

UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF NEW YORK

FEDERAL TRADE COMMISSION,

Plaintiff,

v.

CONSUMER HEALTH BENEFITS
ASSOCIATION, organized as a Missouri
not-for-profit, also doing business as CHBA,

NATIONAL ASSOCIATION FOR AMERICANS,
organized as a Missouri not-for-profit, also doing
business as NAFA,

NATIONAL BENEFITS CONSULTANTS, LLC, a
Florida limited liability company, also doing
business as NBC,

NATIONAL BENEFITS SOLUTIONS, LLC, a
Florida limited liability company, also doing
business as NBS,

LOUIS LEO, individually, as a Managing Member
of NATIONAL BENEFITS CONSULTANTS,
LCC, as a Managing Member of NATIONAL
BENEFITS SOLUTIONS, LLC, and as the Vice
President and Treasurer of CONSUMER HEALTH
BENEFITS ASSOCIATION,

RON WERNER, individually, as a Managing
Member of NATIONAL BENEFITS
CONSULTANTS, LLC, as a Managing Member of
NATIONAL BENEFITS SOLUTIONS, LLC, and
as President and Managing Partner of CONSUMER
HEALTH BENEFITS ASSOCIATION,

RITA WERNER, individually, and as Senior Vice
President and Director of Operations of
CONSUMER HEALTH BENEFITS
ASSOCIATION,

WENDI TOW, individually, as a Managing
Member of NATIONAL BENEFITS

Case No. CV-10-3551 (ILG)(RLM)

**STIPULATED ORDER FOR
PERMANENT INJUNCTION AND
MONETARY JUDGMENT AS TO
THE GTL DEFENDANTS**

CONSULTANTS, LLC, and as a Managing Member of NATIONAL BENEFITS SOLUTIONS, LLC,

JOHN SCHWARTZ, individually, as a Managing Member of NATIONAL BENEFITS CONSULTANTS, LLC, and as a Managing Member of NATIONAL BENEFITS SOLUTIONS, LLC,

GUARANTEE TRUST LIFE INSURANCE COMPANY, an Illinois corporation,

VANTAGE AMERICA SOLUTIONS, INC., an Illinois corporation,

CENTURY SENIOR SERVICES, a Florida corporation,

JEFFREY BURMAN, individually, as President of VANTAGE AMERICA SOLUTIONS, INC., and as Vice President of GUARANTEE TRUST LIFE INSURANCE COMPANY,

BARBARA TAUBE, individually, and as Vice President of GUARANTEE TRUST LIFE INSURANCE COMPANY, and

RICHARD HOLSON, III, individually, and as President of GUARANTEE TRUST LIFE INSURANCE COMPANY,

Defendants.

Plaintiff, the Federal Trade Commission (“Commission” or “FTC”), filed its Complaint for Permanent Injunction and Other Relief, subsequently amended as First Amended Complaint for Permanent Injunction and Other Relief (“First Amended Complaint”), pursuant to Sections 13(b) and 19 of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. §§ 53(b) and 57b. The Commission and Defendants Guarantee Trust Life Insurance Company, Vantage America

Solutions, Inc., Century Senior Services, Jeffrey Burman, Barbara Taube, and Richard Holson, III (collectively, the “GTL Defendants”) stipulate to the entry of this Stipulated Order for Permanent Injunction and Monetary Judgment as to the GTL Defendants (“Order”) to resolve all matters in dispute in this action between them.

THEREFORE, IT IS ORDERED as follows:

FINDINGS

1. This Court has jurisdiction over this matter.
2. The First Amended Complaint charges that the GTL Defendants participated in deceptive acts or practices in violation of Section 5 of the FTC Act, 15 U.S.C. § 45, and the FTC’s Telemarketing Sales Rule (“TSR”), 16 C.F.R. Part 310, in connection with the marketing and sale of discount medical plans.
3. The GTL Defendants neither admit nor deny any of the allegations in the First Amended Complaint, except as specifically stated in this Order. Only for purposes of this action, the GTL Defendants admit the facts necessary to establish jurisdiction.
4. The GTL Defendants waive any claim that they may have under the Equal Access to Justice Act, 28 U.S.C. § 2412, concerning the prosecution of this action through the date of this Order, and agree to bear their own costs and attorney fees.
5. The GTL Defendants waive all rights to appeal or otherwise challenge or contest the validity of this Order.

