

OFFICE OF INSURANCE REGULATION

KEVIN M. MCCARTY  
DIRECTOR

**IN THE MATTER OF:**

**MERIDIAN BENEFIT, INC.**  
MERIDIAN BENEFIT  
DONALD C. RUTH  
KEN MUSIAKIEWICZ  
HARRY WHITE  
JERRY M. BLACKBURN  
CHARLES ARNOLD EHLING  
GREG LOUIS TAKACS  
ZENDA ALETHEA MAYER  
BRADLEY WALTHER BESHORE  
JOHN B. CUNNINGHAM  
GEORGE LUFKIN

Case No.: 66816-03-CO

**IMMEDIATE FINAL ORDER**

TO:

**MERIDIAN BENEFIT, INC. (a.k.a. MERIDIAN BENEFIT)**  
Wayne Plaza One, Suite 202  
145 Route 46 West  
Wayne, New Jersey 07470

**MERIDIAN BENEFIT, INC. (a.k.a. MERIDIAN BENEFIT)**  
201 Willowbrook Boulevard, Ninth Floor  
Wayne, New Jersey 07470

**DONALD C. RUTH,  
KEN MUSIAKIEWICZ  
HARRY WHITE**  
**Meridian Benefit, Inc.**  
Wayne Plaza One, Suite 202  
145 Route 46 West  
Wayne, New Jersey 07470

**JERRY M. BLACKBURN**  
Blackburn Enterprises  
3501 NE 10<sup>th</sup> Street, Suite 106  
Ocala, Florida 34470

**CHARLES ARNOLD EHLING**  
Ehling Insurance and Investments, Inc.  
4848 W. Spencer Field Road  
Pace, Florida 32571

**GREG LOUIS TAKACS**  
Southern Insurance Marketing, Inc.  
311 N.E. 8<sup>th</sup> Street, Suite 109  
Homestead, Florida 33030

**GREG LOUIS TAKACS**  
235 W. 2<sup>nd</sup> Court  
Key Largo, Florida 33037-2611

**ZENDA ALETHEA MAYER**  
**BRADLEY WALTER BESHORE**  
**JOHN B. CUNNINGHAM**  
HRH Company of Southwest Florida  
6771 Professional Parkway West, Suite 101  
Sarasota, Florida 34240

**GEORGE LUFKIN**  
1650 Curlew Road  
Palm Harbor, Florida 34683

**YOU ARE HEREBY NOTIFIED** that pursuant to the Florida Insurance Code, including Section 624.307, 624.317, and 626.909 of the Florida Statutes, the State of Florida, Office of Insurance Regulation (hereinafter referred to as the "OFFICE") of the Financial Services Commission within the Department of Financial Services, has caused an investigation to be made of the insurance-related activities of MERIDIAN BENEFIT, INC., MERIDIAN BENEFIT, DONALD C. RUTH, KEN MUSIAKIEWICZ, HARRY WHITE, JERRY M. BLACKBURN, CHARLES ARNOLD EHLING, GREG LOUIS TAKACS, ZENDA ALETHEA MAYER, BRADLEY WALTER BESHORE, JOHN B. CUNNINGHAM and GEORGE LUFKIN.

MERIDIAN BENEFIT, INC., and MERIDIAN BENEFIT will hereafter be referred to as, "MERIDIAN".

As a result of that investigation, the OFFICE finds:

1. Section 624.401, Florida Statutes, states that no person shall act as an insurer, and no insurer or its agents, attorneys, subscribers, or representatives shall directly or indirectly transact insurance in this state except as authorized by a subsisting certificate of authority issued to the insurer by the department.

2. Section 626.8805, Florida Statutes, states that it is unlawful for any person to act or hold himself or herself out to be an administrator in this state without a valid certificate of authority issued by the department. Section 626.901, Florida Statutes, states that it is unlawful for any person to directly or indirectly aid or represent an unauthorized insurer.

3. Section 120.569(2)(n), Florida Statutes, provides that “if an agency head finds that an immediate danger to the public health, safety or welfare requires an immediate final order, it shall recite with particularity the facts underlying such finding in the final order...”

4. MERIDIAN is currently unlicensed and unauthorized to transact insurance in Florida or act as an administrator. MERIDIAN has never held a license or certificate of authority to transact insurance in Florida or act as an administrator. See attached **Exhibit A**.

5. Despite the absence of any certificate of authority or any other authorization to transact insurance business in Florida or act as an administrator pursuant to Section 626.8805, Florida Statutes, or as an insurer pursuant to Section 624.401, Florida Statutes, MERIDIAN has engaged and may be **currently engaging** in the unlicensed, unauthorized, and therefore, illegal business of insurance covering subjects of insurance located or expressly to be performed in this state at the time of issuance. MERIDIAN is in violation of the Florida Insurance Code including, Sections 624.401, 626.8805, and 626.901, Florida Statutes.

6. MERIDIAN is a company located in Wayne, New Jersey . DONALD C. RUTH is the CEO and/or President of Meridian Benefits, Inc., HARRY WHITE is the Chief Operating Officer, and KEN MUSIAKIEWICZ, is Vice President of Operations. See attached **Exhibit B**.

7. MERIDIAN has engaged in transacting the business of insurance in Florida without the benefit of legal authority to do so, thereby creating immediate danger, and/or causing or reasonably expecting to cause significant, imminent, and irreparable injury, to the public.

8. Section 624.401(4), Florida Statutes, states that it is a felony of the third degree for any person to act as an insurer, transact insurance, or otherwise engage in insurance activities in this state without a certificate of authority. In accordance with Section 626.902, Florida Statutes, it is also a third degree felony to aid or represent an unauthorized insurer. DONALD C. RUTH, KEN MUSIAKIEWICZ, and HARRY WHITE have aided and represented MERIDIAN in violation of Section 626.901, Florida Statutes.

9. MERIDIAN engaged in the business of insurance by offering and contracting to provide a health benefit plan with MERIDIAN as the third party administrator for the plan ("Meridian program"). The Meridian program involved a health benefit plan purporting to provide coverage for, among other things, health, dental and pharmaceutical benefits. MERIDIAN misrepresented that the Meridian program was fully insured for stop-loss insurance or reinsurance. See attached **Exhibit C**.

10. The Director of the Office of Insurance Regulation has reasonable cause to believe that Respondents are conducting the business of insurance in Florida. Respondents are engaged in the business of insurance by marketing, offering and contracting to provide multiple insurance benefits to Florida consumers. This is done through the benefits program Respondents offer to Florida companies and employers, including but not limited to the Family Counseling Center of Sarasota, Florida. See attached **Exhibit D**.

11. The Meridian program called for the employer such as the Family Counseling Center of Sarasota to pay a set amount of funds into a dedicated trust account administered by Meridian. See attached **Exhibit D**.

12. Claims and losses were to be paid from the dedicated trust account funded by the employer and the employee. If the amount of claims and losses exceeded the amount in the dedicated trust account, the claims and losses would be covered by stop-loss insurance obtained by MERIDIAN as part of its program. MERIDIAN did not obtain stop-loss insurance or reinsurance to cover claims or losses in excess of the benefit level. Contrary to MERIDIAN'S representations, stop-loss insurance or reinsurance, was never obtained by Meridian and MERIDIAN was functioning as an insurer and allegedly assuming responsibility for all claims and losses greater than those covered by the benefit funds provided by Florida employer groups such as the Family Counseling Center. See attached Exhibits C and D.

13. MERIDIAN has: failed to pay claims; has raised the premiums as much as 200% on some employer groups; and collected premiums shortly before claiming to be winding-down its business. See attached Exhibit E.

14. MERIDIAN filed a voluntary petition under the liquidating provisions of Chapter 7 of the United States Bankruptcy Code, on May 15, 2003, in the United States Bankruptcy Court in Newark, New Jersey, Case No.:03-26172. The bankruptcy trustee assigned is Charles Forman, 218 Route 17 North, Rochelle Park, New Jersey, 07662. The Office of Insurance Regulation is in communication with Mr. Forman who has represented that he has seized the New Jersey office of Meridian and to the best of his ability stopped the activities that were carried out in that office in New Jersey. The trustee however cannot represent that Meridian's illegal insurance activities outside of the state of New Jersey have ceased. See attached Exhibit F.

15. Respondents ZENDA ALETHEA MAYER (licensed Florida agent #E041228), BRADLEY WALTHER BESHORE (licensed Florida agent #A020887) JOHN B. CUNNINGHAM of HRH of Sarasota, disseminated information as to coverage and rates for health and medical coverage to be provided through MERIDIAN to Florida consumers and

employer groups including Sarasota Land Services, Inc., and Family Counseling Center in violation of Section 626.901, Florida Statutes. Respondents ZENDA ALETHEA MAYER (licensed Florida agent #E041228), BRADLEY WALTHER BESHORE (licensed Florida agent #A020887) JOHN B. CUNNINGHAM of HRH of Sarasota have: solicited Florida consumers for Meridian; forwarded information on Meridian to Florida employer groups; and assisted in the procurement of Meridian's insurance services for those employer groups. See attached **Exhibit G**.

16. Respondents JERRY M. BLACKBURN (#A022830) and CHARLES ARNOLD EHLING (#A076100) are licensed Florida agents who disseminated information as to coverage and rates for health and medical coverage to be provided by MERIDIAN to Florida consumers and employer groups including the City of Perry, in violation of Section 626.901, Florida Statutes. Respondents JERRY M. BLACKBURN (#A022830) and CHARLES ARNOLD EHLING (#A076100) have solicited Florida consumers for Meridian; forwarded information on Meridian to Florida employer groups; and assisted in the procurement of Meridian's insurance services for those employer groups. See attached **Exhibit H**.

17. CHARLES ARNOLD EHLING (#A076100), a licensed Florida agent, represented and aided MERIDIAN and entered into an "Independent Consultant Agreement" with MERIDIAN, an unauthorized insurer and thereby aided and represented MERIDIAN in violation of Section 626.901, Florida Statutes. See attached **Exhibit I**.

18. Respondent GREG LOUIS TAKACS, a licensed Florida agent (#A259934) disseminated information as to coverage and rates for health and medical coverage to be provided by MERIDIAN to Georgia consumers and employer groups including Great Southern Xpress of Dalton, Georgia, in violation of Section 626.901, Florida Statutes and to a Florida employer Hobo's Marina of Key Largo. Respondent GREG LOUIS TAKACS, has violated

provisions of the Florida Insurance Code, including Section 626.901, by: soliciting Florida consumers for Meridian; forwarding information on Meridian to Florida employer groups; and assisting in the procurement of Meridian's insurance services for those employer groups. See **Exhibit J**.

19. Respondent GEORGE LUFKIN, a licensed Florida agent (#A160010) disseminated information as to coverage and rates for health and medical coverage to be provided by MERIDIAN to Florida consumers and employer groups including Human Resources, Inc., in violation of Section 626.901, Florida Statutes. Respondent GEORGE LUFKIN, has violated provisions of the Florida Insurance Code, including Section 626.901, by: soliciting Florida consumers for Meridian; forwarding information on Meridian to Florida employer groups; and assisting in the procurement of Meridian's insurance services for those employer groups. See **Exhibit K**.

