

**NORTH CAROLINA DEPARTMENT OF INSURANCE  
RALEIGH, NORTH CAROLINA**

**STATE OF NORTH CAROLINA**

**BEFORE THE COMMISSIONER  
OF INSURANCE**

<b>COUNTY OF WAKE</b>	)	
<b>IN THE MATTER OF</b>	)	
<b>CONSOLIDATED WORKERS</b>	)	<b>CONSENT CEASE &amp; DESIST</b>
<b>ASSOCIATION, INC.,</b>	)	<b>ORDER</b>
<b>WALTER CECCHINI,</b>	)	
<b>CLAIMS AND BENEFIT</b>	)	
<b>MANAGEMENT, INC.,</b>	)	<b>(NBS AND WESSLER)</b>
<b>NATIONAL ALLIANCE OF BENEFIT</b>	)	
<b>SERVICES ASSOCIATION, LLC,</b>	)	
<b>BRAD WESSLER, and</b>	)	
<b>NATIONWIDE BENEFITS SERVICES</b>	)	
<b>ASSOCIATION, INC.</b>	)	<b>DOCKET # 1421</b>

**WHEREAS**, the North Carolina Department of Insurance (hereinafter, "the Department") is charged with the authority and responsibility for the enforcement of the insurance laws of the State of North Carolina;

**WHEREAS**, Respondent Nationwide Benefits Services Association, Inc. ("NBS") is a Nevada corporation with its primary place of business located at 6251 Schaefer Avenue, Suite O, Chino, California.

**WHEREAS**, NBS holds no licenses with the Department; and

**WHEREAS**, Brad S. Wessler ("Brad Wessler") is the president and owner of NBS; and

**WHEREAS**, Brad Wessler holds no licenses with the Department; and

**WHEREAS**, this administrative proceeding was instituted against the Respondents NBS and Brad Wessler on September 5, 2008 with a Notice of Hearing and Order To Produce Documents and Information, and on January 13, 2009 with an Amended Notice of Hearing, and Order to Produce Documents and Information;

**WHEREAS**, Respondents NBS and Brad Wessler stipulate and agree that this Consent Order shall not be construed as affecting the legal rights of any third party or other Respondent named herein; and

**WHEREAS** Respondents NBS and Brad Wessler stipulate and agree that this Consent Order shall not be construed as affecting the rights of the Department to pursue administrative action against all other Respondents named herein and any other person or entity who has engaged in any unlawful transaction or activity related to the matters and things set forth herein;

and it is not the intent of the Department to release or discharge any person or entity other than NBS and Brad Wessler;

**WHEREAS**, the Department and the Respondents NBS and Brad Wessler have reached a mutually-agreed resolution of the claims raised by the Department against NBS and Brad Wessler in the September 5, 2008 Notice of Hearing and Order To Produce Documents and Information, and the January 13, 2009 Amended Notice of Hearing and Order to Produce Documents and Information, as set forth in this Consent Cease & Desist Order; and

**WHEREAS THE DEPARTMENT AND THE RESPONDENTS NBS AND BRAD WESSLER STIPULATE AND AGREE TO THE FOLLOWING FINDINGS OF FACT AND CONCLUSIONS OF LAW:**

### **FINDINGS OF FACT**

1. The September 5, 2008 Notice of Hearing and Order To Produce Documents and Information, and the January 13, 2009 Amended Notice of Hearing and Order to Produce Documents and Information were served upon the Respondents NBS and Brad Wessler.
2. Respondent NBS is a Nevada corporation with its primary place of business located at 6251 Schaefer Avenue, Suite O, Chino, California.
3. Brad Wessler is the president and owner of NBS; and
4. Brad Wessler and NBS have never been licensed by the North Carolina Department of Insurance in any capacity or role.
5. During the period of August 2008 through January 2009, Respondent NBS offered and issued health and medical benefit plans to its member enrollees. The NBS health and medical benefit plans (the "NBS benefit plan") provided various benefits including benefits for physician office visits, emergency room visits, diagnostic lab & x-ray expenses, accident coverage, hospital confinement, intensive care, surgery, anesthesia and skilled nursing. The NBS plan documents indicate "ALL BENEFITS ARE PROVIDED BY NATIONWIDE BENEFIT SERVICES ASSOCIATION".
6. No insurance companies licensed by the North Carolina Department of Insurance ever backed or guaranteed any benefits or promises made by NBS to its member enrollees.
7. Respondents Brad Wessler and NBS provided administrative services to the plan and member enrollees.
8. Respondent NBS is owned and managed by Respondent Brad Wessler.
9. The NBS benefit plan was marketed through "blast faxes" and telemarketing consumers, including North Carolina consumers," by way of third party call centers or by NBS. The "blast faxes" advertised the NBS benefit plan as health insurance. Co

