROBERT FORTIER;)
MICHAEL B. ROBERTS; and DAWN MAAHS;)
individually and/or in their capacities as officers,)
directors or agents of the above-named entities;)
)
ACCESS ONE CONSUMER HEALTH INC.,)
CAREY DANIEL ADAMS; and JULIAN STUART)

CRAWFORD; individually and/or in their capacities)
as officers, directors or agents of the immediately)
foregoing entities;)
)

SEBRITE AGENCY INC.; MINNESOTA E-BIZ;)
DIRECT SERVICES ASSOCIATION; DP HEALTH)
MANAGEMENT SERVICES LLC; WORLDWIDE)
INSURANCE AND REINSURANCE SERVICES)
INC.; PRO-TEC ADMINISTRATORS/)
ENHANCEMENT SERVICES INC.; CONSUMER)
ALLIANCE USA, a.k.a CAUSA; PROFESSIONAL)
RISK AND ASSET MANAGEMENT INSURANCE)
SERVICES INC.; SMART DATA SOLUTIONS)
LLC;)
)

RICHARD RANDALL, JR.; TONY DENNIS; CODY)
KOTKE; RANDY TROLLOP; CHRIS NOVINGER;)
JOHN VANHARA; YAMIL D. EMEDAN;)
CHRISTOPHER HUMMER; CARMEN JOY; AL)
KLINE; DEREK A. SEIWERT; JERRY SARVADI,)
a.k.a GERALD SARVADI; MARK KUHL; SCOTT)
INTRAVIA; CAMERON STRONG; MICHAEL)
SACKETT and DAVID P. WILSON; BART POSEY;)
RICHARD BACHMAN; OBED KIRKPATRICK;)
individually and/or in their capacities as officers,)
directors or agents of the immediately foregoing)
entities;)
)

CONSOLIDATED WORKERS ASSOCIATION)
INC.; CLAIMS AND BENEFIT MANAGEMENT)
INC., a.k.a CLAIMS MANAGEMENT SERVICE,)
a.k.a CBM ADMINISTRATORS, a.k.a. CBMC;)
HEALTHCARE RECOVERY SYSTEMS, INC.;)
INTEGRATED HEALTH BENEFITS; NATIONAL)
ALLIANCE OF BENEFIT SERVICES)
ASSOCIATION; WALTER CECCHINI; BRAD)
WESSLER; individually and/or in their capacities as)
officers, directors or agents of the immediately)
foregoing entities;)
)

PAYLOGIX, LLC; RICHARD PFADENHAUER,)
and LEE DELORENZO, individually and/or in their)
capacities as officers, directors or agents of)
PAYLOGIX;)
)

Respondents.)

This Consent Agreement (“Consent Agreement”) dated this 8th day of October 2010, is between the Montana Insurance Department (“Department”), acting pursuant to the authority of the Insurance Code, Mont. Code Ann. § 33-1-101 *et. seq.*, and § 2-4-603, and Consumer Alliance USA (CAUSA), Professional Risk and Asset Management Insurance Services Inc. (PRAM), Scott Intravia, Cameron Strong, Michael Sackett, Mark Kuhls, and David P. Wilson (referred to collectively herein as “Respondents”). (Department and Respondents may also be referred to collectively as “the Parties”).

RECITALS

WHEREAS, the Department issued a Notice of Proposed Agency Action and Opportunity for Hearing against the Respondents on September 3, 2009, alleging violations of the Montana Insurance Code, *to wit*: Mont Code Ann. §§ 33-1-1202, 33-1-1302, 33-2-101, and 33-2-104.

WHEREAS, the Allegations of Fact and Conclusions of Law contained in the Notice of Proposed Agency Action and Opportunity for Hearing are incorporated herein by reference.

WHEREAS, the Respondents neither admit nor deny the Allegations of Fact and Conclusions of Law contained in the Notice of Proposed Agency Action and Opportunity for Hearing.

WHEREAS, the Department and the Respondents agree that the Parties’ best interests would be served by entering into the following specific Consent Agreement and undertakings set forth below.

NOW THEREFORE, in consideration of the mutual undertakings established herein, the Department and the Respondents enter into the following:

AGREEMENT

1. The Respondents acknowledge the Commissioner of Securities and Insurance, Office of the State Auditor (the "CSI"), and the Department have jurisdiction over the subject matter of the above-entitled proceeding.

2. The Respondents acknowledge they were advised of their option to be represented by legal counsel, have consulted with legal counsel regarding this Consent Agreement, and are satisfied with the services of their legal counsel.

3. The Respondents acknowledge that they have read and understand each term of this Consent Agreement and they enter into this Consent Agreement voluntarily and without reservation.