20. Neither MERIDIAN, nor any of the other entities or persons named in this Immediate Final Order are subject to any exception to the requirement of the Florida Insurance Code, including exceptions outlined in Section 624.402 of the Florida Statutes, for licensure to transact insurance in Florida, nor are they subject to any exception to the requirements of the Surplus Lines Law, Sections 626.913 –626.937.

21. Requests by the Office of Insurance Regulation to MERIDIAN, pursuant to Section 624.33, Florida Statutes, for copies of IRS form 5500 as filed with the IRS and the United States Department of Labor, and an annual summary, as required by the Employee Retirement Income Security Act, and evidence of stop-loss insurance, have been ignored. See attached **Exhibit L**.

22. Agents, representatives, and promoters of MERIDIAN, including, DONALD C. RUTH, KEN MUSIAKIEWICZ, HARRY WHITE, JERRY M. BLACKBURN, CHARLES ARNOLD EHLING, GREG LOUIS TAKACS, ZENDA ALETHEA MAYER, BRADLEY

WALTER BESHORE, JOHN B. CUNNINGHAM and GEORGE LUFKIN, have violated provisions of the Florida Insurance Code, including Section 626.901, by soliciting Florida consumers for Meridian, forwarding information on Meridian to Florida employer groups, and assisting in the procurement of Meridian's insurance services for those employer groups.

23. The unlicensed, unauthorized, and therefore illegal, transaction of insurance by MERIDIAN presents an immediate danger to the public health, safety or welfare of Florida residents.

24. On or about May 8, 2002, the State of Colorado Department of Insurance issued an Order against MERIDIAN and DONALD C. RUTH, among others, to cease and desist all transactions of insurance because they were unlicensed.

25. Based upon the foregoing, the OFFICE finds that MERIDIAN BENEFIT, INC., MERIDIAN BENEFIT, DONALD C. RUTH, KEN MUSIAKIEWICZ, HARRY WHITE, JERRY M. BLACKBURN, CHARLES ARNOLD EHLING, GREG LOUIS TAKACS, ZENDA ALETHEA MAYER, BRADLEY WALTER BESHORE, JOHN B. CUNNINGHAM and GEORGE LUFKIN are engaging in the unauthorized and therefore illegal business of insurance in Florida in violation of the Florida Insurance Code including, Sections 624.401, 626.8805, and 626.901, Florida Statutes.

**WHEREFORE**, pursuant to the Florida Insurance Code and other applicable statutes, including, Sections 120.569(2)(n), Florida Statutes, and pursuant to 11 U.S.C. § 362(b)(4) (police/regulatory exception to automatic stay), the OFFICE finds that the continued transaction of insurance without licensure by MERIDIAN BENEFIT, INC., MERIDIAN BENEFIT, DONALD C. RUTH, KEN MUSIAKIEWICZ, HARRY WHITE, and aided and represented by JERRY M. BLACKBURN, CHARLES ARNOLD EHLING, GREG LOUIS TAKACS, ZENDA ALETHEA MAYER, BRADLEY WALTER BESHORE, JOHN B. CUNNINGHAM and

GEORGE LUFKIN, and in violation of the Florida Insurance Code, constitutes an immediate danger to the public welfare so as to require the issuance of this Immediate Final Order.

**Accordingly, IT IS HEREBY ORDERED:**

A) MERIDIAN BENEFIT, INC., MERIDIAN BENEFIT, DONALD C. RUTH, KEN MUSIAKIEWICZ, and HARRY WHITE, whether acting in the State of Florida as an insurer, an purchasing group, retention group, an insurance agent, an insurance agency, an insurance adjuster, a third-party administrator, a managing general agent, or otherwise engaging in the business of insurance, either directly or indirectly through named and unnamed persons, entities, agents, or otherwise, shall forthwith **CEASE AND DESIST** from the transaction of any new or renewal insurance business, including acting or holding itself out to be an insurer and as a third-party administrator. Respondents JERRY M. BLACKBURN, CHARLES ARNOLD EHLING, GREG LOUIS TAKACS, ZENDA ALETHEA MAYER, BRADLEY WALTER BESHORE, JOHN B. CUNNINGHAM and GEORGE LUFKIN shall **CEASE AND DESIST** from the transaction of any new or renewal insurance business of the Meridian plan or product.

B) DONALD C. RUTH, KEN MUSIAKIEWICZ, HARRY WHITE, JERRY M. BLACKBURN, CHARLES ARNOLD EHLING, GREG LOUIS TAKACS, ZENDA ALETHEA MAYER, BRADLEY WALTER BESHORE, JOHN B. CUNNINGHAM and GEORGE LUFKIN shall forthwith notify in writing each person or employer group in Florida that was insured or provided with administrative services through MERIDIAN, INC., of the cessation of their business in Florida because they are unlicensed, and that each such person or entity should immediately obtain medical coverage and third-party administration services from authorized carriers.

C) DONALD C. RUTH, KEN MUSIAKIEWICZ, HARRY WHITE, JERRY M. BLACKBURN, CHARLES ARNOLD EHLING, GREG LOUIS TAKACS, ZENDA

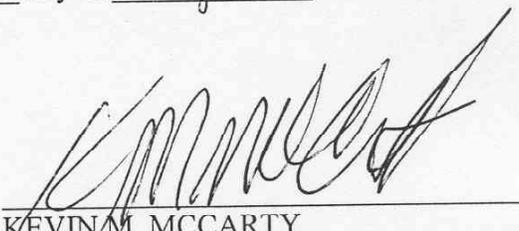
ALETHEA MAYER, BRADLEY WALTER BESHORE, JOHN B. CUNNINGHAM and GEORGE LUFKIN shall, within fifteen (15) calendar days from the date hereof, deliver to the OFFICE a list of all Florida insureds.

D) The issuance of this Immediate Final Order and the procedural safeguards set forth herein are concluded to be fair under the circumstances due to the potential grave harm resulting from unauthorized insurance entities engaging in the business of insurance in Florida.

Procedures set forth therein afford MERIDIAN BENEFIT, INC., MERIDIAN BENEFIT, DONALD C. RUTH, KEN MUSIAKIEWICZ, HARRY WHITE, JERRY M. BLACKBURN, CHARLES ARNOLD EHLING, GREG LOUIS TAKACS, ZENDA ALETHEA MAYER, BRADLEY WALTER BESHORE, JOHN B. CUNNINGHAM and GEORGE LUFKIN the opportunity to request a proceeding pursuant to Section 120.68, Florida Statutes.

DONE AND ORDERED this 23rd day of May, 2003.



  
\_\_\_\_\_  
KEVIN M. MCCARTY  
Director of the Office of Insurance Regulation

### **NOTICE OF RIGHTS**

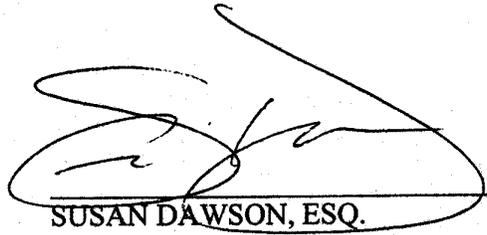
Any party to these proceedings adversely affected by this Order is entitled to seek review of this Order pursuant to Section 120.68, Florida Statutes, and Rule 9.110, Fla.R.App.P. Review proceedings must be instituted by filing a petition or notice of appeal with the General Counsel of the Office of Insurance Regulation, acting as the agency clerk, at 612 Larson Building, Tallahassee, Florida 32399-0333, and a copy of the same with the appropriate district court of appeal, within thirty (30) days of rendition of this Order.

All correspondence or requests for hearing should contain the case number and/or style of the case as listed on page one of this order.

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a true and correct copy of the foregoing **Immediate Final Order** has been sent by Certified Mail this 23 day of MAY, 2003 to, and shall forthwith be served upon the following at the addresses listed on pages 1 and 2 of this Order:

MERIDIAN BENEFIT, INC. and MERIDIAN BENEFIT (at all addresses listed)  
DONALD C. RUTH  
KEN MUSIAKIEWICZ  
HARRY WHITE  
JERRY M. BLACKBURN  
CHARLES ARNOLD EHLING  
GREG LOUIS TAKACS (at both addresses listed)  
ZENDA ALETHEA MAYER  
BRADLEY WALTHER BESHORE  
JOHN B. CUNNINGHAM  
GEORGE LUFKIN



SUSAN DAWSON, ESQ.

FBN: 0076848  
Office of Insurance Regulation  
Division of Legal Services  
200 East Gaines Street, 6<sup>th</sup> Floor  
Tallahassee, Florida 32399  
Telephone: 850/ 413-4195  
Facsimile: 850/410-0549

**EXHIBIT A**

# State of Florida



## OFFICE OF INSURANCE REGULATION Tallahassee, Florida

I, the undersigned, Director of the Office of Insurance Regulation of the State of Florida, do hereby certify that

Dated this 15th day of May, 2003

After conducting a diligent search of the official records of the FLORIDA OFFICE OF INSURANCE REGULATION, no record exists which discloses that the following company or individual currently holds, or has ever held, a CERTIFICATE OF AUTHORITY from the Department authorizing the company or individual to transact insurance as an insurer in any capacity:

**Meridian Benefit, Inc.**  
201 Willowbrook Boulevard, 9<sup>th</sup> Floor  
Wayne, New Jersey 07470

IN TESTIMONY WHEREOF, I hereto  
subscribe my name, and affix the Seal of  
my Office, at Tallahassee, the day and year  
first above written.

A handwritten signature in black ink, appearing to read "K. M. [unclear]".

Director, Office of Insurance Regulation



# State of Florida



## OFFICE OF INSURANCE REGULATION Tallahassee, Florida

I, the undersigned, Director of the Office of Insurance Regulation of the State of Florida, do hereby certify that

Dated this 15th day of May, 2003

After conducting a diligent search of the official records of the FLORIDA OFFICE OF INSURANCE REGULATION, no record exists which discloses that the following company or individual currently holds, or has ever held, a CERTIFICATE OF AUTHORITY from the Department authorizing the company or individual to transact insurance as an insurer in any capacity, including that of a Third Party Administrator:

**Meridian Benefit, Inc.**  
201 Willowbrook Boulevard, 9<sup>th</sup> Floor  
Wayne, New Jersey 07470



IN TESTIMONY WHEREOF, I hereto  
subscribe my name, and affix the Seal of  
my Office, at Tallahassee, the day and year  
first above written.

A handwritten signature in black ink, appearing to read "K. M. [unclear]".

Director, Office of Insurance Regulation

**EXHIBIT B**



F Y I

Meridian Benefit, Inc.  
Benefit Administrators

January 31, 2003

Ms. Mary Underhill  
Sarasota Land Services  
4906 State Road 64 E  
Bradenton, FL 34208

Re: Policy Number [REDACTED]

Dear Client:

Your benefits plan administered by Meridian Benefit, Inc. effective 3/1/02 is reaching its anniversary date and is up for renewal. We hope that you have found your relationship with Meridian Benefit, Inc. to be a pleasant experience over the past year and wish to continue servicing your benefit needs in the years to come.

Though we try to keep benefit costs down, from time to time it becomes necessary to adjust the contribution amount. The amount of your monthly contribution is based on three major factors:

- 1) Age and Size of your group
- 2) Claims experience over the past 12 months; and
- 3) Outside input of the anticipated increase in medical cost over the next 12 months.

