

**IN THE CIRCUIT COURT OF THE SECOND JUDICIAL CIRCUIT,
IN AND FOR LEON COUNTY, FLORIDA**

State of Florida, ex rel., The
Department of Financial Services of
the State of Florida,

Relator,

v.

CASE NO.: 2012-CA-
201400

AvaHealth, Inc. d/b/a Key Insurance
Plan,

Respondent.

**THE FLORIDA DEPARTMENT OF FINANCIAL SERVICES' APPLICATION FOR
ORDER TO SHOW CAUSE, INJUNCTION, AND NOTICE OF AUTOMATIC STAY FOR
PURPOSES OF REHABILITATION AND REQUEST FOR HEARING**

The Florida Department of Financial Services (hereinafter the "Department") hereby applies to this Court pursuant to Sections 631.031 and 631.051, Florida Statutes, for the entry of an Order to Show Cause, Injunction, and Notice of Automatic Stay on the appointment of the Department as Receiver of AvaHealth, Inc. d/b/a Key Insurance Plan ("Respondent" or "Company") for purposes of rehabilitation. In support of its Application, the Department states:

1. This Court has jurisdiction pursuant to Section 631.021(1), Florida Statutes, and venue is proper pursuant to Section 631.021(2), Florida Statutes.

2. Respondent is a corporation authorized pursuant to the Florida Insurance Code to transact business in the State of Florida as a life and health insurer since September 22, 2005. Respondent's principal place of business is located at 5440 Mariner Street, Suite 110, Tampa, FL 33609.

3. On March 22, 2012, the Office of Insurance Regulation ("Office") entered an Order suspending Respondent's Certificate of Authority based upon several violations of the Florida Insurance Code including financial impairment. A copy of the Order is attached as Exhibit "A." Respondent has timely filed a Petition for Administrative Hearing challenging the suspension order. On April 24, 2012, the Office referred the Petition to the Division of Administrative Hearings. A copy of the Petition is attached as Exhibit "B."

4. Section 631.021(3), Florida Statutes, provides that a delinquency proceeding pursuant to Chapter 631, Florida Statutes, constitutes the sole and exclusive method of liquidating, rehabilitating, reorganizing, or conserving a Florida domiciled insurer.

5. Under Section 631.031, Florida Statutes, the Department is empowered to apply to this Court for an Order directing the Respondents to show cause why the Department should not be appointed Receiver of the Respondents for the purposes of rehabilitation under any of the grounds set out in Sections 631.051, Florida Statutes. Section 631.031, Florida Statutes, further provides on the return of such order to show cause, and after full hearing, the Court shall either grant or deny the application together with such other relief as the nature of the case and the interests of the policyholders, creditors, stockholders, members, subscribers, or public may require.

6. Pursuant to Section 631.031(1), Florida Statutes, by letter dated May 1, 2012, Kevin McCarty, Commissioner of the Office of Insurance Regulation, advised Florida's Chief Financial Officer Jeff Atwater that the Office concluded grounds existed

for the initiation of delinquency proceedings against Respondent. A copy of the letter is attached as Composite Exhibit "C."

7. Based on the documentation received from the Office, the Department has determined that grounds for Respondent's rehabilitation exist pursuant to Section 631.051, Florida Statutes. The basis for the determination is summarized as follows:

A. The Respondent does not comply with the minimum capital and surplus requirements of Section 624.408, Florida Statutes, and therefore, is impaired.

B. On April 25, 2012, Respondent submitted their March 31, 2012 monthly financial statement. A copy of the March 31, 2012 monthly financial statement is attached as Exhibit "D." On March 31, 2012, Respondent was required by Section 624.408, Florida Statutes, to have capital and surplus of one million and five hundred thousand U.S. Dollars (\$1,500,000). Respondent's March 31, 2012 monthly financial statement reported capital and surplus of one million one hundred forty-one thousand four hundred and twelve U.S. Dollars (\$1,141,412).

C. The capital and surplus reported by Respondent on March 31, 2012 was three hundred fifty-eight thousand five hundred eighty-eight U.S. Dollars (\$358,588) below the statutory amount required by Section 624.408, Florida Statutes.

D. On April 25, 2012, the President of Respondent e-mailed the Office acknowledging the company's failure to meet minimum statutory requirements and reporting that additional capital had been infused into the company. A copy of the e-mail is attached as Exhibit "E." On April 30, 2012, the President reported to the Office that the capital infusion had not been made.

E. Based on the above findings, the Office has determined that Respondent is impaired or insolvent. Thus, grounds for issuing an Order for entry into receivership exist under Sections 631.051(1), Florida Statutes.

8. In addition, the Department has determined that grounds for Respondent's rehabilitation exist under Section 631.051, Florida Statutes, in that Respondent is found by the Office to be in such condition, as to render its further transaction of insurance hazardous to its policyholders, creditors, stockholders, or the public. The basis for this determination is summarized as follows:

A. On December 30, 2011, the Office received copies of resignation letters from three members of Respondent's board of directors. On January 19, 2012, the Office received a copy of a resignation letter from a fourth board member.

B. On April 2, 2012, the Office learned that all individuals previously acting in the capacity of corporate officers for Respondent had been replaced with new officers. The Office required Respondent's new management team to submit pro-forma financial statements projecting the future financial condition of Respondent.

C. On April 19, 2012, Respondent filed the pro-forma financial statements with the Office. The Office reviewed the pro-forma financial statements and determined that they were not sufficient to support the company's Florida plan of business operations.

9. Section 631.041(1), Florida Statutes, provides that the Department's Application for an Order to Show Cause operates as an automatic stay of certain actions. Notice of the automatic stay should be contained within the order to show cause. However, the Court order should provide that regulatory actions against

Respondent by any regulatory body shall not be stayed. Section 631.041(3) and 631.041(4), Florida Statutes, authorize this Court to enter certain injunctions to preserve the remaining assets of the insurer.

10. It is in the best interest of Respondent, its creditors and insureds that the relief requested in this Application be granted.

WHEREFORE, the Florida Department of Financial Services respectfully moves this Court for an Order:

A. Directing Respondent to appear before this Court on a short day certain and show good cause, if any, as to why the Department should not be appointed Receiver of Respondent for purposes of rehabilitation under the provisions of Chapter 631, Florida Statutes.

B. Requiring Respondent to file a written response along with any defenses it may have to the Department's allegations no later than twenty (20) days after the service of any Order to Show Cause issued by this Court and at least fifteen (15) days prior to hearing.

C. Directing that in order to protect the interests of policyholders, creditors, and the public generally, pending the adjudication of this matter and to protect and preserve the assets, books, and records of Respondent pending hearing on the Department's petition pursuant to Section 631.041(3) and 631.041(4), Florida Statutes, all persons, firms, corporations, associations and Respondent's affiliates as defined by Section 631.011, Florida Statutes, all persons, and all other persons or entities within the jurisdiction of this Court, including, but not limited to, Respondent and its officers, directors, stockholders, trustees, members, agents, and employees to be enjoined and

restrained from removing, destroying, or otherwise disposing of any documents, books, records, or assets of Respondent (or pertaining to Respondent), from doing, through acts of commission or omission, or permitting to be done any action which might waste or otherwise dispose of the books, records, and assets of, or directly or indirectly relating to, the Respondent; from denying the Department access to the books, records, and assets of, or directly or indirectly relating to, the Respondent; from in any manner interfering with the Department or the conduct of these proceedings, from the removal, concealment or other disposition of the property, books, records, and accounts of, or directly or indirectly relating to, the Respondent; from commencement or prosecution of any actions against the Respondent, or the obtaining of preferences, judgments, writs of attachment or execution against Respondent or its property or assets. However, regulatory actions against Respondent by any regulatory body should not be stayed or enjoined;

D. Directing that the Department be given authorization to conduct, at its discretion, either an investigation authorized by Section 631.391, Florida Statutes, of Respondent and its affiliates, as defined above, to uncover and make fully available to the Court the true state of Respondent's financial affairs. In furtherance of this investigation, Respondent and its parent corporation, its subsidiaries, affiliates including but not limited to the Respondent's affiliates as set out above, should be required to make all books, documents, accounts, records, and affairs, which either belong to or pertain to the Respondent, wherever located, available for full, free and unhindered inspection and examination by the Department during normal business hours (8:00 a.m. to 5:00 p.m.) Monday through Friday, from the date of this Order. This investigation

should include a full complete examination of any and all reviews, compilations, audits or any other work of whatever nature performed by any accounting firm to include all work papers, on behalf of, related to or in any way connected with Respondent, its affiliates and/or Respondent's corporate structure and affiliations. Respondent and its affiliates should be ordered and enjoined to cooperate with the Department to the fullest extent required by Section 631.391, Florida Statutes. Such cooperation should include, but not be limited to, the taking of oral testimony under oath of Respondent's officers, directors, managers, trustees, agents, adjusters, employees, or independent contractor of Respondent is affiliates and any other person who possesses any executive authority over, or who exercises any control over, any segment of the affairs of Respondent in both their official , representative and individual capacities and the production of all documents that are calculated to disclose the true state of Respondent's affairs.

E. Directing that any officer, director, manager, trustee, agent, accountants, adjuster, employee, or independent contractor of Respondent and any other person who possess any executive authority over, or who exercises any control over, any segment of the affairs of Respondent to fully cooperate with the Department as required by Section 631.391, Florida Statutes, and as set out in the preceding paragraph.

F. Directing that the failure of Respondent and its affiliates and all other persons or entities within the jurisdiction of this Court, to cooperate with the Department's investigations as required by Section 631.391, Florida Statutes, and that failure to comply with any Order to Show Cause issued by this Court shall result in the immediate entry of an order of rehabilitation.

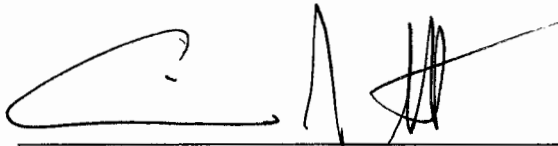
G. Giving notice of the automatic stay provisions of Section 631.041(1), Florida Statutes.

H. Directing the Officers and Directors of Respondent to comply with the provisions of Section 626.9541(1)(w), Florida Statutes; and

I. Granting such other relief as the Court deems appropriate.

AND FURTHER, at hearing or on consent of Respondent, if this Court determines that a receiver should be appointed, the Department moves this Court for entry of its Order of Rehabilitation attached to this Application as Exhibit "F".

RESPECTFULLY SUBMITTED on this 3rd day of May, 2012.



ROBERT V. ELIAS, CHIEF ATTORNEY

Florida Bar No. 530107

TIMOTHY L. NEWHALL, DEPUTY CHIEF ATTORNEY

Florida Bar No. 391255

ERIC S. SCOTT, SENIOR ATTORNEY

Florida Bar No. 911496

LOURDES M. CALZADILLA, SENIOR ATTORNEY

Florida Bar No. 139408

Florida Department of Financial Services

Division of Rehabilitation and Liquidation

2020 Capital Circle SE, Suite 310

Tallahassee, Florida 32301

(850) 413-4513 – Telephone

(850) 413-3992 – Facsimile



FILED

MAR 22 2012

OFFICE OF
INSURANCE REGULATION

Docketed by:

OFFICE OF INSURANCE REGULATION

Kevin M. McCarty
Commissioner

IN THE MATTER OF:

CASE NO.: 124309-12

AVAHEALTH, INC., D/B/A
KEY INSURANCE PLAN
_____ /

ORDER

TO: Bruce W. Frieman
AvaHealth, Inc., d/b/a Key Insurance Plan
5440 Mariner Street
Tampa, Florida 33609

THIS CAUSE came on for consideration as a result of a review by the OFFICE OF INSURANCE REGULATION (hereinafter referred to as the "OFFICE") of the financial condition of AVAHEALTH, INC., D/B/A KEY INSURANCE PLAN (hereinafter referred to as "AVAHEALTH"). The OFFICE, having considered this matter and being fully advised in the premises, finds as follows:

1. The OFFICE has jurisdiction over the subject matter and parties to this proceeding.
2. AVAHEALTH is a domestic life and health insurer authorized to do business in Florida and subject to regulation by the OFFICE, pursuant to the Florida Insurance Code.
3. Based on the January 31, 2012 Monthly Statement (attached as Exhibit "A"), AVAHEALTH is impaired by six hundred eighty eight thousand seven hundred ninety six U.S.

Dollars (\$688,796). In order to correct this, on Friday, March 16, 2012, the OFFICE sent a letter to AVAHEALTH informing them that, in order to be in compliance with the capital and surplus requirements of the Florida Insurance Code, the company must deposit one million U.S. Dollars (\$1,000,000) by 12:00pm, Tuesday, March 20, 2012. The OFFICE received notification from AVAHEALTH on Tuesday, March 20, 2012, that the money was deposited; however, through verbal communications it was discovered that the only signatory authority on the account is Enoc Martinez, and AVAHEALTH does not have actual control over the account. Since AVAHEALTH does not have actual control over the account, the money is not available for the payment of claims, and therefore is a non-admitted asset and cannot be counted towards the capital and surplus requirements of the company. Therefore, AVAHEALTH is impaired in violation of Section 624.408, Florida Statutes.

4. All three officers reported on AVAHEALTH's September 30, 2011 quarterly financial statements have resigned and are currently working for AVAHEALTH as "At-Will Independent Consultants." AVAHEALTH's December 31, 2011 and January 31, 2012 monthly financial statements report Enoc Segundo Martinez, one of the indirect owners of AVAHEALTH as President. Mr. Martinez does not have sufficient insurance experience to successfully operate AVAHEALTH. Therefore, AVAHEALTH does not currently have sufficient and qualified officers.

5. In Consent Order No. 116802-11-CO (attached as Exhibit "B"), in which the OFFICE approved the acquisition of AVAHEALTH by Key Insurance Plan, Inc., projected financial information dated May 13, 2011, was submitted, stating that contributed capital in the amount of five million U.S. Dollars (\$5,000,000) would be infused into AVAHEALTH during January of 2012. This contribution was a material element to support AVAHEALTH's 2012

growth and the OFFICE's approval of the acquisition transaction. The capital contribution was not made in January in accordance with the May 13, 2011 projected financial information.

6. Section 624.418(1)(a), (b) and (d), Florida Statutes, state that the OFFICE shall suspend the Florida Certificate of Authority of any insurer determined to be "in unsound financial condition," "using such methods and practices in the conduct of its business as to render its further transaction of insurance in this state hazardous or injurious to its policyholders," or any insurer who "no longer meets the requirements for the authority originally granted."

7. Based on the facts laid out above, the OFFICE hereby finds that AVAHEALTH is in unsound financial condition, is using such methods and practices in the conduct of its business as to render its further transaction of insurance in this state hazardous or injurious to its policyholders, and no longer meets the requirements for the authority originally granted.

IT IS THEREFORE ORDERED THAT:

1. The Certificate of Authority of AVAHEALTH shall be immediately suspended until such time as AVAHEALTH is in full compliance with the Florida Insurance Code

2. Pursuant to Section 624.421(4), Florida Statutes, in the event that AVAHEALTH does not present satisfactory evidence to the OFFICE that AVAHEALTH is in full compliance with the Florida Insurance Code within two (2) years, AVAHEALTH's Certificate of Authority shall be deemed to have expired as a matter of law as of two (2) years from the date of suspension, or upon failure of the insurer to continue the certificate during the suspension period in accordance with Section 624.421(2), Florida Statutes.

3. Effective upon the date of execution of this Order by the OFFICE, AVAHEALTH shall:

- a. Cease writing any and all new or renewal direct business in the State of Florida, and issue no new insurance policies in Florida.
- b. Not assume any risks located in the State of Florida.
- c. Immediately notify all of its agents in writing that they are not to place any new or renewal business with AVAHEALTH in the State of Florida.
- d. Continue to file with the OFFICE all documents and information required by the Florida Insurance Code, and to pay all fees and taxes as if the Certificate of Authority had continued in full force pursuant to Section 624.421(2), Florida Statutes.
- e. Continue to honor all claims and liabilities arising under its contractual obligations pursuant to policies issued in the State of Florida.

4. The OFFICE will retain continuing jurisdiction over AVAHEALTH or its successor to enforce the provisions of the Florida Insurance Code applicable to the satisfaction of past, current or future claims, liabilities or other obligations of AVAHEALTH which have arisen or may arise in the State of Florida, and to enforce the provisions of this Order.

5. In the event AVAHEALTH fails to comply with any provision of this Order, the OFFICE may impose upon AVAHEALTH such further administrative penalties or other appropriate remedies as authorized by the Florida Insurance Code.

WHEREFORE, subject to the terms and conditions set forth above, the Florida Certificate of Authority of AVAHEALTH, INC., D/B/A KEY INSURANCE PLAN is hereby SUSPENDED. FURTHER, all terms and conditions contained herein are hereby ORDERED.

DONE and ORDERED this 22nd day of March, 2012.

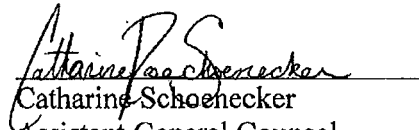


A handwritten signature in black ink, appearing to read "Kevin M. McCarty", written over a horizontal line.

Kevin M. McCarty, Commissioner
Office of Insurance Regulation

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of this Order was sent by Certified Mail to Mr. Bruce W. Frieman, AvaHealth, Inc., d/b/a Key Insurance Plan, 5440 Mariner Street, Tampa, Florida 33609, this 2nd day of March, 2012.

A handwritten signature in black ink, appearing to read "Catharine Schoenecker", is written over a horizontal line.

Catharine Schoenecker
Assistant General Counsel
Florida Office of Insurance Regulation
200 East Gaines Street
Tallahassee, Florida 32399-4206
(850) 413-4169
Catharine.schoenecker@floir.com

NOTICE OF RIGHTS

Pursuant to Sections 120.569 and 120.57, Florida Statutes, and Rule Chapter 28-106, Florida Administrative Code (F.A.C.), you may have a right to request a proceeding to contest this action by the Office of Insurance Regulation (hereinafter the "Office"). You may request a proceeding by filing a Petition. Your Petition for a proceeding must be in writing and must be filed with the General Counsel acting as the Agency Clerk, Office of Insurance Regulation. If served by U.S. Mail the Petition should be addressed to the Florida Office of Insurance Regulation at 612 Larson Building, 200 East Gaines Street, Tallahassee, Florida 32399-4206. If Express Mail or hand-delivery is utilized, the Petition should be delivered to 612 Larson Building, 200 East Gaines Street, Tallahassee, Florida 32399-0300. The written Petition must be received by, and filed in the Office, no later than 5:00 p.m. on the twenty-first (21) day after your receipt of this notice. Unless your Petition challenging this action is received by the Office within twenty-one (21) days from the date of the receipt of this notice, the right to a proceeding shall be deemed waived. Mailing the response on the twenty-first day will not preserve your right to a hearing.

If a proceeding is requested and there is no dispute of material fact, the provisions of Section 120.57(2), Florida Statutes, may apply. In this regard you may submit oral or written evidence in opposition to the action taken by this agency, or a written statement challenging the grounds upon which the agency has relied. While a hearing is normally not required in the absence of a dispute of fact, if you feel that a hearing is necessary, one may be conducted in Tallahassee, Florida, or by telephonic conference call upon your request.

If you dispute material facts which are the basis for this agency's action, you may request a formal adversarial proceeding pursuant to Sections 120.569 and 120.57(1), Florida Statutes. If you request this type of proceeding, the request must comply with all of the requirements of Rule Chapter 28-106.2015, F.A.C., including but not limited to:

- a) A statement requesting an administrative hearing identifying those material facts that are in dispute. If there are none, the petition must so state; and
- b) A statement of when the respondent received notice of the agency's action.

These proceedings are held before a State Administrative Law Judge of the Division of Administrative Hearings. Unless the majority of witnesses are located elsewhere, the Office will request that the hearing be conducted in Tallahassee.

In some instances, you may have additional statutory rights than the ones described herein.

Failure to follow the procedure outlined with regard to your response to this notice may result in the request being denied. Any request for administrative proceeding received prior to the date of this notice shall be deemed abandoned unless timely renewed in compliance with the guidelines as set out above.

MONTHLY STATEMENT

OF THE

AVAHEALTH, Inc.

TO THE

Insurance Department

OF THE

STATE OF

FLORIDA

**FOR THE MONTH ENDED
JANUARY 31, 2012**

HEALTH

2012





HEALTH MONTHLY STATEMENT

AS OF JANUARY 31, 2012
OF THE CONDITION AND AFFAIRS OF THE
AVAHEALTH, INC.

NAIC Group Code 0000 NAIC Company Code 12318 Employer's ID Number 80-9070801
(Current) (Prior)

Organized under the Laws of FL, State of Domicile or Port of Entry FL

Country of Domicile United States of America

Licensed as business type: Life, Accident & Health

Is HMO Federally Qualified? Yes ☐ No ☐

Incorporated/Organized 07/08/2006 Commenced Business 04/01/2008

Statutory Home Office 5440 Mariner Street, Suite 110 Tampa, FL 33608
(Street and Number) (City or Town, State and Zip Code)

Main Administrative Office 5440 Mariner Street, Suite 110
(Street and Number) Tampa, FL 33608 813-868-5129
(City or Town, State and Zip Code) (Area Code) (Telephone Number)

Mail Address 5440 Mariner Street, Suite 110 Tampa, FL 33608 813-868-5129
(Street and Number or P.O. Box) (City or Town, State and Zip Code) (Area Code) (Telephone Number)

Primary Location of Books and Records 5440 Mariner Street, Suite 110 Tampa, FL 33608 813-868-5129
(Street and Number) (City or Town, State and Zip Code) (Area Code) (Telephone Number)

Internal Web Site Address www.keytp.com

Statutory Statement Contact Rosa Leon Capistran 813-770-4625
(Name) (Area Code) (Telephone Number)
leoncap@keytp.com 813-299-5620
(E-mail Address) (FAX Number)

OFFICERS

President Enzo Segundo Martinez

OTHER

DIRECTORS OR TRUSTEES

Enzo Segundo Martinez

State of FL SS:
County of Hillsborough

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that the statement, together with related exhibits, schedules and explanations therein contained, amended or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures Manual except to the extent that: (1) state law may differ or; (2) that state rules or regulations require otherwise in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, transcript of this deposition by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy except for formatting differences due to electronic filing of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

Enzo S. Martinez
President

[Signature]

Subscribed and sworn to before me this 27 day of February, 2012

Arne Wesley

1/9/2015

- a. Is this an original filing? Yes [X] No []
- b. If no,
1. State the amendment number.
 2. Date filed 02/27/2012
 3. Number of pages attached.

STATEMENT AS OF JANUARY 31, 2012 OF THE AVAHEALTH, Inc.

ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 3)	
1. Bonds			0	
2. Stocks:				
2.1 Preferred stocks			0	
2.2 Common stocks			0	
3. Mortgage loans on real estate:				
3.1 First liens			0	
3.2 Other than first liens			0	
4. Real estate:				
4.1 Properties occupied by the company (less \$ encumbrances)			0	
4.2 Properties held for the production of income (less \$ encumbrances)			0	
4.3 Properties held for sale (less \$ encumbrances)			0	
5. Cash (\$ 3,050,722), cash equivalents (\$) and short-term investments (\$)	3,050,722		3,050,722	2,828,068
6. Contract loans (including \$ premium notes)			0	
7. Derivatives			0	
8. Other invested assets	0		0	
9. Receivables for securities			0	
10. Securities lending reinvested collateral assets			0	
11. Aggregate write-ins for invested assets	0	0	0	0
12. Subtotal, cash and invested assets (Lines 1 to 11)	3,050,722	0	3,050,722	2,828,068
13. Title plants less \$ charged off (for Title Insurers only)			0	
14. Investment income due and accrued			0	
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection			0	
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premiums)			0	
15.3 Accrued retrospective premiums			0	
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers			0	
16.2 Funds held by or deposited with reinsured companies			0	
16.3 Other amounts recoverable under reinsurance contracts			0	
17. Amounts receivable relating to unexpired plans			0	
18.1 Current federal and foreign income tax recoverable and interest thereon	2,500,000	2,330,000	170,000	160,000
18.2 Net deferred tax asset			0	
19. Guaranty funds receivable or on deposit			0	
20. Electronic data processing equipment and software			0	
21. Furniture and equipment, including health care delivery assets (\$)	5,438		5,438	4,221
22. Net adjustment in assets and liabilities due to foreign exchange rates			0	
23. Receivables from parent, subsidiaries and affiliates	260,000		260,000	260,000
24. Health care (\$) and other amounts receivable			0	
25. Aggregate write-ins for other than invested assets	296,328	0	296,328	296,328
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	6,161,487	2,330,000	3,771,487	3,526,636
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	
28. Total (Lines 26 and 27)	6,161,487	2,330,000	3,771,487	3,526,636
DETAILS OF WRITE-INS				
1101.				
1102.				
1103.				
1106. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1109. Totals (Lines 1101 through 1103 plus 1106)(Line 11 above)	0	0	0	0
2501. Elavon	296,328		296,328	296,328
2502.				
2503.				
2598. Summary of remaining write-ins for Line 26 from overflow page	0	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598)(Line 26 above)	296,328	0	296,328	296,328

STATEMENT AS OF JANUARY 31, 2012 OF THE AVAHEALTH, Inc.

LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ reinsurance ceded)	1,726,792		1,726,792	1,466,236
2. Accrued medical incentive pool and bonus amounts			0	
3. Unpaid claims adjustment expenses	21,000		21,000	21,000
4. Aggregate health policy reserves	100,679		100,679	100,679
5. Aggregate life policy reserves			0	
6. Property/casualty unearned premium reserve			0	
7. Aggregate health claim reserves			0	
8. Premiums received in advance	168,082		168,082	167,996
9. General expenses due or accrued			0	115,492
10.1 Current federal and foreign income tax payable and interest thereon (including \$ on realized gains (losses))			0	
10.2 Net deferred tax liability			0	
11. Ceded reinsurance premiums payable			0	
12. Amounts withheld or retained for the account of others			0	
13. Premiums and items not allocated			0	
14. Borrowed money (including \$ current) and interest thereon \$ (including \$ current)			0	
15. Amounts due to parent, subsidiaries and affiliates			0	
16. Derivatives			0	
17. Payable for securities			0	
18. Payable for securities lending			0	
19. Funds held under reinsurance treaties (with \$ authorized reinsurance and \$ unauthorized reinsurance)			0	
20. Reinsurance in unauthorized companies			0	
21. Net adjustments in assets and liabilities due to foreign exchange rates			0	
22. Liability for amounts held under unsecured plans			0	
23. Aggregate write-ins for other liabilities (including \$ current)	20,000	0	20,000	20,000
24. Total liabilities (Lines 1 to 23)	2,056,553	0	2,056,553	1,891,466
25. Aggregate write-ins for special surplus funds	XXX	XXX	0	0
26. Common capital stock	XXX	XXX	1,900,000	1,600,000
27. Preferred capital stock	XXX	XXX		
28. Gross paid in and contributed surplus	XXX	XXX	6,807,000	6,807,000
29. Surplus notes	XXX	XXX		
30. Aggregate write-ins for other than special surplus funds	XXX	XXX	4,800,000	4,800,000
31. Unassigned funds (surplus)	XXX	XXX	(11,892,089)	(11,472,833)
32. Less treasury stock, at cost:				
32.1 shares common (value included in Line 26 \$)	XXX	XXX		
32.2 shares preferred (value included in Line 27 \$)	XXX	XXX		
33. Total capital and surplus (Lines 25 to 31 minus Line 32)	XXX	XXX	1,714,904	1,634,167
34. Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	3,771,457	3,525,633
DETAILS OF WRITE-INS				
2301. Broker Liability	20,000		20,000	20,000
2302.				
2303.				
2308. Summary of remaining write-ins for Line 23 from overflow page	0	0	0	0
2309. Totals (Lines 2301 through 2303 plus 2308)(Line 23 above)	20,000	0	20,000	20,000
2501.	XXX	XXX		
2502.	XXX	XXX		
2503.	XXX	XXX		
2508. Summary of remaining write-ins for Line 25 from overflow page	XXX	XXX	0	0
2509. Totals (Lines 2501 through 2503 plus 2508)(Line 25 above)	XXX	XXX	0	0
3001. Capital infusion	XXX	XXX	4,800,000	4,800,000
3002.	XXX	XXX		
3003.	XXX	XXX		
3008. Summary of remaining write-ins for Line 30 from overflow page	XXX	XXX	0	0
3009. Totals (Lines 3001 through 3003 plus 3008)(Line 30 above)	XXX	XXX	4,800,000	4,800,000

STATEMENT AS OF JANUARY 31, 2012 OF THE AVAHEALTH, Inc.

