

**BEFORE THE INSURANCE COMMISSIONER
FOR THE STATE OF DELAWARE**

IN THE MATTER OF	:	
	:	
BEEMA-PAKISTAN COMPANY LIMITED; SERVE AMERICA ASSURANCE, LTD; WILLIAM WORTHY II; COLIN JACK YUELL; REAL BENEFITS ASSOCIATION; DAVID L. CLARK; AMERICAN TRADE ASSOCIATION, INC.; SMART DATA SOLUTION, LLC; BART POSEY; RICHARD H. BACHMAN; OBED KIRKPATRICK; SPENCER & ASSOCIATES, LLC; AND BRUCE E. SPENCER	:	Docket No. 1344-2010
	:	
RESPONDENTS	:	

CEASE AND DESIST ORDER

WHEREAS, BEEMA-PAKISTAN COMPANY LIMITED (“BEEMA”) is a foreign corporation with a principal place of business at 412-427, 4th Floor, Muhammadi House, I.I. Chundrigar Road, Post Office Box 5626, Karachi-74000, Pakistan;

WHEREAS, COLIN JACK YUELL is a Director of BEEMA;

WHEREAS, SERVE AMERICA ASSURANCE, LTD. (“SERVE AMERICA”) is a foreign corporation with a principal place of business at 117 Winding Oak Way, Blythewood, South Carolina 29016;

WHEREAS, WILLIAM WORTHY II is an officer with SERVE AMERICA;

WHEREAS, REAL BENEFITS ASSOCIATION (“REAL BENEFITS”) is a foreign corporation with a principal place of business at 118 A Fulton Street, Post Office Box 138, New York, New York 10038;

WHEREAS, DAVID L. CLARK is the chairman and president of REAL BENEFITS;

WHEREAS, AMERICAN TRADE ASSOCIATION, INC. (“AMERICAN TRADE”) is a foreign corporation with a principal place of business at 4676 Highway 41 North, Springfield, Tennessee 37172;

WHEREAS, SMART DATA SOLUTIONS, LLC (“SMART DATA”) is a foreign corporation with a principal place of business at 4676 Highway 41 North, Springfield, Tennessee 37172;

WHEREAS, BART POSEY, RICHARD H. BACHMAN, and OBED KIRKPATRICK are principal officers of AMERICAN and SMART DATA;

WHEREAS, SPENCER & ASSOCIATES, LLC (“SPENCER”) is a foreign corporation with a principal place of business at One South Limestone Street, Suite 301, Springfield, Ohio 45502 and licensed as a third party administrator in the state of Ohio;

WHEREAS, BRUCE.E.SPENCER is the principal manager of SPENCER & ASSOCIATES, LLC;

WHEREAS, BEEMA; SERVE AMERICA; WILLIAM WORTHY II; COLIN JACK YOUELL; REAL BENEFITS; DAVID L. CLARK; AMERICAN TRADE; SMART DATA; BART POSEY; RICHARD H. BACHMAN; OBED KIRKPATRICK; SPENCER & ASSOCIATES; and BRUCE E. SPENCER together and collectively are all the Respondents (“RESPONDENTS”) in this Order;

WHEREAS, BEEMA is a foreign corporation that offers and provides insurance products and is not, and never has been, authorized to engage in the transaction of insurance in the state of Delaware; is not exempt under any provision, either state or

federal, from the requirements of the Delaware Insurance Code; but offered or provided health insurance benefits to at least 75 residents of Delaware;

WHEREAS, COLIN JACK YOUELL is not licensed as an insurance representative of any type in the state of Delaware, but offered or sold health insurance benefits to residents of the state of Delaware on behalf of BEEMA;

WHEREAS, SERVE AMERICA is a wholly-owned offshore, captive insurance company of BEEMA; is not, and never has been, authorized to engage in the transaction of insurance in the state of Delaware; is not exempt under any provision, either state or federal, from the requirements of the Delaware Insurance Code; but issued health insurance policies in the state of Delaware that were written by BEEMA;

WHEREAS, WILLIAM WORTHY II is not licensed as an insurance representative of any type in the state of Delaware, but offered or sold health insurance benefits to residents of the state of Delaware on behalf of SERVE AMERICA;