Based on the above criteria, your monthly contribution will be increased by 100%, effective 3/1/03.

Your employees' continued effort to control medical costs and utilize the services of providers in their network would continue to keep your contributions at a reasonable level. Should you require additional information, please do not hesitate to contact our office at 877-642-8030.

Yours truly,

*Meridian Benefit, Inc.*

Ken Musiakiewicz  
Vice President of Operations

KM/mb



Meridian Benefit, Inc.  
Benefit Administrators

February 20, 2003

Ms. Alicia Skarbek  
Family Counseling Center  
5560 Bee Ridge Road, Bldg. D, Suite 7  
Sarasota, FL 34234

Re: Policy [REDACTED]

Dear Alicia:

Enclosed please find a statement showing the financial activity of your Plan.

As the statement shows, your Self-Funded Medical Plan has an Attributed Reserve Balance of \$-84,903.75 with which to pay qualified claims. Based on paid medical and drug claims, claims approved for payment, claims in process and Meridian administrative fees, your plan will have an Account Balance of \$-163,670.75

In order to maintain the solvency of your Plan and to cover projected future claims and maintain, we need either a one time payment of \$163,670.75 to bring your account balance into a positive position or an increase in your contribution of 200% effective 5/1/2003.

Qualified claims can only be paid from a positive Attributed Reserve Balance.

If you wish to discuss other payment alternatives, please call our Accounting Dept. at (973) 785-0500, Ext 238.

Very truly yours,

Meridian Benefit, Inc.

Don Ruth  
CEO

Enclosure

FROM : C

FAX NO. : 8509950556

Mar. 14 2002 04:05PM P1

03/14/2002 16:17 0797064943

MERIDIAN BENEFIT

PAGE 02



Meridian Benefit, Inc.  
Profit Administrators

March 14, 2002

VIA FACSIMILE

Charles Ehling  
Ehling Insurance & Investments Inc.  
3163 Benton Boulevard  
Pace, FL 32571

888-292-2194  
called but won't return my call  
RLL @ 3/20/02.

Re: MRN

Dear Charles:

As per our recent conversation, this letter is to ensure and guarantee to you that the contract between MBI and MRN will be executed before the end of business day today.

If you need any other information, please do not hesitate to contact me.

Best regards,  
*Harry White*  
Harry White,  
COO

212-337-2228

New York

1-877-642-8030

**EXHIBIT C**



***Meridian Benefit, Inc.***  
Benefit Administrators

June 19, 2002

**HOME OFFICE ANNOUNCEMENT**

I am very pleased to announce that Meridian Benefit, Inc. has now finalized a strategic partnership with American National Life Insurance Company for reinsurance on a national level. American National is currently rated A+ XV Superior by A.M. Best.

This new reinsurance arrangement will become effective July 1, 2002, and applies to all new group cases, as well as our existing group customers.

We will further update you as our new procedures are implemented during this exciting transition.

Sincerely,

Don Ruth  
President/CEO



**AMERICAN  
NATIONAL**

**AMERICAN NATIONAL INSURANCE COMPANY**

**STEVE SCHOUWEILER, SENIOR VICE PRESIDENT, HEALTH INSURANCE OPERATIONS**  
ONE MOODY PLAZA GALVESTON, TEXAS 77550-7999 BUS: (409) 766-6816 FAX: (409) 766-6526  
E-mail: steve.schouweiler@anico.com

May 9, 2003

Mr. Sam Binnon  
Florida Department of Financial Services  
Unauthorized Entity Section  
200 East Gaines Street  
Tallahassee, FL 32399-4210

VIA FACSIMILE &  
U.S. MAIL 850-488-0313

Re: Meridian Benefits

Dear Mr. Binnon:

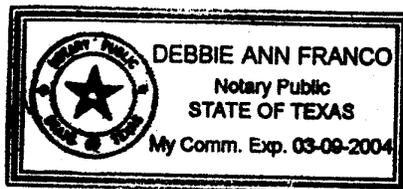
After a search of American National's (ANICO) records we find no indication of reinsurance issued to Meridian Benefits. There was an instance approximately one year ago where ANICO had been linked to Meridian Benefits through an agency, which I believe was referred to as HRH and was located in the Southeast (Atlanta perhaps). As I recall the circumstances no reinsurance agreement could be located and none produced by HRH as the marketer. Verbally HRH was instructed not to use ANICO's name.

During the period in question ANICO had arrangements with 3 entities to rate and administer reinsurance on our behalf. These entities have been contacted with instructions to search their files and to verify that no reinsurance contracts have ever been issued to Meridian Benefits.

I certify that the above is true and correct to the best of my knowledge.

Steven Schouweiler, FLMI  
Senior Vice President  
American National Ins. Co.

Debbie Ann Franco  
Notary Public  
State of Texas



**EXHIBIT D**



Meridian Benefit, Inc.

PlanHolder  
**Family Counseling Center**

Contract Number  
**555011203**

**HEALTH AND WELFARE PLAN  
SUMMARY**

Effective Date  
**12/1/01**

## Summary Plan Description

### Family Counseling Center HEALTH AND WELFARE PLAN

This constitutes the Summary Plan Description for the Family Counseling Center Health and Welfare Plan (the "Plan"). The plan was established and is maintained by the Family Counseling Center Health and Welfare Plan, hereinafter referred to as "The Plan Sponsor", for the benefit of employees of the "employer" and their eligible dependents (collectively referred to as "members"). The Plan conforms to and is governed by the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). The Plan is not a policy of insurance. Neither the Plan Sponsor, nor any trust established to fund the benefits hereunder, is an insurance company.

This Summary Plan Description provides a brief summary of the Plan as effective 12/1/01. If you have any questions after reading this summary, you should refer to the Plan Document itself, which has been provided to you. If there is any conflict between this summary and the Plan Document, the Plan Document will control. The Plan Administrator will have discretionary authority to determine the eligibility and benefits in accordance with the terms of the Plan, and to otherwise interpret and apply its terms.

No person, except the Plan Sponsor, has the authority to add, extend, delete or otherwise alter any benefits, coverage or any other provision or condition of the Plan. To be effective, any such alteration by the Plan Sponsor must be set forth in a written amendment to the Plan Administrator executed in the name of the Plan Sponsor by the Plan Sponsor's authorized representative. The Plan is terminable at the option of the Plan Sponsor upon sixty (60) days notice in writing to the Plan Administrator. The Plan Administrator may resign at any time upon sixty (60) days notice in writing to the Company/Trustee.

Benefits are available consistent with the Plan, provided the applicable contributions are made.

**SUMMARY OF PROVISIONS FOR ELIGIBILITY REQUIREMENTS:** You are eligible to participate in the Plan if you are an employee of the Family Counseling Center and have completed the probationary period. Once you have satisfied these eligibility requirements, you will participate in the Plan on the first day of the month following the month in which you complete your probationary period. For example, if the probationary period is 90 days and you are hired on April 15, you will become a plan member on August 1.

**SUMMARY OF CAUSES FOR INELIGIBILITY:** You will no longer be eligible for the Plan benefits if: (1) you separate from your employment subject to any "Cobra" provisions permitting your continuation; (2) your employer fails to make contributions on your behalf; (3) you fail to make required contributions, if any; or (4) the plan terminates.

**SOURCES OF CONTRIBUTIONS TO THE PLAN:** Plan benefits are funded by contributions from employers and eligible participants as determined by the terms of the Employee Retirement Income Security Act of 1974 (ERISA).

**REASONABLE AND CUSTOMARY CHARGES** shall be made against trust receipts for the cost for administration of this plan including but not limited to: legal, actuarial, administration of claims, accountancy, and PPO network, insurance premiums, trust bank charges and any other reasonable and customary charges.

#### PLAN SUMMARY

The following information is provided as required by the Employee Retirement Income Security Act of 1974 as amended ("ERISA")

**PLAN NAME:** Family Counseling Center Health and Welfare Plan

PLAN SPONSOR: Family Counseling Center

PLAN ADMINISTRATOR: Meridian Benefit

PLAN TRUSTEES: Family Counseling Center

CLAIM ADMINISTRATOR: Meridian Benefit

TYPE OF PLAN: Employee Welfare Benefit Plan Provided Medical and Related Benefits

EMPLOYER IDENTIFICATION NUMBER: 555011203

PLAN YEAR: 12 month period beginning 12/1/01

TYPE OF ADMINISTRATION AND FUNDING:

- (A) Contract Administration and Self-Funding with stop loss insurance as required.
- (B) Contributions are made in accordance with the instructions from the Plan Sponsor pursuant to the terms of the application ERISA Trust. Please refer to your Plan Document or contact the Plan Sponsor for specific information.

### GENERAL INFORMATION

This Plan and the benefits described herein have been established by Family Counseling Center, 1844 17th St, Sarasota, FL 34234, (hereinafter referred to as "Plan Sponsor")

EMPLOYER IDENTIFICATION NUMBER: 555011203

TYPE OF PLAN: Employee Welfare Benefit Plan Providing Medical and Related Benefits

PLAN YEAR: 12 month period beginning 12/1/01

PLAN ADMINISTRATOR: Meridian Benefit

CLAIM ADMINISTRATOR: Meridian Benefit

PLAN TRUSTEES:

Family Counseling Center  
1844 17th St  
Sarasota, FL 34234,

TYPE OF ADMINISTRATION AND FUNDING:

- A) Contract Administration and Self-Funding with stop loss insurance as required.
- B) Contributions are made in accordance with the specific instruction provided by the Plan Sponsor in accordance with the terms of the Trust and this Plan. All changes in the census and/or the Contribution made by or on behalf of the Member are to be reported to the Plan Administrator in writing within thirty (30) days of such change.

If there are alternative benefit schedules, each member must elect on Benefit Schedule for his or her coverage and may change the election once each plan year within thirty (30) days of the anniversary of the Plan. The Benefit Schedule elected by the member will also be the Benefit Schedule of each Dependent of the member. A member may select any one of the Benefit Schedules offered by the Plan. Contributions are based on the Benefit Schedule elected. Contributions are determined by the Plan Administrator at the beginning of each Plan year based on Plan experience. Members will be advised of the contribution rate upon enrollment and thereafter if there is any change.

This program is a managed care program utilizing Preferred Provider Organizations (PPO). The PPO contracted to provide these services is selected by the Plan Administrator and may vary within the group depending on the

location of the members. The Medical Information Cards provided to each member indicate the toll-free telephone numbers for accessing PPO physicians, Hospitals, and other health care providers. Services or treatment rendered by a PPO provider will be paid in accordance with the terms and conditions of this Plan Document and the enclosed Benefit Schedule. When a PPO provider is not available within a 50 mile radius, services or treatment rendered by non-participating providers will be paid in accordance with UCR as defined in the main plan statement and the enclosed PPO benefit schedule. It is the responsibility of the member to notify the Plan Administrator of this prior to the date of service. All other services will be paid in accordance with the Non PPO Benefit Schedule.

**CLAIMING BENEFITS**

Claims should be submitted to the PPO or Claims Processor as listed on your Medical Identification Card. In the event a claim is denied, you will be so advised in writing. If you have any questions as to where or how to file a claim, call 877-642-8030

Once a fully completed claim is submitted with the necessary information to adjudicate the claim, the Administrator will respond within thirty (30) days. Subject to proof of loss, the Plan Administrator will determine if benefits are payable according to Plan provisions, its administrative guidelines and ERISA regulations. The Plan Administrator has the discretionary authority to determine the eligibility for benefits and to construe the terms of the Plan.

