

DECLARATION OF MAIL

I do hereby certify of perjury
STATE INSURANCE COMMISSIONER
Washington that on the date listed
below, I mailed or caused delivery
of a true copy of this document to
parties listed
DATED this 4th day of June 2008
at Tumwater, Washington.

Signed W. Galloway

STATE OF WASHINGTON



**OFFICE OF
INSURANCE COMMISSIONER
HEARINGS UNIT**
Fax: (360) 664-2782

Phone: (360) 725-7000
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FILED

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Patricia D. Petersen
Chief Hearing Officer
(360) 725-7105

Hearings Unit, DIC
Wendy Galloway
Paralegal
Chief Hearing Officer
(360) 725-7002
Wendyg@oic.wa.gov

**BEFORE THE STATE OF WASHINGTON
OFFICE OF INSURANCE COMMISSIONER**

In the Matter of:)
)
DESIGN SAVERS PLAN, STEVEN D.)
SMITH, INC., STEVEN D. SMITH)
DESIGN BENEFITS, INC., DENTAL)
BY DESIGN, DESIGN TELESERVICES)
INC., SDS FINANCIAL, JOHN BYARS,)
ADOVA HEALTH, IRA GOTTLIEB,)
FAMILY SECURITY COUNCIL, INC.,)
NEW HEALTH CARE MANAGEMENT)
GROUP, INC., C. MURPHY LEOPOLD,)
EDWARD DEMMING, ROBERT D.)
EDELHEIT, UNITED GROUP)
PROGRAMS, INC., E2 HOLDING, INC.,)
WAR COLLEGE SIMULATIONS, INC.,)
UNITED PROGRAMS WORLDWIDE,)
INC., UNITED NATIONAL WORKFORCE)
ASSOCIATION, INC., OPTIMED,)
ARNOLD H. KATZ, and JONATHAN)
EDELHEIT,)
Unauthorized Insurers.)

D07-0351

ORDER CONCERNING
STIPULATION AND
SETTLEMENT AGREEMENT
AND PROPOSED ORDER
TERMINATING PROCEEDINGS
AS TO ROBERT D. EDELHEIT,
UNITED GROUP PROGRAMS, INC.,
INCLUDING OPTIMED, AND
JONATHAN EDELHEIT ONLY

TO: Robert D. Edelheit
2500 N. Military Trl., Ste. 450
Boca Raton, Florida 33431-6353

Michael Madden, Esquire
Bennett Bigelow & Leedom, PS
1700 Seventh Avenue, Suite 1900
Seattle, Washington 98102

Mailing Address: P. O. Box 40255 • Olympia, WA 98504-0255
Street Address: 5000 Capitol Blvd. • Tumwater, WA 98501



Jonathan Edelheit
2500 N. Military Trl., Ste. 450
Boca Raton, Florida 33431-6353

COPY TO: Mike Kreidler, Insurance Commissioner
Vernon Stoner, Chief Deputy Insurance Commissioner
James T. Odiorne, Deputy Commissioner, Consumer Protection
Carol Sureau, Deputy Commissioner, Legal Affairs Division
Thomas P. Rowland, Staff Attorney, Legal Affairs Division
John F. Hamje, Deputy Commissioner, Consumer Protection Division
Office of the Insurance Commissioner
PO Box 40255
Olympia, WA 98504-0255

1. Receipt of the parties' executed Stipulation and Settlement Agreement and proposed Order Terminating Proceedings is acknowledged, but not filed. It does not appear that Mr. Jonathan Edelheit ever requested a hearing to appeal the Insurance Commissioner's Order to Cease and Desist. All on December 26, 2007, the Insurance Commissioner separately delivered said Order to Cease and Desist to Robert D. Edelheit, United Group Programs, Inc., OptiMed and Jonathan Edelheit (among other parties to this proceeding). In response, on January 22, 2008, Mr. Madden filed a Notice of Appearance and Demand for Hearing in this matter, specifically limiting his representation and request for hearing to *Robert D. Edelheit, United Group Programs, Inc. (including OptiMed)*. No Notice of Appearance or Demand for Hearing has ever been received from Mr. Jonathan Edelheit or from anyone representing him.

Pursuant to Title 48.04.010(3), because no demand for hearing was received by or on behalf of Mr. Jonathan Edelheit within 90 days of receipt of said Order, Mr. Jonathan Edelheit has conclusively been deemed to have waived his right to appeal the Order to Cease and Desist, and therefore said Order to Cease and Desist has been effective as to Mr. Jonathan Edelheit since its stated effective date of December 18, 2007, and remains effective at this time.

2. The afore-referenced Stipulation and Settlement Agreement and proposed Order Terminating Proceedings states:

Upon receipt of the Stipulation and Settlement Agreement and Order Terminating Proceedings signed ... upon entry of that document by OIC Judge Patricia D. Petersen, the OIC will execute and issue an Amended Order to Cease and Desist, which will relate back to the date when the Original Order to Cease and Desist was entered, pursuant to Civil Rule 15(c). The Amended Order to Cease and Desist will not identify or name either Robert D. Edelheit, Jonathan Edelheit, OptiMed, or United Group Programs, Inc., as Respondents in the matter. The Amended Order to Cease and Desist will replace the Original Order to Cease and Desist and will be posted on the OIC's website and circulated in the same manner as the Original Order to Cease and Desist.

The meaning of this section and authority therefore, is unclear.

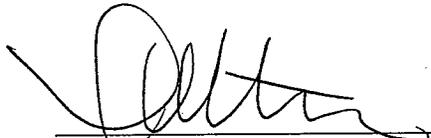
3. On May 29, 2008, Mr. Madden, delivered a letter dated May 28, 2008 to the undersigned, advising, *Pursuant to the agreement between the parties, this is to notify you that my clients, Robert D. Edelheit and United Group Programs (d/b/a OptiMed) [still not including Jonathan Edelheit] hereby withdraw their request for hearing with respect to Order No. D07-0351.* This letter was accompanied by an e-mail to Wendy Galloway, Paralegal to the undersigned, advising, *Please see the attached letter to Judge Petersen, withdrawing the request of Robert Edelheit and United Group Programs [still not including Jonathan Edelheit] for a hearing with respect to the above order. The parties have revised their agreement to eliminate the need for entry of an order by Judge Petersen in order to effectuate that agreement.*

Please be advised that 1) the referenced new Settlement Agreement between the parties must be filed with the undersigned; and 2) in order to terminate this proceeding, after the parties have filed the new Settlement Agreement with the undersigned then the undersigned may enter an Order Terminating Proceeding.

Based upon the above activity,

IT IS HEREBY ORDERED that, in order to terminate this proceeding, the parties must execute another Stipulation and Settlement Agreement and proposed Order Terminating Proceedings, 1) taking into account the information above regarding Jonathan Edelheit; 2) clarifying the meaning of the section cited in Paragraph 2 above and the authority therefore; and 3) file said Stipulation and Settlement Agreement and proposed Order Terminating Proceedings with the undersigned. Until that time, and until said Order Terminating Proceedings is entered by the undersigned, this proceeding remains active.

Entered this 4th day of June, 2008, at Tumwater, Washington, pursuant to Title 48 RCW, Title 34 RCW and regulations pursuant thereto.



PATRICIA D. PETERSEN

Review Judge

Chief Hearing Officer