WHEREAS, REAL BENEFITS is not, and never has been, authorized to engage in the transaction of insurance in the state of Delaware; is not, and never has been, authorized to operate, maintain, or establish a multiple-employer welfare arrangement with the state of Delaware; and is not exempt under any provision, either state or federal, from the requirements of the Delaware Insurance Code;

WHEREAS, REAL BENEFITS offered or provided in the state of Delaware health insurance policies that were issued by SERVE AMERICA and written by BEEEMA; offered or provided health insurance benefits to at least 75 Delaware residents; and entered into an Association Affiliation Agreement with AMERICA

TRADE ASSOCIATION to offer or provide health insurance benefits to REAL BENEFITS members;

WHEREAS, DAVID L. CLARK is not licensed as an insurance representative in the state of Delaware, but offered or sold health insurance to residents of the state of Delaware on behalf of REAL BENEFITS;

WHEREAS, AMERICAN TRADE is not, and never has been, authorized to engage in the transaction of insurance in the state of Delaware; is not exempt from any provision, either state or federal, from the requirements of the Delaware Insurance Code; but offered or provided health insurance benefits to at least 75 resident of the state of Delaware and entered into an Association Affiliation Agreement with REAL BENEFITS to offer or provide health insurance benefits to REAL BENEFITS members;

WHEREAS, SMART DATA is not, and never has been, authorized to engage in the transaction of insurance in the state of Delaware; is not exempt under any provision, either state or federal, from the requirements of the Delaware Insurance Code; but offered or provided health insurance benefits to at least 75 residents of the state of Delaware and acted as an administrator and marketer on behalf of BEEMA, SERVE AMERICA, REAL BENEFITS, and/or AMERICAN TRADE for health insurance policies offered or sold in the state of Delaware by collecting fees and processing claims;

WHEREAS, BART POSEY, RICHARD H. BACHMAN, and OBED KIRKPATRICK are not licensed as insurance representatives of any type in Delaware, but offered or sold health insurance benefits to residents of the state of Delaware on behalf of AMERICA TRADE, SMART DATA, and REAL BENEFITS;

WHEREAS, SPENCER & ASSOCIATES, LLC is not, and never has been, authorized to engage in the transaction of insurance in the state of Delaware; is not exempt under any provision, either state or federal, from the requirements of the Delaware Insurance Code; but acted as an administrator on behalf of REAL BENEFITS for health insurance policies offered or sold in the state of Delaware;

WHEREAS, Bruce E. Spencer is not licensed as an insurance representative in the state of Delaware, but acted as an administrator on behalf of REAL BENEFITS for health insurance policies offered or sold in the state of Delaware;

WHEREAS, Respondents are jointly and severally in violation of any or all of 18 *Del. C.* §§ 1703 and 2101 and, therefore, subject to such sanctions and penalties as may be imposed under Delaware law, including, but not limited to, 18 *Del. C.* §§ 106, 329, 2111, and 2308; and

WHEREAS, it is in the best interest of the citizens of the State of Delaware that the Delaware Department of Insurance (the “Department”) enter a cease and desist order to assure that the Respondents jointly and severally comply with Delaware law, take such actions to refund payments made to any or all of the Respondents obtained from its or their solicitation in Delaware, and to seek such other penalties as are appropriate to terminate the wrongful conduct of the Respondents. Further, the Respondents are hereby notified that the Commissioner reserves all rights to investigate the individual actions of the principals, officers, and agents of respondents and its related entities and seek any additional remedies available under the law including; but not limited to, civil penalties on Respondents and related entities or individuals.

**THEREFORE, EFFECTIVE THIS 5th DAY OF APRIL 2010, IT IS
ORDERED AS FOLLOWS:**

1. Respondents and all their employees, officers, directors, agents, or by or through any person acting on their behalf shall immediately cease and desist from all activities in the State of Delaware, including soliciting, marketing, or proposing to make any insurance contract, taking, receiving, or forwarding any application for insurance, collecting or receiving, in full or in part, any insurance premium or fees, issuing or delivering any insurance policy or other evidence of an insurance contract, publishing or disseminating any advertisement or information for insurance, or representing or assisting any person to provide unauthorized insurance or to procure insurance from an unauthorized insurer.