You may appeal a claim decision in writing and submit any additional information or documents for consideration by the Plan within 60 days of receipt of a denial. If you do appeal, there will be a thorough review of your claim and the additional information provided by you or your representative. A written response to your appeal will be made within 60 days; however, special circumstances may in some cases require up to 120 days for reply.

Claims filed later than 90 days after treatment or hospital confinement started, or services or supplies were received, may be denied, unless there is satisfactory explanation for unavoidable delay, but in no event will the Plan consider a claim filed more than one year after the treatment or hospital confinement.

Benefits will be paid to the Employee whose Accidental Bodily Injury or Illness or whose Dependent's Accidental Bodily Injury or Illness is the basis of claim. In the event of a third party recovery, you will be required to repay the Trust from any settlement or judgement. At the option of the Claims Administrator, payments may be made directly to providers of services when, in the Claim Administrator's opinion, an assignment of benefits may exist.

For specific information on the Claims Payor, the Preferred Provider Organization, the Utilization Management Company, and the Prescription Drug Discount or Pharmacy Benefit Provider, always use the information provided to you with your Medical Benefit Identification Card or your Prescription Drug Card.

Employer as trustee of the ERISA Trust appoints Meridian Benefit, to act as my Agent (called an attorney in fact) to do each and every act which trustee could personally do for the following uses and purposes, including the execution of all checks necessary to pay the claims, stop loss insurance premiums, and any administration expenses and costs.

Trustee gives Meridian Benefit, all the power and authority which trustee may legally give to Meridian Benefit. The Trustee's may revoke this Power of Attorney or appoint a new Agent in Meridian Benefit, place. Trustee approves and confirms all the Meridian Benefit, substitute may lawfully do on their behalf.

By signing below, trustee acknowledges that trustee has received a copy of the Summary Plan and that trustee understand its terms.

Witnessed by:

Thomas F. Crawford  
Family Counseling Center

Executive Director

\_\_\_\_\_  
\_\_\_\_\_



**Meridian Benefit, Inc.**  
Benefit Administrators

February 20, 2003

Ms. Alicia Skarbek  
Family Counseling Center  
5560 Bee Ridge Road, Bldg. D, Suite 7  
Sarasota, FL 34234

Re: Policy [REDACTED]

Dear Alicia:

Enclosed please find a statement showing the financial activity of your Plan.

As the statement shows, your Self-Funded Medical Plan has an Attributed Reserve Balance of \$-84,903.75 with which to pay qualified claims. Based on paid medical and drug claims, claims approved for payment, claims in process and Meridian administrative fees, your plan will have an Account Balance of \$-163,670.75

In order to maintain the solvency of your Plan and to cover projected future claims and maintain, we need either a one time payment of \$163,670.75 to bring your account balance into a positive position or an increase in your contribution of 200% effective 5/1/2003.

Qualified claims can only be paid from a positive Attributed Reserve Balance.

If you wish to discuss other payment alternatives, please call our Accounting Dept. at (973) 785-0500, Ext 238.

Very truly yours,

**Meridian Benefit, Inc.**

Don Ruth  
CEO

Enclosure



**Meridian Benefit, Inc.**  
Benefit Administrators

**Account Activity Report**

Prepared on 2/19/2003

**Company Policy #:** [REDACTED] **Account Status:** A  
**Company Name:** Family Counseling Center

Contributions Received to Date	\$180,544.53
Administrative Fees	(\$54,163.36)
Attributed Reserve to Pay Claim	\$126,381.17
Medical Claims Paid To Date	(\$156,636.34)
Drug Claims Paid to Date	(\$54,648.58)
Attributed Reserve Balance	(\$84,903.75)
Claims Approved for Payment	(\$71,492.23)
Claims in Process <i>(Estimated by Claim History)</i>	(\$7,274.76)
<b>Account Balance</b>	<b>(\$163,670.75)</b>

**EXHIBIT E**



Meridian Benefit, Inc.  
Benefit Administrators

May 5, 2003

Family Counseling Center  
Alicia Starbek  
5560 Bee Ridge Rd  
Sarasota, FL 34234

RE: IMPORTANT NOTICE REGARDING YOUR COMPANY'S HEALTH  
& WELFARE BENEFIT PLAN ADMINISTRATION

We regret to inform you that Meridian Benefit, Inc. is experiencing severe financial problems and is in the process of winding-down its business.

As a result of these financial problems, Meridian was unable to procure pharmacy coverage for plans which it administers subsequent to May 1, 2003. Due to the foregoing, we strongly urge that you make immediate arrangements to find another Third Party Administrator to replace Meridian or to establish some alternate arrangement to provide health and pharmacy coverage to participants under your employer-sponsored plan.

Meridian's primary concern, and we are sure yours as well, is to make sure that participants under your employer-sponsored plan obtain the health care they need going forward. Meridian will do its best to deal with prior claims, but future protections for employees are foremost at this troubling time.

Donald Ruth, President  
Meridian Benefit, Inc.

**EXHIBIT F**

FORM B1

United States Bankruptcy Court
District of New Jersey

Voluntary Petition

Name of Debtor (if individual, enter Last, First, Middle):
Meridian Benefit Inc.

Name of Joint Debtor (Spouse) (Last, First, Middle):

All Other Names used by the Debtor in the last 6 years
(include married, maiden, and trade names):

All Other Names used by the Joint Debtor in the last 6 years
(include married, maiden, and trade names):

Soc. Sec./Tax I D. No. (if more than one, state all):
22-3619000

Soc. Sec./Tax I.D. No (if more than one, state all):

Street Address of Debtor (No. & Street, City, State & Zip Code):
102 Willowbrook Blvd.
Wayne, NJ 07470

Street Address of Joint Debtor (No. & Street, City, State & Zip Code):

County of Residence or of the
Principal Place of Business:

County of Residence or of the
Principal Place of Business:

Mailing Address of Debtor (if different from street address):
PO Box 4747
Wayne, NJ 07470

Mailing Address of Joint Debtor (if different from street address):

Location of Principal Assets of Business Debtor
(if different from street address above):

Information Regarding the Debtor (Check the Applicable Boxes)

Venue (Check any applicable box)

- Debtor has been domiciled or has had a residence, principal place of business, or principal assets in this District for 180 days immediately preceding the date of this petition or for a longer part of such 180 days than in any other District.
There is a bankruptcy case concerning debtor's affiliate, general partner, or partnership pending in this District.

Type of Debtor (Check all boxes that apply)

- Individual(s)
Corporation
Partnership
Other
Railroad
Stockbroker
Commodity Broker

Chapter or Section of Bankruptcy Code Under Which
the Petition is Filed (Check on box)

- Chapter 7
Chapter 9
Sec 304 - Case ancillary to foreign proceeding
Chapter 11
Chapter 12

Nature of Debts (Check one box)

- Consumer/Non-Business
Business

Filing Fee (Check one box)

- Full Filing Fee attached
Filing Fee to be paid in installments (applicable to individuals only)
Must attach signed application for the court's consideration certifying that the debtor is unable to pay fee except in installments Rule 1006(b) See Official Form No 3

Chapter 11 Small Business (Check all boxes that apply)

- Debtor is a small business as defined in 11 U.S.C. § 101
Debtor is and elects to be considered a small business under 11 U.S.C. § 1121(e) (Optional)

Statistical/Administrative Information (Estimates only)

- Debtor estimates that funds will be available for distribution to unsecured creditors.
Debtor estimates that, after any exempt property is excluded and administrative expenses paid, there will be no funds available for distribution to unsecured creditors.

Estimated Number of Creditors: 1-15, 16-49, 50-99, 100-199, 200-999, 1000-over

Estimated Assets: \$0 to \$50,000, \$50,001 to \$100,000, \$100,001 to \$500,000, \$500,001 to \$1 million, \$1,000,001 to \$10 million, \$10,000,001 to \$50 million, \$50,000,001 to \$100 million, More than \$100 million

Estimated Debts: \$0 to \$50,000, \$50,001 to \$100,000, \$100,001 to \$500,000, \$500,001 to \$1 million, \$1,000,001 to \$10 million, \$10,000,001 to \$50 million, \$50,000,001 to \$100 million, More than \$100 million

THIS SPACE IS FOR COURT USE ONLY

<b>Voluntary Petition</b> <i>(This page must be completed and filed in every case)</i>	Name of Debtor(s): <b>Meridian Benefit Inc.</b>
---	--

Prior Bankruptcy Case Filed Within Last 6 Years (If more than one, attach additional sheet)		
Location Where Filed: <b>None</b>	Case Number:	Date Filed:

Pending Bankruptcy Case Filed by any Spouse, Partner or Affiliate of this Debtor (If more than one, attach additional sheet)		
Name of Debtor: <b>None</b>	Case Number:	Date Filed:
District:	Relationship:	Judge:

**Signatures**

**Signature(s) of Debtor(s) (Individual/Joint)**

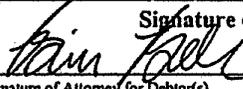
I declare under penalty of perjury that the information provided in this petition is true and correct.  
 [If petitioner is an individual whose debts are primarily consumer debts and has chosen to file under Chapter 7] I am aware that I may proceed under chapter 7, 11, 12 or 13 of title 11, United State Code, understand the relief available under each such chapter, and choose to proceed under chapter 7  
 I request relief in accordance with the chapter of title 11, United States Code, specified in this petition.

X \_\_\_\_\_  
Signature of Debtor

X \_\_\_\_\_  
Signature of Joint Debtor

\_\_\_\_\_  
Telephone Number (If not represented by attorney)

\_\_\_\_\_  
Date

X  \_\_\_\_\_  
Signature of Attorney for Debtor(s)

**Brian L. Baker BB4569**  
Printed Name of Attorney for Debtor(s)

**Ravin Greenberg PC**  
Firm Name

**101 Eisenhower Parkway**  
Address

**Roseland, NJ 07068**

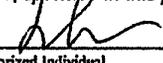
**(973) 226-1500**  
Telephone Number

**May 14, 2003**  
Date

**Signature of Debtor (Corporation/Partnership)**

I declare under penalty of perjury that the information provided in this petition is true and correct, and that I have been authorized to file this petition on behalf of the debtor

The debtor requests relief in accordance with the chapter of title 11, United States Code, specified in this petition

X  \_\_\_\_\_  
Signature of Authorized Individual

**Donald Ruth**  
Printed Name of Authorized Individual

**President**  
Title of Authorized Individual

**May 14, 2003**  
Date

**Exhibit A**

(To be completed if debtor is required to file periodic reports (e.g., forms 10K and 10Q) with the Securities and Exchange Commission pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 and is requesting relief under chapter 11)

Exhibit A is attached and made a part of this petition.

**Exhibit B**

(To be completed if debtor is an individual whose debts are primarily consumer debts)

I, the attorney for the petitioner named in the foregoing petition, declare that I have informed the petitioner that [he or she] may proceed under chapter 7, 11, 12, or 13 of title 11, United States Code, and have explained the relief available under each such chapter

X \_\_\_\_\_  
Signature of Attorney for Debtor(s) Date

**Exhibit C**

Does the debtor own or have possession of any property that poses or is alleged to pose a threat of imminent and identifiable harm to public health or safety?