STATEMENT OF REVENUE AND EXPENSES

	Current Year To Date		Prior Year To Date	Prior Year Ended December 31
	1 Unaudited	2 Total	3 Total	4 Total
1. Member Months.....	.XXX	1,676	2,863	29,242
2. Net premium income (including \$ non-health premium income).....	.XXX	445,776	638,960	8,416,298
3. Change in unearned premium reserves and reserves for rate credits.....	.XXX			
4. Fee-for-service (net of \$ medical expenses).....	.XXX			
5. Risk revenue.....	.XXX			
6. Aggregate write-ins for other health care related revenue.....	.XXX	0	1,798	0
7. Aggregate write-ins for other non-health revenue.....	.XXX	0	0	0
8. Total revenue (Lines 2 to 7).....	.XXX	445,776	640,758	8,416,298
Hospital and Medical:				
9. Hospital/medical benefits.....		286,454	417,912	5,013,392
10. Other professional services.....				
11. Out-of-office referrals.....				
12. Emergency room and out-of-area.....				
13. Prescription drugs.....				
14. Aggregate write-ins for other hospital and medical.....	0	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts.....				
16. Subtotal (Lines 9 to 15).....	0	286,454	417,912	5,013,392
Less:				
17. Net reinsurance recoveries.....				
18. Total hospital and medical (Lines 16 minus 17).....	0	286,454	417,912	5,013,392
19. Non-health claims (net).....				
20. Claims adjustment expenses, including \$ cost containment expenses.....				
21. General administrative expenses.....		538,661	126,532	1,965,419
22. Increase in reserves for life and accident and health contracts (including \$ increase in reserves for life only).....				
23. Total underwriting deductions (Lines 18 through 22).....	0	527,115	646,444	5,979,311
24. Net underwriting gain or (loss) (Lines 8 minus 23).....	.XXX	(183,339)	94,312	(682,575)
25. Net investment income earned.....			1,340	
26. Net realized capital gains (losses) less capital gains tax of \$).....				
27. Net investment gains (losses) (Lines 25 plus 26).....	0	0	1,340	0
28. Net gain or (loss) from agency or premium balances charged off (amount recovered \$) (amount charged off \$).....				
29. Aggregate write-ins for other income or expenses.....	0	0	0	0
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29).....	.XXX	(183,339)	96,652	(682,575)
31. Federal and foreign income taxes incurred.....	.XXX			
32. Net income (loss) (Lines 30 minus 31).....	.XXX	(183,339)	96,652	(682,575)
DETAILS OF WRITE-INS				
0601. Fee Income.....	.XXX		1,798	
0602.XXX			
0603.XXX			
0604. Summary of remaining write-ins for Line 6 from overflow page.....	.XXX	0	0	0
0605. Totals (Lines 0601 through 0603 plus 0604)(Line 6 above).....	.XXX	0	1,798	0
0701.XXX			
0702.XXX			
0703.XXX			
0704. Summary of remaining write-ins for Line 7 from overflow page.....	.XXX	0	0	0
0705. Totals (Lines 0701 through 0703 plus 0704)(Line 7 above).....	.XXX	0	0	0
1401.				
1402.				
1403.				
1404. Summary of remaining write-ins for Line 14 from overflow page.....	0	0	0	0
1405. Totals (Lines 1401 through 1403 plus 1404)(Line 14 above).....	0	0	0	0
2901.				
2902.				
2903.				
2904. Summary of remaining write-ins for Line 28 from overflow page.....	0	0	0	0
2905. Totals (Lines 2901 through 2903 plus 2904)(Line 28 above).....	0	0	0	0

STATEMENT AS OF JANUARY 31, 2012 OF THE AVAHEALTH, Inc.

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
CAPITAL AND SURPLUS ACCOUNT			
33. Capital and surplus prior reporting year.....	1,634,167	19,899	(2,808,783)
34. Net income or (loss) from Line 32.....	(163,239)	94,446	(562,575)
35. Change in valuation basis of aggregate policy and claim reserves.....			
36. Change in net unrealized capital gains (losses) less capital gains tax of \$.....			
37. Change in net unrealized foreign exchange capital gain or (loss).....			
38. Change in net deferred income tax.....	20,000		150,000
39. Change in nonadmitted assets.....			
40. Change in unauthorized reinsurance.....	0		
41. Change in treasury stock.....	0		
42. Change in surplus notes.....	0		
43. Cumulative effect of change in accounting principles.....			
44. Capital Changes:			
44.1 Paid in.....	0		
44.2 Transferred from surplus (Stock Dividend).....	0		
44.3 Transferred to surplus.....			
45. Surplus adjustments:			
45.1 Paid in.....	0		
45.2 Transferred to capital (Stock Dividend).....			
45.3 Transferred from capital.....			
46. Dividends to stockholders.....			
47. Aggregate write-ins for gains or (losses) in surplus.....	244,108	0	4,858,606
48. Net change in capital & surplus (Lines 34 to 47).....	80,767	94,446	4,440,930
49. Capital and surplus end of reporting period (Line 33 plus 48).....	1,714,934	114,335	1,534,167
DETAILS OF WRITE-INS			
4701.	244,108		4,858,606
4702.			
4703.			
4799. Summary of remaining write-ins for Line 47 from overflow page.....	0	0	0
4799. Totals (Lines 4701 through 4703 plus 4799) (Line 47 above).....	244,108	0	4,858,606

STATEMENT AS OF JANUARY 31, 2012 OF THE AVAHEALTH, Inc.

CASH FLOW

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
Cash from Operations			
1. Premiums collected net of reinsurance	483,880	387,799	8,510,881
2. Net investment income	0	(1,784)	
3. Miscellaneous income	0	1,788	
4. Total (Lines 1 to 3)	483,880	987,822	8,510,881
5. Benefit and loss related payments	27,081	541,270	5,910,309
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts			
7. Commissions, expenses paid and aggregate write-ins for deductions	338,961	105,922	1,986,419
8. Dividends paid to policyholders			
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses)	2,480,000	75,033	2,390,000
10. Total (Lines 5 through 9)	2,846,022	742,225	10,226,728
11. Net cash from operations (Line 4 minus Line 10)	(2,362,142)	(574,403)	(3,716,847)
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	0		
12.2 Stocks	0		
12.3 Mortgage loans	0		
12.4 Real estate	0		
12.5 Other invested assets	0		
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	0		
12.7 Miscellaneous proceeds	0		
12.8 Total investment proceeds (Lines 12.1 to 12.7)	0	0	0
13. Cost of investments acquired (long-term only):			
13.1 Bonds	0		
13.2 Stocks	0		
13.3 Mortgage loans	0		
13.4 Real estate	0		
13.5 Other invested assets	0		
13.6 Miscellaneous applications	0		
13.7 Total investments acquired (Lines 13.1 to 13.6)	0	0	0
14. Net increase (or decrease) in contract loans and premium notes	0		
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	0	0	0
Cash from Financing and Miscellaneous Sources			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes	0		
16.2 Capital and paid in surplus, less treasury stock	0		
16.3 Borrowed funds	0		
16.4 Net deposits on deposit-type contracts and other insurance liabilities	0		
16.5 Dividends to stockholders	0		
16.6 Other cash provided (applied)	2,807,396	(1,477,540)	5,871,872
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.6 minus Line 16.5 plus Line 16.6)	2,807,396	(1,477,540)	5,871,872
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	224,694	(1,851,943)	1,958,726
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year	2,826,088	3,041,281	868,383
19.2 End of period (Line 18 plus Line 19.1)	3,050,782	1,189,338	2,828,088

Note: Supplemental disclosures of cash flow information for non-cash transactions:

STATEMENT AS OF JANUARY 31, 2012 OF THE AVAHEALTH, INC.

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

	1 Total	2 Comprehensive (Hospital & Medical)		4 Medicare Supplement	5 Vision Only	6 Dental Only	7 Federal Employees Health Benefits Plan	8 Title XVII Medicare	9 Title XX Medicaid	10 Other
		Individual	Group							
Total Members at end of:										
1. Prior Year	2,055	2,000	47							
2. First Quarter	1,975	1,955	48							
3. Second Quarter	0									
4. Third Quarter	0									
5. Current Year	0									
6. Current Year Member Months	1,975	1,955	49							
Total Member Ambulatory Encounters for Period:										
7. Physician	0									
8. Non-Physician	0									
9. Total	0	0	0	0	0	0	0	0	0	0
10. Hospital Patient Days Incurred	0									
11. Number of Inpatient Admissions	0									
12. Health Premiums Written (a)	443,776									
13. Life Premiums Direct	0									
14. Property/Casualty Premiums Written	0									
15. Health Premiums Earned	443,776									
16. Property/Casualty Premiums Earned	0									
17. Amount Paid for Provision of Health Care Services	0									
18. Amount Incurred for Provision of Health Care Services	288,454									

(a) For health premiums written: amount of Medicare Title XVII exempt from state taxes or fees \$

STATEMENT AS OF JANUARY 31, 2012 OF THE AVAHEALTH, Inc.

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Current Year to Date - Allocated by States and Territories

1 States, etc.	2 Active Status	3 Accident and Health Premiums	4 Medicare Type XVIII	5 Medicaid Type XIX	Direct Business Only				
					6 Federal Employees Health Benefits Program Premiums	7 Life and Annuity Premiums & Other Considerations	8 Property/Casualty Premiums	9 Total Columns 2 Through 7	10 Deposit-Type Contrasts
1. Alabama.....AL								0	
2. Alaska.....AK								0	
3. Arizona.....AZ								0	
4. Arkansas.....AR								0	
5. California.....CA								0	
6. Colorado.....CO								0	
7. Connecticut.....CT								0	
8. Delaware.....DE								0	
9. District of Columbia.....DC								0	
10. Florida.....FL	1	443,778						443,778	
11. Georgia.....GA								0	
12. Hawaii.....HI								0	
13. Idaho.....ID								0	
14. Illinois.....IL								0	
15. Indiana.....IN								0	
16. Iowa.....IA								0	
17. Kansas.....KS								0	
18. Kentucky.....KY								0	
19. Louisiana.....LA								0	
20. Maine.....ME								0	
21. Maryland.....MD								0	
22. Massachusetts.....MA								0	
23. Michigan.....MI								0	
24. Minnesota.....MN								0	
25. Mississippi.....MS								0	
26. Missouri.....MO								0	
27. Montana.....MT								0	
28. Nebraska.....NE								0	
29. Nevada.....NV								0	
30. New Hampshire.....NH								0	
31. New Jersey.....NJ								0	
32. New Mexico.....NM								0	
33. New York.....NY								0	
34. North Carolina.....NC								0	
35. North Dakota.....ND								0	
36. Ohio.....OH								0	
37. Oklahoma.....OK								0	
38. Oregon.....OR								0	
39. Pennsylvania.....PA								0	
40. Rhode Island.....RI								0	
41. South Carolina.....SC								0	
42. South Dakota.....SD								0	
43. Tennessee.....TN								0	
44. Texas.....TX								0	
45. Utah.....UT								0	
46. Vermont.....VT								0	
47. Virginia.....VA								0	
48. Washington.....WA								0	
49. West Virginia.....WV								0	
50. Wisconsin.....WI								0	
51. Wyoming.....WY								0	
52. American Samoa.....AS								0	
53. Guam.....GU								0	
54. Puerto Rico.....PR								0	
55. U.S. Virgin Islands.....VI								0	
56. Northern Mariana Islands.....MP								0	
57. Canada.....CN								0	
58. Aggregate Other Aliens.....OT	XXX	0	0	0	0	0	0	0	0
59. Subtotal.....	XXX	443,778	0	0	0	0	0	443,778	0
60. Reporting Entity Contributions for Employee Benefit Plans.....	XXX							0	
61. Totals (Direct Business) (a).....	1	443,778	0	0	0	0	0	443,778	0
DETAILS OF WRITE-INS									
5801.....	XXX								
5802.....	XXX								
5803.....	XXX								
5899. Summary of remaining write-ins for Line 58 from overflow page.....	XXX	0	0	0	0	0	0	0	0
5899. Totals (Lines 5801 through 5803 plus 5899)(Line 58 above).....	XXX	0	0	0	0	0	0	0	0

(L) Licensed or Chartered - Licensed Insurance Carrier or Domestic RRG; (R) Registered - Non-domestic RRG; (Q) Qualified - Qualified or Approved Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business in the state.
(a) Insert the number of L responses except for Canada and Other Alien.

FILED



JUN 14 2011

OFFICE OF
INSURANCE REGULATION
Decided by: 2

OFFICE OF INSURANCE REGULATION

KEVIN M. MCCARTY
COMMISSIONER

IN THE MATTER OF:

CASE NO.: 116802-11-CO

Application for the Acquisition of all the
Issued and Outstanding Voting Securities of
AVAHEALTH, INC., a Domestic Insurer, by
KEY INSURANCE PLANS, INC.

CONSENT ORDER

THIS CAUSE came on for consideration upon the filing with the OFFICE OF INSURANCE REGULATION (hereinafter referred to as the "OFFICE") of an application for approval of the acquisition of all of the issued and outstanding voting securities of AVAHEALTH, INC., (hereinafter referred to as "COMPANY"), a domestic insurer, by KEY INSURANCE PLANS, INC. (hereinafter referred to as "APPLICANT") pursuant to Section 628.461, Florida Statutes. Following a complete review of the entire record, and upon consideration thereof, and being otherwise fully advised in the premises, the OFFICE finds as follows:

1. The OFFICE has jurisdiction over the subject matter and the parties to this proceeding.
2. APPLICANT has applied for, and subject to the present and continuing satisfaction of the requirements, terms and conditions established herein, has satisfactorily met



all of the conditions precedent for the granting of approval by the OFFICE of the proposed acquisition of all of the outstanding capital stock of COMPANY.

3. APPLICANT is a Florida corporation that is one hundred percent (100%) owned by CUSP, LLC (hereinafter referred to as "CUSP") a limited liability company. The application represents that CUSP has as its managers the following individuals: Pedro Carelto, Mario Paez, Ernesto Urdaneta and Enoc Segundo Martinez. The application also represents that Bruce Frieman is a manager at large for CUSP. Said representations are material to the issuance of this Consent Order.

4. COMPANY is a licensed life and health insurer domiciled in the state of Florida and is one hundred percent (100%) owned by AVALON HEALTHCARE HOLDINGS, INC. (hereinafter referred to as "AHH" or "SELLER"), a Florida corporation.

5. On March 14, 2011, CUSP entered into a Stock Purchase Agreement with SELLER, which was subsequently amended and restated and filed with the OFFICE on May 27, 2011, whereby CUSP or its designee would acquire all of the issued and outstanding capital stock of COMPANY. CUSP has represented that its designee shall be APPLICANT. The aforementioned representation is material to the issuance of this Consent Order. Information is missing from Section 2.4 (vii), Schedule A and the Disclosure Schedule that form the Amended and Restated Stock Purchase Agreement. APPLICANT shall submit an executed copy of the Amended and Restated Stock Purchase Agreement to the OFFICE for the OFFICE's review within three (3) business days from the closing of the acquisition of COMPANY by the APPLICANT. The executed Amended and Restated Stock Purchase Agreement submitted to the OFFICE shall contain the missing information within Section 2.4 (vii), Schedule A, the Disclosure Schedule and any other schedules, exhibits or related documents that effectuate the

Amended and Restated Stock Purchase Agreement APPLICANT, SELLER and COMPANY agree that the OFFICE's approval of the acquisition of COMPANY by APPLICANT is conditioned upon the OFFICE's receipt and acceptance of the executed Amended and Restated Stock Purchase Agreement. APPLICANT, SELLER and COMPANY further agree that this Consent Order shall be deemed void should the OFFICE find the executed Amended and Restated Stock Purchase Agreement to be unacceptable.

6. Pursuant to Schedule 2.2 of the Amended and Restated Stock Purchase Agreement, the liability of APPLICANT is limited; however, APPLICANT agrees that it is acquiring all of the issued and capital stock of COMPANY and the aforementioned liability limitation shall only serve to reduce the adjusted purchase price of COMPANY. APPLICANT and CUSP agree that APPLICANT shall be responsible for all liabilities, of any kind, on behalf of COMPANY and APPLICANT shall pay all legitimate liabilities of COMPANY in a timely manner regardless of any reimbursement it may or may not receive pursuant to Schedule 2.2 of the Amended and Restated Stock Purchase Agreement. Additionally, the parties agree that the purchase price of the COMPANY shall be paid by CUSP or APPLICANT.

7. Concurrent with the acquisition, the application represents that COMPANY shall change its name to "Key Insurance Plan, Inc.". Final approval of the name change is subject to the receipt of a Certificate of Status issued by the Florida Office of the Secretary of State reflecting the name change, as well as any other required documentation to validate a name change.

8. APPLICANT and CUSP have made material representations that none of their officers, directors, managers and shareholders holding five percent (5%) or greater ownership interest and none of the post-acquisition officers and directors of COMPANY have been found

guilty of, or have pleaded guilty or nolo contendere to, a felony or a misdemeanor, other than a minor traffic violation, without regard to whether a judgment of conviction was entered by the Court.

9. APPLICANT and CUSP represent that they have, with the exception of Enoc Segundo Martinez, submitted complete background information on each of the persons described in paragraph eight (8) above, and that if such material information has not been provided, any such individual shall be removed within thirty (30) days of receipt of notification from the OFFICE.

10. APPLICANT and/or CUSP shall submit or cause to be submitted to the OFFICE a biographical affidavit, authority for release of information form, finger print cards and background investigative report for Enoc Segundo Martinez within thirty (30) days of the date of the execution of this Consent Order. If the background information for Enoc Segundo Martinez (biographical affidavit, authority for release of information form, fingerprint cards, background investigative report) furnished to the OFFICE or other sources utilized by the OFFICE in its investigation process reveal the representations regarding Enoc Segundo Martinez in paragraph eight (8) above are inaccurate, Enoc Segundo Martinez shall be removed within thirty (30) days after notification by the OFFICE and replaced with a person acceptable to the OFFICE.

11. APPLICANT and CUSP agree that upon receipt of such notification from the OFFICE, pursuant to paragraphs nine (9) and ten (10) above, if APPLICANT and/or CUSP does not timely take the required corrective action, APPLICANT and/or CUSP agree that such failure to act would constitute an immediate danger to the public and the OFFICE may immediately suspend or revoke the Certificate of Authority of COMPANY, without further proceedings pursuant to Sections 120.569(2)(n) and 120.60(6), Florida Statutes.

12. APPLICANT has filed, and the OFFICE has relied upon the representations in the Plan of Operation and the Plan of Operation's supporting documents that APPLICANT submitted with the application. Prior written approval must be secured from the OFFICE prior to any material deviation from said Plan of Operation, including expansion into any other state.

13. As required by Section 624.424, Florida Statutes, COMPANY has not filed complete audited financial reports for 2009 or 2010. Therefore, COMPANY shall file with the OFFICE within sixty (60) days from the closing of the acquisition of COMPANY by APPLICANT, a complete audited financial report pursuant to Section 624.424, Florida Statutes, for the year ended December 31, 2010. The report shall include, but not be limited to, an independent financial audit as of December 31, 2010. Further, COMPANY shall not market or enroll any new business until the 2010 independent financial audit has been filed with the OFFICE and the OFFICE has provided written approval to resume marketing and enrollment.

14. COMPANY shall amend and/or complete its 2010 Health Blank Financial Statement that was filed with the National Association of Insurance Commissioners, including all related reports and documents, to be consistent with the financial audit referenced in paragraph thirteen (13) above. Such amendment shall be filed with the National Association of Insurance Commissioners and the OFFICE within ten (10) days of the filing of the financial audit referenced in paragraph thirteen (13) above with the OFFICE.

15. APPLICANT represents that the information and documentation provided to the OFFICE accurately and completely describe all transactions and agreements pertaining to the acquisition and the future activities of APPLICANT and COMPANY. APPLICANT represents that there are no other agreements, written or oral, related to consideration to the SELLERS or related to the management of the COMPANY that have not been provided to the OFFICE.

16. APPLICANT and SELLER agree to obtain written approval from the OFFICE prior to any material changes made to the Amended and Restated Stock Purchase Agreement from the date it was submitted to the OFFICE to the closing date of the acquisition of COMPANY by APPLICANT.

17. APPLICANT and/or COMPANY shall provide to the OFFICE an acceptable executed disaster coordination/response plan within thirty (30) days of the date of the execution of this Consent Order.

18. APPLICANT shall provide evidence of a four million, five hundred thousand U.S. Dollars (\$4,500,000) capital infusion into COMPANY within three (3) business days of the closing of the acquisition of COMPANY by the APPLICANT.

19. APPLICANT, SELLER and COMPANY agree that this Consent Order shall be deemed void should closing not take place within five (5) business days from the date of the execution of this Consent Order.

20. APPLICANT has filed pro forma financial statements for COMPANY that indicate that, in addition to the capital infusion referenced in paragraph eighteen (18) above, APPLICANT will need to provide additional capital infusions into COMPANY. Without said capital infusions, the pro forma's reflect that COMPANY would be both impaired, pursuant to Section 624.408, Florida Statutes, and in noncompliance with the writing ratio requirements outlined in Section 624.4095, Florida Statutes. CUSP shall provide additional capital infusions, as necessary, in order to maintain compliance with Florida Statutes. Said capital infusions are material to the approval of this transaction.

21. COMPANY shall file with the OFFICE quarterly and annual financial statements in accordance with Section 624.424, Florida Statutes. COMPANY shall file monthly financial

statements until further notice from the OFFICE. The monthly financial statements are due on or before the twenty-fifth (25th) day of the following month from the period ending date. The monthly financial statements shall include the Jurat page, Assets, Liabilities, Capital and Surplus, Statement of Revenue and Expenses, Cash Flow and Exhibit of Premiums, Enrollment and Utilization. The Statement of Revenue and Expenses and Cash Flow shall be filed on a cumulative year-to-date basis for monthly statements. All statements shall be in the current National Association of Insurance Commissioners form. The COMPANY may petition the OFFICE to release COMPANY from its obligation to file monthly financial statements. The OFFICE shall not unreasonably deny COMPANY's petition regarding monthly financial statement requirements.

22. COMPANY is subject to the holding company registration requirements of Rule 690-143.045 through Rule 690-143.047, Florida Administrative Code. COMPANY shall file a holding company registration statement with the OFFICE within fifteen (15) days after the end of the month in which COMPANY is acquired by APPLICANT. COMPANY shall keep the holding company registration statement current. Affiliates shall mean any entities defined by Rule 690-143.045 Florida Administrative Code and includes CUSP, LLC.

23. COMPANY shall comply with Section 628.371, Florida Statutes, and Rule 690-143.047, Florida Administrative Code as relates to the payment of any dividends.

24. COMPANY shall obtain written approval from the OFFICE prior to making any loans or cash infusions to affiliates.

25. Within sixty (60) days from the date of the execution of this Consent Order, COMPANY shall file with the Division of Insurance Fraud, Department of Financial Services,

an acceptable update to its anti-fraud plan pursuant to Section 626.9891, Florida Statutes and Rule 69D-2, Florida Administrative Code.

26. COMPANY shall submit all management contracts, administrative service contracts, provider contracts, and affiliated contracts, as well as amendments to such contracts, to the OFFICE for written approval prior to the execution and/or consummation of such contract.

27. The deadlines set forth in this Consent Order may be extended by written approval of the OFFICE. Additionally, the various reporting requirements and any other provision or requirement set forth in this Consent Order may be altered or terminated by written approval of the OFFICE. Approval of any deadline extension is subject to statutory or administrative regulation limitations.

28. Approval of this application does not alter or vacate any existing Consent Order(s) or corrective action plan(s) that may have been entered into or between the OFFICE and COMPANY, except to the extent that the terms of prior Consent Orders or corrective action plans conflict with the terms of this Consent Order.

29. APPLICANT, CUSP and SELLER affirm and represent that all requirements set forth herein, and all statements, explanations, representations, and documents provided to the OFFICE in connection with the application, including all attachments and supplements thereto, are material to the issuance of this Consent Order. APPLICANT, CUSP and SELLER further affirm and represent that the information, documents and explanations provided to the OFFICE are true and fully describe all transactions, agreements and undertakings with regard to the acquisition and future operation of COMPANY.

30. Executive Order 13224 signed by President George W. Bush on September 23, 2001, blocks the assets of terrorists and terrorist support organizations identified by the United States Department of the Treasury, Office of Foreign Assets Control. The Executive Order also prohibits any transactions by U.S. persons involved in the blocked assets and interests. The list of identified terrorists and terrorist support organizations is periodically updated at the Treasury Department's Office of Foreign Assets Control website, <http://www.treas.gov/ofac>. COMPANY shall maintain and adhere to procedures necessary to detect and prevent prohibited transactions with individuals and entities which have been identified at the Treasury Department's Office of Foreign Assets Control website.

31. APPLICANT, CUSP, SELLER, and/or COMPANY shall report to the OFFICE within sixty (60) days from the date of the execution of this Consent Order a certification evidencing compliance with all of the requirements of this Consent Order. Any exceptions shall be so noted and contained in the certification. Exceptions noted in the certification shall also include a timeline defining when the outstanding requirements of the Consent Order will be complete. Said certification shall be submitted to the OFFICE via electronic mail and directed to the attention of the Assistant General Counsel representing the OFFICE in this matter and as named in this Consent Order.

32. APPLICANT, CUSP, SELLER and COMPANY agree that failure to adhere to one or more of the terms and conditions contained herein shall result, without further proceedings, in the revocation of COMPANY's Certificate of Authority in this state in accordance with Sections 120.569(2)(n) and 120.60(6), Florida Statutes.

33. Each party to this action shall bear its own costs and fees.

34. APPLICANT, CUSP, SELLER and COMPANY expressly waive a hearing in this matter, the making of Findings of Fact and Conclusions of Law by the OFFICE, and all further and other proceedings herein to which parties may be entitled by law or rules of the OFFICE. APPLICANT, CUSP, SELLER and COMPANY hereby knowingly and voluntarily waive all rights to challenge or to contest this Consent Order, in any forum now or in the future available to it, including the right to any administrative proceeding, circuit or federal court action, or any appeal.

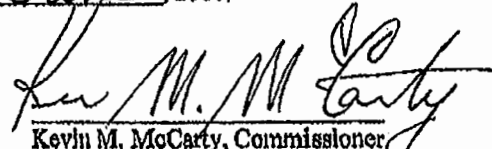
35. The parties agree that this Consent Order shall be deemed to be executed when the OFFICE has executed a copy of this Consent Order bearing the signature of APPLICANT, CUSP, SELLER and COMPANY or its authorized representatives, notwithstanding the fact that the copy may have been transmitted to the OFFICE electronically. Further, APPLICANT, CUSP, SELLER and COMPANY agree that the signatures as affixed to this Consent Order shall be under the seal of a Notary Public.

WHEREFORE, subject to the terms and conditions set forth above, the OFFICE hereby approves the application for the acquisition of one hundred percent (100%) of the issued and outstanding capital stock of AVAHEALTH, INC. by KEY INSURANCE PLANS, INC., and subsequent to the effective date of the acquisition, the name change of AVAHEALTH, INC. to KEY INSURANCE PLAN, INC. By approving this transaction, the OFFICE does not approve as part of this transaction any administrative, management, provider or affiliate contracts submitted with the application.

FURTHER, all terms and conditions contained herein are hereby ORDERED.

DONE and ORDERED this 14th day of June, 2011.




Kevin M. McCarty, Commissioner
Office of Insurance Regulation

By execution hereby, KEY INSURANCE PLANS, INC. consents to entry of this Consent Order, agrees without reservation to all of the above terms and conditions and shall be bound by all provisions herein. The undersigned represents that he/she has the authority to bind KEY INSURANCE PLANS, INC. to the terms and conditions of this Consent Order.

KEY INSURANCE PLANS, INC.

By: Bruce Frieman

Print Name: BRUCE FRIEMAN

Corporate Seal

Title: CHIEF EXECUTIVE OFFICER

Date: JUNE 13, 2011

On 6/13/11 before me, Anne Westley, personally appeared Dr. Bruce Frieman, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument, the person or the entity upon behalf which the person acted, executed the instrument.

