

STATE OF WASHINGTON

Phone: (360) 725-7000
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MIKE KREIDLER
STATE INSURANCE COMMISSIONER
DECLARATION OF MAILING

I declare under penalty of perjury under the laws of the State of Washington that on the date listed below, I mailed or caused delivery of a true copy of this document to parties listed below.
DATED this 21 day of July 2008 at Tumwater, Washington.

Signed: *Wendy Galloway*

OFFICE OF
INSURANCE COMMISSIONER
HEARINGS UNIT

Fax: (360) 664-2782

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

Hearings Unit, DIC
Patricia D. Petersen
Chief Hearing Officer
Wendy Galloway
Paralegal
(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

NOTICE OF HEARING AS
TO STEVEN D. SMITH, INC.,
STEVEN D. SMITH DESIGN
BENEFITS, INC., DENTAL BY
DESIGN, DESIGN TELESERVICES
INC., SDS FINANCIAL

TO: Steven D. Smith
7034 S. Yampa Court
Foxfield, Colorado 80016

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

On January 30, 2008, a Demand for Hearing was received from Steven D. Smith on behalf of Steven D. Smith, Inc., Steven D. Smith, Design Benefits, Inc., Dental By Design, Design Teleservices, Inc. and SDS Financial. The purpose of said Demand for Hearing is to contest the Insurance Commissioner's Cease and Desist Order, No. D07-0351, dated December 18, 2007.

Accordingly, on February 20, 2008, the undersigned held a first prehearing teleconference in this matter. Mr. Smith appeared pro se on behalf of himself and the above identified companies which he owns. The Commissioner appeared pro se, by and through Thomas P. Rowland, Staff Attorney in the Commissioner's Legal Affairs Division. During said prehearing conference, the undersigned reviewed administrative procedure and addressed all questions and concerns of the parties. Briefly, the position of Steven D. Smith, Steven D. Smith, Inc., Design Benefits, Inc., Dental By Design, Design Teleservices, Inc. and SDS Financial is that they do not agree with the allegations made by the OIC in its Cease and Desist Order No. D07-0351. The position of the Commissioner is as set forth in its Cease and Desist Order No. D07-0351.

On June 6, 2008, a second telephone prehearing conference was held to schedule a hearing in this matter. Mr. Smith appeared pro se and the Commissioner appeared pro se by and through Thomas P. Rowland, staff attorney for the Commissioner. It was agreed by the parties that a hearing will be held on Monday, September 8, 2008, at 10 a.m., Pacific Standard Time., in the Office of the Insurance Commissioner, 5000 Capitol Boulevard, Tumwater, Washington 98501. Any future questions or concerns, or requests for additional prehearing conferences, which may arise, may be directed by any party to Wendy Galloway, Paralegal to the undersigned, who can be reached by telephone at (360) 725-7002, or at the above address.

The hearing will be held under the authority of Title 48 RCW and specifically RCW 48.04, Title 34 RCW and regulations applicable thereto. Steven D. Smith has indicated his intent to represent himself, but he is advised that he may retain counsel to represent him at any time. Steven D. Smith's address is 7034 S. Yampa Court, Foxfield, Colorado 80016, and his telephone number is (303) 243-3399, ext. 226. The Commissioner will appear pro se, by and through Thomas P. Rowland, Staff Attorney of the Legal Affairs Division. His address is Office of the Insurance Commissioner, P.O. Box 40255, Olympia, WA 98504-0255, and his telephone number is (360) 725-7181.

As required by RCW 34.05.434(2)(I), you are advised that a party who fails to attend or participate in the hearing or other stage of the adjudicative proceeding may be held in default in accordance with ch. 34.05 RCW.

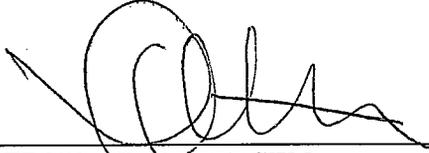
Pursuant to WAC 10-08-040(2) and in accordance with ch. 2.42 RCW, if a limited English-speaking or hearing impaired or speech impaired party or witness needs an interpreter, a qualified interpreter will be appointed. There will be no cost to the party or witness therefore, except as may be provided by ch. 2.42 RCW. A Request for Interpreter form is attached to this Notice, with instructions thereon.

This Notice is provided pursuant to RCW 48.04.010 and RCW 34.05.434.

Based upon the above activity,

IT IS HEREBY ORDERED that the adjudicative proceeding in this matter shall commence on **Monday, September 8, 2008, at the hour of 10 a.m.**, Pacific Standard Time, in the Office of the Insurance Commissioner, 5000 Capitol Boulevard, Tumwater, Washington 98501.

ENTERED AT TUMWATER, WASHINGTON, this 21st day of July, 2008 pursuant to RCW 48.04, Title 34 RCW and applicable regulations.



PATRICIA D. PETERSEN
Chief Hearing Officer
Presiding Officer



OFFICE OF
INSURANCE COMMISSIONER

HEARINGS UNIT
Fax: (360) 664-2782

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

Wendy Galloway
Paralegal
(360) 725-7002
wendyg@oic.wa.gov

To request an interpreter, complete and mail this form to:

Chief Hearing Officer
Office of Insurance Commissioner
P.O. Box 40255
Olympia, Washington 98504-0255

REQUEST FOR INTERPRETER

I am a party or witness in Matter No. _____, before the Insurance Commissioner. I NEED AN INTERPRETER and request that one be furnished.

Please check the statements that apply to you:

I am a non-English-speaking person. I cannot readily speak or understand the English language. My primary language is _____ (insert your primary language). I need an interpreter who can translate to and from the primary language and English.

I am unable to readily understand or communicate the spoken English language because:

- I am deaf.
- I have an impairment of hearing.
- I have an impairment of speech.

[Please state below or on the reverse side any details which would assist the commissioner or presiding officer in arranging for a suitable interpreter, or in providing appropriate mechanical or electronic amplification, viewing, or communication equipment.]

Date: _____ Signed: _____

Please print or type your name: _____
Address: _____
Telephone: _____