



# News Release

Attorney General Robert E. Cooper, Jr.

**FOR IMMEDIATE RELEASE**

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**ALLEGED BOGUS HEALTH INSURANCE MARKETER AGREES TO BAN AND ASSET LIQUIDATION  
IN AGREEMENT WITH STATE AND FTC**

**Consumers Have Until December 26, 2011 to File a Claim for Restitution**

Tennessee will immediately begin distributing \$300,000 in restitution due eligible consumers following an agreement with a company alleged to have sold fake health insurance, Tennessee Attorney General Bob Cooper and Tennessee Division of Consumer Affairs Director Gary Cordell announced today. The agreement provides hundreds of eligible Tennesseans and consumers throughout the country a combined total of \$1.1 million in restitution as well as banning the parties from ever selling health benefits anywhere in the country, and from ever selling health insurance in Tennessee along with other injunctive relief.

Those named in the lawsuit and resulting agreement are Tim Thomas, his wife Keenan Dozier Thomas, and their now-defunct companies, including U.S. Benefits, LLC, and United Benefits of America, LLC. The settlement concludes an action initiated by the Federal Trade Commission (FTC) and the State that alleged that the defendants engaged in a scheme to falsely market minor health benefits and other discount plans as major medical insurance. In August 2010, the FTC and Tennessee successfully obtained a temporary injunction and asset freeze against all defendants. The federal court appointed a Receiver who then gathered the defendants' personal and corporate assets.

The agreement signed by a federal judge yesterday permanently bans Tim Thomas and the corporate defendants from ever selling health benefits or insurance in Tennessee. The State will receive a \$300,000 restitution payment today from the Receiver which it will use to begin paying restitution to approximately 172 consumers who complained to the Division of Consumer Affairs, the Better Business Bureau, or the FTC. Consumers who have not filed complaints have until Dec. 26, 2011 to file claims to be eligible for restitution. In addition, the Thomases' major assets will be liquidated or surrendered to lien-holders include such luxury items as:

2006 Hummer H@ vehicle  
2008 Lexus L460 vehicle  
50" Samsung LCD TV  
Wine Collection  
Leather Theatre Seating  
Mitsubishi HC5000 Projector and 96" Screen  
Nathan EPTInG Oil on Board 342x77 54 Buick  
Olhausen Pool Table  
Hexagon Leather Gaming Table

Landice L7 Treadmill  
Thomas Butterworth Oil Painting  
Corum Boutique Watch  
And other assets

This is expected to produce over \$1 million to use to notify all of the defendants' customers about their rights under the case, including contract cancellation, and provide for more expansive consumer restitution based on available funds.

"We hope this will help relieve some of the potential loss and anxiety these Tennesseans may have incurred as a result of unwittingly buying what they thought was a legitimate health insurance product," Attorney General Cooper said. "We appreciate the assistance and cooperative actions of the FTC and the Tennessee Department of Insurance in this matter."

"We are pleased to see this case resolved and moving on to the phase where customers can seek restitution," Commerce and Insurance (TDCI) Commissioner Julie Mix McPeak said. "High-pressure sales tactics -- regardless of the product or seller -- should always raise red flags with consumers. Tennesseans may check merchants' complaint histories with our Consumer Affairs division. And, we urge insurance shoppers to check with our Insurance division before signing up for coverage." Consumers who have complaints about health insurance companies or marketing should contact the Tennessee Division of Insurance at (800) 342-4029 or (615) 741-2218. Consumers who have complaints about health benefit or discount plans should contact the Tennessee Division of Consumer Affairs at 1-800-342-8385 or online at [www.tn.gov/consumer/](http://www.tn.gov/consumer/).