Subscribed and sworn to before me this 13th day of June 2011.

Signature

Anne Westley
(Signature of Notary Public)

[NOTARIAL SEAL]

My Commission Expires:

1/9/2015



ANNE WESTLEY
NOTARY PUBLIC
STATE OF FLORIDA
Comm# EE053808
Expires 1/9/2015

By execution hereby, CUSP, LLC consents to entry of this Consent Order, agrees without reservation to all of the above terms and conditions and shall be bound by all provisions herein. The undersigned represents that he/she has the authority to bind CUSP, LLC, to the terms and conditions of this Consent Order.

CUSP, LLC

By: *[Signature]*

Print Name: PEDRO CARETTO

Title: MANAGER

Date: 06/13/11

Corporate Seal

On 6/13/11 before me, Anne Westley, personally appeared Pedro Caretto, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument, the person or the entity upon behalf which the person acted, executed the instrument.

Subscribed and sworn to before me this 13th day of June 2011.

Signature *[Signature]*

(Signature of Notary Public)

[NOTARIAL SEAL]

My Commission Expires:

1/9/2015



ANNE WESTLEY
NOTARY PUBLIC
STATE OF FLORIDA
Comm# EE053806
Expires 1/9/2015

By execution hereof, AVALON HEALTHCARE HOLDINGS, INC., consents to entry of this Consent Order, agrees without reservation to all of the above terms and conditions and shall be bound by all provisions herein. The undersigned represents that he or she has the authority to bind AVALON HEALTH HOLDINGS, INC, to the terms and conditions of this Consent Order and has personal knowledge of the application and the information provided therein.

AVALON HEALTHCARE HOLDINGS, INC.

By: Charles T. O'Neill

Print Name: Charles T. O'Neill

Title: CEO/President

Date: 6/14/11

Corporate Seal

On Tue, June 14, 2011 before me, Charles T O'Neill, personally appeared and signed the document and is personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument, the person or the entity upon behalf which the person acted, executed the instrument.

Subscribed and sworn to before me this 14 day of June 2011.

Signature

Natalie E Guzman
(Signature of Notary Public)

[NOTARIAL SEAL]

My Commission Expires

June 22, 2014



By execution hereby, AVAHEALTH, INC. consents to entry of this Consent Order, agrees without reservation to all of the above terms and conditions and shall be bound by all provisions herein. The undersigned represents that he/she has the authority to bind AVAHEALTH, INC., to the terms and conditions of this Consent Order.

AVAHEALTH, INC.

By: Charles T. O'Neill

Print Name: Charles T. O'Neill

Title: CEO/President

Date: 6/14/11

Corporate Seal

On Tue, June 14, 2011 before me, Charles T. O'Neill, personally appeared and signed the document and is, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument, the person or the entity upon behalf which the person acted, executed the instrument.

Subscribed and sworn to before me this 14 day of June 2011.

Signature

Natalie E. Guzman
(Signature of Notary Public)

[NOTARIAL SEAL]

My Commission Expires:

June, 22, 2014



COPIES FURNISHED TO:

Tina Dunsford, Attorney
Gray Robinson, PA
201 N. Franklin Street, Suite 2200
Tampa, FL 33601
Email: tina.dunsford@gray-robinson.com

Bruce W. Frieman, DO, CEO
CUSP, LLC
5440 Mariner Street, Suite 110
Tampa, FL 33609

Charles T. O'Neill
Avalon Healthcare Holdings, Inc.
8637 Fredricksburg Rd.
San Antonio, TX 78240

Toma L. Wilkerson, Acting Director
Life & Health Financial Oversight
Florida Office of Insurance Regulation
200 East Gaines Street
Tallahassee, Florida 32399-0327

Valerie Reglat, Financial Examiner/Analyst Supervisor
Life & Health Financial Oversight
Florida Office of Insurance Regulation
200 East Gaines Street
Tallahassee, Florida 32399-0327

Jason Nelson, Senior Attorney
Florida Office of Insurance Regulation
Legal Services Office
200 East Gaines Street
612 Larson Building
Tallahassee, Florida 32399-4206
Email: Jason.Nelson@flor.com

**STATE OF FLORIDA
OFFICE OF INSURANCE REGULATION**

AVAHEALTH, INC. D/B/A
KEY INSURANCE PLAN

Petitioner,

OIR Case No. 124309-12

VS.

STATE OF FLORIDA, OFFICE OF
INSURANCE REGULATION,

Respondent,

PETITION FOR FORMAL ADMINISTRATIVE HEARING

Petitioner, Avahealth, Inc., d/b/a Key Insurance Plan ("Avahealth"), by and through the undersigned counsel, and pursuant to Sections 120.569 and 120.57(1) Fla. Stat. and Rule 28-106.201, Fla. Admin. Code, hereby petitions the Office of Insurance Regulation, ("OIR" or "Agency") for a formal administrative hearing to challenge OIR's Order (the "Order") dated March 22, 2012, and designated by OIR as case number 124309-12 (a copy of which is attached hereto as Exhibit A), and as grounds therefore states as follows:

PARTIES

1. The agency affected is OIR. It is the single state agency responsible for insurance regulation in Florida and the agency which propounded the Order.
2. The party seeking a formal administrative hearing is Avahealth. It is a provider of health insurance services based in Tampa, Florida. Avahealth was served with the Order via certified mail on March 26, 2012. The Petitioner's address is:

EXHIBIT "B"

Avahealth, Inc.,
d/b/a Key Insurance Plan
5440 Mariner Street
Tampa, Florida 33609

3. For purposes of this Petition correspondence should be directed to Petitioner's counsel at:

GRAYROBINSON, P.A.
201 N. Franklin Street, Suite 2200
Tampa, Florida 33602
Tel: (813) 273-5000
Fax: (813) 273-5145

PETITIONER'S SUBSTANTIAL INTERESTS

4. Petitioner, Avahealth, is the subject of the enforcement actions in the Order propounded by OIR against Avahealth. The Order purports to suspend Avahealth from writing any new or renewal direct business and from issuing any new policies in Florida. The Order further purports to subject Avahealth to other penalties and sanctions. As the subject of this enforcement action by OIR, Avahealth's substantial interests cannot reasonably be in dispute.

DISPUTED ISSUES OF MATERIAL FACT AND LAW

5. Avahealth disputes each allegation made by OIR in the Order. Avahealth will prove at hearing that the allegations made by OIR in the Order are false, and that the suspension action and other penalties or sanctions in the Order are not warranted, and are in fact not permitted under Florida law.

6. The Order propounds three general allegations:

- a. In Paragraph 3 of the Order, OIR alleges that Avahealth does not have custody and control over the identified \$1,000,000 capital account.
- b. In Paragraph 4 of the Order, OIR alleges that Avahealth does not have "sufficient and qualified officers."

c. In Paragraphs 5 and 6 of the Order, OIR alleges that Avahealth is in an “unsound financial condition” and “no longer meets the requirements for the authority originally granted” because a purportedly required \$5,000,000 capital infusion was not made.

7. Petitioner disputes all elements of the evidentiary predicates recited in the Order regarding each of these allegations. Avahealth’s objections to these allegations are discussed in more detail below.

OIR Allegation that Avahealth did not control capital deposit

8. Avahealth did, in fact, have custody and actual control of the \$1,000,000 at issue, consistent with the requirements of applicable Florida law. The Order alleges that only Avahealth President Enoc Martinez had signing authority for the relevant bank account. While the president of the company having the only signing authority on a company account would be legally sufficient, at this time OIR’s allegation in this regard is inaccurate. At least three other Avahealth insurance professionals have signature authority on the relevant bank account: Chief Executive Officer Karen W. Connolly, Chief Operating Officer Barbara A. Roqueta, and Chief Financial Officer Roberto E. Martinez.

9. If OIR now seeks to impose additional requirements on signatories of regulated companies’ bank accounts, OIR is required by Section 120.54(1)(a), Fla. Stat., to initiate appropriate rulemaking. Rulemaking is not discretionary. Imposing this new, previously unarticulated and factually unsupported standard without rulemaking is beyond the scope of OIR’s statutory authority.

OIR Allegation that Avahealth does not have qualified officers

10. Avahealth has a qualified management team consistent with the requirements of Florida Statutes, OIR regulations, and other applicable Florida law. Mr. Martinez has sufficient experience to successfully operate Avahealth. OIR's assertion that Mr. Martinez does not is without factual predicate or merit.

11. Mr. Martinez does not operate Avahealth in a vacuum. Avahealth has three other highly qualified officers: Chief Executive Officer Karen W. Connolly, Chief Operating Officer Barbara A. Roqueta, and Chief Financial Officer Roberto E. Martinez. (Resumes are attached as composite Exhibit B). Each of these insurance professionals is employed with Avahealth on a full time basis and is directly involved in the day-to-day operations of Avahealth.

12. Since joining Avahealth, Chief Executive Officer Karen W. Connolly and Chief Financial Officer Roberto E. Martinez have each been in direct contact with OIR staff numerous times as part of CEO Connolly and CFO Martinez diligent efforts to conscientiously comply with Avahealth's regulatory obligations.

13. Whether these insurance professionals are full-time employees, part-time employees, or contract employees is not material. There is no meaningful difference between an at-will full-time employee and an at-will contract employee and no Florida Statute or OIR rule establishes a requirement for a certain employment mechanism.

14. If OIR wishes now to regulate how insurance companies employ management and insurance professionals, OIR is required by Section 120.54(1)(a), Fla. Stat., to initiate appropriate rulemaking. Rulemaking is not discretionary. Enforcing this new standard on a previously unregulated aspect of the company is enforcement of an illegal non-rule policy.

OIR Allegation that Avahealth has not met capital requirements

15. The Order claims that the Consent Order attached to the Order as Exhibit B (the “Consent Order”) required a capital infusion of \$5,000,000 in January 2012. In fact, the Consent Order does not specifically mandate a \$5,000,000 capital infusion.

16. The Consent Order actually provides that capital infusions will be provided “as necessary, in order to maintain compliance with Florida Statutes.” Consent Order ¶ 20. The Consent Order does not purport to create a new standard and OIR does not have the authority to supersede or expand the capital requirements in Florida Statutes. Avahealth has fully complied with the applicable statutory capital requirements in Sections 624.408 and 624.4095, Fla. Stat., and all other applicable Florida statutes and rules.

17. The \$5,000,000 capital contribution cited in paragraph 5 was an estimate based on the statutory capital requirements in Sections 624.408 and 624.4095, Fla. Stat., calculated based on plan membership *then projected* to occur in January 2012 in the *pro forma*. Accordingly, it is not specifically included or mandated in the Consent Order.

18. Avahealth is required to maintain surplus and reserve capital funds based on actual plan membership. Avahealth’s *actual* plan membership history is significantly less than projected in the *pro forma*. A summary of Avahealth’s *actual* plan membership is attached as Exhibit C. Avahealth’s required capital contribution based on the *actual* plan membership in January 2012 under Sections 624.408 and 624.4095, Fla. Stat., is \$1,500,000. Accordingly, Avahealth has fully complied with this statutory requirement and the requirements of the Consent Order.

19. Based on the forgoing, and Avahealth’s strong financial condition in relation to its *actual* plan membership, Avahealth disputes the allegations that it is in an “unsound financial condition” and “no longer meets the requirements for the authority originally granted.”

ULTIMATE FACTS ENTITLING PETITIONER TO RELIEF

20. The following specific facts warrant reversal or modification of the Order.

21. At all relevant and material times Avahealth did, in fact, have custody and actual control of the \$1,000,000 identified in Paragraph 3 of the Order.

22. At all relevant and material times Avahealth did, in fact, have sufficient and qualified officers consistent with the applicable requirements of Florida Statutes and the Florida Administrative Code.

23. At all relevant and material times Avahealth was fully compliant with the applicable capital requirements in Florida Statutes. To wit, Avahealth has complied with the \$1,500,000 capital requirement calculated under Sections 624.408 and 624.4095, Fla. Stat., based on Avahealth's *actual* plan membership.

24. At all relevant and material times Avahealth is and has been in a sound financial condition considering its *actual* plan membership.

25. At all relevant and material times Avahealth is and has been compliant with the requirements for the authority originally granted.

STATUTES ENTITLING PETITIONER TO RELIEF

26. The statutes and rules entitling Petitioner to relief include, without limitation, Chapters 120, 624, 628, Fla. Stat., as well as Chapters 28, 69O-138, and 69O-154, Fla. Admin. Code.

WHEREFORE, Petitioner respectfully requests:

(a) a mediation be ordered to assist in the resolution of outstanding issues;

(b) this Petition be referred to the Division of Administrative Hearings for a formal hearing before an Administrative Law Judge;

(c) a formal administrative hearing be conducted pursuant to Sections 120.569 and 120.57(1), Fla. Stat.;

(d) a Recommended Order be entered finding that Petitioner was at all times compliant with applicable agency rules and Florida Statutes;

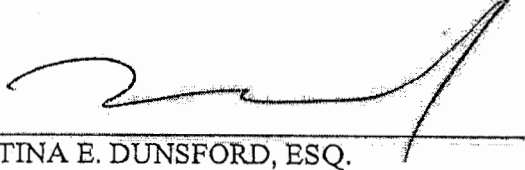
(e) a Final Order be entered by OIR consistent with the Recommended Order of the Administrative Law Judge;

(f) Petitioner be awarded attorneys' fees and costs in accordance with Section 120.595 and 57.111, Fla. Stat., and other appropriate authorities; and

(f) Petitioner be granted such other relief as is deemed just and appropriate by the Administrative Law Judge.

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was delivered via overnight express delivery to the General Counsel, Belinda Miller, acting as the Agency Clerk, Florida Office of Insurance Regulation, 612 Larson Building, 200 East Gaines Street, Tallahassee, FL 32399-0300 on this 12th day of April, 2012.



TINA E. DUNSFORD, ESQ.
Florida Bar No. 0624721
CHARLES R. FLETCHER, ESQ.
Florida Bar No. 0093920
GRAYROBINSON, P.A.
201 N. Franklin Street, Suite 2200
Tampa, Florida 33602
Tel: (813) 273-5000
Fax: (813) 273-5145
Attorneys for Petitioner

EXHIBIT "A"

RECEIVED
MAR 26 2012



FILED

MAR 22 2012

OFFICE OF
INSURANCE REGULATION
Docketed by: ES

OFFICE OF INSURANCE REGULATION

Kevin M. McCarty
Commissioner

IN THE MATTER OF:

CASE NO.: 124309-12

AVAHEALTH, INC., D/B/A
KEY INSURANCE PLAN

ORDER

TO: Bruce W. Frieman
AvaHealth, Inc., d/b/a Key Insurance Plan
5440 Mariner Street
Tampa, Florida 33609

THIS CAUSE came on for consideration as a result of a review by the OFFICE OF INSURANCE REGULATION (hereinafter referred to as the "OFFICE") of the financial condition of AVAHEALTH, INC., D/B/A KEY INSURANCE PLAN (hereinafter referred to as "AVAHEALTH"). The OFFICE, having considered this matter and being fully advised in the premises, finds as follows:

1. The OFFICE has jurisdiction over the subject matter and parties to this proceeding.
2. AVAHEALTH is a domestic life and health insurer authorized to do business in Florida and subject to regulation by the OFFICE, pursuant to the Florida Insurance Code.
3. Based on the January 31, 2012 Monthly Statement (attached as Exhibit "A"), AVAHEALTH is impaired by six hundred eighty eight thousand seven hundred ninety six U.S.

Dollars (\$688,796). In order to correct this, on Friday, March 16, 2012, the OFFICE sent a letter to AVAHEALTH informing them that, in order to be in compliance with the capital and surplus requirements of the Florida Insurance Code, the company must deposit one million U.S. Dollars (\$1,000,000) by 12:00pm, Tuesday, March 20, 2012. The OFFICE received notification from AVAHEALTH on Tuesday, March 20, 2012, that the money was deposited; however, through verbal communications it was discovered that the only signatory authority on the account is Enoc Martinez, and AVAHEALTH does not have actual control over the account. Since AVAHEALTH does not have actual control over the account, the money is not available for the payment of claims, and therefore is a non-admitted asset and cannot be counted towards the capital and surplus requirements of the company. Therefore, AVAHEALTH is impaired in violation of Section 624.408, Florida Statutes.

4. All three officers reported on AVAHEALTH's September 30, 2011 quarterly financial statements have resigned and are currently working for AVAHEALTH as "At-Will Independent Consultants." AVAHEALTH's December 31, 2011 and January 31, 2012 monthly financial statements report Enoc Segundo Martinez, one of the indirect owners of AVAHEALTH as President. Mr. Martinez does not have sufficient insurance experience to successfully operate AVAHEALTH. Therefore, AVAHEALTH does not currently have sufficient and qualified officers.

5. In Consent Order No. 116802-11-CO (attached as Exhibit "B"), in which the OFFICE approved the acquisition of AVAHEALTH by Key Insurance Plan, Inc., projected financial information dated May 13, 2011, was submitted, stating that contributed capital in the amount of five million U.S. Dollars (\$5,000,000) would be infused into AVAHEALTH during January of 2012. This contribution was a material element to support AVAHEALTH's 2012

growth and the OFFICE's approval of the acquisition transaction. The capital contribution was not made in January in accordance with the May 13, 2011 projected financial information.

6. Section 624.418(1)(a), (b) and (d), Florida Statutes, state that the OFFICE shall suspend the Florida Certificate of Authority of any insurer determined to be "in unsound financial condition," "using such methods and practices in the conduct of its business as to render its further transaction of insurance in this state hazardous or injurious to its policyholders," or any insurer who "no longer meets the requirements for the authority originally granted."

7. Based on the facts laid out above, the OFFICE hereby finds that AVAHEALTH is in unsound financial condition, is using such methods and practices in the conduct of its business as to render its further transaction of insurance in this state hazardous or injurious to its policyholders, and no longer meets the requirements for the authority originally granted.

IT IS THEREFORE ORDERED THAT:

1. The Certificate of Authority of AVAHEALTH shall be immediately suspended until such time as AVAHEALTH is in full compliance with the Florida Insurance Code

2. Pursuant to Section 624.421(4), Florida Statutes, in the event that AVAHEALTH does not present satisfactory evidence to the OFFICE that AVAHEALTH is in full compliance with the Florida Insurance Code within two (2) years, AVAHEALTH's Certificate of Authority shall be deemed to have expired as a matter of law as of two (2) years from the date of suspension, or upon failure of the insurer to continue the certificate during the suspension period in accordance with Section 624.421(2), Florida Statutes.

3. Effective upon the date of execution of this Order by the OFFICE, AVAHEALTH shall:

- a. Cease writing any and all new or renewal direct business in the State of Florida, and issue no new insurance policies in Florida.
- b. Not assume any risks located in the State of Florida.
- c. Immediately notify all of its agents in writing that they are not to place any new or renewal business with AVAHEALTH in the State of Florida.
- d. Continue to file with the OFFICE all documents and information required by the Florida Insurance Code, and to pay all fees and taxes as if the Certificate of Authority had continued in full force pursuant to Section 624.421(2), Florida Statutes.
- e. Continue to honor all claims and liabilities arising under its contractual obligations pursuant to policies issued in the State of Florida.

4. The OFFICE will retain continuing jurisdiction over AVAHEALTH or its successor to enforce the provisions of the Florida Insurance Code applicable to the satisfaction of past, current or future claims, liabilities or other obligations of AVAHEALTH which have arisen or may arise in the State of Florida, and to enforce the provisions of this Order.

5. In the event AVAHEALTH fails to comply with any provision of this Order, the OFFICE may impose upon AVAHEALTH such further administrative penalties or other appropriate remedies as authorized by the Florida Insurance Code.

WHEREFORE, subject to the terms and conditions set forth above, the Florida Certificate of Authority of AVAHEALTH, INC., D/B/A KEY INSURANCE PLAN is hereby SUSPENDED. FURTHER, all terms and conditions contained herein are hereby ORDERED.

DONE and ORDERED this 22nd day of March, 2012.

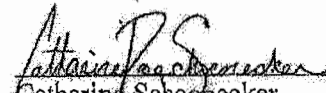


A handwritten signature in black ink, reading "Kevin M. McCarty", is written over a horizontal line.

Kevin M. McCarty, Commissioner
Office of Insurance Regulation

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of this Order was sent by Certified Mail to Mr. Bruce W. Frieman, AvaHealth, Inc., d/b/a Key Insurance Plan, 5440 Mariner Street, Tampa, Florida 33609, this 3rd day of March, 2012.


Catharine Schoenecker
Assistant General Counsel

Florida Office of Insurance Regulation
200 East Gaines Street
Tallahassee, Florida 32399-4206
(850) 413-4169
Catharine.schoenecker@flor.com

NOTICE OF RIGHTS

Pursuant to Sections 120.569 and 120.57, Florida Statutes, and Rule Chapter 28-106, Florida Administrative Code (F.A.C.), you may have a right to request a proceeding to contest this action by the Office of Insurance Regulation (hereinafter the "Office"). You may request a proceeding by filing a Petition. Your Petition for a proceeding must be in writing and must be filed with the General Counsel acting as the Agency Clerk, Office of Insurance Regulation. If served by U.S. Mail the Petition should be addressed to the Florida Office of Insurance Regulation at 612 Larson Building, 200 East Gaines Street, Tallahassee, Florida 32399-4206. If Express Mail or hand-delivery is utilized, the Petition should be delivered to 612 Larson Building, 200 East Gaines Street, Tallahassee, Florida 32399-0300. The written Petition must be received by, and filed in the Office, no later than 5:00 p.m. on the twenty-first (21) day after your receipt of this notice. Unless your Petition challenging this action is received by the Office within twenty-one (21) days from the date of the receipt of this notice, the right to a proceeding shall be deemed waived. Mailing the response on the twenty-first day will not preserve your right to a hearing.

If a proceeding is requested and there is no dispute of material fact, the provisions of Section 120.57(2), Florida Statutes, may apply. In this regard you may submit oral or written evidence in opposition to the action taken by this agency, or a written statement challenging the grounds upon which the agency has relied. While a hearing is normally not required in the absence of a dispute of fact, if you feel that a hearing is necessary, one may be conducted in Tallahassee, Florida, or by telephonic conference call upon your request.

If you dispute material facts which are the basis for this agency's action, you may request a formal adversarial proceeding pursuant to Sections 120.569 and 120.57(1), Florida Statutes. If you request this type of proceeding, the request must comply with all of the requirements of Rule Chapter 28-106.2015, F.A.C., including but not limited to:

- a) A statement requesting an administrative hearing identifying those material facts that are in dispute. If there are none, the petition must so state; and
- b) A statement of when the respondent received notice of the agency's action.

These proceedings are held before a State Administrative Law Judge of the Division of Administrative Hearings. Unless the majority of witnesses are located elsewhere, the Office will request that the hearing be conducted in Tallahassee.

In some instances, you may have additional statutory rights than the ones described herein.

Failure to follow the procedure outlined with regard to your response to this notice may result in the request being denied. Any request for administrative proceeding received prior to the date of this notice shall be deemed abandoned unless timely renewed in compliance with the guidelines as set out above.

MONTHLY STATEMENT

OF THE

AVAHEALTH, Inc.

TO THE

Insurance Department

OF THE

STATE OF

FLORIDA

FOR THE MONTH ENDED
JANUARY 31, 2012

HEALTH

2012

EXHIBIT

A



HEALTH MONTHLY STATEMENT
AS OF JANUARY 31, 2012
OF THE CONDITION AND AFFAIRS OF THE
AVAHEALTH, INC.

NAIC Group Code 0000 NAIC Overlay Code 12318 Employer's ID Number 00-5073651
(Current) (Prior)
Organized under the laws of FL State of Domicile or Port of Entry FL
Country of Domicile United States of America
Licensed as business type: Life, Accident & Health
Is HMO Federally Qualified? Yes ☐ No ☒
Incorporated/Organized 07/29/2006 Commenced Business 07/29/2006
Statutory Home Office 5440 Mariner Street, Suite 110 Tampa, FL 33609
(Street and Number) (City or Town, State and Zip Code)
Main Administrative Office 5440 Mariner Street, Suite 110
(Street and Number) Tampa, FL 33609 813-969-5552
(City or Town, State and Zip Code) (Area Code) (Telephone Number)
Mail Address 5440 Mariner Street, Suite 110 (City or Town, State and Zip Code)
(Street and Number or P.O. Box) (Area Code) (Telephone Number)
Primary Location of Books and Records 5440 Mariner Street, Suite 110
(Street and Number) Tampa, FL 33609 813-969-5552
(City or Town, State and Zip Code) (Area Code) (Telephone Number)
Internet Web Site Address www.ava.com
Statutory Statement Contact David Scott Givens 813-969-5552
(Name) (Area Code) (Telephone Number)
dscott@ava.com 813-969-5552
(E-mail Address) (FAX Number)

OFFICERS

President Ernest Eduardo Martinez

OTHER

DIRECTORS OR TRUSTEES

Ernest Eduardo Martinez

State of FL SS:
County of Hillsborough

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, approved or referred to, is a true and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures Manual except to the extent that: (1) state law may differ or (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the purpose of this declaration by the described officers is to include the related corresponding electronic filing with the NAIC, when required, that is an electronic document for furnishing information to electronic filing of the approved statement. The electronic filing may be required by various regulations in lieu of or in addition to the printed statement.

Ernest Eduardo Martinez
President

David Scott Givens

Subscribed and sworn to before me this
27 day of February, 2012

Anna Wesley
1/26/2012

a. Is this an original filing? Yes ☒ No ☐
b. If no:
1. State the amendment number.
2. Date filed. 02/27/2012
3. Number of pages attached.

STATEMENT AS OF JANUARY 31, 2012 OF THE AVAHEALTH, Inc.

ASSETS

	Current Statement Data			December 31 Prior Year Net Admitted Assets
	Assets	Nonadmitted Assets	Net Admitted Assets (Col. 1 - 2)	
1. Bonds			0	
2. Stocks:				
2.1 Preferred stocks			0	
2.2 Common stocks			0	
3. Mortgage loans on real estate:				
3.1 First lien			0	
3.2 Other than first lien			0	
4. Real estate:				
4.1 Properties occupied by the company (less \$ encumbrances)			0	
4.2 Properties held for the production of income (less \$ encumbrances)			0	
4.3 Properties held for sale (less \$ encumbrances)			0	
5. Cash (\$ 3,050,722), cash equivalents (\$ 0) and short-term investments (\$ 0)	3,050,722		3,050,722	3,050,000
6. Contract loans (including \$ premium notes)			0	
7. Derivatives			0	
8. Other invested assets	0		0	
9. Receivables for securities			0	
10. Securities lending related collateral assets			0	
11. Aggregate write-in for invested assets	0	0	0	0
12. Subtotal: cash and invested assets (Lines 1 to 11)	3,050,722	0	3,050,722	3,050,000
13. Title plans less \$ charged off (for title insurers only)			0	
14. Investment income due and accrued			0	
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection			0	
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ earned but unbillable premiums)			0	
15.3 Accrued retrospective premiums			0	
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers			0	
16.2 Funds held by or deposited with reinsured companies			0	
16.3 Other amounts receivable under reinsurance contracts			0	
17. Amounts receivable relating to reinsurance plans				
18.1 Current federal and foreign income tax recoverable and interest thereon	2,300,000	2,300,000	0	0
18.2 Not deferred for asset			0	
19. Guaranty funds receivable or on deposit			0	
20. Electronic data processing equipment and software			0	
21. Furniture and equipment, including health care delivery assets (\$)	5,430		5,430	4,121
22. Net adjustment in assets and liabilities due to foreign exchange rates			0	
23. Receivables from parent, subsidiaries and affiliates	250,000		250,000	250,000
24. Health care (\$) and other amounts receivable			0	
25. Aggregate write-in for other than invested assets	295,328	0	295,328	295,328
26. Total assets including Separate Accounts, Segregated Accounts and Promised Call Accounts (Lines 12 to 25)	5,601,480	2,300,000	3,301,480	3,605,329
27. From Separate Accounts, Segregated Accounts and Promised Call Accounts			0	
28. Total (Lines 26 and 27)	5,601,480	2,300,000	3,301,480	3,605,329
DETAILS OF WRITES-INS				
1101.				
1102.				
1103.				
1105. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1109. Totals (Lines 1101 through 1108 plus 1105) (Line 11 above)	0	0	0	0
2201. E1110	295,328		295,328	295,328
2502.				
2503.				
2508. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0
2509. Totals (Lines 2501 through 2503 plus 2508) (Line 25 above)	295,328	0	295,328	295,328

STATEMENT AS OF JANUARY 31, 2012 OF THE AVAHEALTH, Inc.

LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Corrected	2 Unaudited	3 Total	4 Total
1. Claims unpaid (less \$ _____ reinsurance ceded)	1,725,792		1,725,792	1,495,230
2. Accrued medical/hospital and home amounts			0	
3. Unpaid claims adjustment expenses	21,000		21,000	21,000
4. Aggregate health policy reserves	100,679		100,679	100,679
5. Aggregate life policy reserves			0	
6. Property/casualty unearned premium reserve			0	
7. Aggregate health claim reserves			0	
8. Premiums received in advance	138,082		138,082	187,694
9. General expenses due or accrued			0	115,492
10.1 Current federal and foreign income tax payable and interest thereon (including \$ _____ on realized gains (losses))			0	
10.2 Net deferred tax liability			0	
11. Ceded reinsurance premiums payable			0	
12. Amounts withheld or retained for the account of others			0	
13. Penalties and fines not allocated			0	
14. Borrowed money (including \$ _____ current) and interest thereon \$ _____ (including \$ _____ current)			0	
15. Amounts due to parent, subsidiaries and affiliates			0	
16. Dividends			0	
17. Payable for securities			0	
18. Payable for securities lending			0	
19. Funds held under reinsurance treaties (with \$ _____ authorized reinsurance and \$ _____ unauthorized reinsurance)			0	
20. Reinsurance in unauthorized companies			0	
21. Net adjustments in assets and liabilities due to foreign exchange rates			0	
22. Liability for amounts held under unsecured plans			0	
23. Aggregate write-in for other liabilities (including \$ _____ current)	20,000	0	20,000	20,000
24. Total liabilities (Lines 1 to 23)	2,056,553	0	2,056,553	1,891,496
25. Aggregate write-in for special surplus funds	XXX	XXX	0	0
26. Common capital stock	XXX	XXX	5,800,000	5,800,000
27. Preferred capital stock	XXX	XXX		
28. Gross paid in and contributed surplus	XXX	XXX	5,800,000	5,800,000
29. Surplus notes	XXX	XXX		
30. Aggregate write-in for other than special surplus funds	XXX	XXX	4,800,000	4,800,000
31. Unassigned funds (surplus)	XXX	XXX	(11,892,099)	(11,472,533)
32. Less treasury stock, at cost:				
32.1 _____ shares common (value included in Line 26)	XXX	XXX		
32.2 _____ shares preferred (value included in Line 27)	XXX	XXX		
33. Total capital and surplus (Lines 25 to 31 minus Line 32)	XXX	XXX	1,714,834	1,694,157
34. Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	3,771,487	3,585,653
DETAILS OF WRITE-INS				
2501. Broker liability	20,000		20,000	20,000
2502. _____				
2503. _____				
2599. Summary of remaining write-ins for Line 23 from overflow page	0	0	0	0
2599. Total (Lines 2501 through 2503 plus 2599) (Line 23 above)	20,000	0	20,000	20,000
2501. _____	XXX	XXX		
2502. _____	XXX	XXX		
2503. _____	XXX	XXX		
2599. Summary of remaining write-ins for Line 25 from overflow page	XXX	XXX	0	0
2599. Total (Lines 2501 through 2503 plus 2599) (Line 25 above)	XXX	XXX	0	0
2601. Capital infusion	XXX	XXX	4,800,000	4,800,000
2602. _____	XXX	XXX		
2603. _____	XXX	XXX		
2699. Summary of remaining write-ins for Line 30 from overflow page	XXX	XXX	0	0
2699. Total (Lines 2601 through 2603 plus 2699) (Line 30 above)	XXX	XXX	4,800,000	4,800,000

STATEMENT AS OF JANUARY 31, 2012 OF THE AVAHEALTH, Inc.

STATEMENT OF REVENUE AND EXPENSES

	Current Year To Date		Prior Year To Date	Prior Year Ended December 31
	1 Unaudited	2 Total	3 Total	4 Total
1. Member Month	XXX	1,476	2,963	29,242
2. Net premium income (including \$ non-health premium income)	XXX	443,776	538,983	8,418,708
3. Charge in unearned premium reserve and reserve for rate credits	XXX			
4. Fee-for-service (net of \$ medical expense)	XXX			
5. Risk revenue	XXX			
6. Aggregate write-ins for other health care related revenues	XXX	0	1,798	0
7. Aggregate write-ins for other non-health revenues	XXX	0	0	0
8. Total revenue (Lines 1 to 7)	XXX	445,776	540,781	8,448,708
9. Hospital and Medical				
10. Hospital/medical benefits		286,454	417,912	5,013,392
11. Other professional services				
12. Outside referrals				
13. Emergency room and out-of-area				
14. Prescription drugs				
15. Aggregate write-ins for other hospital and medical	0	0	0	0
16. Incentive pool, withheld adjustments and bonus amounts				
17. Subtotal (Lines 9 to 16)	0	286,454	417,912	5,013,392
18. Less:				
19. Net reinsurance recoveries				
20. Total hospital and medical (Lines 10 minus 17)	0	286,454	417,912	5,013,392
21. Non-health claims (Net)				
22. Claims adjustment expenses, including \$ cost containment expenses		336,861	128,532	1,905,418
23. General administrative expenses				
24. Increase in reserves for life and accident and health contracts (including \$ increase in reserves for life only)				
25. Total underwriting deductions (Lines 18 through 24)	0	327,118	646,444	8,978,811
26. Net underwriting gain or (loss) (Lines 8 minus 25)	XXX	(183,339)	94,312	(582,575)
27. Net investment income earned			1,340	
28. Net realized capital gains (losses) less capital gains tax of \$				
29. Net investment gains (losses) (Lines 27 plus 28)	0	0	1,340	0
30. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$) (amount charged off \$)				
31. Aggregate write-ins for other income or expenses	0	0	0	0
32. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 26 plus 29 plus 31 plus 32)	XXX	(183,339)	95,652	(582,575)
33. Federal and foreign income taxes incurred	XXX			
34. Net income (loss) (Lines 32 minus 33)	XXX	(183,339)	95,652	(582,575)
DETAILS OF WRITE-INS				
0601. Fee income	XXX		1,798	
0602.	XXX			
0603.	XXX			
0604. Summary of remaining write-ins for Line 6 from overflow page	XXX	0	0	0
0605. Totals (Lines 0601 through 0604 plus 0605/Line 6 above)	XXX	0	1,798	0
0701.	XXX			
0702.	XXX			
0703.	XXX			
0704. Summary of remaining write-ins for Line 7 from overflow page	XXX	0	0	0
0705. Totals (Lines 0701 through 0704 plus 0705/Line 7 above)	XXX	0	0	0
1401.				
1402.				
1403.				
1404. Summary of remaining write-ins for Line 14 from overflow page	0	0	0	0
1405. Totals (Lines 1401 through 1404 plus 1405/Line 14 above)	0	0	0	0
2901.				
2902.				
2903.				
2904. Summary of remaining write-ins for Line 29 from overflow page	0	0	0	0
2905. Totals (Lines 2901 through 2904 plus 2905/Line 29 above)	0	0	0	0

STATEMENT AS OF JANUARY 31, 2012, OF THE AVAHEALTH, INC.

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
CAPITAL AND SURPLUS ACCOUNT			
33. Capital and surplus prior reporting year	1,634,167	16,852	(2,838,765)
34. Net income or (loss) from Line 32	160,329	94,446	162,516
35. Change in valuation basis of aggregate policy and claim reserves			
36. Change in net unrealized capital gains (losses) less capital gains tax of \$			
37. Change in net unrealized foreign exchange capital gain or (loss)			
38. Change in net deferred income tax	20,000		150,000
39. Change in nondeferred assets			
40. Change in unauthorized reinsurance	0		
41. Change in treasury stock	0		
42. Change to surplus notes	0		
43. Cumulative effect of changes in accounting principles			
44. Capital Changes:			
44.1 Paid in	0		
44.2 Transferred from surplus (Stock Dividend)	0		
44.3 Transferred to surplus			
45. Surplus adjustments:			
45.1 Paid in	0		
45.2 Transferred to capital (Stock Dividend)			
45.3 Transferred from capital			
46. Dividends to stockholders			
47. Aggregate write-ins for gains or (losses) in surplus	24,104	0	4,853,635
48. Net change in capital & surplus (Lines 34 to 47)	80,789	94,446	3,440,830
49. Capital and surplus end of reporting period (Line 33 plus 48)	1,714,954	111,298	1,534,167
DETAILS OF WRITE-INS			
4701.	24,104		4,853,635
4702.			
4703.			
4798. Summary of remaining write-ins for Line 47 from overflow page	0	0	0
4799. Total (Lines 4701 through 4703 plus 4798/Line 47 above)	24,104	0	4,853,635

STATEMENT AS OF JANUARY 31, 2012 OF THE AVAHEALTH, Inc.

CASH FLOW

	Current Year To Date	Prior Year To Date	Prior Year Ended December 31
Cash from Operations			
1. Premiums collected net of reinsurance	463,880	397,790	\$,510,861
2. Net investment income	0	(1,764)	
3. Miscellaneous income	0	1,765	
4. Total (Lines 1 to 3)	463,880	397,822	\$,510,861
5. Benefit and loss related payments	27,861	581,870	5,210,324
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts			
7. Commissions, expense paid and aggregate net-of-ins for deductions	308,651	105,302	1,285,119
8. Dividends paid to policyholders			
9. Federal and foreign income taxes paid (apportioned) net of \$ _____ tax on capital gains (losses)	2,497,000	75,000	2,330,000
10. Total (Lines 5 through 9)	2,833,512	722,256	10,225,728
11. Net cash from operations (Line 4 minus Line 10)	(2,369,632)	(324,434)	(5,714,867)
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	0		
12.2 Stocks	0		
12.3 Mortgage loans	0		
12.4 Real estate	0		
12.5 Other invested assets	0		
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	0		
12.7 Miscellaneous proceeds	0		
12.8 Total investment proceeds (Lines 12.1 to 12.7)	0	0	0
13. Cost of investments acquired (long-term only):			
13.1 Bonds	0		
13.2 Stocks	0		
13.3 Mortgage loans	0		
13.4 Real estate	0		
13.5 Other invested assets	0		
13.6 Miscellaneous applications	0		
13.7 Total investments acquired (Lines 13.1 to 13.6)	0	0	0
14. Net increase (or decrease) in contract loans and premium notes	0		
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	0	0	0
Cash from Financing and Miscellaneous Sources			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes	0		
16.2 Capital and paid in surplus, less treasury stock	0		
16.3 Borrowed funds	0		
16.4 Net deposits on deposit-type contracts and other insurance liabilities	0		
16.5 Dividends to stockholders	0		
16.6 Other cash provided (applied)	2,807,560	(1,477,546)	5,671,672
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.6 minus Line 16.6 plus Line 16.6)	2,807,560	(1,477,546)	5,671,672
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	224,928	(1,851,943)	1,956,728
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year	3,820,068	3,041,261	369,353
19.2 End of period (Line 19.1 plus Line 18.1)	4,044,996	1,189,318	2,826,081

Notes: Supplemental disclosure of cash flow information for non-cash transactions:

STATEMENT AS OF JANUARY 31, 2012 OF THE AVAHEALTH, INC.

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

	1	2		3	4	5	6	7	8	9	10
		Total	Individual		Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefit Plan	The XMR Medicare	The XMR Medicare	Other
Total members at end of:											
1. Prior Year		2,052	2,052	47							
2. First Quarter		1,952	1,952	48							
3. Second Quarter		0									
4. Third Quarter		0									
5. Current Year		0									
6. Current Year/Monthly Months		1,952	1,952	49							
Total Member Ambulatory Encounters for Period:											
7. Physician		0									
8. Non-Physician		0									
9. Total		0									
10. Hospital Patient Days Incurred		0									
11. Number of Inpatient Admissions		0									
12. Health Premiums Written (a)		440,776									
13. Life Premiums Written		0									
14. Property/Casualty Premiums Written		0									
15. Health Premiums Earned		440,776									
16. Property/Casualty Premiums Earned		0									
17. Amount Paid for Provision of Health Care Services		286,464									

18. Amounts are for Periods of Health Care Services.
(a) For health premiums written amount of Medicare Title XVI exempt from state taxes of Not 5

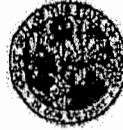
STATEMENT AS OF JANUARY 31, 2012 OF THE AVAHEALTH, INC.

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Current Year to Date - Allocated by States and Territories									
Direct Business Only									
1	2	3	4	5	6	7	8	9	
States, etc.	Active Status	Accident and Health Premiums	Medicare Ties 2011	Medicaid Ties 2011	Federal Employees Health Benefits Program Premiums	Life and Annuity Premiums & Other Considerations	Property/Casualty Premiums	Total Columns 2 Through 7	Deposit Type Considerations
1. Alabama AL								0	
2. Alaska AK								0	
3. Arizona AZ								0	
4. Arkansas AR								0	
5. California CA								0	
6. Colorado CO								0	
7. Connecticut CT								0	
8. Delaware DE								0	
9. District of Columbia DC								0	
10. Florida FL		443,778						443,778	
11. Georgia GA								0	
12. Hawaii HI								0	
13. Idaho ID								0	
14. Illinois IL								0	
15. Indiana IN								0	
16. Iowa IA								0	
17. Kansas KS								0	
18. Kentucky KY								0	
19. Louisiana LA								0	
20. Maine ME								0	
21. Maryland MD								0	
22. Massachusetts MA								0	
23. Michigan MI								0	
24. Minnesota MN								0	
25. Mississippi MS								0	
26. Missouri MO								0	
27. Montana MT								0	
28. Nebraska NE								0	
29. Nevada NV								0	
30. New Hampshire NH								0	
31. New Jersey NJ								0	
32. New Mexico NM								0	
33. New York NY								0	
34. North Carolina NC								0	
35. North Dakota ND								0	
36. Ohio OH								0	
37. Oklahoma OK								0	
38. Oregon OR								0	
39. Pennsylvania PA								0	
40. Rhode Island RI								0	
41. South Carolina SC								0	
42. South Dakota SD								0	
43. Tennessee TN								0	
44. Texas TX								0	
45. Utah UT								0	
46. Vermont VT								0	
47. Virginia VA								0	
48. Washington WA								0	
49. West Virginia WV								0	
50. Wisconsin WI								0	
51. Wyoming WY								0	
52. American Samoa AS								0	
53. Guam GU								0	
54. Puerto Rico PR								0	
55. U.S. Virgin Islands VI								0	
56. Northern Mariana Islands MP								0	
57. Canada CN								0	
58. Aggregate Other	XXX	0	0	0	0	0	0	0	0
59. Subtotal	XXX	443,778	0	0	0	0	0	443,778	0
60. Reporting Entity Contributions for Employees Benefit Plans	XXX							0	
61. Totals (Direct Business)	(a)	443,778	0	0	0	0	0	443,778	0
DETAILS OF WHITE-INS									
5801.	XXX								
5802.	XXX								
5803.	XXX								
5805. Summary of reporting white-ins for Line 58 from previous page	XXX	0	0	0	0	0	0	0	0
5899. Totals (Lines 5801 through 5803 plus 5805)(Line 58 above)	XXX	0	0	0	0	0	0	0	0

(1) Licensed or Chartered - Licensed Insurance Carrier or Domestic PIRG; (2) Registered - Non-licensed PIRG; (3) Qualified - Qualified or Appointed Referee; (4) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (5) None of the above - Not allowed to write business in the state.
(a) Insert the number of Licensees special for Canada and Other Asian.

FILED



JUN 14 2011

OFFICE OF
INSURANCE REGULATION

Checked by: 

OFFICE OF INSURANCE REGULATION

KEVIN M. MCCARTY
COMMISSIONER

IN THE MATTER OF:

CASE NO.: 116802-11-CO

Application for the Acquisition of all the
Issued and Outstanding Voting Securities of
AVAHEALTH, INC., a Domestic Insurer, by
KEY INSURANCE PLANS, INC.

CONSENT ORDER

THIS CAUSE came on for consideration upon the filing with the OFFICE OF INSURANCE REGULATION (hereinafter referred to as the "OFFICE") of an application for approval of the acquisition of all of the issued and outstanding voting securities of AVAHEALTH, INC., (hereinafter referred to as "COMPANY"), a domestic insurer, by KEY INSURANCE PLANS, INC. (hereinafter referred to as "APPLICANT") pursuant to Section 628.461, Florida Statutes. Following a complete review of the entire record, and upon consideration thereof, and being otherwise fully advised in the premises, the OFFICE finds as follows:

1. The OFFICE has jurisdiction over the subject matter and the parties to this proceeding.
2. APPLICANT has applied for, and subject to the present and continuing satisfaction of the requirements, terms and conditions established herein, has satisfactorily met



all of the conditions precedent for the granting of approval by the OFFICE of the proposed acquisition of all of the outstanding capital stock of COMPANY.

3. APPLICANT is a Florida corporation that is one hundred percent (100%) owned by CUSP, LLC (hereinafter referred to as "CUSP") a limited liability company. The application represents that CUSP has as its managers the following individuals: Pedro Caretto, Mario Paez, Ernesto Urdaneta and Enos Segundo Martinez. The application also represents that Bruce Prieman is a manager at large for CUSP. Said representations are material to the issuance of this Consent Order.

4. COMPANY is a licensed life and health insurer domiciled in the state of Florida and is one hundred percent (100%) owned by AVALON HEALTHCARE HOLDINGS, INC. (hereinafter referred to as "AHH" or "SELLER"), a Florida corporation.

5. On March 14, 2011, CUSP entered into a Stock Purchase Agreement with SELLER, which was subsequently amended and restated and filed with the OFFICE on May 27, 2011, whereby CUSP or its designee would acquire all of the issued and outstanding capital stock of COMPANY. CUSP has represented that its designee shall be APPLICANT. The aforementioned representation is material to the issuance of this Consent Order. Information is missing from Section 2.4 (vii), Schedule A and the Disclosure Schedule that form the Amended and Restated Stock Purchase Agreement. APPLICANT shall submit an executed copy of the Amended and Restated Stock Purchase Agreement to the OFFICE for the OFFICE's review within three (3) business days from the closing of the acquisition of COMPANY by the APPLICANT. The executed Amended and Restated Stock Purchase Agreement submitted to the OFFICE shall contain the missing information within Section 2.4 (vii), Schedule A, the Disclosure Schedule and any other schedules, exhibits or related documents that effectuate the

Amended and Restated Stock Purchase Agreement. APPLICANT, SELLER and COMPANY agree that the OFFICE's approval of the acquisition of COMPANY by APPLICANT is conditioned upon the OFFICE's receipt and acceptance of the executed Amended and Restated Stock Purchase Agreement. APPLICANT, SELLER and COMPANY further agree that this Consent Order shall be deemed void should the OFFICE find the executed Amended and Restated Stock Purchase Agreement to be unacceptable.

6. Pursuant to Schedule 2.2 of the Amended and Restated Stock Purchase Agreement, the liability of APPLICANT is limited; however, APPLICANT agrees that it is acquiring all of the issued and capital stock of COMPANY and the aforementioned liability limitation shall only serve to reduce the adjusted purchase price of COMPANY. APPLICANT and CUSP agree that APPLICANT shall be responsible for all liabilities, of any kind, on behalf of COMPANY and APPLICANT shall pay all legitimate liabilities of COMPANY in a timely manner regardless of any reimbursement it may or may not receive pursuant to Schedule 2.2 of the Amended and Restated Stock Purchase Agreement. Additionally, the parties agree that the purchase price of the COMPANY shall be paid by CUSP or APPLICANT.

7. Concurrent with the acquisition, the application represents that COMPANY shall change its name to "Key Insurance Plan, Inc.". Final approval of the name change is subject to the receipt of a Certificate of Status issued by the Florida Office of the Secretary of State reflecting the name change, as well as any other required documentation to validate a name change.

8. APPLICANT and CUSP have made material representations that none of their officers, directors, managers and shareholders holding five percent (5%) or greater ownership interest and none of the post-acquisition officers and directors of COMPANY have been found

guilty of, or have pleaded guilty or nolo contendere to, a felony or a misdemeanor, other than a minor traffic violation, without regard to whether a judgment of conviction was entered by the Court.

9. APPLICANT and CUSP represent that they have, with the exception of Enoc Segundo Martinez, submitted complete background information on each of the persons described in paragraph eight (8) above, and that if such material information has not been provided, any such individual shall be removed within thirty (30) days of receipt of notification from the OFFICE.

10. APPLICANT and/or CUSP shall submit or cause to be submitted to the OFFICE a biographical affidavit, authority for release of information form, finger print cards and background investigative report for Enoc Segundo Martinez within thirty (30) days of the date of the execution of this Consent Order. If the background information for Enoc Segundo Martinez (biographical affidavit, authority for release of information form, fingerprint cards, background investigative report) furnished to the OFFICE or other sources utilized by the OFFICE in its investigation process reveal the representations regarding Enoc Segundo Martinez in paragraph eight (8) above are inaccurate, Enoc Segundo Martinez shall be removed within thirty (30) days after notification by the OFFICE and replaced with a person acceptable to the OFFICE.

11. APPLICANT and CUSP agree that upon receipt of such notification from the OFFICE, pursuant to paragraphs nine (9) and ten (10) above, if APPLICANT and/or CUSP does not timely take the required corrective action, APPLICANT and/or CUSP agree that such failure to act would constitute an immediate danger to the public and the OFFICE may immediately suspend or revoke the Certificate of Authority of COMPANY, without further proceedings pursuant to Sections 120.569(2)(n) and 120.60(6), Florida Statutes.

12. APPLICANT has filed, and the OFFICE has relied upon the representations in the Plan of Operation and the Plan of Operation's supporting documents that APPLICANT submitted with the application. Prior written approval must be secured from the OFFICE prior to any material deviation from said Plan of Operation, including expansion into any other state.

13. As required by Section 624.424, Florida Statutes, COMPANY has not filed complete audited financial reports for 2009 or 2010. Therefore, COMPANY shall file with the OFFICE within sixty (60) days from the closing of the acquisition of COMPANY by APPLICANT, a complete audited financial report pursuant to Section 624.424, Florida Statutes, for the year ended December 31, 2010. The report shall include, but not be limited to, an independent financial audit as of December 31, 2010. Further, COMPANY shall not market or enroll any new business until the 2010 independent financial audit has been filed with the OFFICE and the OFFICE has provided written approval to resume marketing and enrollment.

14. COMPANY shall amend and/or complete its 2010 Health Blank Financial Statement that was filed with the National Association of Insurance Commissioners, including all related reports and documents, to be consistent with the financial audit referenced in paragraph thirteen (13) above. Such amendment shall be filed with the National Association of Insurance Commissioners and the OFFICE within ten (10) days of the filing of the financial audit referenced in paragraph thirteen (13) above with the OFFICE.

15. APPLICANT represents that the information and documentation provided to the OFFICE accurately and completely describe all transactions and agreements pertaining to the acquisition and the future activities of APPLICANT and COMPANY. APPLICANT represents that there are no other agreements, written or oral, related to consideration to the SELLERS or related to the management of the COMPANY that have not been provided to the OFFICE.

16. APPLICANT and SELLER agree to obtain written approval from the OFFICE prior to any material changes made to the Amended and Restated Stock Purchase Agreement from the date it was submitted to the OFFICE to the closing date of the acquisition of COMPANY by APPLICANT.

17. APPLICANT and/or COMPANY shall provide to the OFFICE an acceptable executed disaster coordination/response plan within thirty (30) days of the date of the execution of this Consent Order.

18. APPLICANT shall provide evidence of a four million, five hundred thousand U.S. Dollars (\$4,500,000) capital infusion into COMPANY within three (3) business days of the closing of the acquisition of COMPANY by the APPLICANT.

19. APPLICANT, SELLER and COMPANY agree that this Consent Order shall be deemed void should closing not take place within five (5) business days from the date of the execution of this Consent Order.

20. APPLICANT has filed pro forma financial statements for COMPANY that indicate that, in addition to the capital infusion referenced in paragraph eighteen (18) above, APPLICANT will need to provide additional capital infusions into COMPANY. Without said capital infusions, the pro forma's reflect that COMPANY would be both impaired, pursuant to Section 624.408, Florida Statutes, and in noncompliance with the writing ratio requirements outlined in Section 624.4095, Florida Statutes. CUSP shall provide additional capital infusions, as necessary, in order to maintain compliance with Florida Statutes. Said capital infusions are material to the approval of this transaction.

21. COMPANY shall file with the OFFICE quarterly and annual financial statements in accordance with Section 624.424, Florida Statutes. COMPANY shall file monthly financial

statements until further notice from the OFFICE. The monthly financial statements are due on or before the twenty-fifth (25th) day of the following month from the period ending date. The monthly financial statements shall include the Jurat page, Assets, Liabilities, Capital and Surplus, Statement of Revenue and Expenses, Cash Flow and Exhibit of Premiums, Enrollment and Utilization. The Statement of Revenue and Expenses and Cash Flow shall be filed on a cumulative year-to-date basis for monthly statements. All statements shall be in the current National Association of Insurance Commissioners form. The COMPANY may petition the OFFICE to release COMPANY from its obligation to file monthly financial statements. The OFFICE shall not unreasonably deny COMPANY's petition regarding monthly financial statement requirements.

22. COMPANY is subject to the holding company registration requirements of Rule 690-143.045 through Rule 690-143.047, Florida Administrative Code. COMPANY shall file a holding company registration statement with the OFFICE within fifteen (15) days after the end of the month in which COMPANY is acquired by APPLICANT. COMPANY shall keep the holding company registration statement current. Affiliates shall mean any entities defined by Rule 690-143.045 Florida Administrative Code and includes CUSP, LLC.

23. COMPANY shall comply with Section 628.371, Florida Statutes, and Rule 690-143.047, Florida Administrative Code as relates to the payment of any dividends.

24. COMPANY shall obtain written approval from the OFFICE prior to making any loans or cash infusions to affiliates.

25. Within sixty (60) days from the date of the execution of this Consent Order, COMPANY shall file with the Division of Insurance Fraud, Department of Financial Services,

an acceptable update to its anti-fraud plan pursuant to Section 626.9891, Florida Statutes and Rule 69D-2, Florida Administrative Code.

26. COMPANY shall submit all management contracts, administrative service contracts, provider contracts, and affiliated contracts, as well as amendments to such contracts, to the OFFICE for written approval prior to the execution and/or consummation of such contract.

27. The deadlines set forth in this Consent Order may be extended by written approval of the OFFICE. Additionally, the various reporting requirements and any other provision or requirement set forth in this Consent Order may be altered or terminated by written approval of the OFFICE. Approval of any deadline extension is subject to statutory or administrative regulation limitations.

28. Approval of this application does not alter or vacate any existing Consent Order(s) or corrective action plan(s) that may have been entered into or between the OFFICE and COMPANY, except to the extent that the terms of prior Consent Orders or corrective action plans conflict with the terms of this Consent Order.

29. APPLICANT, CUSP and SELLER affirm and represent that all requirements set forth herein, and all statements, explanations, representations, and documents provided to the OFFICE in connection with the application, including all attachments and supplements thereto, are material to the issuance of this Consent Order. APPLICANT, CUSP and SELLER further affirm and represent that the information, documents and explanations provided to the OFFICE are true and fully describe all transactions, agreements and undertakings with regard to the acquisition and future operation of COMPANY.

30. Executive Order 13224 signed by President George W. Bush on September 23, 2001, blocks the assets of terrorists and terrorist support organizations identified by the United States Department of the Treasury, Office of Foreign Assets Control. The Executive Order also prohibits any transactions by U.S. persons involved in the blocked assets and interests. The list of identified terrorists and terrorist support organizations is periodically updated at the Treasury Department's Office of Foreign Assets Control website, <https://www.treasury.gov/ofac>. COMPANY shall maintain and adhere to procedures necessary to detect and prevent prohibited transactions with individuals and entities which have been identified at the Treasury Department's Office of Foreign Assets Control website.