Yes, and Exhibit C is attached and made a part of this petition.  
 No

**Signature of Non-Attorney Petition Preparer**

I certify that I am a bankruptcy petition preparer as defined in 11 U.S.C. § 110, that I prepared this document for compensation, and that I have provided the debtor with a copy of this document.

\_\_\_\_\_  
Printed Name of Bankruptcy Petition Preparer

\_\_\_\_\_  
Social Security Number

\_\_\_\_\_  
Address

Names and Social Security numbers of all other individuals who prepared or assisted in preparing this document:

If more than one person prepared this document, attach additional sheets conforming to the appropriate official form for each person

X \_\_\_\_\_  
Signature of Bankruptcy Petition Preparer

\_\_\_\_\_  
Date

A bankruptcy petition preparer's failure to comply with the provisions of title 11 and the Federal Rules of Bankruptcy Procedure may result in fines or imprisonment or both 11 U.S.C. § 110; 18 U.S.C. § 156

© 1993-2002 EZ-Filing, Inc. [1-800-998-2424] - Forms Software Only

**RESOLUTION**

I, **Donald Ruth**, the Acting Sole Officer of **Meridian Benefit Inc.**, a Corporation of the State of New Jersey, hereby certify that a Special Meeting of the Board of Directors of said corporation was held on May 14, 2003, at which the following resolution was adopted:

**RESOLVED**, that **Donald Ruth**, Acting Sole Officer of this Corporation, be and he is hereby authorized and directed on behalf of and in the name of this company to execute and verify a Petition under Chapter 7 of the Bankruptcy Code and to cause same to be filed in the United States Bankruptcy Court for the District of New Jersey, and the retention of **Ravin Greenberg PC**, as attorneys for the Debtor in those Proceedings is hereby ratified.

IN WITNESS WHEREOF, I have hereunto set my hand on this 14<sup>th</sup> day of May, 2003.



---

DONALD RUTH, Acting Sole Officer

The above is a true copy of the Minutes of a Special Meeting held by the Board of Directors of the above named company the day and year stated above.



---

DONALD RUTH, Acting Sole Officer

**EXHIBIT G**



# SARASOTA LAND SERVICES, Inc.

---

April 3, 2003

Mr Brad Beshore  
HRH OF SARASOTA  
6771 Professional Parkway East  
Sarasota, Florida 34240

RE: Meridian Benefits/Unpaid Claims  
Kathleen M. Pierce, [REDACTED]

Dear Brad:

On 04/02/03, I was told by Nikisha at Meridian Benefits that all faxed claims are shredded. I asked if the senders were notified of this before the shredding takes place and she said "No".

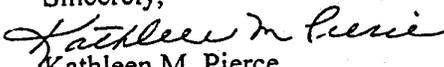
I faxed and mailed my claim from 04/09/02 to Meridian on 03/10/03. This was after Meridian had sent me a collection notice received by them for this claim of mine from Manatee Eye Clinic. Upon trying to find out if this has been taken care of, I was told, if the social security number was listed incorrectly they would not pay till it was corrected. The social security was listed as [REDACTED]. The correct social security number is [REDACTED]. Strange that they were able to find me with the incorrect social security number, but never mentioned it was incorrect, till I tried to see if the claim was now paid on 04/03/03.

Enclosed is now a corrected Health Insurance Claim Form from Manatee Eye Clinic. Please forward it to Meridian Benefits for payment.

Also enclosed is a claim from Sarasota Memorial for 83.70. Can you find out the status on this claim as no one at Meridian Benefits will talk with me. I was on hold for one hour on 04/02/03 and this morning after speaking to someone, I was put back on hold for 15 minutes at which time I had to hang up. Being on hold at work doesn't work to well. No one ever came to the phone after, I held for one hour on 04/02/03. I hope, you don't continue to recommend this insurance provider.

If you have any questions, please call.

Sincerely,

  
Kathleen M. Pierce  
Office Manager

<u>Benefit</u>	<u>Network</u>	<u>Non-Network</u>
<b>Financial</b>		
Deductible: Single/Family	N/A	\$300/\$1500
Coinsurance	N/A	70%
Coinsurance Limit: Single Family	N/A	\$3000/\$9000
Lifetime Max.	N/A	N/A
	<b>PATIENT COPAY</b>	<b>REIMBURSEMENT</b>
<b>Physician Care</b>		
Office Visits	\$15	70% After Deductible
After Hours/Home/Emergency	\$25	70% After Deductible
<b>Specialty Care</b>		
Office Visits	\$15	70% After Deductible
Diagnostic Testing	\$15	70% After Deductible
Phys, Occ, Speech Therapy	\$15	70% After Deductible
<b>Maternity</b>	Treated as any other medical condition	Treated as any other medical condition
<b>Outpatient Services</b>	\$45	70% After Deductible
<b>Hospital Services</b>	\$150 per day, \$750 max per admittance	70% After Deductible
<b>Skilled Nursing Facility</b>	\$150 per day, \$750 max per admittance	70% After Deductible
<b>Emergency Room</b>	\$45	70% After Deductible
<b>Home Care</b>	\$45	70% After Deductible
<b>Mental Health</b>	\$5,000 Max. Year, \$25,000 Max. Lifetime	
Inpatient	\$150 per day, \$750 max per admittance	50% After Deductible (Max 30 Days)
Outpatient	\$25/Visit (Max 25 Visits/Yr)	50% After Deductible (Max 25 Visits/Yr)
<b>Substance Abuse</b>	\$5,000 Max. Year, \$25,000 Max. Lifetime	
Inpatient Rehab	\$300, 1x per Year (Max 30 Days)	50% After Deductible (Max 30 Days)
Outpatient Rehab	\$25/Visit (Max 25 Visits/Yr)	50% After Deductible (Max 25 Visits/Yr)
<b>Preventative Care</b>	Non-Hospital Services	Non-Hospital Services
Routine Physicals	\$15	70% After Deductible
Immunizations	\$15	70% After Deductible
Routine Mammography	\$15	70% After Deductible
Routine GYN Exam	\$15 (2x/Yr)	70% After Deductible (2x/Yr)
<b>Chiropractic</b>	\$15, 20 Visits/Yr	70% After Deductible, Max \$500/Yr
<b>Durable Medical Equipment</b>	\$50, 1x per Year	70% After Deductible
<b>Prescription Drug</b>	\$10G/\$20B	70% After Deductible

1. Dependent Children covered to the end of 18th year. Coverage will be extended to the end of the 23rd year with proof of enrollment at an accredited learning institution.
2. Pre-Certification required or benefits paid will be reduced. Emergency Room notification is required within 48 hours. Pre-certification determines medical necessity only. It is a commitment for payment of any incurred claims expenses.

<b>Benefit</b>	<b>Network</b>	<b>Non-Network</b>
<b>Financial</b>		
Deductible: Single/Family	N/A	\$500/\$1500
Coinsurance	N/A	70%
Coinsurance Limit: Single Family	N/A	\$3000/\$9000
Lifetime Max.	N/A	N/A
	<b>PATIENT COPAY</b>	<b>REIMBURSEMENT</b>
<b>Physician Care</b>		
Office Visits	\$15	70% After Deductible
After Hours/Home/Emergency	\$25	70% After Deductible
<b>Specialty Care</b>		
Office Visits	\$15	70% After Deductible
Diagnostic Testing	\$15	70% After Deductible
Phys, Occ, Speech Therapy	\$15	70% After Deductible
<b>Maternity</b>	Treated as any other medical condition	Treated as any other medical condition
<b>Outpatient Services</b>	\$45	70% After Deductible
<b>Hospital Services</b>	\$150 per day, \$750 max per admittance	70% After Deductible
<b>Skilled Nursing Facility</b>	\$150 per day, \$750 max per admittance	70% After Deductible
<b>Emergency Room</b>	\$45	70% After Deductible
<b>Home Care</b>	\$45	70% After Deductible
<b>Mental Health</b>	\$5,000 Max. Year, \$25,000 Max. Lifetime	
Inpatient	\$150 per day, \$750 max per admittance	50% After Deductible (Max 30 Days)
Outpatient	\$25/Visit (Max 25 Visits/Yr)	50% After Deductible (Max 25 Visits/Yr)
<b>Substance Abuse</b>	\$5,000 Max. Year, \$25,000 Max. Lifetime	
Inpatient Rehab	\$300, 1x per Year (Max 30 Days)	50% After Deductible (Max 30 Days)
Outpatient Rehab	\$25/Visit (Max 25 Visits/Yr)	50% After Deductible (Max 25 Visits/Yr)
<b>Preventative Care</b>	<b>Non-Hospital Services</b>	<b>Non-Hospital Services</b>
Routine Physicals	\$15	70% After Deductible
Immunizations	\$15	70% After Deductible
Routine Mammography	\$15	70% After Deductible
Routine GYN Exam	\$15 (2x/Yr)	70% After Deductible (2x/Yr)
<b>Chiropractic</b>	\$15, 20 Visits/Yr	70% After Deductible, Max \$500/Yr
<b>Durable Medical Equipment</b>	\$50, 1x per Year	70% After Deductible
<b>Prescription Drug</b>	\$10G/\$20B	70% After Deductible

1. Dependent Children covered to the end of 18th year. Coverage will be extended to the end of the 23rd year with proof of enrollment at an accredited learning institution

2. Pre-Certification required or benefit's paid will be reduced. Emergency Room notification is required within 48 hours. Pre-certification determines medical necessity only. It is no commitment for payment of any incurred claims expenses.

Irene & Frances Nowotny

[REDACTED]  
Sarasota, FL 34240

February 20, 2003

Zenda Mayer  
HRH  
6771 Professional  
Parkway West, Suite 101  
Sarasota, FL 34240

Ms. Mayer:

We are writing to you in response to your letter dated 2/14/03. We were disappointed that you want to withdraw your assistance to us with Meridian. We ask for your reconsideration and do not accept your current withdrawal from our Meridian situation. We feel that as an agent who recommended Meridian and who has contracts and contacts with Meridian we feel your assistance is imperative. By definition an agent is the middleman and you have been helpful in the past but seem frustrated now with Meridian, however your frustration should not be taken out on us, the paying premium members.

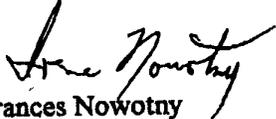
Meridian representatives do not respond to our written or oral appeals and /or claims, more specifically prescription claims. Although you may not have had much success with Meridian, we feel your attempts to achieve payments are significant. We hope that you will continue to work with us in reference to Meridian and to accept new claims as well as the ones you already possess.

Your President John Cunningham, in his advertising promotion on WLSS, among other things praises the strong relationship that HRH as a broker, has with the various insurance carriers. He also ends with the phrase "you and your client deserve the best". We too are only asking that you continue to intercede with Meridian and we too deserve HRH's best.

I appreciate your follow-up with us and Ms. Alicia Skarbek in hopes of gaining positive results and resolution with Meridian and everyone involved.

Thanks for your time and effort in this matter.