enrolled in the NBS benefit plan became "NBS members" and their bank accounts were drafted for premiums and other fees by NBS. Brad Wessler and NBS allege that they never authorized the third party call centers to use blast faxes and further allege that they instructed the third party call centers not to market the NBS benefit plan as a comprehensive health insurance plan. Brad Wessler and NBS allege that they terminated contracts with call centers that used blast faxes if those call centers did not comply with a warning to stop using blast faxes.

10. At least four (4) North Carolina residents were enrolled and issued the NBS benefit plan. The four North Carolina enrollees submitted complaints to the Department claiming they were led to believe they were purchasing comprehensive major medical health insurance from a licensed insurer.

### CONCLUSIONS OF LAW

1. Notice in this matter was timely and properly effected.
2. This matter is properly before the Commissioner of Insurance, and he has jurisdiction over the parties and the subject matter pursuant to Article 28 of Chapter 58 of the General Statutes of North Carolina.
3. The NBS health and medical benefit plans ("NBS benefit plan") are contracts of insurance as defined and contemplated by N.C. General Statute § 58-1-10.
4. Respondents Brad Wessler and NBS have violated N.C. Gen. Stat. §§ 58-28-5, 58-28-10, 58-28-13 and 58-33-95 by having offered, issued and administered contracts of insurance in this State and by transacting insurance business in this State as set forth in N.C. Gen. Stat. §§ 58-28-10, 58-28-12, and 58-28-13 without first being issued a license or certificate of authority to do business as an insurance company or to transact insurance business in this state.
5. Under N.C. Gen. Stat. §§ 58-2-70, 58-28-10 and 58-28-14 a penalty of two thousand dollars (\$2,000) is warranted against Respondents Brad Wessler and NBS.

IT IS THEREFORE, BY CONSENT, ORDERED as follows:

1. Brad Wessler and NBS shall CEASE AND DESIST from violating N.C. Gen. Stat. §§ 58-28-5, 58-28-10, 58-28-13, 58-28-45, and 58-33-95, including:
  - a. Directly or indirectly contracting to provide insurance in this state for risks located in this State, whether as an insurer, agent, association, by affiliation agreement, or by any other method;
  - b. Directly or indirectly offering, selling, and marketing insurance in this State for risks located in this State, whether as an insurer, agent, association, by affiliation agreement, or by any other method;
  - c. Directly or indirectly issuing or delivering contracts of insurance or certificates of insurance or other evidence of insurance coverage in this state;
  - d. Directly or indirectly soliciting, negotiating, procuring or effectuating insurance

coverage, or renewals thereof, disseminating information as to coverage or rates, forwarding applications, delivering policies or contracts, or in any manner representing or assisting any insurer in this state.

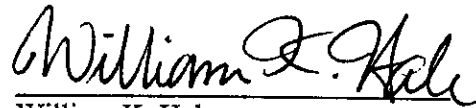
This Consent Order does not prohibit Respondents from transacting lawful business of insurance in North Carolina that NBS and/or Brad Wessler or his company(ies) are licensed by the Department to perform in this State.