4. The Respondents stipulate and agree with the Department that this Consent Agreement resolves alleged violations set forth in the Notice of Proposed Agency Action and Opportunity for Hearing.

5. The Respondents and the Department hereby acknowledge and agree that this Consent Agreement constitutes the entire agreement between the Parties and that no other promises or agreements, either express or implied, have been made by the Department or by any member, officer, agent, or representative of the Department to induce the Respondents to enter into this Consent Agreement.

6. Any notice provided for in this Consent Agreement and any other communication between the Department and the Respondents are legally sufficient if given in the following manner:

(a) notice to the Department may be given by mailing the notice by United States mail, postage paid and addressed to the Department as follows:

Mike Winsor
Montana State Auditor's Office

840 Helena Avenue
Helena, MT 59601

(b) notice to Respondents may be given by mailing the notice by United States mail, postage paid and addressed as follows:

Jeanne M. Bender, Esq.
Holland & Hart LLP
401 N. 31st St. #1500
P.O. Box 639
Billings, MT 59103-0639

(c) Either Party shall give to the other Party notice of change of address, or the substitution of counsel, for the giving of notices in the manner provided in this Consent Agreement, if applicable.

7. With respect to the Notice of Agency Action and Opportunity for Hearing, the Respondents specifically and affirmatively waive a contested case hearing and elect to resolve this matter on the terms and conditions set forth herein.

8. The Respondents and the Department fully and forever release and discharge one another and their employees and agents from any and all actions, claims, causes of action, demands, or expenses for damages or injuries, whether asserted or unasserted, known or unknown, foreseen or unforeseen, arising out of this administrative action and the Factual Allegations and Conclusions of Law incorporated by reference in this Consent Agreement.

9. The Parties acknowledge and agree that this Consent Agreement may not be modified orally, and any subsequent modifications to this Consent Agreement must be mutually agreed upon in writing to be effective.

10. The Department and the Respondents agree that this Consent Agreement shall be incorporated into and made a part of the attached Final Order issued by the Commissioner herein.

11. The Respondents further understand that, upon the signing of the Final Order by the Commissioner or her representative, this Consent Agreement and Final Order will be an order of the CSI and failure to comply with it may constitute a separate violation of the Montana Insurance Code, as provided in Mont. Code Ann. § 33-1-318, and may result in subsequent legal action by the Department.

12. The Department warrants and represents that it does not now have any knowledge of or intent to bring any further action against any of the Respondents based upon the events or conduct alleged in the Allegations of Fact and Conclusions of Law contained in the Notice of Proposed Agency Action and Opportunity for Hearing. The Department understands that Respondents have entered into this Consent Agreement based upon this warranty and representation.

13. Upon execution of this Consent Agreement, reimbursement to Montana consumers, and full payment of an administrative fine as set forth in Paragraph 16 below, the Department will not commence any further administrative, civil, or other legal action based upon the allegations set forth in the Notice of Proposed Agency Action and Opportunity for Hearing that occurred prior to the execution of this Consent Agreement.

14. This Consent Agreement shall be effective upon signing of the Final Order.

15. The Respondents acknowledge that this Consent Agreement and Final Order are public records under Montana law and as such may not be sealed or otherwise withheld from the public.

16. The Department and the Respondents further agree as follows:

(a) The Department and the Respondents hereby stipulate and agree to the imposition of an administrative fine upon the Respondents, jointly and severally, in the amount of Seven Thousand Five Hundred Dollars (\$7,500) to be paid as follows in Paragraph 16(b) below.

(b) The payment shall be due within ten days of the effective date of the Final Order as set forth in Paragraph 13 above. Checks should be payable to the Montana State Auditor's Office and sent to the Commissioner of Securities and Insurance, Office of the State Auditor, Attention: Mike Winsor, 840 Helena Avenue, Helena, MT 59601.

(c) Within 60 days of the execution of this Consent Agreement and Final Order, Respondents shall make payments to each of the Montana consumers identified in Exhibit "A," in the agreed amount of One Thousand Eight Hundred and Twenty-Nine Dollars and Fifty-Five Cents (\$1,829.55).

(d) Voluntary contribution payments shall be made directly to the consumers identified in Exhibit "A" attached hereto and in the amounts set forth therein. Respondents shall send said payments in any manner that can be traced including, but not limited to, certified mail or with delivery confirmation.

(i) Payment shall be accompanied by a letter to each consumer listed in Exhibit "A" notifying each consumer of the payment she/he will receive. The letter must be approved by the Department five days prior to mailing. A copy of every letter sent shall be sent to the CSI no later than 30 days after mailing.