Sincerely,

  
Irene & Frances Nowotny

*Attachment*

*CC: Alicia Skarbek*

**EXHIBIT H**

# City of Perry

## Health Plan Proposal

Employee	254.27	245.62
Employee & Child(ren)	472.07	446.23
Employee & Spouse	527.63	498.48
Family	707.10	669.12

A one-time setup fee of \$10.00 is required for all members.

Quoted rates are subject to final enrollment and underwriting.

Descriptions of Benefits attached.

Presented by:

Jerry Blackburn  
Alliance Group  
352-732-9968  
352-671-7651 (FAX)

Charles A. Ehling  
Ehling Insurance & Investments  
888-292-2194  
850-995-0556 (FAX)

**MERIDIAN BENEFIT, INC.**

90/10 Plan

City of Perry

<b>Benefits</b>	<b>Network</b>	<b>Non-Network</b>
<b><u>Financial</u></b>		
Deductible / Single / Family	0	300
Coinsurance	90%	70%
Coinsurance Limit: Single / Family	1000 / 3000	3000 / 9000
Lifetime Max	\$ 2,000,000	\$ 2,000,000
<b><u>Physician Care</u></b>		
Office Visits	\$ 15.00 Co-Pay	70% after deduct
After Hours / Home / Emergency	90%	70% after deduct
<b><u>Specialty Care</u></b>		
Office Visits	\$ 15.00 Co-Pay	70% after deduct
Diagnostic Testing	90%	70% after deduct
Phys. Occ Speech Therapy	90%	70% after deduct
<b><u>Hospital Services</u></b>		
	Treated as any other medical condition	
<b><u>Maternity</u></b>		
	90%	70% after deduct
<b><u>Outpatient Surgery</u></b>		
	90%	70% after deduct
<b><u>Emergency Room</u></b>		
	90%	70% after deduct
<b><u>Skilled Nursing Facility</u></b>		
	90%	70% after deduct
<b><u>Home Care</u></b>		
	\$ 5,000 Max Year - \$ 25,000 Max Lifetime	
<b><u>Mental Health</u></b>		
Inpatient Rehab	90% (Max 30 days)	50% after deduct
Outpatient Rehab	90% (Max 25 visits/year)	50% after deduct
	\$ 5,000 Max Year - \$ 25,000 Max Lifetime	
<b><u>Substance Abuse</u></b>		
Inpatient Rehab	90% (Max 30 days)	50% after deduct
Outpatient Rehab	90% (Max 25 visits/year)	50% after deduct
<b><u>Preventative Care</u></b>		
Routine Physicals	90%	70% after deduct
Immunizations	90%	70% after deduct
Routine Mammography	90% (2 visits/year)	70% after deduct (2 visits/yr)
Routine GYN Exam	90%	70% after deduct
<b><u>Chiropractic</u></b>		
	50% (\$500 Max/Yr)	70% after deduct (Max 500/yr)
	90%	70% after deduct
<b><u>Durable Medical Equipment</u></b>		
	\$10 Gen / \$20 Brand	70% after deduct
<b><u>Prescription Drug</u></b>		

MERIDIAN BENEFIT, IN -

90/10 Plan

City of Perry

Benefits	Network	Non-Network
<b><u>Financial</u></b>		
Deductible / Single / Family	0	300
Coinsurance	90%	70%
Coinsurance Limit: Single / Family	1000 / 3000	3000 / 9000
Lifetime Max	\$ 2,000,000	\$ 2,000,000
<b><u>Physician Care</u></b>		
Office Visits	\$ 15.00 Co-Pay	70% after deduct
After Hours / Home / Emergency	90%	70% after deduct
<b><u>Specialty Care</u></b>		
Office Visits	\$ 15.00 Co-Pay	70% after deduct
Diagnostic Testing	90%	70% after deduct
Phys. Occ Speech Therapy	90%	70% after deduct
	90%	70% after deduct
<b><u>Hospital Services</u></b>	Treated as any other medical condition	
<b><u>Maternity</u></b>	90%	70% after deduct
<b><u>Outpatient Surgery</u></b>	90%	70% after deduct
<b><u>Emergency Room</u></b>	90%	70% after deduct
<b><u>Skilled Nursing Facility</u></b>	90%	70% after deduct
<b><u>Home Care</u></b>	\$ 5,000 Max Year - \$ 25,000 Max Lifetime	
<b><u>Mental Health</u></b>	90% (Max 30 days)	50% after deduct
Inpatient Rehab	90% (Max 25 visits/year)	50% after deduct
Outpatient Rehab		
<b><u>Substance Abuse</u></b>	\$ 5,000 Max Year - \$ 25,000 Max Lifetime	
Inpatient Rehab	90% (Max 30 days)	50% after deduct
Outpatient Rehab	90% (Max 25 visits/year)	50% after deduct
<b><u>Preventative Care</u></b>	Non-Hospital Services	Non-Hospital Services
Routine Physicals	90%	70% after deduct
Immunizations	90%	70% after deduct
Routine Mammography	90%	70% after deduct
Routine GYN Exam	90% (2 visits/year)	70% after deduct (2 visits/yr)
<b><u>Chiropractic</u></b>	50% (\$500 Max/Yr)	70% after deduct (Max 500/yr)
<b><u>Durable Medical Equipment</u></b>	90%	70% after deduct
<b><u>Prescription Drug</u></b>	\$10 Gen / \$20 Brand	70% after deduct

MERIDIAN BENEFIT, IN

80/20 Plan

City of Perry

Benefits	Network	Non-Network
<b><u>Financial</u></b>	250	500
Deductible / Single / Family	80%	60%
Coinsurance	1000 / 3000	3000 / 9000
Coinsurance Limit: Single / Family	\$ 2,000,000	\$ 2,000,000
Lifetime Max		
<b><u>Physician Care</u></b>	\$ 20.00 Co-Pay	60% after deduct
Office Visits	80% after deduct	60% after deduct
After Hours / Home / Emergency		
<b><u>Specialty Care</u></b>	\$ 20.00 Co-Pay	60% after deduct
Office Visits	80% after deduct	60% after deduct
Diagnostic Testing	80% after deduct	60% after deduct
Phys. Occ Speech Therapy		
	80% after deduct	60% after deduct
<b><u>Hospital Services</u></b>	Treated as any other medical condition	
<b><u>Maternity</u></b>	80% after deduct	60% after deduct
<b><u>Outpatient Surgery</u></b>	80% after deduct	60% after deduct
<b><u>Emergency Room</u></b>	80% after deduct	60% after deduct
<b><u>Skilled Nursing Facility</u></b>	80% after deduct	60% after deduct
<b><u>Home Care</u></b>	\$ 5,000 Max Year - \$ 25,000 Max Lifetime	
<b><u>Mental Health</u></b>	80% after deduct (Max 30 days)	50% after deduct
Inpatient Rehab	80% after deduct (Max 25	50% after deduct
Outpatient Rehab	visits/year)	
	\$ 5,000 Max Year - \$ 25,000 Max Lifetime	
Substance Abuse	80% after deduct (Max 30 days)	50% after deduct
Inpatient Rehab	80% after deduct (Max 25	50% after deduct
Outpatient Rehab	visits/year)	
	Non-Hospital Services	Non-Hospital Services
<b><u>Preventative Care</u></b>	80% after deduct	60% after deduct
Routine Physicals	80% after deduct	60% after deduct
Immunizations	80% after deduct	60% after deduct
Routine Mammography	80% after deduct (2v/yr)	60% after deduct (2v/yr)
Routine GYN Exam		
	50% \$500 Max/Yr	60% after deduct (Max
<b><u>Chiropractic</u></b>		500/yr)
	80% after deduct	60% after deduct
<b><u>Durable Medical Equipment</u></b>		
	\$10 Gen / \$20 Brand	60% after deduct
<b><u>Prescription Drug</u></b>		

MERIDIAN BENEFIT, IN

80/20 Plan

City of Perry

Benefits	Network	Non-Network
<u>Financial</u> Deductible / Single / Family Coinsurance Coinsurance Limit: Single / Family Lifetime Max	250 80% 1000 / 3000 \$ 2,000,000	500 60% 3000 / 9000 \$ 2,000,000
<u>Physician Care</u> Office Visits After Hours / Home / Emergency	\$ 20.00 Co-Pay 80% after deduct	60% after deduct 60% after deduct
<u>Specialty Care</u> Office Visits Diagnostic Testing Phys. Occ Speech Therapy	\$ 20.00 Co-Pay 80% after deduct 80% after deduct 80% after deduct	60% after deduct 60% after deduct 60% after deduct 60% after deduct
<u>Hospital Services</u>	Treated as any other medical condition	
<u>Maternity</u>	80% after deduct	60% after deduct
<u>Outpatient Surgery</u>	80% after deduct	60% after deduct
<u>Emergency Room</u>	80% after deduct	60% after deduct
<u>Skilled Nursing Facility</u>	80% after deduct	60% after deduct
<u>Home Care</u>  <u>Mental Health</u> Inpatient Rehab Outpatient Rehab	\$ 5,000 Max Year - \$ 25,000 Max Lifetime 80% after deduct (Max 30 days) 80% after deduct (Max 25 visits/year)	50% after deduct 50% after deduct
<u>Substance Abuse</u> Inpatient Rehab Outpatient Rehab	\$ 5,000 Max Year - \$ 25,000 Max Lifetime 80% after deduct (Max 30 days) 80% after deduct (Max 25 visits/year)	50% after deduct 50% after deduct
<u>Preventative Care</u> Routine Physicals Immunizations Routine Mammography Routine GYN Exam	Non-Hospital Services 80% after deduct 80% after deduct 80% after deduct 80% after deduct (2v/yr)	Non-Hospital Services 60% after deduct 60% after deduct 60% after deduct 60% after deduct (2v/yr)
<u>Chiropractic</u>	50% \$500 Max/Yr 80% after deduct	60% after deduct (Max 500/yr) 60% after deduct
<u>Durable Medical Equipment</u>	\$10 Gen / \$20 Brand	60% after deduct
<u>Prescription Drug</u>		

**EXHIBIT I**



Meridian Benefit, Inc.  
Benefit Administrators

October 7, 2002

Mr. Charles Ehling  
Ehling Insurance & Investment  
3163 Benton Blvd.  
Pace, FL 32571

Dear Mr. Ehling:

Enclosed please find a fully executed copy of your Independent Consultant Agreement with Meridian Benefit, Inc.

Thanks for your prompt attention. If I can be of further assistance, please let me know.

Very truly yours,

CAROLYN BARRETT  
Assistant to Ben J. Zander, Esq.

**INDEPENDENT CONSULTANT AGREEMENT**

This Independent Consultant Agreement ("Agreement") is made and effective this Date 10-03-02 by and between CHARLES EHLING ("Consultant") and Meridian Benefit Inc. ("Company").

Now, therefore, Consultant and Company agree as follows:

**1. Engagement.**

Company hereby engages Consultant, and Consultant accepts engagement, to provide to company the following services:

**Description of Services****2. Term.**

Consultant shall provide services to Company pursuant to this Agreement for a term commencing on above date and ending on termination.

**3. Understanding.**

Consultant shall not:

1. Make any representations to a potential customer that contradict, misrepresent or disparage MBI's products or services in any way;
2. Misrepresent the nature of MBI's products and/or services.