31. APPLICANT, CUSP, SELLER, and/or COMPANY shall report to the OFFICE within sixty (60) days from the date of the execution of this Consent Order a certification evidencing compliance with all of the requirements of this Consent Order. Any exceptions shall be so noted and contained in the certification. Exceptions noted in the certification shall also include a timeline defining when the outstanding requirements of the Consent Order will be complete. Said certification shall be submitted to the OFFICE via electronic mail and directed to the attention of the Assistant General Counsel representing the OFFICE in this matter and as named in this Consent Order.

32. APPLICANT, CUSP, SELLER and COMPANY agree that failure to adhere to one or more of the terms and conditions contained herein shall result, without further proceedings, in the revocation of COMPANY's Certificate of Authority in this state in accordance with Sections 120.569(2)(n) and 120.60(6), Florida Statutes.

33. Each party to this action shall bear its own costs and fees.

34. APPLICANT, CUSP, SELLER and COMPANY expressly waive a hearing in this matter, the making of Findings of Fact and Conclusions of Law by the OFFICE, and all further and other proceedings herein to which parties may be entitled by law or rules of the OFFICE. APPLICANT, CUSP, SELLER and COMPANY hereby knowingly and voluntarily waive all rights to challenge or to contest this Consent Order, in any forum now or in the future available to it, including the right to any administrative proceeding, circuit or federal court action, or any appeal.

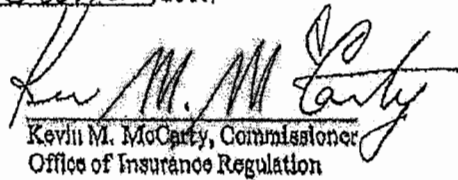
35. The parties agree that this Consent Order shall be deemed to be executed when the OFFICE has executed a copy of this Consent Order bearing the signature of APPLICANT, CUSP, SELLER and COMPANY or its authorized representatives, notwithstanding the fact that the copy may have been transmitted to the OFFICE electronically. Further, APPLICANT, CUSP, SELLER and COMPANY agree that the signatures as affixed to this Consent Order shall be under the seal of a Notary Public.

WHEREFORE, subject to the terms and conditions set forth above, the OFFICE hereby approves the application for the acquisition of one hundred percent (100%) of the issued and outstanding capital stock of AVAHEALTH, INC. by KEY INSURANCE PLANS, INC., and subsequent to the effective date of the acquisition, the name change of AVAHEALTH, INC. to KEY INSURANCE PLAN, INC. By approving this transaction, the OFFICE does not approve as part of this transaction any administrative, management, provider or affiliate contracts submitted with the application.

FURTHER, all terms and conditions contained herein are hereby ORDERED.

DONE and ORDERED this 14th day of June, 2011.




Kevin M. McCarty, Commissioner
Office of Insurance Regulation

By execution hereby, KEY INSURANCE PLANS, INC. consents to entry of this Consent Order, agrees without reservation to all of the above terms and conditions and shall be bound by all provisions herein. The undersigned represents that he/she has the authority to bind KEY INSURANCE PLANS, INC. to the terms and conditions of this Consent Order.

KEY INSURANCE PLANS, INC.

By: Bruce Frieman

Print Name: BRUCE FRIEMAN

Corporate Seal

Title: CHIEF EXECUTIVE OFFICER

Date: JUNE 13, 2011

On 6/13/11 before me, Anne Westley, personally appeared

Dr. Bruce Frieman, personally known to me (or

proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to

the within instrument and acknowledged to me that he/she executed the same in his/her

authorized capacity, and that by his/her signature on the instrument, the person or the entity upon

behalf which the person noted, executed the instrument.

Subscribed and sworn to before me this 13th day of June, 2011.

Signature

Anne Westley
(Signature of Notary Public)

[NOTARIAL SEAL]

My Commission Expires:

1/9/2015



ANNE WESTLEY
NOTARY PUBLIC
STATE OF FLORIDA
Comm# EE053808
Expires 1/9/2015

By execution hereby, CUSP, LLC consents to entry of this Consent Order, agrees without reservation to all of the above terms and conditions and shall be bound by all provisions herein. The undersigned represents that he/she has the authority to bind CUSP, LLC, to the terms and conditions of this Consent Order.

CUSP, LLC

By: *[Signature]*

Print Name: PEDRO CARETTO

Title: MANAGER

Date: 06/13/11

Corporate Seal

On 6/13/11 before me, Anne Westley, personally appeared Pedro Caretto, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument, the person or the entity upon behalf which the person acted, executed the instrument.

Subscribed and sworn to before me this 13th day of June 2011.

Signature *[Signature]*

(Signature of Notary Public)

[NOTARIAL SEAL]

My Commission Expires:

1/9/2015



ANNE WESTLEY
NOTARY PUBLIC
STATE OF FLORIDA
Comm# EE063803
Expires 1/9/2015

By execution hereof, AVALON HEALTHCARE HOLDINGS, INC., consents to entry of this Consent Order, agrees without reservation to all of the above terms and conditions and shall be bound by all provisions herein. The undersigned represents that he or she has the authority to bind AVALON HEALTH HOLDINGS, INC., to the terms and conditions of this Consent Order and has personal knowledge of the application and the information provided therein.

AVALON HEALTHCARE HOLDINGS, INC.

By:

Print Name:

Title:

Date:

Corporate Seal

On June 14, 2011 before me, Charles T O'Neill, personally appeared and signed the document and is, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument, the person or the entity upon behalf which the person acted, executed the instrument.

Subscribed and sworn to before me this 14 day of June, 2011.

Signature

(Signature of Notary Public)

[NOTARIAL SEAL]

My Commission Expires

June 22, 2014



By execution hereby, AVAHEALTH, INC. consents to entry of this Consent Order, agrees without reservation to all of the above terms and conditions and shall be bound by all provisions herein. The undersigned represents that he/she has the authority to bind AVAHEALTH, INC., to the terms and conditions of this Consent Order.

AVAHEALTH, INC.

By

Print Name:

Title:

Date:

Corporate Seal

On Tue, June 14, 2011 before me, Charles T O'Neill, personally appeared and signed the document and is, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument, the person or the entity upon behalf which the person acted, executed the instrument.

Subscribed and sworn to before me this 14 day of June, 2011.

Signature

(Signature of Notary Public)

[NOTARIAL SEAL]

My Commission Expires:

June, 22, 2014



COPIES FURNISHED TO:

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Avalon Healthcare Holdings, Inc.
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200 East Gaines Street
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Valerie Reglat, Financial Examiner/Analyst Supervisor
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Jason Nelson, Senior Attorney
Florida Office of Insurance Regulation
Legal Services Office
200 East Gaines Street
612 Larson Building
Tallahassee, Florida 32399-4206
Email: Jason.Nelson@flor.com

EXHIBIT "B"

KAREN W. CONNOLLY (DOUTHETT)

1646 Bates Street

Birmingham, Michigan 48009

Office (248) 647-0922

Cell (248) 798-3200

**SUMMARY OF
QUALIFICATIONS:**

- Health care professional with over 35 years of experience in operational leadership in health care delivery and management including extensive background in nursing and hospital administration, managed health care, health information, quality management (utilization and quality), accreditation (NCQA, JCAHO, URAC & AAAHC), contract administration, risk management, and strategic planning.
- 14 years of experience in hospital and nursing administration in hospital systems in areas that included operational management, accreditation compliance, QI, and reimbursement.
- 8 years experience as chief operating officer of major statewide healthcare organization monitoring Medicare & Medicaid health care delivery primarily in the hospital setting. Also included ambulatory care areas such as HMOs, home health agencies, and extended care facilities.
- 9 years experience in upper level management position at 2 managed care organizations with responsibilities that included compliance, quality improvement, accreditation, HEDIS and HEDIS management, provider services, credentialing, & contracting/contract administration.
- Responsible for achievement and maintenance of accreditation status of NCQA, JCAHO, or AAAHC for multiple managed care organizations, ambulatory surgery centers, and office based surgical practices.
- Experience in facilitating strategic planning sessions as operations officer.
- Experience in the facilitation and conduct of analytical evaluation, database evaluations, database management, & quality improvement of key performance indicators that have resulted in statistically significant improvements impacting health outcomes.
- Have developed proposals, key planning, & project development in major statewide health care organization and managed care organizations for over 15 years.
- Possess an extensive knowledge of Michigan, Florida, New York, Washington, South Carolina, Indiana, & District of Columbia area health care communities in both the public and private sectors.
- Have worked with the physician communities, hospital systems, FQHCs, and managed care organizations on a statewide basis and with the state and federal governments (HCFA/CMS and DoD) for over 20 years.
- Experience as a national accreditation surveyor of health care entities for 14 years.

**PROFESSIONAL
EXPERIENCE:**

2001-Present

K.W. CONNOLLY & ASSOCIATES, LLC

Provision of consultative services for health care corporations for over 9 years in areas such as quality management, compliance, risk management, utilization management, and other health care management including preparation and achievement of accreditation with NCQA, JCAHO, URAC, and AAAHC (HMO and other ambulatory settings), health care data analysis, and health care data management including HEDIS project management and HEDIS compliance audits. Other services have included the establishment, revision, or on-going management of compliance, risk management, and quality improvement programs. The company also has performed mock surveys, performed needs assessments, lead strategic planning sessions, facilitated workgroups on accreditation and QI, and conducted market analyses in the health care data arena. Karen Connolly has also participated as a speaker at national forums on quality and accreditation related issues.

**ASSOCIATION FOR ACCREDITATION OF AMBULATORY HEALTH CARE,
INC. (AAAHC)**

Wilmette, IL

**March 1998 –
Present**

ACCREDITATION SURVEYOR AND FACULTY

Serve as a surveyor on a consultative basis performing accreditation surveys of HMOs, ASCs, PPOs, multi-specialty practices, group practices, office based surgical practices, US Air Force, and other such entities. Chair the Managed Care Advisory Committee for AAAHC. Serve as a member of AAAHC's faculty.

KEY HEALTH PLANS, INC. AND AVALON INSURANCE COMPANY
Tampa, FL

**December 2010 -
 Present**

DIRECTOR

Serve as a member of the Board of Directors of a Medicaid HMO with service area in the Tampa FL area and South FL area.

SOUTH FLORIDA PREPAID HEALTH CLINICS
Miami, FL

**May 2005 -
 August 2007**

COMPLIANCE OFFICER

Responsibilities included compliance with state statutory regulations, accreditation standards, and the quality improvement program, and other related functions for a pre-paid health clinic (PHC) in south FL

**August 2007 -
 March 2008**

CEO

Responsible for the overall management and closure of a PHC in the State of Florida.

TOTAL HEALTH CARE, INC.
Detroit, MI
TOTAL HEALTH CHOICE, INC.
Miami, FL

**April 1996 -
 February 2005**

COMPLIANCE OFFICER

Responsibilities included operationally ensuring that the activities within 2 HMOs with combined membership of 75,000 are compliant with state statutes & other state & federal laws & coordination of activities relative to internal quality improvement processes & maintenance of accreditation (JCAHQ & AAAHC); overall corporate development of staff; corporate development of information systems to permit reporting of encounter data & the development of HEDIS reporting & measures; key interactions with provider network, contracting, & provider relations department to ensure ongoing accreditation compliance & quality improvement, internal development of staff to permit production of proposals; the oversight of utilization management & quality improvement practices utilizing the principles of CQI; coordination of RFIs/ITBs & other proposals & reports; coordinate and supervise the risk management programs at both HMOs; supervision of the credentialing, fraud/abuse and QI departments of the Plans; & key interface with the state regulators in both Michigan and Florida.

THE MEDSTAT GROUP
Ann Arbor, MI

**Sept 1995 -
 April 1996**

MANAGER/CLIENT SERVICES

Responsibilities included management & operations of state government & peer review organizational clients on a nation-wide basis for a for-profit organization specializing in medical information technology systems & decision support. Included all team & budgetary responsibilities. Participated as a member of the project planning team and with proposal development, negotiating, & contracting with entities related to state government & peer review organizations. Delivered & coordinated health care counseling services for state government & peer review organizations.

MICHIGAN PEER REVIEW ORGANIZATION Plymouth, MI

**June 1987 –
June 1995**

CHIEF OPERATING OFFICER

Responsibilities included administrative and operational accountability for the federal & state operations of the statewide Peer Review Organization (PRO) for Michigan under contract with HCFA & State of Michigan. Included all departmental, budgetary, & personnel for organization that had 11 offices statewide with a total of approximately 325 employees. Direct reports were director level staff totaling 8. Annual budget ranged from \$10-14+ million. Chief liaison with federal & state governmental agencies & hospital/physician organizations. Interaction with physicians, medical societies and organizations statewide and nationally and with other health care providers for education and partnership relationships. Provided administrative/operational oversight for the wholly owned subsidiary, Pathway Review Systems, which performed private review for clients nationwide including case management. The annual operating budget was \$400,000. Additionally, provided administrative management for a national for-profit company, AmeriPRO (MPRO part owner & managing organization) that held the CHAMPUS review program contract with the Department of Defense (DoD) for the Northern Region of the U.S.

**January 1987 –
June 1987**

CHIEF OF REGIONAL OPERATIONS

Responsibilities included administrative oversight for all federal functions of the State of Michigan PRO. Departmental & budgetary responsibility for review operations & data departments.

**October 1986 –
January 1987**

SENIOR STAFF ASSOCIATE

Responsibilities included assisting the CEO & COO in general operational activities of the PRO. Actively involved in private sector consulting efforts for the corporation.

OAKLAND GENERAL HOSPITAL Madison Heights, MI

**June 1983 –
October 1986**

DIRECTOR/MEDICAL REIMBURSEMENT/ANALYST

This hospital administrative position had responsibility that included planning, implementing, & the continuing process of DRG/PPS for Medicare, Medicaid, & other limited stay reimbursement programs & utilization management throughout this acute care hospital with bed size of 240. Coordinated activities of medical staff, nursing, medical records, admitting, fiscal services, & UR/QA regarding reimbursement & provided education as appropriate. Participated in maintenance and preparation for accreditation. Conducted statistical analysis of case mix data, quality of care, & utilization practices at hospital.

**October 1980-
June 1983**

DIRECTOR/PATIENT SERVICES

Responsibilities included administrative & budgetary oversight for all activities of following departments: nursing, central service, transportation, education & training, special procedures, operation room, emergency, & critical care. Involved in collective bargaining & contract negotiations. Responsible for participation & maintenance of accreditation status for nursing/patient services. Served as chairperson for Safety Committee & as a member of Executive Committee of hospital.

**April 1980 –
October 1980**

CLINICAL SUPERVISOR

Responsibilities included supervision of all hospital activities on PM shift involving staffing, disciplinary action, and evaluation of staff.

PERALTA HOSPITAL Oakland, CA

**May 1976 –
January 1978**

ASSISTANT DIRECTOR/NURSING

Responsibilities included supervisory/administrative oversight of entire nursing department including all acute care units, critical care, emergency room, & surgical services of 210 bed acute care hospital. Served on several medical committees & had involvement with the collective bargaining units. Responsible for participation in and maintenance of on-going hospital accreditation.

December 1975 –
May 1976

HEAD NURSE

Responsibilities included 24-hour accountability of nursing activities on general med/surg & neuro/neurosurgical unit & staff development, hiring, orientation, evaluation, discipline & supervision of all unit personnel. Experience with collective bargaining units.

ST. LOUIS UNIVERSITY HOSPITALS St. Louis, MO

August 1973 –
August 1975

CLINICAL NURSE/NEUROSURGERY (Department Head)

Responsibilities included 24-hour accountability (including budgetary) for neurosurgical nursing unit (individual department) at 250-bed acute care hospital.

January 1973 –
August 1973

NURSING SUPERVISOR

Responsibilities included supervision of medical/surgical floors, CCU, SICU, CVR, ER & psychiatric inpatient units.

TEACHING EXPERIENCE:

- Taught neurology/neurosurgical nursing to California State University nursing students & for CEU programs (1976-78).
- Lectured to graduate students at Oakland University (Rochester, MI) on quality management as part of hospital management course (1988-91).
- Guest lecturer at numerous state & national association meetings, physician groups, medical societies, hospitals, AHA, AMPRA & University of Michigan School of Public Health (1987-1994).
- Facilitator and faculty at AAAHC accreditation training programs (2002-present).
- Facilitator for ambulatory surgery center trade organizations in Tennessee
- Lecturer at national and state primary community health centers meetings and conventions (2010-present)

EDUCATION:

UNDERGRADUATE

DePauw University School of Nursing, Indiana

Attended: 1968-72

Degree: Bachelor of Science

Special Study: Neurology/Neurosurgical Nursing & Neonatology

GRADUATE

Oakland University, Rochester, MI

Curriculum

completed: April 1987

Degree: Master of Science (pending completion of thesis)

POST-GRADUATE

University of Michigan School of Public Health, Ann Arbor, MI

Attended: July 1994

Courses: Summer session in Epidemiology – Basic Concepts in Epidemiology & Medical Quality Assessment

CONTINUING EDUCATION:

- Ongoing continuing education in accreditation, HEDIS, infection control, & managed care to present
- JCAHO Accreditation Process (October 2002)
- Navigating the Accreditation Process – NCQA (October 1996 & October 2000)
- Attendance at numerous seminars on nursing, management, utilization management, quality improvement, CQI, DRGs (1974-2006)
- Participated in an 8 session program on "The 7 Habits of Highly Effective People" through Stephen Covey Learning Center (January-March 1996)
- Team Leader Training August 1994
- Tactical Selling Skills January 1996
- Influence Training January 1996

HONORS AND ACHIEVEMENTS:

- Member AAAHC Managed Care Advisory Committee (2003-present)
- Sigma Theta Tau
- Elected Secretary/Treasurer – Michigan Osteopathic Hospital Directors of Nursing Association 1983
- Served as appointee on Michigan's Governor Blanchard's Advisory Task Force on Nursing Issues 1989-90
- Served on a number of national association committees in connection with HCFA on quality assurance, peer review scopes of work, and services

PUBLICATIONS:

- Burney, R.E., MD, M.E., Gies, D.W. Williams, MD, K.W. Connolly, RN, & M.T. McKinney, DO, "A Trial of Structured Implicit Review of Randomly Selected Peer Review Organization Cases", *Clinical Performance & Quality Health Care*, Vol. 1, No. 4, Oct/Nov/Dec 1993.
- Douthett, Karen W., "MPRO Responsibilities", *Bulletin* (Washtenaw County Medical Society publication), Vol. 41, No. 7, March 1990.
- Douthett, Karen W., "MPRO Medicare Responsibilities", *Bulletin* (Oakland County Medical Society publication), Vol. LXIV, No. 7, August 1990.

THESIS:

Analysis of the relationship between the productivity of nurses and their job satisfaction in the acute care hospital setting.

October 2011

ROBERTO E. MARTINEZ

CORAL GABLES FLORIDA

TEL: 786-853-1543

EMAIL: ROBERTOMARTINEZ528@GMAIL.COM – LINKEDIN [HTTP://WWW.LINKEDIN.COM/PUB/ROBERTO-MARTINEZ/3/B08/514](http://WWW.LINKEDIN.COM/PUB/ROBERTO-MARTINEZ/3/B08/514)

PROFILE

As a high performing executive with over 17 years of experience I have consistently delivered results launching, expanding or turning around businesses. The different challenges have required extensive work in strategy planning, business development, project management, and process design, coupled with strong analysis of the environment and opportunities. My experience has led me to become an expert in investment prioritization guidance and analysis, and planning methodologies along with critical thinking and external perspectives to plan the development process. Overall experience has focused on identification and implementation of new business opportunities, performance analysis and/or due diligence.

Extensive experience in the healthcare industry, developing MLR ratios, IBNR, PMPM, provider payment models (capitation, per diem, at risk..), provider contracting, implementing financial control systems and reporting including financial planning benefit development. As a senior leader in different organizations I have successfully built relationships with stakeholders, and delivered win-win alliances. Internationally I have travelled extensively through Latin America and the US, as well as having led negotiations with institutions in China, South Korea, Pakistan and India. I am fluent in Spanish and English.

KEY ACCOMPLISHMENTS

EXPANSION & LAUNCH

- Spearheaded strategy development of FIU Medical City @ MIA project.
<http://www.youtube.com/watch?v=vx49JguQicY>
- Successfully launched and managed a health plan, recruited 500 insurance agents. Built a network of over 1,500 providers and over 600 locations. Launched a pharmacy and mental health consumer plans.
- Launched the entry of a media storage products company in Argentina and captured 6% of the market within 4 months.
- Developed and executed go to market strategy into the Caribbean and Central America, resulting in an increase of the addressable market by over 35%.
- Developed and launched logistics business unit.

TURNAROUND

- Restructured \$50 million + debt and conducted forensic audit for international division of a Venezuelan agro industrial group, deployed operational and finance systems to improve business activities.
- Took over an underperforming subsidiary, 4 years under revenue and EBITDA budgets, within 8 months of arrival closed fiscal year meeting all budgets.
- Created new pricing strategies which increased revenue per job by over 18%, and 13% net revenue.
- Instituted new operational and customer services initiatives which took my region from last in customer satisfaction to first.
- Turned around sales from a loss YOY to 20% growth in the first year.
- Restructured contracts and operations of an internet service provider resulting in a 35% growth in ROI.

WORK HISTORY

MADVISORY

MIAMI, FL. 07/2011-PRESENT

INDEPENDENT CONSULTANT

Advisory, consulting and execution of corporate reorganizations, due diligence, performance audits, strategic planning and processes evaluation and redesign.

FIU HERBERT WERTHEIM COLLEGE OF MEDICINE

MIAMI, FL.

01/2009-06/2011

DIRECTOR OF BUSINESS DEVELOPMENT

Spearheaded development of FIU Medical City @ MIA project, a health care center of excellence within the Airport City at MIA project. The medical aspect consisted of a 25 acre campus complex of specialized health services at Miami International Airport. <http://www.youtube.com/watch?v=yx49JguQicY>

Developed marketing strategy and branding for the Medical School clinical services. Evaluated and recommended IS solutions for billing, practice management, EHR, credentialing for the nascent faculty practice at the college of medicine. Evaluated ACO (accountable care organizations) model and medical home business model as strategic lines for college of medicine. Responsible to develop, identify, qualify and manage: potential joint ventures, strategic alliances and business opportunities for the College of Medicine.

CAREY INTERNATIONAL

MIAMI, FL.

03/2007-12/2008

VICE PRESIDENT (GENERAL MANAGER) SOUTH FLORIDA

Carey is a subsidiary of Ford Motor Company, which provides luxury transportation and logistics for events, companies and VIP individuals. I reported to the East Coast Regional Vice President and responsible for over \$25 million in P&L.

- Within 8 months of taking over the operation met annual budget.
- Increased sales and customer retention, through development of new sales strategy to fit the local market.
- Designed and implemented new independent operator model which reduced fleet fixed costs by over 60%.

MEDICLASSIC / MCCI GROUP

MIAMI, FL.

10/2003-03/2007

EXECUTIVE VICE PRESIDENT FINANCE & OPERATIONS

MediClassic was a subsidiary of the MCCI Group, a health care group of companies in Florida with over \$350 million in revenues, sold to Goldman Sacks in 2007. Reported to the CEO and Board of Directors. MediClassic was a regional health plan targeting South Florida. In charge of launch and growth of the health plan.

- Grew plan from launch to 10,000 members and recruited 500 insurance agents & agencies within 14 months.
- Built a network of over 1,500 providers and over 600 locations in less than 18 months, with at risk and capitated (PMPM) models.
- Managed and prepared projections, end of year audit coordination, actuarial and statutory reporting. Designed and implemented all metrics and systems for management and reporting of utilization, customer service, sales and costing.
- Developed in-house information system to manage; sales commissions, premium billing, capitation payments, claims payments, strategic distribution of leads, network management, and member management.
- Utilized financial modeling to determine economies of scale, diminishing returns, and relationships between benefits maximum's (market higher benefits), medical cost ratios (MLR) and price elasticity. Analyzed IBNR (claims incurred but not reported) and MLR, and used data to plan benefit design and margins. Developed innovative IBNR model which included ICD9 (diagnosis codes) to extrapolate future high costs.
- Developed new products; pharmacy rider, dental rider, mental health rider.
- Sales & marketing actions included the strategic development and direction of advertising and marketing, broker recruitment, including support in sales to large accounts and large agency recruitment and website development.
- Guided the company through successful AAAHC accreditation. Principal contact and negotiator with regulators: Office of Insurance Regulation and AHCA.

- Led strategic partnerships and proposal preparation in joint venture proposals to AHCA (capitation segmentation and at risk contracts) to manage mental health, occupational & physical therapy and incontinence and DME supplies.

PLURIS LLC

MIAMI, FL.

12/2001-08/2003

CONSULTING

While attending graduate school I provided consulting and advisory services specializing in commercial strategies for Latin American companies entering the USA and companies entering Latin America.

DOUBLECLICK

MIAMI, FL.

02/2000-12/2001

DIRECTOR OF BUSINESS DEVELOPMENT - LATIN AMERICA

DoubleClick is the leading provider of digital marketing technology and services (Acquired by Google). I reported to the Latin America Vice President, and was responsible for Latin America online marketing media business unit.

MSN YUPI

MIAMI, FL.

07/1998-02/2000

DIRECTOR OF BUSINESS DEVELOPMENT

Yupi Internet was the leading Hispanic web portal, later purchased by MSN. I reported to Senior Vice President of Content and was responsible for the business development of content with operations in Miami, Spain, Argentina and Mexico. Assisted CEO on due diligence of potential acquisitions. Presented to investors.

ANDESIA GROUP

MIAMI, FL.

06/1994-06/1998

PROJECTS MANAGER

Andesia is a leading industrial group in Latin America with operations in Colombia, Venezuela, Ecuador and the US. I reported to the International & Strategy Vice President. Led market research, market assessment and implementation for market and business lines expansion.

ACCOUNT MANAGER

Researched, identified and negotiated strategic alliances with global petrochemical manufacturers; resulting in portfolio growth of 25%. Renegotiated contracts with ocean, and truck carriers, creating a savings of 15%. Led special projects, implementing new accounting and communication systems.

ADVISORY AND OTHER EXPERIENCE

- **Signature Beach:** Created business plan for Barbados hotel project.
- **ONE Sotheby's:** South Florida's franchisor for Sotheby's International Realty®. Created business plan for extension of franchise market coverage. Restructured accounting processes and reports. Advisor on growth strategies.
- **GRUPO SAN Simon:** Agro industrial group from Venezuela with over \$150 million in revenues, the company has operations in cattle, leather, milk, shrimp and palm oil. Acted as an advisor and evaluator for the restructuring of international operations and group wide analysis of financial, operational, organizational and legal activities. Audited and re-constructed financials for the \$43 million USA operation. Developed and deployed information system to manage production, logistics and sales of \$10 million shrimp division. Analyzed complex legal structure, identified liabilities, and proposed changes to the structure. Mediated with debt holders and evaluated potential joint venture with Yoplait.
- **Saltex Group:** Advisor on strategy and operations. Member of the board of directors.
- **Submarino.com.br:** Development of entry strategy into USA market by Brazilian online retailer.

- **KOYMAN GROUP:** Assisted with the establishment of a centralized purchasing office in Miami.