2. Brad Wessler and NBS shall fully resolve any and all pending complaints by North Carolina NBS benefit plan members prior to or concurrently with the execution of this Consent Order. Brad Wessler and NBS shall resolve these complaints by payment of the reimbursement amounts identified in Schedule A, attached hereto.
3. Brad Wessler and NBS shall fully resolve any and all future complaints by North Carolina NBS benefit plan members within thirty (30) days of Brad Wessler and NBS receiving notice of such complaints, unless Brad Wessler and NBS receive an extension of time from the Department. Brad Wessler and NBS must submit any requests for extension to resolve North Carolina consumer complaints in writing to the Department, and such requests for extensions must be received by the Department prior to the expiration of the thirty (30) day time period allotted for said resolution. The Department will consider such requests for extensions timely received, and may, in its discretion, grant an extension of time to resolve a consumer request. The Department will provide notice of such an extension to Brad Wessler and NBS in writing.
4. Brad Wessler and NBS agree to fully comply with all North Carolina insurance statutes and regulations.
5. Brad Wessler and NBS shall pay an immediate penalty in the amount of two thousand dollars (\$2,000) at the time of the execution of this Consent Order. This amount shall be paid by certified check or an attorney trust account check made payable to the North Carolina Department of Insurance. The check shall accompany this Consent Order when it is sent to the Department after Brad Wessler and NBS sign this Consent Order. Upon receipt of this Consent by the Department, the Hearing Officer will sign this Consent Order.
6. Brad Wessler and NBS agree that any violation of this Consent Order shall result in an additional minimum penalty of one-hundred thousand dollars (\$100,000). In the event of violation of this Order, the undersigned Respondents shall each be jointly and severally liable for payment of the resulting penalty.
7. This Consent Cease & Desist Order shall become effective when signed by the parties and when the Department receives evidence of the undersigned Respondents' resolution of the pending complaints as set forth in Schedule A, and payment of the two thousand dollars (\$2,000.00) penalty from Brad Wessler and NBS.

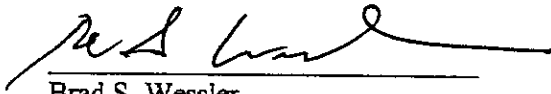
8. Provided that Respondents Brad Wessler and NBS fully comply with the terms of this Consent Order, this Consent Order resolves all claims and actions by the Department against Respondents Brad Wessler and NBS as set forth in the Amended Notice of Hearing of January 13, 2009.

IN WITNESS WHEREOF, the parties have duly executed this Consent Order as of the dates indicated below.

This the 8<sup>th</sup> day of June, 2009



William K. Hale  
Hearing Officer and Special Counsel  
North Carolina Department of Insurance



Brad S. Wessler

DATE 6-5-09

NATIONWIDE BENEFITS SERVICES ASSOCIATION

By:




Brad S. Wessler  
President of Nationwide Benefits Services Association

DATE 6-5-09

NORTH CAROLINA DEPARTMENT  
OF INSURANCE

By:



Angela Ford  
Senior Deputy Commissioner

DATE 6-8-09

**SCHEDULE A**  
**Pending North Carolina Consumer Complaints**  
**(Nationwide Benefits Services)**

Wadji Serhal and Cassie Brekka  
*CB Art Effects*  
PO Box 3030  
Fort Mill, SC 29708  
980-254-8535  
Reimbursement amount: \$8,679.00

Anne Cates  
208 Spencer Woods Drive  
Dallas, NC 28034  
704-678-0830  
Reimbursement amount: \$10,000.00

Sally Shipman  
1266 Lyday Creek Road  
Pisgah Forest, NC 28768  
828-883-8400  
Reimbursement amount: \$300.00 to Sally Shipman

**CERTIFICATE OF SERVICE**

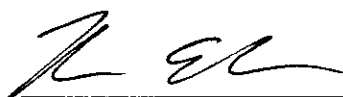
I HEREBY CERTIFY that on this day I have served the foregoing **Consent Order (NBS & Wessler)** by mailing a copy thereof by first class U.S. Postal Service mail, addressed as follows:

Julia Wicker, Esq.  
Attorney for Brad Wessler,  
CBM, NABSA, and Nationwide Benefits Association  
SZD Wicker  
P.O. Box 1951 Raleigh, NC 27602-1951

Walter R. Cecchini, Jr., President  
Consolidated Workers Association, Inc.  
1551 N. Flagler Drive, #1116  
West Palm Beach, FL 33401

Joseph B. Cicero  
Attorney for Walter R. Cecchini and CWA  
Edwards Angell Palmer & Dodge LLP  
919 N. Market Street, 15th Floor  
Wilmington, DE 19801

This the 9<sup>th</sup> day of June, 2009.



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