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Assistant Attorney General
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Attorney General
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Salt Lake City, UT 84114
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RECEIVED

MAY 09 2007

UTAH STATE
INSURANCE DEPT.

**BEFORE THE INSURANCE COMMISSIONER
OF THE STATE OF UTAH**

COMPLAINANT:

UTAH INSURANCE DEPARTMENT

**STIPULATION
&
ORDER**

RESPONDENTS:

Docket No. 2006-069-HL

US HEALTHCARD, LLC, aka
QUALIFIED HEALTH aka
CHAMBER HEALTH

Enf. Case No. 1743

Unlicensed
Midwood Park Plaza
868 East 29th East
P.O. Box 100820
Brooklyn, NY 11210

and

MEYER GUTNICK

Unlicensed
868 East 29th East
Brooklyn, NY 11210

STIPULATION

1. Respondent US HealthCard, LLC ("US HealthCard"), is a limited liability company registered and domiciled in the State of New York, and also known as and doing business under the names Qualified Health and Chamber Health., and not licensed in the State of Utah.

Respondent Meyer Gutnick ("Gutnick"), is an individual residing in the State of New York and is the owner, president, and manager of Respondent US HealthCard..

2. Respondents stipulate with the Complainant, Utah Insurance Department, as follows:

a. If a hearing were held, witnesses called by the Complainant could offer and introduce evidence that would support the Findings of Fact herein;

b. Respondents admit the Findings of Fact and Conclusions made therefrom;

c. Respondents stipulate to the summary entry of the Order herein which shall be in lieu of other administrative proceedings by Complainant in this matter; and

d. Respondents and Complainant have negotiated the terms of the Order entered herein and Respondents agree to its entry and further agree to be bound by all its terms.

3. Respondents are aware of their right to a hearing at which they may be represented by counsel, present evidence and cross-examine witnesses. Respondents have irrevocably waived their right to such hearing and to any appeal related thereto.


4. Respondents admit the jurisdiction of the State of Utah Insurance Commissioner as to all matters herein.

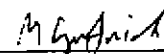
5. Respondents are acting herein free from any duress or coercion of any kind or nature, having been advised fully as to their rights set forth herein.

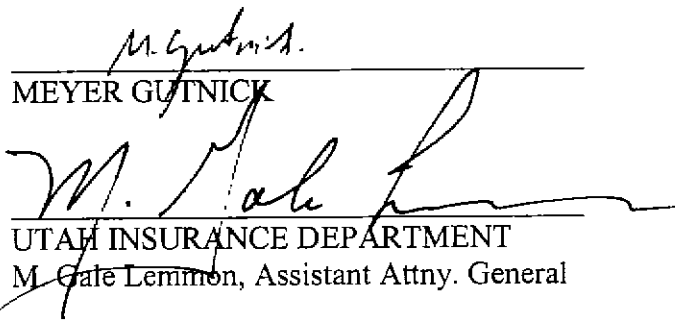
6. Respondents acknowledge that the issuance of this Order by the Commissioner is solely for the purpose of disposition of the matter entitled herein.

DATED this 8 day of MAY, 2007.

Approved as to Form:


RANDALL R. SMART
Smart, Schofield, Shorter & Lunceford
Attorney for Respondents


US HEALTHCARD, LLC
Meyer Gutnick, President


MEYER GUTNICK
UTAH INSURANCE DEPARTMENT
M. Gale Lemmon, Assistant Attny. General

Based upon the foregoing Stipulation and information in the file, the Presiding Officer makes the following Findings of Fact:

FINDINGS OF FACT

1. Respondent US HealthCard, LLC (“US HealthCard”), is a limited liability company registered and domiciled in the State of New York, and also known as and doing business under the names Qualified Health and Chamber Health. Respondent US HealthCard is not licensed as an insurer, insurance producer, or medical health discount program in the State of Utah, or under any other license issued by the Utah Insurance Department.

2. Respondent Meyer Gutnick (“Gutnick”), is an individual residing in the State of New York is the owner, president, and manager of Respondent US HealthCard. Respondent Gutnick is not licensed as an insurance producer in the State of Utah or under any other license issued by the Utah Insurance Department.

3. Respondents operate a discount health program in a number of states from the State of New York.

4. Prior to September 1, 2005, in order to market a medical discount program in the State of Utah, a medical discount program was required to obtain a certificate of authority as a limited health plan under Utah Code Annotated §31A-8-102, or qualify for an exemption from regulation under the provisions of Utah Administrative Code Rule R590-152-1, et seq.

5. On or about the dates of December 3, 2003, September 15, 2004, June 14, 2005, June 23, 2005, and September 6, 2005, Respondent US HealthCard mailed or caused to be mailed advertisements for Qualified Health to residents of the State of Utah, soliciting the sale of memberships to Respondents’ discount health program, and on or about December 23, 2003, placed a ½ page advertisement in the two largest daily newspapers in the State of Utah.

6. At that time, Respondent US Healthcard’s discount health program did not meet the

requirements under Utah Administrative Code Rule R590-152-1, et seq. for exemption from regulation and did not have a certificate of authority as a limited health plan.

7. On September 1, 2005, Chapter 8a of the Utah Insurance Code, Health Discount Program Consumer Protection Act, became effective. Said chapter requires all health discount programs operating in the State of Utah to first obtain a license from the commissioner.

8. Respondent US HealthCard submitted an application for a license as a Health Discount Program on August 30, 2005. Said application was denied on October 17, 2005, for failure of the program to meet the requirements of the Utah Insurance Code for issuance of said license.