EDUCATION

- **MASTERS IN INTERNATIONAL BUSINESS - FLORIDA INTERNATIONAL UNIVERSITY - MIAMI, FL.**
- **GRADUATE STUDY / MBA OPERATIONS AND INFORMATION SYSTEMS - FLORIDA INTERNATIONAL UNIVERSITY MIAMI, FL.**
- **DOUBLE BACHELORS MARKETING & INTERNATIONAL BUSINESS - FLORIDA INTERNATIONAL UNIVERSITY - MIAMI, FL.**

ASSOCIATIONS

- **GREATER MIAMI CHAMBER OF COMMERCE -- Trustee**
Graduate of Leadership Miami
Annual Golf Tournament committee
- **BEACON COUNCIL - Trustee**
Annual Meeting & Auction committee
- **FLORIDA INTERNATIONAL UNIVERSITY SCHOOL OF BUSINESS**
ALUMNI CIRCLE SCHOOL OF BUSINESS
CO-CHAIR EHOF & AUCTION COMMITTEE

BARBARA A. ROQUETA
2860 SW 144th Place; Miami, FL 33175
CELL: 305-613-5546;
E-MAIL: barbara33175@gmail.com

QUALIFICATIONS

- 32 years of manage care experience in direct management and development in health care organizations
- Experienced in the administration and operational aspects of contract negotiation, network development, provider support, credentialing, utilization management and customer service

PROFESSIONAL EXPERIENCE

Director; Provider Operations-KEY INSURANCE PLANS (KIP) and KEY HEALTH PLANS (KEY) (January 2010-Present)

- Implemented and ensured accurate training of the staff that included regulatory practices
- Shared in the preparation of department policies and procedures, provider agreements and training manual, to meet with regulatory requirements and accreditation standards;
- Developed and maintained the healthcare delivery system for a start up HMO and Insurance Company
- Build successful business contacts with healthcare providers and community to promote/market organization
- Established key contacts (hospital/physicians/staff) that would insure and maintain operational efficiency
- Continually assessed networks for completeness, quality and financial status of participating providers
- Expanded, trained and supported networks as needed to further the company's objectives and goals
- Prepared all network submission for regulatory and accreditation approval
- Ascertained that all negotiated contracts would be manageable by the organization's internal system
- Regularly updated departments within the organization on status and composition of the provider networks
- Worked with the Credentialing Department / Credentialing Committee to process and reappoint providers

Senior VP & Chief Operating Officer - RENAISSANCE HEALTH SYSTEMS (March 2005 – December 2009)

Under my direction, developed a state wide (26 counties) Management Service Organization (MSO) with over 2,000 providers contracted in the Medicare, Medicaid, Commercial and PPO lines of business, managing over 5,000 lives. My responsibilities were as follows:

- Hire, train and oversee more than 40 employees in the areas of administration, patient care, customer service and provider contracting, credentialing, servicing;
- Develop and implement operational process, policies and procedures for organizational consistency;
- Prepare provider agreements, addendums, joinders, along with training manual, marketing and educational materials to meet with Health Plans' regulatory requirements and accreditation standards;
- Develop, negotiate/contract, educate/train and support an accessible, cost effective and marketable provider networks based on quality (85% of providers, board certified in their specialty);
- Negotiate and support contractual relationships with eight Health Plans;
- Provide credentialing, demographic and contractual information/reports to Health Plans;
- Develop and maintain relationships between Health Plans and providers to ensure provider compliance with regulatory requirements, operational processes and marketing goals to grow/retain membership;
- Establish one RHS process for provider to use, and translated information through the internal system of eight Health Plans;
- Establish a Credentialing Department to meet URAC/NCQA Standards and Health Plan' regulatory requirements which consistently Scored 98% to 100% compliance Health Plans' yearly audits;
- Participate as a nonvoting member of the Credentialing Committee;
- Oversee Patient Care Department with the coordination of inpatient, outpatient and emergency services;
- Establish processes, educate and guide provider to properly document medical records to adequately capture Medicare Risk Adjustment (MRA) Scores;
- Assist Finance Department with data analysis and management of medical cost; and
- Prepare the organization to meet URAC standards for accreditation.

Director, Network Development – EMP MEDICAL SERVICES (April 2003 to March 2005)

- Developed, maintained and managed a cost effective, accessible and marketable state wide provider network of infusion, home health and durable medical equipment for multiple lines of business.
- Maintained the relationship between the organization and contracted providers
- Continuously trained and addressed financial issues with providers within the network
- Ongoing interaction with health plans to discuss operational and network needs
- Involved with the direct management and coordination of patient care to ascertain that the provider network was properly meeting the needs of the organization.

Director, Marketing Services – SOUTH EASTERN MANAGEMENT (June 2002 – March 2003)

- Promoted Diagnostic, Home Health, Infusion, DME and Physical Therapy Service in Dade County and supervised all aspects of the Marketing Department and its staff
- Organized Marketing Department to include physician credentialing, policies and procedures and developed relationships with physicians, Health Plans and insurance companies to maintaining a referral base
- Sought referral sources and implemented marketing strategies to increase business

Director, Marketing Services – MEDICAL PARK AND AFFILIATED CENTERS (December 2000 – May 2002)

- Promoted eight full modality diagnostic facilities located in one county
- Developed and maintained a referral base from physicians and insurance companies
- Negotiated and maintained contracts with Health Plans
- Directly staffed and supervised all aspects of the Marketing Department
- Prepared and successfully achieved AAAHC Accreditation

Risk Contract/Network Specialist – HIP HEALTH PLAN (Vista Health Plan) (May 2000 – December 2000)

- Developed and maintained the relationship between contracted risk bearing specialty networks, MSOs and the operational aspects dealings with Health Plan
- Managed networks' relationship with Health Plans' marketing, membership, claims and contracted providers
- Developed practices to assist risk partners identifying areas to improve services while managing financials

Contract Consultant – HEALTH SAVERS CLUB (July 1999 – May 2000)

- Contracted delivery system throughout the state to provide healthcare to subscribers at discounted rates
- Contracted non-covered services at a discounted rate to enhance the benefits to the subscriber

Director, Provider Operations – PHYSICIAN HEALTHCARE PLAN (Currently known as CarePlus & Amerigroup) (March 1995 – July 1999)

- Director of Provider Operations that consisted of three regional offices (Miami, Tampa and Orlando) with approximately 60 employees internal and assigned throughout the state
- Implemented goals according to the company's expectations
- Developed policies and procedures to meet regulatory and company requirements; ensured personnel compliance
- Dealt with regulatory agencies as they pertain to the specific line of business being administered
- Maintained official contracts and appropriate addendums and the security and confidentiality of all data pertaining to providers
- Structured the delivery system, all development and expansion by negotiating cost effective and profitable contracts
- Distributed and updated all contracts, manuals and documentation for the continuous training and servicing of providers within the network

Director, Provider Operations & Credentialing – ST. JOHN MEDICAL PLAN (1994 – 1995)

- Implemented and ensured accurate training of Account Executives
- Established successful business relationships with hospital personnel, physicians and their staff to maintain operational efficiency
- Assessed on an ongoing basis the financial status of participating PCPs
- Established and maintained networks that further the company's objectives and goals Developed and distributed in-service manuals to educate all affiliated providers
- Prepared all network submission for AHCA approval
- Identified and renegotiate contracts with providers by demographic as needed
- Ascertained that all contracts were negotiated and structured in a manner manageable by the internal system and updated provider information to all departments
- Evaluated provider network for comprehensive and quality
- Initiated and established the Credentialing Department / Credentialing Committee

Account Executive, Provider Relations – CAC, CAC RAMSAY & UNITED HEALTHCARE (1986 – 1994)

- Negotiated risk and non risk contracts for entire delivery system
- Supervised providers with risk sharing contracts and monitored the financial outcomes
- Developed relations with providers and their staff to maintain operational efficiency
- Developed training and implemented procedures to maintain company's objectives
- Review Provider Reconciliation Audits quarterly to increase profitability
- Improved operating margins by re-negotiating cost effective contracts

Assistant to the Director of Operations – AMICARE PPO (Currently known as TENET) (1986)

- Assisted with all provider contracts, credentialing and administrative functions
- Responsible for all clerical support staff for the division

Medical Staff Coordinator – AMI PALMETTO GENERAL HOSPITAL (Currently known as Palmetto Regional Hospital) (1985 – 1986)

- Coordinated medical staff functions for a staff of over 600 physicians
- Passed Joint Commission on Accreditation of Hospital (JCAH) and regulatory audits as required
- Recorded and maintained records for all associated medical staff committees
- Obtained and furnished references to other institutions related to members of the medical staff
- Processed application through the Credential and Executive Committees for approval
- Furnished medical staff roster to all departments, and updated information on hospital computer system
- Assisted new Chief of Staff in preparation of new committees

Medical Staff Coordinator – PAN AMERICAN HOSPITAL (Currently known as Metropolitan Hospital) (1980 – 1985)

- Maintain medical staff records for over 400 physicians
- Passed Joint Commission on Accreditation of Hospital (JCAH) and regulatory audits as required
- Coordinate special education programs for the departments of Surgery and Medicine
- Obtained CME credits when warranted
- Assisted physicians through their credentialing and reappointment process
- Contributed to medical staff's monthly newsletter
- Worked with committee chairman on matters pertaining to the medical staff policies and procedures
- Maintained administrative policies and procedure manuals that pertained to the medical staff for compliance with Medical Staff By-laws

References furnished upon requests

EXHIBIT "C"

Membership Count by County

County	state	Count	Territory
Lee	FL	259	Lee
Palm Beach	FL	244	Palm Beach
Pinellas	FL	219	Pinellas
Broward	FL	206	Broward
Hillsborough	FL	200	Hillsborough
Collier	FL	157	Collier
Pasco	FL	105	Pasco
Monroe	FL	57	Monroe
Polk	FL	54	Polk
Miami-Dade	FL	39	Miami-Dade
Manatee	FL	35	Manatee
Orange	FL	35	Orange
Sarasota	FL	28	Sarasota
Brevard	FL	26	Brevard
Hernando	FL	24	Hernando
Charlotte	FL	15	Charlotte
Lake	FL	14	Lake
Seminole	FL	11	Seminole
Indian River	FL	8	Indian River
Unknown	FL	6	Unknown
Citrus	FL	5	Citrus
Jackson	FL	5	Jackson
Marion	FL	5	Marion
Duval	FL	4	Duval
Saint Johns	FL	4	Saint Johns
Escambia	FL	3	Escambia
Leon	FL	3	Leon
Okaloosa	FL	3	Okaloosa
Osceola	FL	3	Osceola
Saint Lucie	FL	3	Saint Lucie
Clay	FL	2	Clay
Highlands	FL	2	Highlands
Martin	FL	2	Martin
Volusia	FL	2	Volusia
Alachua	FL	1	Alachua
Bradford	FL	1	Bradford
Hendry	FL	1	Hendry
Levy	FL	1	Levy
Nassau	FL	1	Nassau
Okeechobee	FL	1	Okeechobee
Putnam	FL	1	Putnam
Santa Rosa	FL	1	Santa Rosa
Sumter	FL	1	Sumter
Total		1,797	

Sum of MemID Column Labels

Month	Group	Individual	Grand Total
7/1/2009	459	6,161	6,620
8/1/2009	490	6,170	6,660
9/1/2009	456	6,157	6,613
10/1/2009	438	6,146	6,584
11/1/2009	478	6,139	6,617
12/1/2009	465	6,150	6,615
1/1/2010	483	5,995	6,478
2/1/2010	473	5,995	6,468
3/1/2010	468	5,903	6,371
4/1/2010	464	5,839	6,303
5/1/2010	409	5,273	5,682
6/1/2010	330	4,713	5,043
7/1/2010	250	4,230	4,480
8/1/2010	230	3,866	4,096
9/1/2010	222	3,555	3,777
10/1/2010	182	3,316	3,498
11/1/2010	137	3,101	3,238
12/1/2010	89	2,965	3,054
1/1/2011	78	2,795	2,873
2/1/2011	124	2,684	2,808
3/1/2011	116	2,675	2,791
4/1/2011	96	2,497	2,593
5/1/2011	99	2,412	2,511
6/1/2011	99	2,370	2,469
7/1/2011	74	2,318	2,392
8/1/2011	59	2,163	2,222
9/1/2011	59	2,122	2,181
10/1/2011	48	2,119	2,167
11/1/2011	47	2,042	2,089
12/1/2011	47	2,009	2,056
1/1/2012	40	1,935	1,975
2/1/2012	30	1,871	1,901
3/1/2012	27	1,822	1,849
4/1/2012	27	1,770	1,797

Change

40 1%
 -47 -1%
 -29 0%
 33 0%
 -2 0%
 -137 -2%
 -10 0%
 -97 -2%
 -68 -1%
 -621 -11%
 -639 -13%
 -563 -13%
 -384 -9%
 -319 -8%
 -279 -8%
 -260 -8%
 -184 -6%
 -181 -6%
 -65 -2%
 -17 -1%
 -198 -8%
 -82 -3%
 -42 -2%
 -77 -3%
 -170 -8%
 -41 -2%
 -14 -1%
 -78 -4%
 -33 -2%
 -81 -4%
 -74 -4%
 -52 -3%
 -52 -3%



OFFICE OF INSURANCE REGULATION

KEVIN M. McCARTY
COMMISSIONER

**FINANCIAL SERVICES
COMMISSION**

RICK SCOTT
GOVERNOR

JEFF ATWATER
CHIEF FINANCIAL OFFICER

PAM BONDI
ATTORNEY GENERAL

ADAM PUTNAM
COMMISSIONER OF
AGRICULTURE

May 1, 2012

The Honorable Jeff Atwater
The Chief Financial Officer
Department of Financial Services
The Capitol, PL-11
Tallahassee, FL 32399

Via Email

Re: AvaHealth Inc., d/b/a Key Insurance Plan

Dear Chief Financial Officer Atwater:

Please be advised that the Office of Insurance Regulation (hereinafter referred to as the "Office") has determined that one or more grounds exist for the initiation of delinquency proceedings, pursuant to Chapter 631, Florida Statutes, against AvaHealth, Inc., d/b/a Key Insurance Plan (hereinafter referred to as "AvaHealth"). AvaHealth is a domestic insurer authorized to transact insurance business in the State of Florida. As specified in Sections 631.051 and 631.061, Florida Statutes, among the grounds that allow a petition for an order appointing the Department of Financial Services (hereinafter referred to as the "Department") as receiver and directing it to rehabilitate or liquidate the business of a domestic insurer include if such entity:

- (1) Is impaired or insolvent.

The Office finds for the reasons set forth in the attached documents that AvaHealth does not comply with the minimum capital and surplus requirements of Section 624.408, Florida Statutes, and therefore, is impaired.

- (2) Is found by the office to be in such condition or is using or has been subject to such methods or practices in the conduct of its business, as to render its further transaction of insurance hazardous to its policyholders, creditors, stockholders, or the public.

The Office finds for the reasons set forth in the attached documents that AvaHealth is operating in such hazardous condition.

...

KEVIN M. McCARTY • COMMISSIONER
200 EAST GAINES STREET • TALLAHASSEE, FLORIDA 32399-0305 • (850) 413-5914 • FAX (850) 488-3334
WEBSITE: WWW.FLOIR.COM • EMAIL: KEVIN.McCARTY@FLOIR.COM

Affirmative Action / Equal Opportunity Employer

**COMPOSITE
EXHIBIT "C"**

- (3) Has consented to such an order through a majority of its directors, stockholders, members, or subscribers.

On April 23, 2010, when AvaHealth was under different management and ownership, the company executed a Consent to Receivership. The Office is not sure that this Consent is still binding, but has included it for review per the request of the Rehab and Liquidation Division.

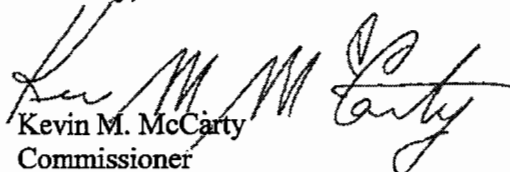
The Office has determined that AvaHealth is currently impaired and is operating in a hazardous condition. As such, I am advising you of that determination so that delinquency proceedings can be initiated by the Division of Rehabilitation and Liquidation. The following documents are attached in support of such determination:

Exhibit 1 – Affidavit of Paul Johns, Financial Administrator, Life & Health Financial Oversight

Exhibit 2 – April 23, 2010, Executed Consent to Receivership

As always, the Office stands ready to provide any additional information or assistance the Department needs in order for this matter to proceed as expeditiously as possible. Thank you for your attention to this matter.

Sincerely,


Kevin M. McCarty
Commissioner

cc: PK Jameson, General Counsel
Department of Financial Services

Sha'Ron James, Division Director
Division of Rehabilitation and Liquidation
Department of Financial Services

Affidavit of Paul D. Johns

State of Florida

County of Leon

BEFORE ME, the undersigned authority appeared Paul D. Johns, who after being sworn, deposes and says:

1. I, Paul D. Johns, am over the age of eighteen (18), sui juris, and I am competent to testify and have personal knowledge of the facts contained herein.
2. I, Paul D. Johns, currently hold the position of Financial Administrator of Life and Health Financial Oversight for the Florida Office of Insurance Regulation (hereinafter referred to as the "OFFICE"). I graduated from Florida State University in 1984 with a Bachelor of Science degree in Finance.
3. I have served as the Financial Administrator for the OFFICE since May 2008. I served as the Financial Examiner/Analyst Supervisor in Life and Health Financial Oversight for the OFFICE from August 1999 until May 2008. I served as an Insurance Examiner with the OFFICE from 1992 until 1999. My prior work experience also includes positions with Bank of America as a Credit Analyst, Commercial Lending Officer and Loan Review Officer from 1985 until 1992.
4. As a Financial Administrator with Life and Health Financial Oversight for the OFFICE, I have obtained knowledge, both directly and indirectly, through employees of the OFFICE and financial statement filings regarding the financial condition of AVAHEALTH, INC., D/B/A KEY INSURANCE PLAN (hereinafter referred to as "AVAHEALTH").
5. AVAHEALTH is a Florida domestic insurance company authorized to transact life and health insurance business in Florida since September 22, 2005, pursuant to the Florida



Insurance Code. AVAHEALTH was incorporated under the laws of Florida on July 8, 2005.

6. On March 22, 2012, the OFFICE issued a suspension order to AVAHEALTH because of various violations of the Insurance Code, including but not limited to, a financial impairment. On April 13, 2012, AVAHEALTH submitted a Petition for Administrative Hearing challenging the suspension order. On April 24, 2012, the OFFICE referred the Petition to the Division of Administrative Hearings.
7. On April 19, 2012, the OFFICE issued a Cease and Desist Order to AVAHEALTH because AVAHEALTH is and has been charging unauthorized rates in violation of Section 627.410(6), Florida Statutes. As of today, AVAHEALTH has not challenged such order.
8. The OFFICE has determined that one or more grounds exist for the initiation of delinquency proceedings pursuant to Sections 631.051 or 631.061, Florida Statutes. As specified in these Sections, among the grounds that allow a petition for the appointment of a receiver include:
 - a. Is impaired or insolvent;
 - i. On April 25, 2012, AVAHEALTH submitted the March 31, 2012 monthly financial statement (attached as Exhibit "A" and hereinafter incorporated by reference) filed pursuant to the OFFICE's March 5, 2009 letter (attached as Exhibit "B") directing continued submission of monthly financial statement filings. Based on the March 31, 2012 monthly financial statement, AVAHEALTH does not comply with minimum capital and surplus levels required by Section 624.408, Florida Statutes. On March 31, 2012, AVAHEALTH was required by Section 624.408, Florida Statutes, to have capital and surplus of one million five hundred U.S. Dollars (\$1,500,000). The March 31, 2012 monthly financial statement reports capital and surplus of

one million one hundred forty-one thousand four hundred twelve U.S. Dollars (\$1,141,412). The capital and surplus reported by AVAHEALTH on March 31, 2012, was three hundred fifty-eight thousand five hundred eighty-eight U.S. Dollars (\$358,588) below the statutory amount required by Section 624.408, Florida Statutes. On April 25, 2012, the President of the company e-mailed the Office indicating that the company was aware that it was below the minimum statutory requirements, but that additional capital had been infused and indicated she had proof (e-mail attached as Exhibit "B"). On April 26, 2012, the Office requested evidence demonstrating that the funds had been deposited. On April, 30, 2012, during a conference call, the President of AVAHEALTH indicated that the shareholder had changed his mind and the infusion had not been made.

- b. Is found by the office to be in such condition or is using or has been subject to such methods or practices in the conduct of its business, as to render its further transaction of insurance hazardous to its policyholders, creditors, stockholders, or the public;
 - i. On December 30, 2012, the Office received a copy of a resignation from the three members of the board of directors. On January 19, 2012, the Office received a copy of a resignation from a fourth board member.
 - ii. On April 2, 2012, the Office met with representatives from AVAHEALTH and was advised that all individuals previously acting in the capacity of corporate officers had been replaced with new officers. During this meeting, the Office advised the new management that it would need to submit pro-forma financial statements projecting the future financial condition of AVAHEALTH
 - iii. On April 19, 2012, the Office received pro-forma financial statements from AVAHEALTH which did not appear reliable and of a standard sufficient to

support AVAHEALTH's successful accomplishment of its Florida plan of
business operations.

9. Thus, the OFFICE has made a determination that the grounds for issuing an Order for the
immediate appointment of a Receiver exist under Sections 631.051 or 631.061, Florida
Statutes.

FURTHER AFFIANT SAYETH NAUGHT.

Paul D. Johns

Paul D. Johns
Financial Administrator
Life & Health Financial Oversight
Office of Insurance Regulation

STATE OF Florida

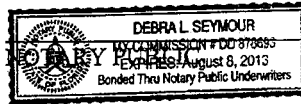
COUNTY OF Leon

The foregoing affidavit was sworn to and subscribed before me this 30th day of April,
2012, by Paul D. Johns.
Personally known to me X
Identification Produced _____

SWORN AND SUBSCRIBED, before me this 30th day of April, 2012.

My Commission Expires:

Aug 8, 2013





HEALTH QUARTERLY STATEMENT

AS OF MARCH 31, 2012
OF THE CONDITION AND AFFAIRS OF THE

AVAHEALTH, INC.

NAIC Group Code 0000 (Current) (Prior) NAIC Company Code 12316 Employer's ID Number 20-3075951

Organized under the Laws of FL, State of Domicile or Port of Entry FL

Country of Domicile United States of America

Licensed as business type: Life, Accident & Health

Is HMO Federally Qualified? Yes [] No []

Incorporated/Organized 07/08/2005 Commenced Business 04/01/2006

Statutory Home Office 5440 Mariner Street, Suite 110 Tampa, FL 33609
(Street and Number) (City or Town, State and Zip Code)

Main Administrative Office 5440 Mariner Street, Suite 110
(Street and Number) Tampa, FL 33609 813-868-5959
(City or Town, State and Zip Code) (Area Code) (Telephone Number)

Mail Address _____
(Street and Number or P.O. Box) (City or Town, State and Zip Code)

Primary Location of Books and Records 5440 Mariner Street, Suite 110
(Street and Number) Tampa, FL 33609 813-868-5959
(City or Town, State and Zip Code) (Area Code) (Telephone Number)

Internet Web Site Address www.keyhp.com

Statutory Statement Contact Roberto Enrique Martinez 813-868-5959
(Name) (Area Code) (Telephone Number)
martinez@keyhp.com 813-288-8520
(E-mail Address) (FAX Number)

OFFICERS

Director Enoc Segundo Martinez # Treasurer Director Roberto Enrique Martinez #
President Director Karen W Connolly # Director Barbara Roqueta

OTHER
Ricardo Di Campo # Director

DIRECTORS OR TRUSTEES

State of FL SS:
County of Hillsborough

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

[Signature]
Karen Connolly
President Director

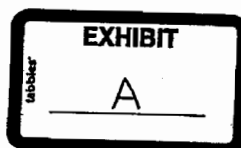
[Signature]
Roberto E. Martinez
Treasurer Director

Subscribed and sworn to before me this 25 day of April, 2012
[Signature]

- a. Is this an original filing? _____ Yes [X] No []
- b. If no,
1. State the amendment number _____
 2. Date filed _____ 04/25/2012
 3. Number of pages attached _____



ANNE WESTLEY
NOTARY PUBLIC
STATE OF FLORIDA
Comm# EE053806
Expires 1/9/2015



For the month of March 2012

ASSETS

	Current Statement Date			December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds			0.00	0.00
2. Stocks:				
2.1 Preferred stocks			0.00	0.00
2.2 Common stocks			0.00	0.00
3. Mortgage loans on real estate:				
3.1 First liens			0.00	0.00
3.2 Other than first liens			0.00	0.00
4. Real estate:				
4.1 Properties occupied by the company (less \$ encumbrances)			0.00	0.00
4.2 Properties held for the production of income (less \$ encumbrances)			0.00	0.00
4.3 Properties held for sale (less \$ encumbrances)			0.00	0.00
5. Cash (\$ 3,259,438.63), cash equivalents (\$ 0.00) and short-term investments (\$ 0.00)	3,259,438.63		3,259,438.63	2,680,468.00
6. Contract loans (including \$ premium notes)			0.00	0.00
7. Derivatives			0.00	0.00
8. Other invested assets	0.00		0.00	0.00
9. Receivables for securities			0.00	0.00
10. Securities lending reinvested collateral assets	0.00		0.00	0.00
11. Aggregate write-ins for invested assets	0.00	0.00	0.00	0.00
12. Subtotals, cash and invested assets (Lines 1 to 11)	3,259,438.63	0.00	3,259,438.63	2,680,468.00
13. Title plants less \$ charged off (for Title insurers only)			0.00	0.00
14. Investment income due and accrued			0.00	0.00
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection			0.00	0.00
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premiums)			0.00	0.00
15.3 Accrued retrospective premiums			0.00	0.00
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers			0.00	0.00
16.2 Funds held by or deposited with reinsured companies			0.00	0.00
16.3 Other amounts receivable under reinsurance contracts			0.00	0.00
17. Amounts receivable relating to uninsured plans			0.00	0.00
18.1 Current federal and foreign income tax recoverable and interest thereon			0.00	0.00
18.2 Net deferred tax asset	2,850,000.00	2,850,000.00	0.00	82,600.00
19. Guaranty funds receivable or on deposit			0.00	0.00
20. Electronic data processing equipment and software			0.00	0.00
21. Furniture and equipment, including health care delivery assets (\$)	6,088.16	6,088.16	0.00	0.00
22. Net adjustment in assets and liabilities due to foreign exchange rates			0.00	0.00
23. Receivables from parent, subsidiaries and affiliates	569,431.27	569,431.27	0.00	0.00
24. Health care (\$) and other amounts receivable			0.00	83,191.00
25. Aggregate write-ins for other than invested assets	295,326.31	295,326.31	0.00	0.00
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	6,980,284.37	3,720,845.74	3,259,438.63	2,846,259.00
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0.00	0.00
28. Total (Lines 26 and 27)	6,980,284.37	3,720,845.74	3,259,438.63	2,846,259.00
DETAILS OF WRITE-INS				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page	0.00	0.00	0.00	0.00
1199. Totals (Lines 1101 through 1103 plus 1198)(Line 11 above)	0.00	0.00	0.00	0.00
2501. Elavon Credit Card	295,326.31	295,326.31	0.00	0.00
2502.				
2503.				
2598. Summary of remaining write-ins for Line 25 from overflow page	0.00	0.00	0.00	0.00
2599. Totals (Lines 2501 through 2503 plus 2598)(Line 25 above)	295,326.31	295,326.31	0.00	0.00

For the month of March 2012

LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ reinsurance ceded)	1,683,459.00		1,683,459.00	1,683,459.00
2. Accrued medical incentive pool and bonus amounts			0.00	0.00
3. Unpaid claims adjustment expenses	33,056.00		33,056.00	33,056.00
4. Aggregate health policy reserves, including the liability of \$ 0.00 for medical loss ratio rebate per the Public Health Service Act	63,413.00		63,413.00	63,413.00
5. Aggregate life policy reserves			0.00	0.00
6. Property/casualty unearned premium reserve			0.00	0.00
7. Aggregate health claim reserves			0.00	0.00
8. Premiums received in advance	214,079.59		214,079.59	167,998.00
9. General expenses due or accrued	104,018.66		104,018.66	51,917.00
10.1 Current federal and foreign income tax payable and interest thereon (including \$ on realized gains (losses))			0.00	0.00
10.2 Net deferred tax liability			0.00	0.00
11. Ceded reinsurance premiums payable			0.00	0.00
12. Amounts withheld or retained for the account of others			0.00	0.00
13. Remittances and items not allocated			0.00	0.00
14. Borrowed money (including \$ current) and interest thereon \$ (including \$ current)			0.00	0.00
15. Amounts due to parent, subsidiaries and affiliates			0.00	0.00
16. Derivatives			0.00	0.00
17. Payable for securities			0.00	0.00
18. Payable for securities lending			0.00	0.00
19. Funds held under reinsurance treaties (with \$ authorized reinsurers and \$ unauthorized reinsurers)			0.00	0.00
20. Reinsurance in unauthorized companies			0.00	0.00
21. Net adjustments in assets and liabilities due to foreign exchange rates			0.00	0.00
22. Liability for amounts held under uninsured plans			0.00	0.00
23. Aggregate write-ins for other liabilities (including \$ current)	20,000.00	0.00	20,000.00	20,000.00
24. Total liabilities (Lines 1 to 23)	2,118,026.25	0.00	2,118,026.25	2,019,843.00
25. Aggregate write-ins for special surplus funds	XXX	XXX	0.00	0.00
26. Common capital stock	XXX	XXX	1,500,000.00	1,500,000.00
27. Preferred capital stock	XXX	XXX		
28. Gross paid in and contributed surplus	XXX	XXX	12,917,000.00	11,607,000.00
29. Surplus notes	XXX	XXX		
30. Aggregate write-ins for other than special surplus funds	XXX	XXX	0.00	0.00
31. Unassigned funds (surplus)	XXX	XXX	(13,275,587.62)	(12,280,584.00)
32. Less treasury stock, at cost:				
32.1 shares common (value included in Line 26 \$)	XXX	XXX	0.00	
32.2 shares preferred (value included in Line 27 \$)	XXX	XXX	0.00	
33. Total capital and surplus (Lines 25 to 31 minus Line 32)	XXX	XXX	1,141,412.38	826,416.00
34. Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	3,259,438.63	2,846,259.00
DETAILS OF WRITE-INS				
2301. Broker Commission Payable	20,000.00		20,000.00	20,000.00
2302.				
2303.				
2398. Summary of remaining write-ins for Line 23 from overflow page	0.00	0.00	0.00	0.00
2399. Totals (Lines 2301 through 2303 plus 2398)(Line 23 above)	20,000.00	0.00	20,000.00	20,000.00
2501.	XXX	XXX		
2502.	XXX	XXX		
2503.	XXX	XXX		
2598. Summary of remaining write-ins for Line 25 from overflow page	XXX	XXX	0.00	0.00
2599. Totals (Lines 2501 through 2503 plus 2598)(Line 25 above)	XXX	XXX	0.00	0.00
3001.	XXX	XXX		
3002.	XXX	XXX		
3003.	XXX	XXX		
3098. Summary of remaining write-ins for Line 30 from overflow page	XXX	XXX	0.00	0.00
3099. Totals (Lines 3001 through 3003 plus 3098)(Line 30 above)	XXX	XXX	0.00	0.00

