FILED

JAN 30 2008

Hearings Unit, OIC
Patricia D. Petersen
Chief Hearing Officer

January 15, 2008

Mike Kreidler – Insurance Commissioner
ATTN: Thomas Rowland – Staff Attorney
Legal Affairs Division
PO Box 40255
Olympia, WA 98504-0255

RE: No. D07-351
ORDER TO CEASE AND DESIST

Dear Mr. Kreidler and Mr. Rowland:

This Response is made by Respondents: Steven D. Smith, Inc., Steven D. Smith, Design Benefits, Inc., Dental By Design, Design Teleservices, Inc. and SDS Financial

The above Respondents, if required, desire to have a hearing to be removed from this entire matter for the following reasons:

1. Did not violate **RCW 48.17.060, 48.15.020, 48.15.023, 48.18.100, 48.19.040, 48.30.040, or 48.30.050.** Respondents at no time participated in advertising, soliciting or issuing Washington residents policies for medical health insurance or any other medical discount product. None of these Respondents ever conducted any type of sales or advertising in the State of Washington.
2. Steven D. Smith, Inc. operated Design Benefits as a D/b/a and participated in sales through licensed insurance agents. Most agents were located in the State of Colorado and contracted no agents in the State of Washington. Design Benefits also did not ever telemarket to residents in the State of Washington. Steven D. Smith, Inc. conducted no other type of business.
3. Dental By Design was an early working name for Design Savers Plan, LLC and never operated as a business past the year of 1998.
4. Design Teleservices was in the business of generating "leads" for the agents that sold for Design Benefits. They called businesses only and never individual residents. Design Teleservices did not have business lists for the State of Washington as there were no agents there representing Design Benefits to generate leads for.
5. SDS Financial, LLC was recently formed in the summer of 2007 and was not an entity during the periods defined in the Order.
6. Steven D. Smith, as an individual, had never participated in the above matter and is protected under corporate veil from any conduct of Design Savers Plan, LLC (please see separate response from Design Savers Plan, LLC). During the period of time listed in the Order, Steven D. Smith never acted as an unlicensed agent or licensed agent in the State of Washington.

None of the above respondents listed have access to the information requested by the OIC.

I do hereby ask that all of the above listed respondents be removed from the respondent list. If any further information is needed to help clarify my position, please do not hesitate to contact me at 303-243-3399.

Respectfully,

Steven D. Smith

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JAN 28 2008

2008 JAN 30 A 9: 29 INSURANCE COMMISSIONER
LEGAL AFFAIRS DIVISION

Hearings Unit, DIC
Patricia D. Petersen
Chief Hearing Officer

January 17, 2008

Mike Kreidler – Insurance Commissioner
ATTN: Thomas Rowland – Staff Attorney
Legal Affairs Division
PO Box 40255
Olympia, WA 98504-0255

RE: No. D07-351
ORDER TO CEASE AND DESIST

Dear Mr. Kreidler and Mr. Rowland:

This Response is made by Respondents: Design Savers Plan, LLC.

It was requested in your above Order to respond and provide certain information within 30 days. When Design Savers Plan was sold to Family Security Council in December 2006 all records were passed on to them and there is no way to gain access to them now. Family Security Council never completed payment for the sale, nor do they return our calls or comply with our requests. They also ceased all commission payments to all representatives and are now involved with multiple law suits for fraud. We do not have any records of members or sales information to be able to forward.

To my knowledge there were a total of only 4 members for the state of Washington that was enrolled by Design Savers Plan into Family Security Council. These members were submitted through electronic means by independent contractors. Family Security Council accepted these applications and we were never advised by them that they were not fully licensed properly in Washington. To the contrary, we were told by John Byars of Family Security Council that they were in full compliance with all state product licensing requirements.

Design Savers Plan, LLC was dissolved as a corporation in the state of Colorado in February 2007.

Sincerely,

Steven D. Smith

Steven D. Smith, previous Managing Member
Design Savers Plan, L.L.C.