9. On or about January 24, 2006, although not being licensed as a Health Discount Program in the State of Utah, flyers marketing Respondent's Health Discount Program were sent to residents of the State of Utah.

10. On or about April 17, 2006, Respondent US HealthCard sold a Health Discount Program membership to a resident of the State of Utah, despite not being licensed to do so.

11. During the period of February 25, 2003, through August 2006, Respondent US HealthCard collected fees from Utah residents in the net amount of \$80,024.26 while not licensed to do business in Utah.

12. Respondent US HealthCard has resubmitted its application for a license as a health discount program in the State of Utah. The issuance of said license is pending the resolution of this matter.

Based upon the foregoing Stipulation and Findings of Fact, the Presiding Officer enters the following Conclusions of Law:

CONCLUSIONS OF LAW

1. In marketing a limited health plan to residents of the State of Utah without having a certificate of authority from the department, Respondent US HealthCard marketed unauthorized insurance in violation of Code Annotated §§ 31A-4-102 and 31A-4-106.

2. In marketing its Health Discount Program to residents of the State of Utah when not being licensed as a Health Discount Program in this state, Respondent US HealthCard violated Utah Code Annotated § 31A-8a-201(1).

3. Pursuant to Utah Code Annotated § 31A-2-308(1), the commissioner shall assess a forfeiture of twice the amount of any profit gained from violation of the Utah Insurance Code or Rules, in addition to any other forfeitures assessed.

Based upon the foregoing Stipulation, Findings of Fact and Conclusions of Law, the Presiding Officer herewith enters the following Order:

ORDER

IT IS HEREBY ORDERED:

1. Respondents are assessed an administrative forfeiture in the amount of \$95,024.26, to be paid on or before June 28, 2007.

2. Until such time as Respondent US HealthCard receives a license to act as a Health Discount Program in the State of Utah, Respondent US HealthCard shall disclose on its website that its program is not available in Utah, shall not actively solicit in the State of Utah, shall take reasonable steps to assure that its marketing material is not sent to residents of the State of Utah, and shall inform all Utah residents who inquire that the program is not available in Utah.

3. Until such time as Respondent US HealthCard receives a license to act as a Health Discount Program in the State of Utah, Respondent US HealthCard shall not enroll any resident of the State of Utah in its program and shall not collect any fees or other compensation from any

residents of the State of Utah for membership in its program.

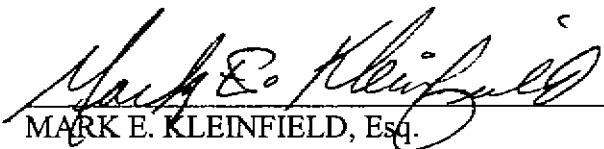
NOTIFICATION

Respondent is hereby notified that failure to abide by the terms of this Order may subject you to further penalties, including additional forfeitures of up to \$5,000.00 per violation and filing of an action to enforce this Order in the District Court, which may impose penalties of up to \$10,000.00 per day for continued violation.

You are further notified that other jurisdictions in which you may be licensed may require that you report this action to them.

DATED this 10th day of May, 2007.

D. KENT MICHIE
INSURANCE COMMISSIONER


MARK E. KLEINFELD, Esq.
Administrative Law Judge
Utah Insurance Department
State Office Building, Room 3110
Salt Lake City, Utah 84114
Telephone (801) 538-3800

CERTIFICATE OF MAILING

I do hereby certify that on this date I mailed, by regular mail, postage prepaid, a true and correct copy of the attached:

STIPULATION & ORDER

To the following:

USHEALTHCARD, LLC aka
QUALIFIED HEALTH aka
CHAMBER HEALTH
MIDWOOD PARK PLAZA
868 EAST 29TH EAST
P.O. BOX 100820
BROOKLYN, NY 11210

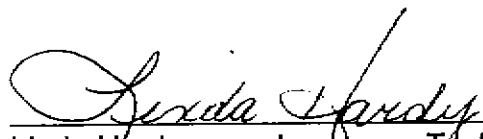
&

MEYER GUTNICK
868 EAST 29TH EAST
BROOKLYN, NY 11210

&

~~RANDALL R. SMART~~
SMART, SCHOFIELD, SHORTER & LUNCEFORD
5295 SOUTH COMMERCE, DRIVE
SUITE 200
SALT LAKE CITY, UTAH 84107-4754

DATED this 10Th day of May, 2007


Linda Hardy Insurance Technician
Utah Department of Insurance
3110 State Office Building
Salt Lake City, UT 84114-6901

**UTAH
Invoice**

Printed Date: May 09, 2007

Invoice Date: May 09, 2007
Balance Due: \$0.00
Due Date: June 13, 2007
Invoice ID: 332178

US HEALTHCARD LLC
868 EAST 29TH STREET
BROOKLYN NY 11210

Item Description	Amount
Monetary Penalty Company	\$95,024.26
	<hr/>
Original Amount Due	\$95,024.26
Payments Received	
5/9/2007 Check	\$95,024.26
	<hr/>
Balance Due	\$0.00

**UTAH
Invoice**

Printed Date: May 09, 2007

Invoice Date: May 09, 2007
Balance Due: \$0.00
Due Date: June 13, 2007
Invoice ID: 332178

Make checks payable to: Utah Insurance Department

Send payment to:

Utah Insurance Department
3110 State Office Building
Salt Lake City, UT 84114-6901