(ii) Copies of cancelled checks showing payment to each consumer identified in Exhibit "A" shall be sent to the CSI within 120 days of the execution of this Consent Agreement and Final Order. If a given contribution check is not cancelled within this 120 day period, the Respondents must so notify the Department and produce a copy of the contribution check and proof that the check was mailed.

(e) If any payment to a consumer listed in Exhibit "A" is returned as undeliverable, Respondents shall take or cause reasonable steps to be taken to locate that consumer. If thereafter, the consumer still is not located, a list of all consumers that have not been located

must be provided to the Department, and all funds due or payable to those consumers whose last known address are in the state of Montana, but not deliverable, shall be delivered to the Montana Department of Revenue pursuant to the provisions of the "Uniform Unclaimed Property Act," Mont. Code Ann. § 70-9-801, *et seq.*, to be processed as set forth in that Act. The Respondents shall provide all available information as requested by the Montana Department of Revenue Administrator to handle the funds as unclaimed property. The Respondents shall deliver a report to the CSI no later than 180 days after the execution of this Consent Agreement and Final Order, that details the amounts that were delivered to the Montana Department of Revenue Administrator for treatment as unclaimed property under the "Uniform Unclaimed Property Act," Mont. Code Ann. § 70-9-801, *et seq.*

17. Additionally, the Respondent, Consumer Alliance USA, agrees to permanently refrain from engaging in the following conduct in the state of Montana:

a. engaging in or transacting the business of insurance including: offering of association memberships, insurance, and/or medical care discount card products, the collection of premiums, membership fees, or other consideration, issuance of insurance and insurance-related products, advertising to or soliciting Montana residents by email, facsimile, telephone, mail, internet or any other means so as to induce Montana residents to purchase any form of insurance, association membership, or medical care discount card product under any of the identified business organizational titles or under any other name or organization;

b. participating in any act of an insurance producer or an insurance company in soliciting insurance business in the state of Montana,

c. participating in any act of a third-party administrator in the state of Montana; and

d. engaging in any other act, practice, or course of business that violates any section of the Montana Insurance Code.

18. Respondents, other than Consumer Alliance USA agree that they will only transact the business of insurance in the state of Montana in accordance with the Montana Insurance Code, Mont. Code Ann. § 33-1-101, et seq.

DATED this 30th day of July, 2010.

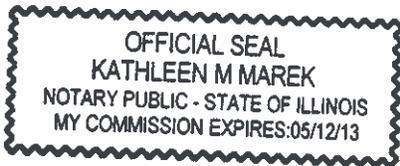
[Signature]
MIKE WINSOR
Attorney for the Department of Insurance

DATED this 1st day of ~~August~~ OCTOBER, 2010.

CONSUMER ALLIANCE USA
By: *[Signature]*
Its: PRESIDENT

STATE OF IL)
County of: COOK) : ss.

SUBSCRIBED and SWORN to before me this 1 day of OCTOBER, 2010.



[Signature]
(Signature)
KATHLEEN M. MAREK
(Printed name)
Notary Public for the State of: IL
Residing at: TINLEY PARK IL
My Commission Expires: 5-12-13

DATED this 1ST OCTOBER day of ~~August~~, 2010

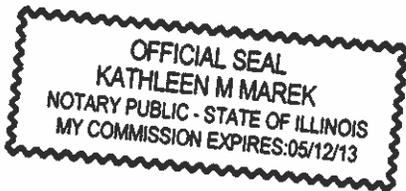
**PROFESSIONAL RISK AND ASSET
MANAGEMENT INSURANCE SERVICES
INC.**

By: [Signature]

Its: PRESIDENT

STATE OF IL)
: ss.
County of: COOK)

SUBSCRIBED and SWORN to before me this 1 day of OCTOBER, 2010.



[Signature]
(Signature)

KATHLEEN M. MAREK
(Printed name)

Notary Public for the State of: IL
Residing at: TINLEY PARK IL
My Commission Expires: 5-12-13

DATED this 1ST OCTOBER day of ~~August~~, 2010

[Signature]
SCOTT INTRAVIA

STATE OF IL)
: ss.
County of: COOK)

SUBSCRIBED and SWORN to before me this 1 day of OCTOBER, 2010.



[Signature]
(Signature)

KATHLEEN M. MAREK
(Printed name)

Notary Public for the State of: IL
Residing at: TINLEY PARK IL
My Commission Expires: 5-12-13

DATED this 25 day of ~~August~~ ^{Sept.} 2010

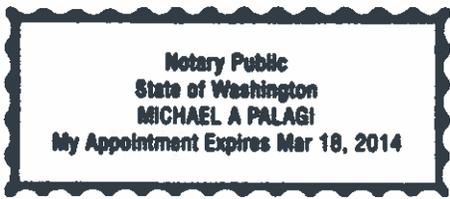
Cameron J Strong

CAMERON STRONG

STATE OF Washington)

County of: King) : ss.

