

**STATE OF OHIO**  
**DEPARTMENT OF INSURANCE**  
2100 Stella Court  
Columbus, Ohio 43215-1067

IN RE: :  
: :  
VANGUARD GROUP, INC. AND : ORDER TO CEASE AND DESIST  
DWAYNE SAMUELS : AND NOTICE OF HEARING

WHEREAS, the Ohio Department of Insurance ("Department") is charged with the responsibility of protecting insurance consumers and regulating the insurance industry pursuant to Title 39 of the Ohio Revised Code ("R.C.") and the rules and regulations adopted thereunder.

WHEREAS, upon investigation, the Superintendent has been advised that Vanguard Group, Inc., possibly operating as Vanguard Assets Group, Vanguard Marketing, or Vanguard Assets Group, and Dwayne Samuels ("Parties"), individually and/or collectively, have engaged in the business of insurance by holding themselves out as authorized to engage in the business of health insurance. The Parties are not licensed under R.C. Chapter 39 or R.C. Chapter 17 and are not authorized to engage in the business of insurance or to provide health care benefits or coverage in the State of Ohio. The Parties' conduct has caused substantial and material harm. The grounds are alleged below.

1. The Parties' last known operating address is 1979 Marcus Avenue, Lake Success, New York;
2. Vanguard Group, Inc. is also referred to as Vanguard Assets Group, Vanguard Marketing, or Vanguard Assets Group;
3. In June of 2001, Todd Printz purchased health insurance benefits or coverage with the Parties;
4. Mr. Printz believed that he was insured by the Parties and relied on that belief;
5. The Parties are not licensed as a health insurance company, a multiple employer welfare arrangement ("MEWA"), and/or as an insurance company, an insurance agent or an insurance agency authorized to do business in the State of Ohio;
6. During the period between June of 2001 through June of 2002, the period of alleged coverage, Mr. Printz paid approximately nine thousand four hundred thirty dollars (\$9,430.00) in health care premiums;
7. During the period between June of 2001 through June of 2002, the period of alleged coverage, Mr. Printz incurred medical bills totaling approximately six thousand four hundred eight dollars and forty-five cents (\$6,408.45);
8. As of October 31, 2002, the Parties have not paid Mr. Printz's claims;
9. In August of 2001, Michael Tsagares purchased health insurance benefits or coverage with the Parties;
10. Mr. Tsagares believed that he was insured by the Parties and relied on that belief;

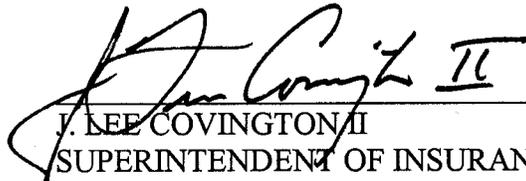
11. The Parties are not licensed as a health insurance company, a MEWA, and/or an insurance company, an insurance agent or an insurance agency authorized to do business in the State of Ohio;
12. During the period between August of 2001 through May of 2002, the period of alleged coverage, Mr. Tsagares paid approximately seven thousand six hundred dollars (\$7,600.00) in health care premiums;
13. During the period between August of 2001 through May of 2002, the period of alleged coverage, Mr. Tsagares incurred medical bills totaling approximately five thousand forty-eight dollars (\$5,048.00);
14. As of October 31, 2002, the Parties have not paid Mr. Tsagares' claims;
15. In November of 2001, Robert J. Muckenfuss purchased health insurance benefits or coverage with the Parties;
16. Mr. Muckenfuss believed that he was insured by the Parties and relied on that belief;
17. The Parties are not licensed as a health insurance company, a MEWA, and/or an insurance company, an insurance agent or an insurance agency authorized to do business in the State of Ohio;
18. During the period between November of 2001 through May of 2002, the period of alleged coverage, Mr. Muckenfuss paid approximately one thousand nine hundred seventy-six dollars (\$1,976.00) in health care premiums;
19. During the period between November of 2001 through May of 2002, the period of alleged coverage, Mr. Muckenfuss incurred medical bills totaling approximately three thousand seven hundred twenty-one dollars (\$3,721.00);
20. As of October 31, 2002, the Parties have not paid Mr. Muckenfuss' claims;
21. On or about May 10, 2002, the Treasurer of the State of Florida, Department of Insurance, issued an Immediate Final Order against the Parties;
22. In that Immediate Final Order, the Treasurer of the State of Florida, Department of Insurance, found that the Parties have engaged in the unlicensed, unauthorized, and illegal business of insurance and/or as an illegal MEWA (as contemplated and defined by the Employee Retirement Income Security Act of 1974, as amended, 29 U.S.C. ss.1001, et seq.) or administrator in violation of the Florida Insurance Code; and,
23. As a result, the Treasurer of the State of Florida, Department of Insurance, ordered the Parties to cease and desist from the transaction of any new or renewal insurance business in the State of Florida.

Such conduct is prohibited by R.C. Chapter 1751, R.C. Chapter 1739, R.C. 3905.01 and R.C. 3905.42 in that the Parties have held themselves out as either a health insurance company, a MEWA, and/or an insurance company, an insurance agent or an insurance agency authorized to do business in the State of Ohio. As such, the Parties have engaged in unfair and deceptive acts and is in violation of R.C. 3901.20 as defined in R.C. 3901.21(A) and/or (B).

PURSUANT TO R.C. 3901.221, THE PARTIES ARE HEREBY ORDERED TO IMMEDIATELY CEASE AND DESIST FROM ENGAGING IN INSURANCE ACTIVITIES that require a license to engage in the business of a health insurance company, a MEWA, and/or an insurance company, an insurance agent or an insurance agency authorized to do business in the State of Ohio unless and until they comply with the statutes and rules listed above. A hearing

to determine the continuation or revocation of this Order, along with any other remedies available under R.C. 3901.221, shall be held at 2:00 p.m. on November 14, 2002 at the Ohio Department of Insurance, 2100 Stella Court, Columbus, Ohio 43215-1067.

October 31, 2002  
Date

  
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J. LEE COVINGTON II  
SUPERINTENDENT OF INSURANCE