

Mike Winsor
Montana State Auditor's Office
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
) ASSOCIATION, a.k.a. NATIONAL
) TRANSPORTATION BENEFITS ALLIANCE
) ASSOCIATION, a.k.a. NATIONAL TRADE
) BUSINESS ALLIANCE OF AMERICA, a.k.a.
) ALLIANCE ASSOCIATION HEALTH, a.k.a.
) QUALIFIED ADMINISTRATIVE SPECIALISTS
) OF AMERICA, a.k.a. AMERICAN EMPLOYERS
) ASSOCIATION, a.k.a. NATIONAL ALLIANCE
) HEALTHCARE, a.k.a. HEALTHCARE ALLIANCE,
) a.k.a. ASSOCIATION HEALTH CARE
) 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;
)

) **CONSENT AGREEMENT AND**
) **FINAL ORDER FOR**
) **RESPONDENTS PRO-TEC**
) **ADMINISTRATORS/**
) **ENHANCEMENT SERVICES INC,**
) **DEREK A. SEIWERT, and**
) **GERALD SARVADI**

)
)
) 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 dated this 21st day of May, 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 Pro-Tec Administrators/ Enhancement Services Inc., Derek A. Seiwert, and Gerald Sarvadi (referred to collectively herein as "Respondents").

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.

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 agreement and undertakings set forth below.

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

AGREEMENT

The Department together with the Respondents hereby stipulate and agree to the following:

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. This Consent Agreement shall not be deemed an admission of wrongdoing by Respondents, is entered into for the purpose of resolving the alleged violations contained in the Notice of Proposed Agency Action and Opportunity for Hearing, and may not be used for any other purpose.

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:

Derek A. Siewert
Pro Tec/Enhancement Services, Inc.
4776 Hodges Boulevard, Suite 105
Jacksonville, FL 32224

Gerald Sarvadi
Pro Tec/Enhancement Services, Inc.
4776 Hodges Boulevard, Suite 105
Jacksonville, FL 32224

Pro Tec/Enhancement Services, Inc.
4776 Hodges Boulevard, Suite 105
Jacksonville, FL 32224

(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 fully and forever release and discharge the CSI, Department, and all Department 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, and as provided in Mont. Code Ann. § 33-1-318, may result in subsequent legal action by the Department.

12. Upon execution of this Consent Agreement and full payment of an administrative fine as set forth in Paragraph 15 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.

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

14. 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.

15. 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 15(b) below.

(b) The Respondents shall pay the administrative fine set forth in Paragraph 15(a) above by making two payments in the amount of Three Thousand Seven Hundred and Fifty Dollars (\$3,750). The first payment shall be due within ten days of the effective date of the Final Order as set forth in Paragraph 13 above. The second payment shall be due within 45 days of the effective date of the Final Order as set forth in Paragraph 13 above. Checks should be payable to the State of Montana and sent to the Montana State Auditor's Office, Attention: Mike Winsor, 840 Helena Avenue, Helena, MT, 59601.

16. Additionally, the Respondents agree to refrain from engaging in the following conduct in the state of Montana without first applying for and being issued appropriate licenses by the Department:

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 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.

DATED this 21st day of May, 2010.



Mike Winsor
Attorney for the Department of Insurance

DATED this 18th day of May, 2010

PRO-TEC ADMINISTRATORS/ENHANCEMENT SERVICES INC.

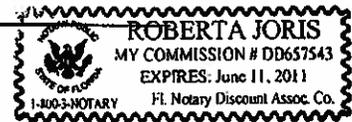
By: [Signature]

Its: President

SUBSCRIBED and SWORN to before me this 18th day of May, 2010.

[Signature]
(Signature)

Roberta Joris
(Printed name)



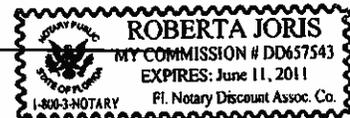
Notary Public for the State of: Florida
Residing at: Duval Co
My Commission Expires: 6/11/11

DATED this 18th day of May, 2010

Gerald Sarvadi
GERALD SARVADI

SUBSCRIBED and SWORN to before me this 18th day of May, 2010.

Roberta Joris
(Signature)



Roberta Joris
(Printed name)

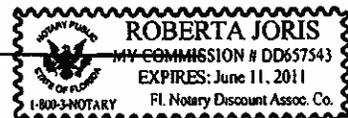
Notary Public for the State of: Florida
Residing at: Duval Co.
My Commission Expires: 6/11/11

DATED this 18th day of May, 2010

Derek A. Seiwert
DEREK A. SEIWERT

SUBSCRIBED and SWORN to before me this 18th day of May, 2010.

Roberta Joris
(Signature)



Roberta Joris
(Printed name)

Notary Public for the State of: Florida
Residing at: Duval Co.
My Commission Expires: 6/11/11

FINAL ORDER

Pursuant to the authority vested by the Montana Insurance Code, Mont. Code Ann. § 2-4-603, and Mont. Code Ann. § 33-1-101, *et seq.*, and upon review of the foregoing Consent Agreement and Final Order 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 21st day of May, 2010.

MONICA J. LINDEEN
Commissioner of Securities and Insurance

By: 

ROBERT W. MOON
Deputy Commissioner of Insurance

cc: Pro-Tec Administrators/Enhancement Services Inc., Respondent
Gerald Sarvadi, Respondent
Derek A. Seiwert, Respondent
Mike Winsor, Insurance Department