2. Respondents, jointly and severally, shall notify all persons, firms, or entities marketing, selling, or distributing materials or the like on their behalf in Delaware to cease and desist from all such activities and shall within 10 days provide written confirmation to the Department of the persons, firms, or entities so noticed along with a copy of said notice.

3. Respondents shall jointly and severally (i) promptly pay any claims for benefits made by residents of the State of Delaware payable under the terms of the health plans sold by Respondents to said Delaware residents; (ii) within 30 days, offer every Delaware resident to whom a membership has been extended the right to cancel that membership; (iii) within 45 days, refund to any person choosing to cancel his or her membership all moneys, including, but not limited to, all unearned premiums and enrollment fees collected directly or indirectly from said person(s) in connection with

their membership, and (iv) provide written confirmation to the Department within 60 days of all payments, refunds, and membership cancellations in connection with items (i), (ii) and (iii) above.

4. Within 180 days, the Respondents jointly and severally shall cancel every membership extended to any Delaware resident and refund to each such person all moneys, including, but not limited to, all unearned premiums and enrollment fees, collected directly or indirectly from said person(s).

DATED this 5th day of April, 2010.

KAREN WELDIN STEWART, CIR-ML
DELAWARE INSURANCE COMMISSIONER



CERTIFICATE OF MAILING

I do hereby certify that on this date I mailed, by regular and certified mail, postage prepaid a true and correct copy of the attached CEASE AND DESIST ORDER to the following:

BEEMA-PAKISTAN COMPANY
LIMITED
412-427, 4th Floor
Muhammadi House
I.I. Chundrigar Road
Post Office Box 5626
Karachi-74000, Pakistan

AMERICAN TRADE ASSOCIATION,
INC.
4676 Highway 41 North
Springfield, Tennessee 37172
And
400 Memorial Boulevard
Springfield , Tennessee 37172

COLIN JACK YOEELL, Director
Beema- Pakistan Company Limited
412-427, 4th Floor
Muhammadi House
I.I. Chundrigar Road
Post Office Box 5626
Karachi-74000, Pakistan

REAL BENEFITS ASSOCIATION
118 A Fulton Street
Post Office Box 138
New York, New York 10038

SERVE AMERICA ASSURANCE, LTD.
117 Winding Oak Way
Blythewood, South Carolina 29016

DAVID L. CLARK, President
Real Benefits Association
118 A Fulton Street
Post Office Box 138
New York, New York 10038

WILLIAM WORTHY II
44 Morgan Place Dr.
Isle of Palms, SC 29451
And
117 Winding Oak Way
Blythewood, South Carolina 29016

RICHARD H, BACHMAN
c/o SMART DATA SOLUTIONS, LLC
4676 Highway 41 North
Springfield, Tennessee 37172
And
400 Memorial Boulevard
Springfield , Tennessee 37172

SMART DATA SOLUTIONS, LLC
4676 Highway 41 North
Springfield, Tennessee 37172
And
400 Memorial Boulevard
Springfield , Tennessee 37172

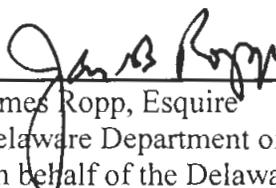
SPENCER & ASSOCIATES, LLC
One South Limestone Street, Suite 301
Springfield, Ohio 45502

BART POSEY
3448 Forest Park Road
Springfield, TN 37172
And
400 Memorial Boulevard
Springfield, Tennessee 37172
And
4676 Highway 41 North
Springfield, Tennessee 37172

OBED KIRKPATRICK
c/o American Trade Association
4676 Highway 41 North
Springfield, Tennessee 37172

BRUCE E. SPENCER
c/o SPENCER & ASSOCIATES, LLC
One South Limestone Street, Suite 301
Springfield, Ohio 45502

DATED this 7th day of April, 2010



James Ropp, Esquire
Delaware Department of Justice
On behalf of the Delaware Department of
Insurance