SUBSCRIBED and SWORN to before me this 25 day of September, 2010.



Michael A. Palagi

(Signature)

Michael A. Palagi

(Printed name)

Notary Public for the State of: WA

Residing at: Seattle WA

My Commission Expires: 3/18/2014

DATED this _____ day of August, 2010

MICHAEL SACKETT

STATE OF _____)

County of: _____) : ss.

SUBSCRIBED and SWORN to before me this ___ day of _____, 2010.

(Signature)

(Printed name)

Notary Public for the State of: _____

Residing at: _____

My Commission Expires: _____

DATED this _____ day of August, 2010

CAMERON STRONG

STATE OF _____)
: ss.
County of: _____)

SUBSCRIBED and SWORN to before me this ___ day of _____, 2010.

(Signature)

(Printed name)
Notary Public for the State of: _____
Residing at: _____
My Commission Expires: _____

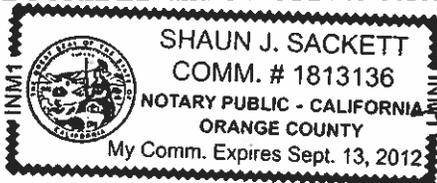
DATED this 21st day of August, 2010



MICHAEL SACKETT

STATE OF California)
: ss.
County of: Orange)

SUBSCRIBED and SWORN to before me this 21st day of September, 2010.





(Signature)

Shaun J. Sackett
(Printed name)
Notary Public for the State of: CA
Residing at: Orange County
My Commission Expires: 9/13/12

DATED this 1st day of ~~August~~ October, 2010

Mark C. Kuhls

MARK KUHLIS

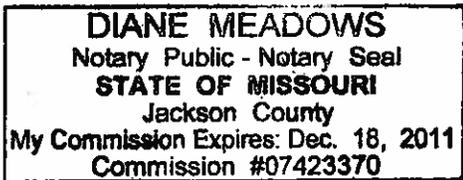
STATE OF Missouri)

: ss.

County of: Jackson)

SUBSCRIBED and SWORN to before me this 1 day of oct, 2010.

Diane Meadows
(Signature)



Diane Meadows
(Printed name)

Notary Public for the State of: Missouri
Residing at: Kansas City, Mo
My Commission Expires: 12-18-11

DATED this _____ day of August, 2010

DAVID P. WILSON

STATE OF _____)

: ss.

County of: _____)

SUBSCRIBED and SWORN to before me this ___ day of _____, 2010.

(Signature)

(Printed name)

Notary Public for the State of: _____

Residing at: _____

My Commission Expires: _____

DATED this _____ day of September, 2010

MARK KUHL

STATE OF _____)

: ss.

County of: _____)

SUBSCRIBED and SWORN to before me this ___ day of _____, 2010.

(Signature)

(Printed name)

Notary Public for the State of: _____

Residing at: _____

My Commission Expires: _____

DATED this 17th day of September, 2010

David P. Wilson

DAVID P. WILSON

STATE OF California)

: ss.

County of: Orange)

SUBSCRIBED and SWORN to before me this 17th day of September, 2010.

Mary Armas

(Signature)

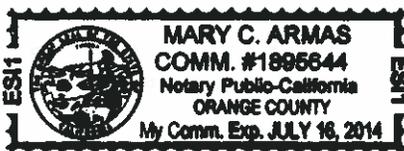
Mary Armas

(Printed name)

Notary Public for the State of: California

Residing at: Orange County, CA

My Commission Expires: 7/16/14



FINAL ORDER

Pursuant to the authority vested by Mont. Code Ann. § 2-4-603, and the Montana Insurance Code, Mont. Code Ann. § 33-1-101, *et seq.*, and upon review of the foregoing Consent Agreement and good cause appearing therefor,

IT IS ORDERED that the foregoing Consent Agreement between the Insurance Department and the Respondents is hereby adopted as if set forth fully herein.

DATED this 8th day of OCTOBER, 2010.

MONICA J. LINDEEN
Commissioner of Securities and Insurance

By: ROBERT W. MOON
ROBERT W. MOON
Deputy Commissioner of Insurance

cc: Mike Winsor, Insurance Department
Respondents

EXHIBIT A

Enrollee Last Name	Enrollee First Name	Refund
[REDACTED]	[REDACTED]	\$ 439.90
[REDACTED]	[REDACTED]	\$ 519.80
[REDACTED]	[REDACTED]	\$ 869.85