For the month of March 2012

STATEMENT OF REVENUE AND EXPENSES

	Current Year To Date		Prior Year To Date	Prior Year Ended December 31
	1 Uncovered	2 Total	3 Total	4 Total
1. Member Months	XXX	5,725.00		29,242.00
2. Net premium income (including \$ non-health premium income).....	XXX	1,312,384.07		6,252,692.00
3. Change in unearned premium reserves and reserve for rate credits.....	XXX			0.00
4. Fee-for-service (net of \$ medical expenses).....	XXX			0.00
5. Risk revenue	XXX			0.00
6. Aggregate write-ins for other health care related revenues.....	XXX	0.00	0.00	0.00
7. Aggregate write-ins for other non-health revenues.....	XXX	13,680.91	0.00	0.00
8. Total revenues (Lines 2 to 7)	XXX	1,326,064.98	0.00	6,252,692.00
Hospital and Medical:				
9. Hospital/medical benefits		1,076,510.31		4,921,518.00
10. Other professional services				0.00
11. Outside referrals				0.00
12. Emergency room and out-of-area				0.00
13. Prescription drugs				0.00
14. Aggregate write-ins for other hospital and medical	0.00	0.00	0.00	0.00
15. Incentive pool, withhold adjustments and bonus amounts				0.00
16. Subtotal (Lines 9 to 15)	0.00	1,076,510.31	0.00	4,921,518.00
Less:				
17. Net reinsurance recoveries				0.00
18. Total hospital and medical (Lines 16 minus 17)	0.00	1,076,510.31	0.00	4,921,518.00
19. Non-health claims (net)				
20. Claims adjustment expenses, including \$ cost containment expenses				350,000.00
21. General administrative expenses	0.00	986,895.35		1,532,228.00
22. Increase in reserves for life and accident and health contracts (including \$ increase in reserves for life only)				0.00
23. Total underwriting deductions (Lines 18 through 22)	0.00	2,063,405.66	0.00	6,803,746.00
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	(737,340.68)	0.00	(551,054.00)
25. Net investment income earned				0.00
26. Net realized capital gains (losses) less capital gains tax of \$				
27. Net investment gains (losses) (Lines 25 plus 26)	0.00	0.00	0.00	0.00
28. Net gain or (loss) from agents' or premium balances charged off ((amount recovered \$) (amount charged off \$))				
29. Aggregate write-ins for other income or expenses	0.00	0.00	0.00	0.00
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	XXX	(737,340.68)	0.00	(551,054.00)
31. Federal and foreign income taxes incurred	XXX			
32. Net income (loss) (Lines 30 minus 31)	XXX	(737,340.68)	0.00	(551,054.00)
DETAILS OF WRITE-INS				
0601.	XXX			
0602.	XXX			
0603.	XXX			
0698. Summary of remaining write-ins for Line 6 from overflow page	XXX	0.00	0.00	0.00
0699. Totals (Lines 0601 through 0603 plus 0698)(Line 6 above)	XXX	0.00	0.00	0.00
0701. Other Income	XXX	13,680.91		0.00
0702.	XXX			
0703.	XXX			
0798. Summary of remaining write-ins for Line 7 from overflow page	XXX	0.00	0.00	0.00
0799. Totals (Lines 0701 through 0703 plus 0798)(Line 7 above)	XXX	13,680.91	0.00	0.00
1401.				
1402.				
1403.				
1498. Summary of remaining write-ins for Line 14 from overflow page	0.00	0.00	0.00	0.00
1499. Totals (Lines 1401 through 1403 plus 1498)(Line 14 above)	0.00	0.00	0.00	0.00
2901.				
2902.				
2903.				
2998. Summary of remaining write-ins for Line 29 from overflow page	0.00	0.00	0.00	0.00
2999. Totals (Lines 2901 through 2903 plus 2998)(Line 29 above)	0.00	0.00	0.00	0.00

For the month of March 2012

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
CAPITAL AND SURPLUS ACCOUNT			
33. Capital and surplus prior reporting year.....	826,416.00		(2,806,783.00)
34. Net income or (loss) from Line 32.....	(737,340.68)		(551,054.00)
35. Change in valuation basis of aggregate policy and claim reserves.....			
36. Change in net unrealized capital gains (losses) less capital gains tax of \$.....			
37. Change in net unrealized foreign exchange capital gain or (loss).....			
38. Change in net deferred income tax.....			0.00
39. Change in nonadmitted assets.....	(257,663.00)		(466,947.00)
40. Change in unauthorized reinsurance.....	0.00		0.00
41. Change in treasury stock.....	0.00		0.00
42. Change in surplus notes.....	0.00		0.00
43. Cumulative effect of changes in accounting principles.....			
44. Capital Changes:			
44.1 Paid in.....	0.00		0.00
44.2 Transferred from surplus (Stock Dividend).....	0.00		0.00
44.3 Transferred to surplus.....			
45. Surplus adjustments:			
45.1 Paid in.....	1,310,000.00		4,800,000.00
45.2 Transferred to capital (Stock Dividend).....			
45.3 Transferred from capital.....			
46. Dividends to stockholders.....			
47. Aggregate write-ins for gains or (losses) in surplus.....	0.00	0.00	(148,800.00)
48. Net change in capital & surplus (Lines 34 to 47).....	314,996.32	0.00	3,633,199.00
49. Capital and surplus end of reporting period (Line 33 plus 48).....	1,141,412.32	0.00	826,416.00
DETAILS OF WRITE-INS			
4701. Adjustment.....			(148,800.00)
4702.....			
4703.....			
4798. Summary of remaining write-ins for Line 47 from overflow page.....	0.00	0.00	0.00
4799. Totals (Lines 4701 through 4703 plus 4798)(Line 47 above).....	0.00	0.00	(148,800.00)

For the month of March 2012

CASH FLOW

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
Cash from Operations			
1. Premiums collected net of reinsurance	1,358,465.66		5,310,071.00
2. Net investment income	0.00		0.00
3. Miscellaneous income	13,680.91		0.00
4. Total (Lines 1 to 3)	1,372,146.57	0.00	6,310,071.00
5. Benefit and loss related payments	1,076,510.31		5,901,275.00
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts			
7. Commissions, expenses paid and aggregate write-ins for deductions	986,895.35		2,046,590.00
8. Dividends paid to policyholders			
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses)	0.00		0.00
10. Total (Lines 5 through 9)	2,063,405.66	0.00	7,947,865.00
11. Net cash from operations (Line 4 minus Line 10)	(691,259.09)	0.00	(1,637,794.00)
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	0.00		0.00
12.2 Stocks	0.00		0.00
12.3 Mortgage loans	0.00		0.00
12.4 Real estate	0.00		0.00
12.5 Other invested assets	0.00		0.00
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	0.00		0.00
12.7 Miscellaneous proceeds	0.00		0.00
12.8 Total investment proceeds (Lines 12.1 to 12.7)	0.00	0.00	0.00
13. Cost of investments acquired (long-term only):			
13.1 Bonds	0.00		0.00
13.2 Stocks	0.00		0.00
13.3 Mortgage loans	0.00		0.00
13.4 Real estate	0.00		0.00
13.5 Other invested assets	0.00		0.00
13.6 Miscellaneous applications	0.00		0.00
13.7 Total investments acquired (Lines 13.1 to 13.6)	0.00	0.00	0.00
14. Net increase (or decrease) in contract loans and premium notes	0.00		0.00
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	0.00	0.00	0.00
Cash from Financing and Miscellaneous Sources			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes	0.00		0.00
16.2 Capital and paid in surplus, less treasury stock	1,310,000.00		0.00
16.3 Borrowed funds	0.00		0.00
16.4 Net deposits on deposit-type contracts and other insurance liabilities	0.00		0.00
16.5 Dividends to stockholders	0.00		0.00
16.6 Other cash provided (applied)	(39,770.28)		3,448,899.00
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	1,270,229.72	0.00	3,448,899.00
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	578,970.63	0.00	1,811,105.00
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year	2,680,468.00		869,363.00
19.2 End of period (Line 18 plus Line 19.1)	3,259,438.63	0.00	2,680,468.00

Note: Supplemental disclosures of cash flow information for non-cash transactions:

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OFFICE OF INSURANCE REGULATION

KEVIN M. MCCARTY
COMMISSIONER

FINANCIAL SERVICES
COMMISSION

CHARLIE CRIST
GOVERNOR

ALEX SINK
CHIEF FINANCIAL OFFICER

BILL MCCOLLUM
ATTORNEY GENERAL

CHARLES BRONSON
COMMISSIONER OF
AGRICULTURE

Sent by Electronic Transmission

March 5, 2009

Henry H. Neely
Vice President, Operations
AvaHealth, Inc
3030 North Rocky Point Dr. W,
Suite 800
Tampa, FL 33607

Mr. Neely:

Thank you for your email dated March 2, 2009 regarding the \$1,195,192 receivable from parent received on March 2, 2009.

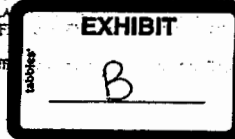
In reference to the advance of the receivable due from the parent reported on the 2008 annual statement, per the Statement of Statutory Accounting Principles No. 72, paragraph 8:

"Notes or other receivables received as additional capital contributions satisfied by receipt of cash or readily marketable securities prior to the filing of the statutory financial statement shall be treated as a Type I subsequent event in accordance with SSAP No. 9 and as such shall be considered as admitted asset based on the evidence of collection and approval of the domiciliary commissioner".

Note that the advance of a receivable due from the parent should be approved *prior* to the filing of the statement. We will approve the advance of the receivable from the parent for the 2008 annual statement, but any future receivable from the parent under similar circumstances without prior approval from the Office of Insurance Regulation ("Office") may be disallowed

As a result of the review of the 2008 Annual Statement, we will require a revised current business plan for AvaHealth, Inc. due April 3, 2009. Please provide quarterly pro-forma financial statements for AvaHealth, Inc. through year-end 2009.

RAY KENNEDY • INSURANCE EXAMINER • LIFE & HEALTH FINANCIAL OVERSIGHT
200 EAST GAINES STREET • TALLAHASSEE, FL 32301 • (904) 413-5029 • FAX (850) 488-7061
WEBSITE: WWW.FLORIDAIR.COM • E-MAIL: RAY.KENNEDY@FLOIRC.COM



Additionally, AvaHealth, Inc. will be required to provide monthly statements to the Office beginning with the April monthly statement. The monthly statement filing will be due each month, 25 days after the end of the month. The first monthly statement will be due May 25th for the month of April. The monthly reporting shall continue until permission to cease is received in writing from the Office.

The following pages will be required for the monthly filing:

- Signed & Notarized Jurat Page
- Assets Page
- Liabilities, Capital and Surplus
- Statement of Revenue and Expenses
- Cash Flow
- Exhibit of Premiums, Enrollment and Utilization
- Schedule T – Premiums and Other Considerations

We appreciate your attention to our comments and filing requirements as outlined above.

Sincerely,



Ray Kennedy

cc: Robert A. Willis
Paul Johns
Valerie Reglat

Schoenecker, Catharine

From: Kennedy, Ray
Sent: Thursday, April 26, 2012 7:41 AM
To: Wilkerson, Toma; Johns, Paul; Reglat, Valerie
Subject: FW: March 31, 2012 Monthly Financial Statement

From: kwconnolly@aol.com [kwconnolly@aol.com]
Sent: Wednesday, April 25, 2012 10:23 PM
To: Kennedy, Ray
Subject: Re: March 31, 2012 Monthly Financial Statement

Ray, I want to let you know that the financial statements have been appropriately uploaded today along with the executed Jurat page.

Please be aware that I am completely aware that the minimum requirements for reserve requirements are not met. It should be noted that this is prior to the April date of new management and we have infused addl capital into the appropriate capital. We do have proof of this.

Please call me with any questions. Karen Connolly.
Sent from my Verizon Wireless BlackBerry

From: "Kennedy, Ray" <Ray.Kennedy@flor.com>
Date: Tue, 24 Apr 2012 18:55:40 +0000
To: 'Karen Connolly' <kwconnolly@aol.com>
Cc: Reglat, Valerie <Valerie.Reglat@flor.com>; Johns, Paul <Paul.Johns@flor.com>
Subject: March 31, 2012 Monthly Financial Statement

Karen – The Monthly Financial Statement for March 31, 2012 is due April 25, 2012 in the Regulatory Electronic Filing System (REFS).

Due in REFS for monthly reporting is the company contact, the monthly financial statement, and the signed notarized Jurat page.

Ray Kennedy
Reinsurance Specialist
Florida Office of Insurance Regulation
Life & Health Financial Oversight
200 East Gaines Street
Tallahassee, Florida 32399-0327
Phone: 850-413-5029
Fax: 850-488-7061



DEPARTMENT OF FINANCIAL SERVICES
OFFICE OF INSURANCE REGULATION

KEVIN M. McCARTY
COMMISSIONER

CONSENT TO ORDER OF RECEIVERSHIP

IT IS HEREBY agreed as follows:

1. AvaHealth, Inc., also doing business as Avalon Healthcare, Inc. (herein "Respondent"), is a Florida corporation and is a domestic insurer authorized to transact an insurance business in the State of Florida.

2. Respondent admits that grounds exist for appointment of a Receiver under Section 631.051, Florida Statutes.

3. Pursuant to Section 631.051, Florida Statutes, Respondent consents through a majority of its directors, stockholders, members, or subscribers, to the entry of an order of Rehabilitation appointing the Department of Financial Services as receiver for purposes of Rehabilitation and consents to any injunctions this court deems necessary and appropriate. The Resolution of the Board of Directors of AvaHealth, Inc. is attached hereto as Exhibit B.

4. Respondent consents and agrees to the entry of an Order Appointing the Florida Department of Financial Services as Receiver for Purposes of Rehabilitation Injunction, and Notice of Automatic Stay.

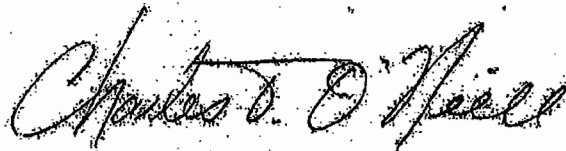
EXHIBIT

2

3. If the Receiver in its sole discretion determines that further efforts to rehabilitate Respondent would be useless, the Receiver may apply to the Court for entry of an order of liquidation of Respondent without further notice or hearing. Respondent consents to the entry of such an order, and waives any and all right to notice and hearing.

Dated this 23 day of April, 2010.

AVAHEALTH, INC



Charles Thomas O'Neill, President
AvaHealth, Inc.

**RESOLUTION OF THE BOARD OF DIRECTORS OF
AVAHEALTH, INC.**

The undersigned, being all the Directors of AvaHealth, Inc. hereby make the following resolutions as follows:

RESOLVED, that the Directors consent to the entry of an Order Appointing the Florida Department of Financial Services as Receiver for Purposes of Rehabilitation, Injunction, and Notice of Automatic Stay.

FURTHER RESOLVED, that if the Receiver determines in its sole discretion that further efforts to rehabilitate AvaHealth, Inc., would be useless, the Receiver may apply to the Court for entry of an order of liquidation of AvaHealth, Inc., without further notice or hearing. The Directors consent to the entry of such an order, and waive any and all rights to notice and hearing.

FURTHER RESOLVED, that the President and the other Officers of AvaHealth, Inc. are hereby authorized to execute any and all consent agreements or other documents on behalf of AvaHealth, Inc. to obtain entry of the Order of Rehabilitation and are authorized to take any and all additional actions deemed necessary or appropriate by the Department of Financial Services to effectuate the foregoing or to comply with the Order, without further approval of the Shareholders or Directors.

Date this 23 day of April, 2010.

EXHIBIT B

Directors of AveraHealth, Inc.

Charles T. O'Neill
Charles Thomas O'Neill
Director

Henry Harrison Neely
Henry Harrison Neely
Director

Judith Anne Lyons
Judith Anne Lyons
Director

Paul William Kowalski
Paul William Kowalski
Director

Joseph Gagliardi
Joseph Gagliardi
Director

Joyce Brown Suarez
Joyce Brown Suarez
Director

EXHIBIT B



HEALTH QUARTERLY STATEMENT

AS OF MARCH 31, 2012
OF THE CONDITION AND AFFAIRS OF THE

AVAHEALTH, INC.

NAIC Group Code 0000 (Current) (Prior) NAIC Company Code 12316 Employer's ID Number 20-3075951

Organized under the Laws of FL State of Domicile or Port of Entry FL

Country of Domicile United States of America

Licensed as business type: Life, Accident & Health

Is HMO Federally Qualified? Yes [] No []

Incorporated/Organized 07/08/2005 Commenced Business 04/01/2006

Statutory Home Office 5440 Mariner Street, Suite 110 Tampa, FL 33609
(Street and Number) (City or Town, State and Zip Code)

Main Administrative Office 5440 Mariner Street, Suite 110
(Street and Number) Tampa, FL 33609 813-868-5959
(City or Town, State and Zip Code) (Area Code) (Telephone Number)

Mail Address _____
(Street and Number or P.O. Box) (City or Town, State and Zip Code)

Primary Location of Books and Records 5440 Mariner Street, Suite 110
(Street and Number) Tampa, FL 33609 813-868-5959
(City or Town, State and Zip Code) (Area Code) (Telephone Number)

Internet Web Site Address www.keyhp.com

Statutory Statement Contact Roberto Enrique Martinez 813-868-5959
(Name) (Area Code) (Telephone Number)
rmartinez@keyhp.com 813-298-8520
(E-mail Address) (FAX Number)

OFFICERS

Director Enoc Segundo Martinez # Treasurer Director Roberto Enrique Martinez #
President Director Karen W Connolly # Director Barbara Roqueta

OTHER

Ricardo Di Campo # Director

DIRECTORS OR TRUSTEES

State of FL SS:
County of Hillsborough

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy except for formatting differences due to electronic filing of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

Karen Connolly
President Director

Roberto E. Martinez
Treasurer Director

Subscribed and sworn to before me this April, 2012
25 day of _____

- a. Is this an original filing? _____ Yes [X] No []
- b. If no,
1. State the amendment number _____
 2. Date filed _____ 04/25/2012
 3. Number of pages attached _____



EXHIBIT "D"

For the month of March 2012

ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds			0.00	0.00
2. Stocks:				
2.1 Preferred stocks			0.00	0.00
2.2 Common stocks			0.00	0.00
3. Mortgage loans on real estate:				
3.1 First liens			0.00	0.00
3.2 Other than first liens			0.00	0.00
4. Real estate:				
4.1 Properties occupied by the company (less \$ encumbrances)			0.00	0.00
4.2 Properties held for the production of income (less \$ encumbrances)			0.00	0.00
4.3 Properties held for sale (less \$ encumbrances)			0.00	0.00
5. Cash (\$ 3,259,438.63), cash equivalents (\$ 0.00) and short-term investments (\$ 0.00)	3,259,438.63		3,259,438.63	2,680,468.00
6. Contract loans (including \$ premium notes)			0.00	0.00
7. Derivatives			0.00	0.00
8. Other invested assets	0.00		0.00	0.00
9. Receivables for securities			0.00	0.00
10. Securities lending reinvested collateral assets	0.00		0.00	0.00
11. Aggregate write-ins for invested assets	0.00	0.00	0.00	0.00
12. Subtotals, cash and invested assets (Lines 1 to 11)	3,259,438.63	0.00	3,259,438.63	2,680,468.00
13. Title plants less \$ charged off (for Title insurers only)			0.00	0.00
14. Investment income due and accrued			0.00	0.00
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection			0.00	0.00
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premiums)			0.00	0.00
15.3 Accrued retrospective premiums			0.00	0.00
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers			0.00	0.00
16.2 Funds held by or deposited with reinsured companies			0.00	0.00
16.3 Other amounts receivable under reinsurance contracts			0.00	0.00
17. Amounts receivable relating to uninsured plans			0.00	0.00
18.1 Current federal and foreign income tax recoverable and interest thereon			0.00	0.00
18.2 Net deferred tax asset	2,850,000.00	2,850,000.00	0.00	82,600.00
19. Guaranty funds receivable or on deposit			0.00	0.00
20. Electronic data processing equipment and software			0.00	0.00
21. Furniture and equipment, including health care delivery assets (\$)	6,088.16	6,088.16	0.00	0.00
22. Net adjustment in assets and liabilities due to foreign exchange rates			0.00	0.00
23. Receivables from parent, subsidiaries and affiliates	569,431.27	569,431.27	0.00	0.00
24. Health care (\$) and other amounts receivable			0.00	83,191.00
25. Aggregate write-ins for other than invested assets	295,326.31	295,326.31	0.00	0.00
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	6,980,284.37	3,720,845.74	3,259,438.63	2,846,259.00
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0.00	0.00
28. Total (Lines 26 and 27)	6,980,284.37	3,720,845.74	3,259,438.63	2,846,259.00
DETAILS OF WRITE-INS				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page	0.00	0.00	0.00	0.00
1199. Totals (Lines 1101 through 1103 plus 1198)(Line 11 above)	0.00	0.00	0.00	0.00
2501. Elavon Credit Card	295,326.31	295,326.31	0.00	0.00
2502.				
2503.				
2598. Summary of remaining write-ins for Line 25 from overflow page	0.00	0.00	0.00	0.00
2599. Totals (Lines 2501 through 2503 plus 2598)(Line 25 above)	295,326.31	295,326.31	0.00	0.00

For the month of March 2012

LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ _____ reinsurance ceded)	1,683,458.00		1,683,458.00	1,683,458.00
2. Accrued medical incentive pool and bonus amounts			0.00	0.00
3. Unpaid claims adjustment expenses	33,056.00		33,056.00	33,056.00
4. Aggregate health policy reserves, including the liability of \$ _____ 0.00 for medical loss ratio rebate per the Public Health Service Act	63,413.00		63,413.00	63,413.00
5. Aggregate life policy reserves			0.00	0.00
6. Property/casualty unearned premium reserve			0.00	0.00
7. Aggregate health claim reserves			0.00	0.00
8. Premiums received in advance	214,079.59		214,079.59	167,998.00
9. General expenses due or accrued	104,018.66		104,018.66	51,917.00
10.1 Current federal and foreign income tax payable and interest thereon (including \$ _____ on realized gains (losses))			0.00	0.00
10.2 Net deferred tax liability			0.00	0.00
11. Ceded reinsurance premiums payable			0.00	0.00
12. Amounts withheld or retained for the account of others			0.00	0.00
13. Remittances and items not allocated			0.00	0.00
14. Borrowed money (including \$ _____ current) and interest thereon \$ _____ (including \$ _____ current)			0.00	0.00
15. Amounts due to parent, subsidiaries and affiliates			0.00	0.00
16. Derivatives			0.00	0.00
17. Payable for securities			0.00	0.00
18. Payable for securities lending			0.00	0.00
19. Funds held under reinsurance treaties (with \$ _____ authorized reinsurers and \$ _____ unauthorized reinsurers)			0.00	0.00
20. Reinsurance in unauthorized companies			0.00	0.00
21. Net adjustments in assets and liabilities due to foreign exchange rates			0.00	0.00
22. Liability for amounts held under uninsured plans			0.00	0.00
23. Aggregate write-ins for other liabilities (including \$ _____ current)	20,000.00	0.00	20,000.00	20,000.00
24. Total liabilities (Lines 1 to 23)	2,118,026.25	0.00	2,118,026.25	2,019,843.00
25. Aggregate write-ins for special surplus funds	XXX	XXX	0.00	0.00
26. Common capital stock	XXX	XXX	1,500,000.00	1,500,000.00
27. Preferred capital stock	XXX	XXX		
28. Gross paid in and contributed surplus	XXX	XXX	12,917,000.00	11,607,000.00
29. Surplus notes	XXX	XXX		
30. Aggregate write-ins for other than special surplus funds	XXX	XXX	0.00	0.00
31. Unassigned funds (surplus)	XXX	XXX	(13,275,587.62)	(12,280,584.00)
32. Less treasury stock, at cost:				
32.1 _____ shares common (value included in Line 26 \$ _____)	XXX	XXX	0.00	
32.2 _____ shares preferred (value included in Line 27 \$ _____)	XXX	XXX	0.00	
33. Total capital and surplus (Lines 25 to 31 minus Line 32)	XXX	XXX	1,141,412.38	826,416.00
34. Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	3,259,438.63	2,846,259.00
DETAILS OF WRITE-INS				
2301. Broker Commission Payable	20,000.00		20,000.00	20,000.00
2302. _____				
2303. _____				
2398. Summary of remaining write-ins for Line 23 from overflow page	0.00	0.00	0.00	0.00
2399. Totals (Lines 2301 through 2303 plus 2398)(Line 23 above)	20,000.00	0.00	20,000.00	20,000.00
2501. _____	XXX	XXX		
2502. _____	XXX	XXX		
2503. _____	XXX	XXX		
2598. Summary of remaining write-ins for Line 25 from overflow page	XXX	XXX	0.00	0.00
2599. Totals (Lines 2501 through 2503 plus 2598)(Line 25 above)	XXX	XXX	0.00	0.00
3001. _____	XXX	XXX		
3002. _____	XXX	XXX		
3003. _____	XXX	XXX		
3098. Summary of remaining write-ins for Line 30 from overflow page	XXX	XXX	0.00	0.00
3099. Totals (Lines 3001 through 3003 plus 3098)(Line 30 above)	XXX	XXX	0.00	0.00