DEFINITIONS

For the purpose of this Order, the following definitions apply:

A. **“Clear(ly) and Conspicuous(ly)”** means that a required disclosure is difficult to miss (i.e., easily noticeable) and easily understandable by ordinary consumers, including in all of the following ways:

1. In any communication that is solely visual or solely audible, the disclosure must be made through the same means through which the communication is presented. In any communication made through both visual and audible means, such as a television advertisement, the disclosure must be presented simultaneously in both the visual and audible portions of the communication even if the representation requiring the disclosure is made in only one means.
2. A visual disclosure, by its size, contrast, location, the length of time it appears, and other characteristics, must stand out from any accompanying text or other visual elements so that it is easily noticed, read, and understood.
3. An audible disclosure, including by telephone or streaming video, must be delivered in a volume, speed, and cadence sufficient for ordinary consumers to easily hear and understand it.
4. In any communication using an interactive electronic medium, such as the Internet or software, the disclosure must be unavoidable.
5. The disclosure must use diction and syntax understandable to ordinary consumers and must appear in each language in which the representation that requires the disclosure appears.
6. The disclosure must comply with these requirements in each medium through which it is received, including all electronic devices and face-to-face communications.

7. The disclosure must not be contradicted or mitigated by, or inconsistent with, anything else in the communication.
8. When the representation or sales practice targets a specific audience, such as children, the elderly, or the terminally ill, “ordinary consumers” includes reasonable members of that group.
- B. “**Defendants**” means Consumer Health Benefits Association; National Association for Americans; National Benefits Consultants, LLC; National Benefits Solutions, LLC; Guarantee Trust Life Insurance Company; Vantage America Solutions, Inc.; Century Senior Services; their successors and assigns; Louis Leo; Ron Werner; Rita Werner; Wendi Tow; John Schwartz; Jeffrey Burman; Barbara Taube; and Richard Holson, III, individually, collectively, or in any combination.
- C. “**Escrow Agent**” means Steven E. Ostrow, the Court-appointed successor escrow agent in this case.
- D. “**GTL Corporate Defendants**” means Guarantee Trust Life Insurance Company, Vantage America Solutions, Inc., Century Senior Services, and their successors and assigns.
- E. “**GTL Defendants**” means all of the GTL Individual Defendants and all of the GTL Corporate Defendants, individually, collectively, or in any combination.
- F. “**GTL Individual Defendants**” means Jeffrey Burman, Barbara Taube, and Richard Holson, III.
- G. “**Discount Medical Plan(s)**” means a business arrangement or contract in which a person, in exchange for fees, dues, charges or other consideration, offers access for its members to providers of medical or ancillary services and the right to receive discounts on medical or ancillary services provided under the discount medical plan from those providers.

H. “**Insurance**” means any good or service that (a) has the effect of transferring or spreading risk; (b) is an integral part of the policy relationship between the insurer and the insured; and (c) is limited to entities within the insurance industry.

I. “**Seller**” means any person who, in connection with a Telemarketing transaction, provides, offers to provide, or arranges for others to provide goods or services to the customer in exchange for consideration, whether or not such person is under the jurisdiction of the Commission.

J. “**Telemarketer**” means any person who, in connection with Telemarketing, initiates or receives telephone calls to or from a customer or donor, whether or not such person is under the jurisdiction of the Commission.

K. “**Telemarketing**” means any plan, program, or campaign which is conducted to induce the purchase of goods or services or a charitable contribution by use of one or more telephones and which involves more than one interstate telephone call.