If the Consultant does not properly represent the nature of MBI's products and/or services, in addition to all other remedies available to it, MBI may immediately terminate this Agreement, and may discontinue payment of any fees as MBI deems appropriate in its sole discretion to protect MBI's interests. Additionally, the consultant agrees to indemnify and hold harmless MBI from any and all claims, suits, complaints or administrative proceedings relating to any misrepresentation of the products and/or services of MBI, including costs, fines, damages and reasonable attorney's fees.

Consultant understands and acknowledges:

1. MBI makes no representation as to the sufficiency, appropriateness or applicability of its Plan or Plans to the Consultant's customers or their employees.
2. MBI does not purport to hold any operating, business, franchise or other so-called "licenses" or certificate of authority from any state in the United States.
3. MBI administers, adjudicates and otherwise manages ERISA-based and compliant health-care programs;
4. MBI cannot and does not opine as to the appropriateness of any Plan or program elected by the customers of the Consultant.

**4. Time.**

Consultant's daily schedule and hours worked under this Agreement on a given day shall generally be subject to Consultant's discretion. Company relies upon Consultant to devote sufficient time as is reasonably necessary to fulfill the spirit and purpose of this Agreement.

**5. Payment.**

Company shall pay Consultant a consulting fee based upon an agreed amount prior to submission of client case. Payment shall be made on or before the 10<sup>th</sup> of the month following collection of necessary funding. Consultant shall bear all of Consultant's expenses incurred in the performance of this Agreement. Payments of such fees will continue until total amount falls below \$100.00 per month, at which time the obligation of the Company shall terminate.

**6. Confidentiality.**

During the term of this Agreement, and thereafter for a period of five years, Consultant shall not, without the prior written consent of Company, disclose to anyone any Confidential Information. "Confidential Information" for the purposes of this Agreement shall include Company's proprietary and confidential information such as, but not limited to, customer lists, business plans, marketing plans, financial information, designs, drawing, specifications, models, software, source codes and object codes. Confidential Information shall not include any information that:

- A. is disclosed by Company without restriction;
- B. becomes publicly available through no act of Consultant;
- C. is rightfully received by Consultant from a third party.

**7. Termination.**

- A. This Agreement may be terminated by Company as follows:
  - i. If Consultant is unable to provide the consulting services by reason of illness, disability, incapacity or death.
  - ii. Breach or default of any obligation of Consultant. Misrepresentation that Meridian offers products to be other than an ERISA compliant self funded plans. Willfully misrepresenting that Meridian Benefit Inc. is anything other than a Third Party Administrator (TPA).
  - iii. Breach or default by Consultant of any other material obligation in this Agreement, which breach or default is not cured within five (5) days of written

- notice from Company.
- iv. Upon thirty days notice to Consultant.
  - v. Termination for cause will result in the forfeiture of all fees to Consultant.
- B. Consultant may terminate this Agreement as follows:
- i. Breach or default of any material obligation of Company, which breach or default is not cured within five (5) days of written notice from Consultant; or
  - ii. If Company files protection under the federal bankruptcy laws, or any bankruptcy petition or petition for receivership is commenced by a third party against Company, any of the foregoing of which is not dismissed within sixty (60) days.

**8. Independent Consultant.**

Consultant is and throughout this Agreement shall be an independent consultant and not an employee, partner or agent of Company. Consultant shall not be entitled to nor receive any benefit normally provided to Company's employees such as, but not limited to, vacation payment, retirement, health care or sick pay. Company shall not be responsible for withholding income or other taxes from the payments made to Consultant. Consultant shall be solely responsible for filing all returns and paying any income, social security or other tax levied upon or determined with respect to the payments made to Consultant pursuant to this Agreement.

**9. Tools and Supplies.**

Unless otherwise agreed to by Company in advance, Consultant shall be solely responsible for procuring, paying for and maintaining any computer equipment, software, paper, tools or supplies necessary or appropriate for the performance of Consultant's services hereunder.

**10. Controlling Law.**

This Agreement shall be governed by and construed in accordance with the laws of the State of New Jersey.

**11. Headings.**

The headings in this Agreement are inserted for convenience only and shall not be used to define, limit or describe the scope of this Agreement or any of the obligations herein.

**12. Final Agreement.**

This Agreement constitutes the final understanding and agreement between the parties with respect to the subject matter hereof and supersedes all prior negotiations, understandings and agreements between the parties, whether written or oral. This Agreement may be amended, supplemented or changed only by an agreement in writing signed by both of the parties.

13. Notices.

Any notice required to be given or otherwise given pursuant to this Agreement shall be in writing and shall be hand delivered, mailed by certified mail, return receipt requested or sent by recognized overnight courier service as follows:

If to Consultant:

CHARLES EHLING

[REDACTED]

PAGE, FL 3257

If to Company:

**Meridian Benefit Inc.  
201 Willowbrook Blvd.  
Wayne, NJ 07470**

14. Severability.

If any term of this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable, then this Agreement, including all of the remaining terms, will remain in full force and effect as if such invalid or unenforceable term had never been included.

IN WITNESS WHEREOF, this Agreement has been executed by the parties as of the date first above written.

Consultant  Date 10/03/02

Meridian  Date 10/5/02

**EXHIBIT J**



Meridian Benefit, Inc.

PlanHolder  
**Hobo's Marina**

Contract Number  
**555010544**

**HEALTH AND WELFARE PLAN  
SUMMARY**

Effective Date  
**5/1/2001**

**DIRECTIVE TO ESTABLISH A HEALTH & WELFARE BENEFIT PLAN UNDER ERISA**

(To be completed by employer)

(All information must match the Employer's IRS filings. See your 941 reporting form)

**Section 1:**

Company Name: Hobos Marina Inc  
Company is a: Corporation  Partnership  Proprietorship  Tax Exempt   
Tax ID Number: [REDACTED]  
Mailing Address: Street 104200 Overseas Hwy.  
City Key Largo State FL Zip 33037  
Attn: Bob Rothblat Title Pres Telephone 305-4514684 Fax 451-4049  
Specific Nature of Business Marina + Rest.  
Length of time in business: (Years & Months) 9 YR 10 MO - 5  
Alternate Group Health Plans Offered: \_\_\_\_\_

**Section 2:**

**Enrollment Information:**

Total Number employed: 7  
Total Number Eligible: 6  
Total Number Now Enrolling: 5  
Total Number enrolled in other Coverage arranged through your company: 1

**Section 3:**

Requested effective date of Plan Coverage (1st only): 5/1/01  
PPO Network Requested: BEECH STREET Prescription Card: Yes  No   
Plan ID: 90-10

Continue on reverse side

I hereby authorize Meridian Benefit, Inc., as Plan Supervisor, to establish a Health and Welfare Benefit Plan under ERISA (herein the "Plan") for the company's employees and perform the necessary compliance including the establishment of a trust to qualify the Plan under ERISA. I agree that we shall abide by the provisions and the regulations of the Trust to be established on our behalf Meridian Benefit, Inc.. I also understand that both Plan and Trust participation, if so granted, shall be subject to all provisions and limitations of the Plan Adoption Agreement, Plan Document, and Trust Document. I understand the benefits provided by our plan will be funded, in excess of the Self Insured Retention (SIR) to the lifetime individual maximum of the Plan.

I hereby declare and agree that the above answer are, to the best of my knowledge and belief, complete and true, and together with any supplements thereto, shall be the basis of the establishment of the Company's Plan created in accordance and in compliance with Internal Revenue Code Section 501.

Hobos Manna Inc

Company Name

*[Handwritten Signature]*  
/ Pres

Signature of Company Officer/Owner & Title

4/19/01

Date

*[Handwritten Signature]*

Signature of Benefit Consultant

4/19/01

Date

GREG L. TAKACS

Typed or Printed Name of Consultant

CHARLES EHLING



Charles Ehling  
EHLING INSURANCE AND INVESTMENTS  
3163 Benton Blvd.  
Pace, FL 32571  
850-995-0713 (Office)  
850-995-0556 (Fax)

April 8, 2002

The Treasurer of the State of Florida  
Department of Insurance  
c/o Cindy Gandy  
200 East Gaines Street  
Tallahassee, FL 32399-0322

Ref: DOI File No.: S-0102-53282  
Insured: Robert Lemmings, Great Southern Express, Inc.

Dear Ms. Gandy:

A request for a health and welfare quote was submitted to Meridian Benefit from Mr. Greg Tackas of Southern Insurance Marketing which he received from Mr. Cliff Bray of Bray and Associates on approximately November 7, 2001. A health and welfare quote was finalized and sent back to Cliff Bray on November 13, 2002. Mr. Bray presented the health and welfare quote to Great Southern Express and they approved the health and welfare plan and applications were taken and submitted to Meridian Benefit, Inc. for an effective date of December 1, 2001.

Great Southern Express' group was put on the Beechstreet Provider Network and was awaiting the addition of the MRN Network to Meridian Benefit, Inc.. As you can see by the attached main agreement (Directive to Establish a Health & Welfare Benefit Plan Under ERISA), the Beechstreet Network was used by Great Southern Express. We had no control over the time it took for negotiations with MRN and Meridian Benefit, Inc. during this time. Great Southern Express was informed of this by Greg Takacs and Cliff Bray as progress moved forward. Great Southern Express failed to pay the monthly contribution even though they withheld it from their employee's pay (see attached letter from Great Southern Express). By Great Southern Express withholding the contribution check it put their health and welfare plan in arrears.

The MRN Provider Network contract was signed on March 14, 2002. We received a letter from Meridian Benefit dated March 15, 2002 stating that the MRN contract had been signed which we faxed to Dave Pastors with Bray & Associates (Cliff Bray was out-of-town at this time).

To: Ms. Gandy  
Department of Insurance  
Page 2

Ref: DOI File No.: S-0102-53282  
Insured: Robert Lemmings, Great Southern Express, Inc.

I feel that Mr. Robert Lemmings could have avoided this whole problem if he did not withhold the health and welfare contributions which he collected from his employees. A request for reinstatement from Great Southern Express was asked of Meridian Benefit but was denied by Mr. Donald Ruth, CEO of Meridian Benefit. In a letter to Mr. Ruth, Mr. Lemmings admitted withholding his contribution. It is my understanding that Meridian Benefit, Inc. returned his check.

I wish I could go into more detail, but this is all I know about this case.

1. I got involved after a month or so in trying to expedite the MRN Network.
2. Mr. Lemmings is right, I did not talk to him. I spoke to Mr. Malcolm Silvers, the owner of Great Southern Express, along with Cliff Bray on a conference call a couple days prior to the MRN contract being signed.
3. The health and welfare plan was terminated due to lack of contributions for February and March 2002.

My involvement was very minimal in this matter, however, if I can be of any further assistance in this matter, please do not hesitate to contact me.

Thank you.

Sincerely,



Charles A. Ehling

Attachment



03/21/02

Consumer Services  
Florida Department of Insurance  
200 East Gaines Street  
Tallahassee, FL 32399-0300

Gentlemen:

It appears that we have fallen victim to an insurance scam that reaches into the State of Florida.  
Please review the attached correspondence and advise me if you agree.

I have asked the DOL in New York to contact Harry White in Wayne, New Jersey since he is the Chief  
Operating Officer of Meridian Benefit and has refused to talk to me.