For the month of March 2012

STATEMENT OF REVENUE AND EXPENSES

	Current Year To Date		Prior Year To Date	Prior Year Ended December 31
	1 Uncovered	2 Total	3 Total	4 Total
1. Member Months	XXX	5,725.00		29,242.00
2. Net premium income (including \$ non-health premium income)	XXX	1,312,384.07		6,252,692.00
3. Change in unearned premium reserves and reserve for rate credits	XXX			0.00
4. Fee-for-service (net of \$ medical expenses)	XXX			0.00
5. Risk revenue	XXX			0.00
6. Aggregate write-ins for other health care related revenues	XXX	0.00	0.00	0.00
7. Aggregate write-ins for other non-health revenues	XXX	13,680.91	0.00	0.00
8. Total revenues (Lines 2 to 7)	XXX	1,326,064.98	0.00	6,252,692.00
Hospital and Medical:				
9. Hospital/medical benefits		1,076,510.31		4,921,518.00
10. Other professional services				0.00
11. Outside referrals				0.00
12. Emergency room and out-of-area				0.00
13. Prescription drugs				0.00
14. Aggregate write-ins for other hospital and medical	0.00	0.00	0.00	0.00
15. Incentive pool, withhold adjustments and bonus amounts				0.00
16. Subtotal (Lines 9 to 15)	0.00	1,076,510.31	0.00	4,921,518.00
Less:				
17. Net reinsurance recoveries				0.00
18. Total hospital and medical (Lines 16 minus 17)	0.00	1,076,510.31	0.00	4,921,518.00
19. Non-health claims (net)				
20. Claims adjustment expenses, including \$ cost containment expenses				350,000.00
21. General administrative expenses	0.00	986,885.35		1,532,228.00
22. Increase in reserves for life and accident and health contracts (including \$ increase in reserves for life only)				0.00
23. Total underwriting deductions (Lines 18 through 22)	0.00	2,063,405.66	0.00	6,803,746.00
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	(737,340.68)	0.00	(551,054.00)
25. Net investment income earned				0.00
26. Net realized capital gains (losses) less capital gains tax of \$				
27. Net investment gains (losses) (Lines 25 plus 26)	0.00	0.00	0.00	0.00
28. Net gain or (loss) from agents' or premium balances charged off ((amount recovered \$) (amount charged off \$))				
29. Aggregate write-ins for other income or expenses	0.00	0.00	0.00	0.00
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	XXX	(737,340.68)	0.00	(551,054.00)
31. Federal and foreign income taxes incurred	XXX			
32. Net income (loss) (Lines 30 minus 31)	XXX	(737,340.68)	0.00	(551,054.00)
DETAILS OF WRITE-INS				
0601.	XXX			
0602.	XXX			
0603.	XXX			
0698. Summary of remaining write-ins for Line 6 from overflow page	XXX	0.00	0.00	0.00
0699. Totals (Lines 0601 through 0603 plus 0698)(Line 6 above)	XXX	0.00	0.00	0.00
0701. Other Income	XXX	13,680.91		0.00
0702.	XXX			
0703.	XXX			
0798. Summary of remaining write-ins for Line 7 from overflow page	XXX	0.00	0.00	0.00
0799. Totals (Lines 0701 through 0703 plus 0798)(Line 7 above)	XXX	13,680.91	0.00	0.00
1401.				
1402.				
1403.				
1498. Summary of remaining write-ins for Line 14 from overflow page	0.00	0.00	0.00	0.00
1499. Totals (Lines 1401 through 1403 plus 1498)(Line 14 above)	0.00	0.00	0.00	0.00
2901.				
2902.				
2903.				
2998. Summary of remaining write-ins for Line 29 from overflow page	0.00	0.00	0.00	0.00
2999. Totals (Lines 2901 through 2903 plus 2998)(Line 29 above)	0.00	0.00	0.00	0.00

For the month of March 2012

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
CAPITAL AND SURPLUS ACCOUNT			
33. Capital and surplus prior reporting year.....	826,416.00		(2,806,783.00)
34. Net income or (loss) from Line 32	(737,340.68)		(551,054.00)
35. Change in valuation basis of aggregate policy and claim reserves			
36. Change in net unrealized capital gains (losses) less capital gains tax of \$			
37. Change in net unrealized foreign exchange capital gain or (loss)			
38. Change in net deferred income tax			0.00
39. Change in nonadmitted assets	(257,663.00)		(466,947.00)
40. Change in unauthorized reinsurance	0.00		0.00
41. Change in treasury stock	0.00		0.00
42. Change in surplus notes	0.00		0.00
43. Cumulative effect of changes in accounting principles			
44. Capital Changes:			
44.1 Paid in	0.00		0.00
44.2 Transferred from surplus (Stock Dividend)	0.00		0.00
44.3 Transferred to surplus			
45. Surplus adjustments:			
45.1 Paid in	1,310,000.00		4,800,000.00
45.2 Transferred to capital (Stock Dividend)			
45.3 Transferred from capital			
46. Dividends to stockholders			
47. Aggregate write-ins for gains or (losses) in surplus	0.00	0.00	(148,800.00)
48. Net change in capital & surplus (Lines 34 to 47)	314,996.32	0.00	3,633,199.00
49. Capital and surplus end of reporting period (Line 33 plus 48)	1,141,412.32	0.00	826,416.00
DETAILS OF WRITE-INS			
4701. Adjustment			(148,800.00)
4702.			
4703.			
4798. Summary of remaining write-ins for Line 47 from overflow page	0.00	0.00	0.00
4799. Totals (Lines 4701 through 4703 plus 4798)(Line 47 above)	0.00	0.00	(148,800.00)

For the month of March 2012

CASH FLOW

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
Cash from Operations			
1. Premiums collected net of reinsurance	1,358,465.66		6,310,071.00
2. Net investment income	0.00		0.00
3. Miscellaneous income	13,680.81		0.00
4. Total (Lines 1 to 3)	1,372,146.57	0.00	6,310,071.00
5. Benefit and loss related payments	1,076,510.31		5,901,275.00
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts			
7. Commissions, expenses paid and aggregate write-ins for deductions	986,895.35		2,046,590.00
8. Dividends paid to policyholders			
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses)	0.00		0.00
10. Total (Lines 5 through 9)	2,063,405.66	0.00	7,947,865.00
11. Net cash from operations (Line 4 minus Line 10)	(691,259.09)	0.00	(1,637,794.00)
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	0.00		0.00
12.2 Stocks	0.00		0.00
12.3 Mortgage loans	0.00		0.00
12.4 Real estate	0.00		0.00
12.5 Other invested assets	0.00		0.00
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	0.00		0.00
12.7 Miscellaneous proceeds	0.00		0.00
12.8 Total investment proceeds (Lines 12.1 to 12.7)	0.00	0.00	0.00
13. Cost of investments acquired (long-term only):			
13.1 Bonds	0.00		0.00
13.2 Stocks	0.00		0.00
13.3 Mortgage loans	0.00		0.00
13.4 Real estate	0.00		0.00
13.5 Other invested assets	0.00		0.00
13.6 Miscellaneous applications	0.00		0.00
13.7 Total investments acquired (Lines 13.1 to 13.6)	0.00	0.00	0.00
14. Net increase (or decrease) in contract loans and premium notes	0.00		0.00
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	0.00	0.00	0.00
Cash from Financing and Miscellaneous Sources			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes	0.00		0.00
16.2 Capital and paid in surplus, less treasury stock	1,310,000.00		0.00
16.3 Borrowed funds	0.00		0.00
16.4 Net deposits on deposit-type contracts and other insurance liabilities	0.00		0.00
16.5 Dividends to stockholders	0.00		0.00
16.6 Other cash provided (applied)	(39,770.28)		3,448,899.00
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	1,270,229.72	0.00	3,448,899.00
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	578,970.63	0.00	1,811,105.00
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year	2,680,468.00		869,363.00
19.2 End of period (Line 18 plus Line 19.1)	3,259,438.63	0.00	2,680,468.00

Note: Supplemental disclosures of cash flow information for non-cash transactions:

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Schoenecker, Catharine

From: Kennedy, Ray
Sent: Thursday, April 26, 2012 7:41 AM
To: Wilkerson, Toma; Johns, Paul; Reglat, Valerie
Subject: FW: March 31, 2012 Monthly Financial Statement

From: kwconnolly@aol.com [kwconnolly@aol.com]
Sent: Wednesday, April 25, 2012 10:23 PM
To: Kennedy, Ray
Subject: Re: March 31, 2012 Monthly Financial Statement

Ray, I want to let you know that the financial statements have been appropriately uploaded today along with the executed Jurat page.

Please be aware that I am completely aware that the minimum requirements for reserve requirements are not met. It should be noted that this is prior to the April date of new management and we have infused addl capital into the appropriate capital. We do have proof of this.

Please call me with any questions. Karen Connolly.
Sent from my Verizon Wireless BlackBerry

From: "Kennedy, Ray" <Ray.Kennedy@flor.com>
Date: Tue, 24 Apr 2012 18:55:40 +0000
To: 'Karen Connolly' <kwconnolly@aol.com>
Cc: Reglat, Valerie <Valerie.Reglat@flor.com>; Johns, Paul <Paul.Johns@flor.com>
Subject: March 31, 2012 Monthly Financial Statement

Karen – The Monthly Financial Statement for March 31, 2012 is due April 25, 2012 in the Regulatory Electronic Filing System (REFS).

Due in REFS for monthly reporting is the company contact, the monthly financial statement, and the signed notarized Jurat page.

Ray Kennedy
Reinsurance Specialist
Florida Office of Insurance Regulation
Life & Health Financial Oversight
200 East Gaines Street
Tallahassee, Florida 32399-0327
Phone: 850-413-5029
Fax: 850-488-7061

**IN THE CIRCUIT COURT OF THE SECOND JUDICIAL CIRCUIT,
IN AND FOR LEON COUNTY, FLORIDA**

State of Florida, ex rel., the
Department of Financial Services of
the State of Florida,

Relator,
v.

CASE NO: _____

AvaHealth, Inc. d/b/a Key Insurance Plan,

Respondent,
_____ /

**ORDER APPOINTING THE FLORIDA DEPARTMENT OF
FINANCIAL SERVICES AS RECEIVER FOR PURPOSES OF REHABILITATION,
INJUNCTION, AND NOTICE OF AUTOMATIC STAY**

THIS CAUSE was considered on the Application of the State of Florida, Department of Financial Services (hereinafter the "Department") for an Order to Show Cause on the appointment of a Receiver of AvaHealth, Inc. d/b/a/ Key Insurance Plan (hereinafter the "Respondent" or "Company") for Purposes of Rehabilitation filed on May 2, 2012 (hereinafter, "Application"). After consideration, this Court entered its Order to Show Cause, Injunction and Automatic Stay on _____, 2012. A hearing was conducted on the Order to Show Cause on _____, 2012, wherein the Department and Respondent appeared and presented evidence and argument related to the Department's allegations contained in its Application.

The Court, having reviewed and considered the pleadings of record, heard the evidence of the parties and arguments of counsel, and otherwise being fully informed in the premises, finds:

1. This Court has jurisdiction pursuant to Section 631.021(1), Florida Statutes, and venue is proper pursuant to Section 631.021(2), Florida Statutes.

2. Respondent is a corporation authorized pursuant to the Florida Insurance Code to transact business in the state of Florida as a life and health insurer since July 8, 2005. Respondent's principal place of address is located at 5440 Mariner Street, Suite 110, Tampa, FL 33609.

3. Section 631.021(3), Florida Statutes, provides that a delinquency proceeding pursuant to Chapter 631, Florida Statutes, constitutes the sole and exclusive method of liquidating, rehabilitating, reorganizing, or conserving a Florida domiciled insurer.

4. Sections 631.031 and 631.061(1), Florida Statutes, authorize the Department to apply to this Court for an Order directing it to rehabilitate or liquidate a domestic insurer upon the existence of any grounds specified in Section 631.051, Florida Statutes, or if an insurer is or is about to become insolvent.

5. Section 631.031 directs the Department to initiate such delinquency proceedings after receiving notification from the Director of the Office of Insurance Regulation as to the existing grounds for the initiation of such proceedings.

6. On May 1, 2012, pursuant to Section 631.031(1), Florida Statutes, Kevin McCarty, Commissioner of the Florida Office of Insurance Regulation ("Office"), advised by letter to Florida's Chief Financial Officer, Jeff Atwater, that the Office determined grounds existed for the initiation of delinquency proceedings against Respondent.

7. Respondent does not comply with the minimum capital and surplus requirements of Section 624.408, Florida Statutes, and therefore, is impaired. Also,

Respondent was found by the Office to be in such condition, as to render its further transaction of insurance hazardous to its policyholders, creditors, stockholders, or the public. Accordingly, grounds exist pursuant to Sections 631.051(1) and (3), Florida Statutes, for entry of an order appointing the Department as receiver of Respondent for purposes of Rehabilitation.

8. Pursuant to Section 631.051, Florida Statutes, this Court finds that it is in the best interests of Respondent, its creditors and its members that the relief requested in the Department's Petition be granted.

THEREFORE, IT IS ORDERED AND ADJUDGED as follows:

9. The Department of Financial Services of the State of Florida shall be and is hereby appointed Receiver of Respondent for purposes of rehabilitation effective as of the date of this Order.

10. The Receiver shall be authorized and directed to:

A. Take immediate possession of all the property, assets, and estate, and all other property of every kind whatsoever and wherever located, belonging to Respondent, pursuant to Sections 631.101 and 631.141, Florida Statutes, including but not limited to: offices maintained by the Respondent, rights of action, books, papers, evidences of debt, bank accounts, savings accounts, certificates of deposit, stocks, bonds, debentures and other securities, mortgages, furniture, fixtures, office supplies and equipment, and all real property of Respondent, wherever situated, whether in the possession of Respondent or its officers, directors, trustees, employees, consultants, attorneys, agents, affiliates, or other persons.

B. Conduct the business of Respondent and take all steps, as the Court may direct, toward the removal of the causes and conditions which have made this Order of Rehabilitation necessary and to take such further action, as the Receiver deems necessary or appropriate, to reform and revitalize the Respondent.

C. Employ and authorize the compensation of legal counsel, actuaries, accountants, clerks, consultants, and such assistants as it deems necessary, purchase or lease personal or real property as it deems necessary, and authorize the payment of the expenses of these proceedings, including any preliminary investigation, and the necessary incidents thereof, as approved by the Court, to be paid out of the funds or assets of the Respondent in the possession of the Receiver or coming into its possession.

D. Reimburse such employees, from the funds of this receivership, for their actual necessary and reasonable expenses incurred while traveling on the business of this receivership, including any preliminary investigation.

E. Not defend or accept service of process on legal actions wherein the Respondent, the Receiver, or the insured is a party defendant, commenced either prior to or subsequent to the order, without authorization of this Court; except, however, in actions where Respondent is a nominal party, as in certain foreclosure actions, and the action does not affect a claim against or adversely affect the assets of Respondent, the Receiver may file appropriate pleadings in its discretion.

F. Commence and maintain all legal actions necessary, wherever necessary, for the proper administration of this receivership proceeding.

G. Collect all debts that are economically feasible to collect which are due and owing to the Respondent.

H. Deposit funds and maintain bank accounts in accordance with Section 631.221, Florida Statutes.

I. Take possession of all Respondent's securities and certificates of deposit on deposit with the Chief Financial Officer of Florida, if any, and convert to cash as much as may be necessary, in its judgment, to pay the expenses of administration of this receivership or otherwise best benefit the estate.

J. Negotiate and settle subrogation claims and Final Judgments without further order of this Court.

K. Sell any salvage recovered property without further order of this Court.

L. For purposes of this Order, the term "affiliate" shall be defined in accordance with Section 631.011(1), Florida Statutes, and shall include, but not be limited to, Key Insurance Plans, Inc.

M. The Receiver is granted all of the powers of the Respondent's directors, officers, and managers, whose authority shall be suspended, except as such powers are re-delegated in writing by the Receiver. The Receiver has full power to direct and manage the affairs of Respondent, to hire and discharge employees, and to deal with the property and business of the Respondent.

N. Apply to this Court for further instructions in the discharge of its duties as the Receiver deems necessary.

IT IS FURTHER ORDERED AND DIRECTED:

11. Any officer, director, manager, trustee, administrator, attorney, agent, accountant, actuary, broker, employee, adjuster, independent contractor, or affiliate of Respondent and any other person who possesses or possessed any executive authority over, or who exercises or exercised any control over, any segment of Respondent's affairs or the affairs of its affiliates is required to fully cooperate with the Receiver, pursuant to Section 631.391, Florida Statutes. Any person who fails to cooperate with the Receiver, interferes with the Receiver, or fails to follow the instructions of the Receiver, may be excluded from the building where the Respondent's offices are located at the Receiver's discretion.

12. Title to all property, real or personal, all contracts, rights of action and all books and records of Respondent, wherever located, is vested in the Receiver pursuant to Sections 631.111 and 631.141, Florida Statutes.

13. All officers, directors, trustees, administrators, agents and employees and all other persons representing Respondent or currently employed or utilized by Respondent in connection with the Conduct of its business are discharged forthwith; provided, however, the Receiver may retain such persons in the Receiver's discretion.

14. All attorneys employed by Respondent as of the date of the Order, within ten (10) days of receiving notice of this Order, are required to report to the Receiver on the name, company claim number and status of each file they are handling on behalf of the Respondent. Said report should also include an accounting of any funds received from or on behalf of the Respondent. All attorneys employed by Respondent are advised that pursuant to Sections 631.011(17) and 631.011(21), Florida Statutes, a claim based on mere possession does not create a secured claim and all attorneys

employed by Respondent, pursuant to In Re the Receivership of Syndicate Two, Inc., 538 So.2d 945 (Fla. 1st DCA 1989), who are in possession of litigation files or other material, documents or records belonging to or relating to work performed by the attorney on behalf of Respondent are required to deliver such litigation files, material, documents or records intact and without purging to the Receiver, on request, notwithstanding any claim of a retaining lien which, if otherwise valid, should not be extinguished by the delivery of these documents.

15. All agents, brokers or other persons having sold policies of insurance and/or collected premiums on behalf of the Respondent are required to account for and pay all premiums and commissions unearned due to cancellation of policies in the normal course of business owed to the Respondent directly to the Receiver within thirty (30) days of demand by the Receiver or appear before this Court to show cause, if any they may have, as to why they should not be required to account to the Receiver or be held in contempt of Court for violation of the provisions of the Order. No agent, broker, premium finance company or other person should use premium monies owed to the Respondent for refund of unearned premium or for any purpose other than payment to the Receiver.

16. Any premium finance company, which has entered into a contract to finance a premium for a policy, which has been issued by the Respondent, is required to pay any premium owed to the Respondent directly to the Receiver.

17. Reinsurance premiums due to or payable by the Respondent shall be remitted to, or disbursed by, the Receiver. The Receiver shall handle reinsurance

losses recoverable or payable by the Respondent. All correspondence concerning reinsurance shall be between the Receiver and the reinsuring company or intermediary.

18. Upon request by the Receiver, any company providing telephonic services to the Respondent is directed to provide a reference of calls from the number presently assigned to the Respondent to any such number designated by the Receiver or perform any other services or changes necessary to the conduct of the receivership.

19. Any bank, savings and loan association, financial institution or other person which has on deposit, in its possession, custody or control any funds, accounts and any other assets of the Respondent is directed to immediately transfer title, custody and control of all such funds, accounts and other assets to the Receiver. The Receiver shall be authorized to change the name of such accounts and other assets, withdraw them from such bank, savings and loan association or other financial institution, or take any lesser action necessary for the proper conduct of this receivership. No bank, savings and loan association or other financial institution shall be permitted to exercise any form of set-off, alleged set-off, lien, any form of self-help whatsoever, or refuse to transfer any funds or assets to the Receiver's control without permission of this Court.

20. Any entity furnishing telephone, water, electric, sewage, garbage or trash removal services to the Respondent is required to maintain such service and transfer any such accounts to the Receiver as of the date of the Order, unless instructed to the contrary by the Receiver.

21. Any data processing service, which has custody or control of any data processing information and records including but not limited to source documents, data processing cards, input tapes, all types of storage information, master tapes or any

other recorded information relating to the Respondent is directed to transfer custody and control of such records to the Receiver. The Receiver shall be authorized to compensate any such entity for the actual use of hardware and software, which the Receiver finds to be necessary to this proceeding. Compensation should be based upon the monthly rate provided for in contracts or leases with Respondent which was in effect when this proceeding was instituted, or based upon such contract as may be negotiated by the Receiver, for the actual time such equipment and software is used by the Receiver.

22. The United States Postal Service shall be directed to provide any information requested by the Receiver regarding the Respondent and to handle future deliveries of Respondent's mail as directed by the Receiver.

23. All insurance policies, bonds or similar contracts of coverage issued by the Respondent shall remain in full force and effect until they are cancelled.

24. Except for contracts of insurance, all executory contracts to which the Respondent was a party shall be cancelled and stand cancelled unless specifically adopted by the Receiver within ninety (90) days of the date of this Order or from the date of the Receiver's actual knowledge of the existence of such contract, whichever is later. "Actual Knowledge" means the Receiver has in its possession a written contract to which the Respondent is a party, and the Receiver has notified the vendor in writing acknowledging the existence of the contract.

Further, the Receiver shall have the authority to do the following:

1) Pay for services provided by any of Respondent's vendors, in the ninety (90) day period prior to assuming or rejecting the contract, which are necessary to administer the Receivership estate;

2) Once the Receiver determines Respondent's vendor is necessary in the continued administration of the Receivership estate for a period to exceed the ninety (90) days from the date of this order, or from the date of Receiver's actual knowledge of such contract, whichever is later, the Receiver may make minimal modifications to the terms of the contract, including, but not limited to, the expiration date of the agreement, the scope of the services to be provided, and/or the compensation to be paid to Respondent's vendor pursuant to the contract. "Minimal Modifications" shall mean any minimum alteration made to the contract in order to adapt to the new circumstances of the Receivership estate. In no event will any minimal modification be construed as the receiver entering into a new contract with Respondent's vendor.

Any vendor, including but not limited to, any and all employees / contractors of insurer, claiming the existence of a contractual relationship with the insurer shall provide notice to the Receiver of such relationship. This notice shall include any and all documents and information regarding the terms and conditions of the contract, including a copy of the written contract between the vendor and the insurer, if any, what services or goods were provided pursuant to the contract, any current, future and/or past due amounts owing under the contract, and any supporting documentation for third party services or goods provided. Failure to provide the required information may result in vendors' contractual rights not being recognized by

the Receiver. The rights of the parties to any such contracts are fixed as of the date of the Order and any cancellation under this provision shall not be treated as an anticipatory breach of such contracts.

25. All affiliated companies and associations, including but not limited to Key Insurance Plans, Inc. shall make their books and records available to the Receiver, to include all records located in any premises occupied by said affiliate, whether corporate records or not, and to provide copies of any records requested by the Receiver whether or not such records are related to Respondent. The Receiver shall have title to all policy files and other records of, and relating to Respondent, whether such documents are kept in offices occupied by an affiliate company or any other person, corporation, or association. The Receiver shall be authorized to take possession of any such records, files, and documents, and to remove them to any location in the Receiver's discretion. Any disputed records shall not be withheld from the Receiver's review, but should be safeguarded and presented to this Court for review prior to removal by the Receiver.

26. The Receiver shall have complete access to and administrative control of all information technology resources of the Respondent and its affiliates at all times including, but not limited to, Respondent's computer hardware, software and peripherals. Each affiliate shall be given reasonable access to such records for the purpose of carrying out its business operations.

27. Any person, firm, corporation or other entity having notice of the Order that fails to abide by its terms is directed to appear before this Court to show good cause, if any they may have, as to why they should not be held in contempt of Court for violation of the provisions of this Order.

28. Pursuant to Sections 631.041(3) and (4), Florida Statutes, all persons, firms, corporations and associations within the jurisdiction of this Court, including, but not limited to, Respondent and its officers, directors, stockholders, members, subscribers, agents and employees, are enjoined and restrained from the further transaction of the insurance business of the Respondent; from doing, doing through omission, or permitting to be done any action which might waste or dispose of the books, records and assets of the Respondent; from in any means interfering with the Receiver or these proceedings; from the transfer of property and assets of Respondent without the consent of the Receiver; from the removal, concealment, or other disposition of Respondent's property, books, records, and accounts; from the commencement or prosecution of any actions against the Respondent or the Receiver together with its agents or employees, the service of process and subpoenas, or the obtaining of preferences, judgments, writs of attachment or garnishment or other liens; and, from the making of any levy or execution against Respondent or any of its property or assets. Notwithstanding the provisions of this paragraph, the Receiver should be permitted to accept and be subpoenaed for non-party production of claims files in its possession, including medical records, which may be contained therein. In such cases, the requesting party must submit an affidavit to the Receiver stating that notice of the non-party production was appropriately issued and provided to the patient and that the patient was given the opportunity to object and either did not object to the non-party production, or objected and the Court overruled the objection, in which case a copy of the Court's ruling must be attached to the affidavit. The Receiver shall be authorized to

impose a charge for copies of such claim files pursuant to the provisions of Sections 119.07(1)(a), and 624.501, Florida Statutes.

29. All subsidiaries, affiliates, parent corporations, ultimate parent corporations, and any other business entity affiliated with Respondent shall fully cooperate with the Receiver in the effort to rehabilitate Respondent.

30. All subsidiaries, affiliates, parent corporations, ultimate parent corporations, and any other business entity affiliated with Respondent having any interest in the building located at 5440 Mariner Street, Suite 110, Tampa, FL 33609 or any other facility in which Respondent may operate, shall make available, at that location and at no charge to the Receiver or to Respondent, office space, and related facilities (telephone service, copiers, computer equipment and software, office supplies, parking, etc.) to the extent deemed necessary by the Receiver in its sole discretion.

31. All subsidiaries, affiliates, parent corporations, ultimate parent corporations, and any other business entity affiliated with Respondent having any interest in the computer equipment and software currently used by or for Respondent shall make such computer equipment and software available to the Receiver at no charge to the Receiver or Respondent to the extent deemed necessary by the Receiver in its sole discretion.

CONTINUATION OF INVESTIGATION

32. The Receiver shall be authorized to conduct an investigation as authorized by Section 631.391, Florida Statutes, of Respondent and its affiliates, as defined above, to uncover and make fully available to the Court the true state of Respondent's financial affairs. In furtherance of this investigation, Respondent's parent corporations, its subsidiaries, and affiliates are required to make all books, documents,

accounts, records, and affairs, which either belong to or pertain to the Respondent, available for full, free and unhindered inspection and examination by the Receiver during normal business hours (8:00 a.m. to 5:00 p.m.) Monday through Friday, from the date of the Order. Respondent and the above-specified entities are required to cooperate with the Receiver to the fullest extent required by Section 631.391, Florida Statutes. Such cooperation should include, but not be limited to, the taking of oral testimony under oath of Respondent's officers, directors, managers, trustees, agents, adjusters, employees, or independent contractors of Respondent, its affiliates and any other person who possesses any executive authority over, or who exercises any control over, any segment of the affairs of Respondent in their official, representative and individual capacities and the production of all documents that are calculated to disclose the true state of Respondent's affairs.

33. Any officer, director, manager, trustee, administrator, attorney, agent, accountant, actuary, broker, employee, adjuster, independent contractor, or affiliate of Respondent and any other person who possesses or possessed any executive authority over, or who exercises or exercised any control over, any segment of the affairs of Respondent or its affiliates is directed to fully cooperate with the Receiver as required by Section 631.391, Florida Statutes, and as set out in the preceding paragraph. Upon receipt of a certified copy of the Order, any bank or financial institution is directed to immediately disclose to the Receiver the existence of any accounts of Respondent and any funds contained therein and any and all documents in its possession relating to Respondent for the Receiver's inspection and copying.

34. All Sheriffs and all law enforcement officials of this state shall cooperate with and assist the Receiver in the implementation of this Order.

35. In the event the Receiver determines that reorganization, consolidation, conversion, reinsurance, merger, or other transformation of the Respondent is appropriate, the Receiver shall prepare a plan to effect such changes and submit the plan to this Court for consideration.

36. Upon petition by the Receiver stating that further efforts to rehabilitate Respondent would be useless, this Court will consider entry of an order of liquidation of Respondent.

NOTICE OF AUTOMATIC STAY

37. Notice is hereby given that, pursuant to Section 631.041(1), Florida Statutes, the filing of the Department's initial petition herein operates as an automatic stay applicable to all persons and entities, other than the Receiver, which shall be permanent and survive the entry of the order, and which prohibits:

A. The commencement or continuation of judicial, administrative or other action or proceeding against the insurer or against its assets or any part thereof;

B. The enforcement of a judgment against the insurer or an affiliate obtained either before or after the commencement of the delinquency proceeding;

C. Any act to obtain possession of property of the insurer;

D. Any act to create, perfect or enforce a lien against property of the insurer, except a secured claim as defined in Section 631.011(21), Florida Statutes;

E. Any action to collect, assess or recover a claim against the insurer, except claims as provided for under Chapter 631;

F. The set-off or offset of any debt owing to the insurer except offsets as provided in Section 631.281, Florida Statutes.

38. This Court retains jurisdiction of this cause for the purpose of granting such other and further relief as from time to time shall be deemed appropriate.

DONE and ORDERED in Chambers at the Leon County Courthouse in Tallahassee, Leon County, Florida this _____ day of _____, 2012.

CIRCUIT JUDGE