ORDER

I. BAN ON SELLING DISCOUNT MEDICAL PLANS

IT IS ORDERED that the GTL Defendants are permanently restrained and enjoined from advertising, marketing, promoting, offering for sale, or selling, or assisting in the advertising, marketing, promoting, offering for sale, or selling, of any Discount Medical Plan.

II. PROHIBITION AGAINST VIOLATING THE TSR

With respect to activities that do not constitute the business of Insurance regulated by state law, IT IS FURTHER ORDERED that the GTL Defendants, their officers, agents, and employees, and all other persons in active concert or participation with any of them, who receive actual notice of this Order, whether acting directly or indirectly, are permanently restrained and enjoined from violating any provision of the Telemarketing Sales Rule, 16 C.F.R. Part 310, attached as

Attachment A, including:

- A. Section 310.3(a)(1)(iii) of the TSR, 16 C.F.R. § 310.3(a)(1)(iii), by failing to disclose truthfully, in a Clear and Conspicuous manner, before a customer consents to pay for goods or services offered in connection with Telemarketing: (1) if the Seller has a policy of not making refunds, cancellations, exchanges, or repurchases, a statement informing the customer that this is the Seller's policy; or (2) if the Seller or Telemarketer makes a representation about a refund, cancellation, exchange, or repurchase policy, a statement of all material terms and conditions of such policy;
- B. Section 310.3(a)(2) of the TSR, 16 C.F.R. § 310.3(a)(2), by misrepresenting, directly or by implication, in the sale of goods or services any of the following material information: (1) the total costs to purchase, receive, or use, and the quantity of, any goods or services that are the subject of a sales offer; (2) any material restriction, limitation, or condition to purchase, receive, or use goods or services that are the subject of a sales offer; (3) any material aspect of the performance, efficacy, nature, or central characteristics of goods or services that are the subject of a sales offer; or (4) any material aspect of the nature or terms of the Seller's refund, cancellation, exchange or repurchase policies; and
- C. Section 310.4(d) of the TSR, 16 C.F.R. § 310.4(d), by failing to disclose truthfully, promptly, and in a Clear and Conspicuous manner to the person receiving a call in connection with Telemarketing: (1) the identity of the Seller; (2) that the purpose of the call is to sell goods or services; or (3) the nature of the goods or services.

III. MONETARY JUDGMENT

IT IS FURTHER ORDERED that:

- A. Judgment in the amount of Five Million Seven Hundred Fifty Thousand Dollars

(\$5,750,000) is entered in favor of the Commission against the GTL Defendants as monetary relief.

B. The GTL Defendants are ordered to pay to the Commission Five Million Seven Hundred Fifty Thousand Dollars (\$5,750,000), which, as the GTL Defendants stipulate, their undersigned counsel holds in escrow for no purpose other than payment to the Commission. Such payment must be made within 7 days of entry of this Order by electronic fund transfer in accordance with instructions previously provided by a representative of the Commission.

C. The GTL Defendants relinquish dominion and all legal and equitable right, title, and interest in all assets transferred pursuant to this Order and may not seek the return of any assets.

D. The facts alleged in the First Amended Complaint establish all elements necessary to sustain an action by the Commission pursuant to Section 523(a)(2)(A) of the Bankruptcy Code, 11 U.S.C. § 523(a)(2)(A), and this Order will have collateral estoppel effect for such purposes.

E. The GTL Defendants acknowledge that their Taxpayer Identification Number (Social Security Number or Employer Identification Numbers) may be used for collecting and reporting on any delinquent amount arising out of this Order, in accordance with 31 U.S.C. §7701.