Apparently the only person that Mr. White will communicate with is Charles Ehling, Ehling Insurance and  
Investments, Inc. 3163 Benton Boulevard, Pace, FL 32571. I have left messages for Ehling at 888-292-  
2194 but he does not return calls either.

Greg Tackus, Southern Insurance Marketing, at 866-453-1682 or 305-247-9400 is also involved in this  
charade. He is also operating out of Florida.

We unknowingly entered a den of liars and thieves and need all the help we can get.

Please advise.

Thank you,

*Robert Lemmings*  
Robert Lemmings, Controller

*Need  
notice*

**EXHIBIT K**



Meridian Benefit, Inc.

March 27, 2001

George Lufkin  
The Lufkin Group  
PO Box 1232  
Dunedin, FL 34697

Re: Human Resources, Inc.

Dear Mr. Lufkin:

Meridian Benefit, Inc. is pleased with the opportunity to provide a proposal for Human Resources, Inc. based on the information provided. Meridian Benefit, Inc. specializes in designing and administering health benefit plans, and we are confident you will find our plans and rates competitive with other providers in the health care field.

As our plans are tailored to each client's need, our proposal is based on the specifications you provided. All Meridian administered plans conform to and are governed by the Employee Retirement Income Security Act of 1974, as amended (ERISA). Plans will be provided with "stop-loss" insurance with an "A" rated carrier, when required, to assure solvency.

While this proposal does not utilize a "gatekeeper", it is understood that, with the exception of office visits, simple x-rays and testing, all other procedures will be pre-certified with the medical management department of Consumer Health Network, Inc. This will assure Human Resources, Inc. the proper level of medical treatment for their members.

A Prescription Drug Benefit is included in this proposal.

Rates for the proposed plan are as follows:

	Fval4	Fval2
Employee	\$214.36	\$167.82
Emp + Child	\$399.20	\$318.46
Emp + Spouse	\$427.03	\$381.20
Family	\$591.77	\$496.52

One time setup fee of \$6 per employee unit

Sincerely,

Meridian Benefit, Inc.

**EXHIBIT L**

AFFIDAVIT

STATE OF FLORIDA

COUNTY OF LEON

NAME: ERNEST ULRICH (MALE / ~~FEMALE~~)

ADDRESS: 200 EAST GAINES STREET  
TALLAHASSEE, FLORIDA 32399

TELEPHONE: 850 413-2487 FACSIMILE: 850-488-0319  
E-MAIL ADDRESS: ULRICHE@DFS.STATE.FL.US

EMPLOYER'S NAME: FLORIDA DEPT. OF FINANCIAL SERVICES  
BUSINESS ADDRESS: 200 EAST GAINES STREET  
TALLAHASSEE, FLORIDA 32399  
BUSINESS TELEPHONE: 850 413-2487

OCCUPATION: GOVERNMENT ANALYST (INSURANCE INVESTIGATOR)

.....  
SUBJECT: CONFIRMATION OF CORRESPONDENCE

ON APRIL 23, 2003, I COMPOSED AND  
FORWARDED A LETTER REQUESTING INFORMATION  
REGARDING MERIDIAN BENEFITS, INC TO  
DONALD C. RUTH, PRESIDENT MCI. (CX-1)  
SAID LETTER WAS SENT BY ELECTRONIC  
FACSIMILE 4/23/03 AT 14:56 HOURS TO  
TELEPHONE NUMBER 61-9737854043 (CX-2)  
SAID LETTER WAS <sup>SENT</sup> BY U.S. POSTAL SERVICE  
ON APRIL 23, 2003 CERTIFIED RETURN RECEIPT  
REQUESTED TO DONALD C. RUTH AT THE

FOLLOWING ADDRESS:

MR DONALD C. RUTH, PRESIDENT  
MERIDIAN BENEFITS INC.  
201 WILLOWBROOK BLVD 9<sup>th</sup> FL  
WAYNE, NEW JERSEY 07470

RECEIPT OF SAID LETTER WAS  
CONFIRMED BY (INDETERMINABLE)  
SIGNATURE OF RECIPIANT ON 5/5/03  
(EX-3)

TO DATE, I HAVE NOT RECEIVED ANY  
REPLY OR RESPONSE TO MY LETTER  
FROM MR DONALD C. RUTH.

Date 5/15/2003

Initials EM

AFFIANT HAS READ THE ABOVE STATEMENT CONSISTING OF 2 PAGES AND DECLARES AT THIS TIME THE EVENTS AS STATED ARE CLEAR IN HIS/HER MIND AND THAT THE STATEMENTS ARE TRUE AND CORRECT TO THE BEST OF HIS/HER KNOWLEDGE AND BELIEF. AFFIANT IS ~~(is or not)~~ is WILLING TO APPEAR AT A HEARING.

THE FOREGOING INSTRUMENT WAS ACKNOWLEDGED BEFORE ME THIS 15<sup>th</sup> DAY OF May, 2003, BY ERNEST WELCH (AFFIANT)

WHO PRODUCED FLORIDA DRIVERS LICENSE # [REDACTED] FOR PERSONAL IDENTIFICATION AND WHO DID TAKE AN OATH.

[Handwritten Signature]  
(AFFIANT'S SIGNATURE)

Subscribed and sworn to before me

this 15<sup>th</sup> day of May, 2003

[Handwritten Signature]  
NOTARY PUBLIC, State of Florida at Large



Richard C. Morgan  
MY COMMISSION # CC887644 EXPIRES  
November 21, 2003  
BONDED THRU TROY FAH INSURANCE, INC.

(seal)



DEPARTMENT OF FINANCIAL SERVICES  
FINANCIAL SERVICES COMMISSION  
OFFICE OF INSURANCE REGULATION

KEVIN M. MCCARTY  
DIRECTOR

JEB BUSH  
GOVERNOR

TOM GALLAGHER  
CHIEF FINANCIAL OFFICE

CHARLIE CRIST  
ATTORNEY GENERAL

CHARLES BRONSON  
COMMISSIONER OF  
AGRICULTURE

April 23, 2003

Donald C. Ruth, President  
Meridian Benefit, Inc.  
201 Willowbrook Boulevard, 9<sup>th</sup> Floor  
Wayne, New Jersey 07470

VIA Certified Mail & Facsimile (973) 785-4043

Dear Mr. Ruth:

It has been reported to the Office of Insurance Regulation that you may be transacting insurance in or from Florida or with residents of this state. Our records do not show that Meridian Benefit, Inc. has been issued a Certificate of Authority by this Office to transact insurance business. Your insurance activities in this state may violate the Florida Insurance Code.

Your program is presented as a "*self-funded health benefit plan*," and you claim exemption from Florida regulatory authority under federal ERISA statutes.

In accordance with Sections 624.307, 624.317, 624.318, 624.321, 624.33, and Chapters 626 and 627, *Florida Statutes*, you are hereby requested to furnish the following material to my attention within seven (7) days from the date of this letter:

- *Collective Bargaining Agreements;*
- *Copies of U.S. DOL 5500 current reporting forms and for the last 3 years;*
- *A current copy of an executed U.S. DOL opinion letter declaring Meridian Benefits, Inc. exempt from individual state regulatory statutes ...or*
- *A copy of your letter (including copies of all supporting documents) to the U.S. DOL requesting said agency's written opinion documenting your claim of individual state insurance regulatory exemption; ...and*
- *Provide exact, specific details explaining how and why you qualify for said federal ERISA exemption from the Florida Insurance Code.*
- *Also, send copies of contract agreements and/or policies for each insurance company that provides stop-loss insurance or "reinsurance" with MBI.*

Sincerely,

Ernest Ulrich

ERNEST ULRICH • GOVERNMENT ANALYST  
BUREAU OF MARKET CONDUCT • UNAUTHORIZED ENTITY ENFORCEMENT SECTION  
200 EAST GAINES STREET • TALLAHASSEE, FLORIDA 32399-0331  
EMAIL ULRICHE@DFS.STATE.FL.US • PHONE (850) 413-2487 • FAX (850) 488-4210

Affirmative Action / Equal Opportunity Employer

**U.S. Postal Service™**  
**CERTIFIED MAIL™ RECEIPT**  
*(Domestic Mail Only; No Insurance Coverage Provided)*

7002 2030 0002 5197 0710

For delivery information visit our website at [www.usps.com](http://www.usps.com)®

**OFFICIAL USE**

Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$

Postmark  
Here

Sent To Donald C. Ruth, President  
 Street, Apt. No.,  
 or PO Box No. Meridian Benefit, Inc.  
 City, State, ZIP+4  
201 Willowbrook Blvd. 9th Fl. Wayne NJ 07470  
 PS Form 3800, June 2002 See Reverse for Instructions

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

**MR DONALD C RUTH PRESIDENT  
 MERIDIAN BENEFIT INC  
 201 WILLOWBROOK BLVD 9 FL  
 WAYNE NJ 07470**

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature [Signature]  Agent  Addressee

B. Received by (Printed Name) [Signature] C. Date of Delivery

D. Is delivery address different from item 1?  Yes  
 If YES, enter delivery address below:  No

3. Service Type  
 Certified Mail  Express Mail  
 Registered  Return Receipt for Merchandise  
 Insured Mail  C.O.D.

4. Restricted Delivery? (Extra Fee)  Yes

2. Article Number (Transfer from service label) **7002 2030 0002 5197 0710**  
 PS Form 3811, August 2001 Domestic 102595-02-M-1035

UNITED STATES POSTAL SERVICE



First-Class Mail  
 Postage & Fees Paid  
 USPS  
 Permit No. G-10

• Sender: Please print your name, address, and ZIP+4 in this box •

**ERNEST ULRICH  
 DEPARTMENT OF FINANCIAL SERVICES  
 UNAUTHORIZED ENTITY ENFORCEMENT SECTION  
 200 E GAINES ST  
 TALLAHASSEE FL 32399-4210**

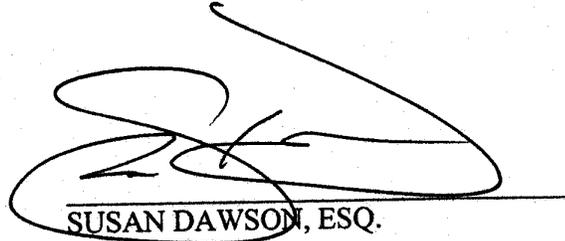
**RECEIVED  
 MAY 05 2003**



**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a true and correct copy of the foregoing **Immediate Final Order** has been sent by Certified Mail this 23rd day of May, 2003 to, and shall forthwith be served upon the following at the addresses listed on pages 1 and 2 of this Order:

MERIDIAN BENEFIT, INC. and MERIDIAN BENEFIT (at all addresses listed)  
DONALD C. RUTH  
KEN MUSIAKIEWICZ  
HARRY WHITE  
JERRY M. BLACKBURN  
CHARLES ARNOLD EHLING  
GREG LOUIS TAKACS (at both addresses listed)  
ZENDA ALETHEA MAYER  
BRADLEY WALTHER BESHORE  
JOHN B. CUNNINGHAM  
GEORGE LUFKIN



SUSAN DAWSON, ESQ.

FBN: 0076848

Office of Insurance Regulation

Division of Legal Services

200 East Gaines Street, 6<sup>th</sup> Floor

Tallahassee, Florida 32399

Telephone: 850/ 413-4195

Facsimile: 850/410-0549