F. All money paid to the Commission pursuant to this Order may be deposited into a fund administered by the Commission or its designee to be used for consumer redress and any attendant expenses for the administration of any redress fund. If a representative of the Commission decides that direct redress to consumers is wholly or partially impracticable or money remains after redress is completed, the Commission may apply any remaining money for such other relief (including consumer information remedies) as it determines to be reasonably related to Defendants' practices alleged in the First Amended Complaint. Any money not used for such relief is to be deposited to the U.S. Treasury. The GTL Defendants have no right to

challenge any actions the Commission or its representatives may take pursuant to this Subsection. If the GTL Defendants fail to pay fully the amount due at the time specified, the GTL Defendants must cooperate fully with the Commission and their representatives in all attempts to collect the judgment. In such an event, the GTL Defendants agree to provide federal and state tax returns for the preceding 2 years, and to complete a financial disclosure form fully and accurately within 10 business days of receiving a request from the Commission. The GTL Defendants further authorize the Commission to verify all information provided on any financial disclosure form with all appropriate third parties, including financial institutions.

IV. CUSTOMER INFORMATION

IT IS FURTHER ORDERED that the GTL Defendants, their officers, agents, and employees, and all other persons in active concert or participation with any of them, who receive actual notice of this Order, whether acting directly or indirectly, are permanently restrained and enjoined from directly or indirectly:

- A. failing to provide sufficient customer information in their possession, to enable the Commission to efficiently administer consumer redress. The GTL Defendants represent that they have provided this redress information to the Commission. If a representative of the Commission requests in writing any information related to redress, the GTL Defendants must provide it, in the form prescribed by the Commission, within 14 days.
- B. disclosing, using, or benefitting from customer information, including the name, address, telephone number, email address, social security number, other identifying information, sensitive health information, or any data that enables access to a customer's account (including a credit card, bank account, or other financial account), that any Defendant obtained prior to entry of this Order in connection with the sale of any Discount Medical Plan proffered, marketed, advertised,

or sold by or through Consumer Health Benefits Association, National Association for Americans, National Benefits Consultants, LLC, and/or National Benefits Solutions, LLC; and

C. failing to destroy such customer information in all forms in their possession, custody, or control within 30 days after receipt of written direction to do so from a representative of the Commission.

Provided, however, that customer information need not be disposed of, and may be disclosed, to the extent requested by a government agency or required by law, regulation, or court order.

V. COOPERATION

IT IS FURTHER ORDERED that the GTL Defendants must fully cooperate with representatives of the Commission in this case and in any investigation related to or associated with the transactions or the occurrences that are the subject of the First Amended Complaint. The GTL Defendants must provide truthful and complete information, evidence, and testimony. The GTL Defendants must appear for interviews, discovery, hearings, trials, and any other proceedings that a Commission representative may reasonably request upon 7 days written notice, or other reasonable notice, at such places and times as a Commission representative may designate, without the service of a subpoena.

VI. ORDER ACKNOWLEDGMENTS

IT IS FURTHER ORDERED that the GTL Defendants obtain acknowledgments of receipt of this Order:

- A. Each GTL Defendant, within 7 days of entry of this Order, must submit to the Commission an acknowledgment of receipt of this Order sworn under penalty of perjury.
- B. For 3 years after entry of this Order, (1) each Individual GTL Defendant who is, individually or collectively with any other Defendants, the majority owner or controls directly or

indirectly a company that engages in activity covered by this Order and (2) each Corporate GTL Defendant, must deliver a copy of this Order to: (a) all principals, officers, directors, and LLC managers and members of such companies; (b) all employees, agents, and representatives with managerial responsibilities related to the subject matter of this Order and all agents and representatives who participate in conduct related to the subject matter of this Order; and (c) any business entity resulting from any change in structure as set forth in the Section titled Compliance Reporting. Delivery must occur within 7 days of entry of this Order for current personnel. For all others, delivery must occur before they assume their responsibilities.

C. From each individual or entity to which a GTL Defendant delivered a copy of this Order, that GTL Defendant must obtain, within 30 days, a signed and dated acknowledgment of receipt of this Order.

VII. COMPLIANCE REPORTING

IT IS FURTHER ORDERED that the GTL Defendants make timely submissions to the Commission:

A. One year after entry of this Order, each GTL Defendant must submit a compliance report, sworn under penalty of perjury:

1. Each GTL Defendant must: (a) identify the primary physical, postal, and email address and telephone number, as designated points of contact, which representatives of the Commission may use to communicate with such GTL Defendant; (b) identify all of that GTL Defendant's businesses by all of their names, telephone numbers, and physical, postal, email, and Internet addresses; (c) describe the activities of each business, including the goods and services offered, the means of advertising, marketing, and sales, and the involvement of any other Defendant (which Individual GTL Defendants must describe if they know or should know due to their own

involvement); (d) describe in detail whether and how that GTL Defendant is in compliance with each Section of this Order; and (e) provide a copy of each Order Acknowledgment obtained pursuant to this Order, unless previously submitted to the Commission.

2. Additionally, each Individual GTL Defendant must: (a) identify all telephone numbers and all physical, postal, email and Internet addresses, including all residences; (b) identify all business activities, including any business for which such Individual GTL Defendant performs services whether as an employee or otherwise and any such entity in which such Individual GTL Defendant has any ownership interest of which Defendants have direct or indirect control; and (c) describe in detail such Individual GTL Defendant's involvement in each such business, including title, role, responsibilities, participation, authority, control, and any ownership.

B. For 5 years after entry of this Order, each GTL Defendant must submit a compliance notice, sworn under penalty of perjury, within 14 days of any change in the following:

1. Each GTL Defendant must report any change in: (a) any designated point of contact; or (b) the structure of any Corporate GTL Defendant or any entity that GTL Defendant has any ownership interest in or controls directly or indirectly that may affect compliance obligations arising under this Order, including: creation, merger, sale, or dissolution of the entity or any subsidiary, parent, or affiliate that engages in any acts or practices subject to this Order.

2. Additionally, each Individual GTL Defendant must report any change in: (a) name, including aliases or fictitious name, or residence address; or (b) title or role in any business activity, including any business for which such GTL Defendant performs services whether as an employee or otherwise and any entity in which such GTL Defendant has any ownership interest, and identify the name, physical address, and any Internet address of the business or entity.

C. Each GTL Defendant must submit to the Commission notice of the filing of any

bankruptcy petition, insolvency proceeding, or similar proceeding by or against such GTL Defendant within 14 days of its filing.

D. Any submission to the Commission required by this Order to be sworn under penalty of perjury must be true and accurate and comply with 28 U.S.C. § 1746, such as by concluding: “I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct. Executed on: _____” and supplying the date, signatory’s full name, title (if applicable), and signature.

E. Unless otherwise directed by a Commission representative in writing, all submissions to the Commission pursuant to this Order must be emailed to DEbrief@ftc.gov or sent by overnight courier (not the U.S. Postal Service) to: Associate Director for Enforcement, Bureau of Consumer Protection, Federal Trade Commission, 600 Pennsylvania Avenue NW, Washington, DC 20580. The subject line must begin: FTC v. GTL, X100042.

VIII. RECORDKEEPING

IT IS FURTHER ORDERED that the GTL Defendants must create certain records for 5 years after entry of the Order, and retain each such record for 5 years. Specifically, each GTL Defendant for any business that they, individually or collectively with any other Defendants, is a majority owner or controls directly or indirectly, must create and retain the following records:

- A. accounting records showing the revenues from all goods or services sold;
- B. personnel records showing, for each person providing services, whether as an employee or otherwise, that person’s: name; addresses; telephone numbers; job title or position; dates of service; and (if applicable) the reason for termination;
- C. records of all consumer complaints and refund requests, whether received directly or indirectly, such as through a third party, and any response;

D. all records necessary to demonstrate full compliance with each provision of this Order, including all submissions to the Commission; and

E. a copy of each unique advertisement or other marketing material.

IX. COMPLIANCE MONITORING

IT IS FURTHER ORDERED that, for the purpose of monitoring the GTL Defendants' compliance with this Order, including any failure to transfer any assets as required by this Order:

A. Within 30 days of receipt of a written request from a representative of the Commission, each GTL Defendant must: submit additional compliance reports or other requested information, which must be sworn under penalty of perjury; appear for depositions; and produce documents for inspection and copying. The Commission is also authorized to obtain discovery, without further leave of court, using any of the procedures prescribed by Federal Rules of Civil Procedure 29, 30 (including telephonic depositions), 31, 33, 34, 36, 45, and 69.

B. For matters concerning this Order, the Commission is authorized to communicate directly with each GTL Defendant. The GTL Defendants must permit representatives of the Commission to interview any employee or other person affiliated with any GTL Defendant who has agreed to such an interview. The person interviewed may have counsel present.

C. The Commission may use all other lawful means, including posing, through its representatives as consumers, suppliers, or other individuals or entities, to the GTL Defendants or any individual or entity affiliated with the GTL Defendants, without the necessity of identification or prior notice. Nothing in this Order limits the Commission's lawful use of compulsory process, pursuant to Sections 9 and 20 of the FTC Act, 15 U.S.C. §§ 49, 57b-1.

D. Upon written request from a representative of the Commission, any consumer reporting agency must furnish consumer reports concerning the GTL Individual Defendants, pursuant to

Section 604(1) of the Fair Credit Reporting Act, 15 U.S.C. §1681b(a)(1).

X. RETENTION OF JURISDICTION

IT IS FURTHER ORDERED that this Court retains jurisdiction of this matter for purposes of construction, modification, and enforcement of this Order.

SO ORDERED this _____ day of _____, 2021.

I. LEO GLASSER
UNITED STATES DISTRICT JUDGE

SO STIPULATED AND AGREED:

**FOR PLAINTIFF:
FEDERAL TRADE COMMISSION**

/s/ Karen Dahlberg O'Connell

Karen Dahlberg O'Connell, Attorney
Federal Trade Commission
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FOR THE GTL DEFENDANTS:


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Date: 10/8/21

THE GTL DEFENDANTS:



Date: 10/7/21

JEFFREY BURMAN
INDIVIDUALLY AND AS AN OFFICER OF GUARANTEE TRUST LIFE INSURANCE
COMPANY AND VANTAGE AMERICA SOLUTIONS, INC.

BARBARA TAUBE
INDIVIDUALLY AND AS AN OFFICER OF GUARANTEE TRUST LIFE INSURANCE
COMPANY

Date: _____

RICHARD HOLSON, III
INDIVIDUALLY AND AS AN OFFICER OF GUARANTEE TRUST LIFE INSURANCE
COMPANY

Date: _____

THE GTL DEFENDANTS:

Date: _____
JEFFREY BURMAN
INDIVIDUALLY AND AS AN OFFICER OF GUARANTEE TRUST LIFE INSURANCE
COMPANY AND VANTAGE AMERICA SOLUTIONS, INC.

Barbara Taube


Date: 10/7/21
BARBARA TAUBE
INDIVIDUALLY AND AS AN OFFICER OF GUARANTEE TRUST LIFE INSURANCE
COMPANY

Date: _____
RICHARD HOLSON, III
INDIVIDUALLY AND AS AN OFFICER OF GUARANTEE TRUST LIFE INSURANCE
COMPANY

THE GTL DEFENDANTS:

Date: _____
JEFFREY BURMAN
INDIVIDUALLY AND AS AN OFFICER OF GUARANTEE TRUST LIFE INSURANCE
COMPANY AND VANTAGE AMERICA SOLUTIONS, INC.

Date: _____
BARBARA TAUBE
INDIVIDUALLY AND AS AN OFFICER OF GUARANTEE TRUST LIFE INSURANCE
COMPANY



Date: 10.6.21
RICHARD HOLSON, III
INDIVIDUALLY AND AS AN OFFICER OF GUARANTEE TRUST LIFE INSURANCE
COMPANY