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IN THE CHANCERY COURT OF THE STATE OF TENNESSEE  
TWENTIETH JUDICIAL DISTRICT, DAVIDSON COUNTY

LESLIE A. NEWMAN, )  
Commissioner of Commerce and Insurance )  
for the State of Tennessee, )

Petitioner, )

v. )

RF  
No. 10-507-III

SMART DATA SOLUTIONS, LLC )  
a Tennessee limited liability company, )

AMERICAN TRADE ASSOCIATION, )  
INC, an Indiana nonprofit corporation with )  
its principal place of business in Tennessee, )

AMERICAN TRADE ASSOCIATION, )  
LLC, an Arkansas limited liability company, )

SERVE AMERICA ASSURANCE, )  
a corporation with an unknown location, )

BART S. POSEY, Sr. an individual, )  
ANGIE POSEY, an individual, )

OBED W. KIRKPATRICK, Sr. )  
an individual, )

LINDA KIRKPATRICK, an individual, )  
RICHARD H. BACHMAN, an individual, )

WILLIAM M. WORTHY, II, an individual, )  
COLIN YOUELL, an individual, )

Respondents. )

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FILED

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**ORDER AMENDING ORDER OF SEIZURE AND DIRECTING CERTAIN  
OTHER ACTIONS BY THE PARTIES**

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On April 16, 2010 came on for hearing the Motion by Respondents Smart Data Solutions, LLC, ("SDS") and American Trade Association, LLC, American Trade Association, Inc. (the "ATAs") and Bart Posey and Angie Posey to amend this Court's Order of Seizure dated March 23, 2010. Respondents appeared through counsel Nader Baydoun and Stephen Knight of Baydoun

and Knight, PLLC, and Petitioner Leslie A. Newman, Commissioner of Commerce and Insurance, through counsel of the Tennessee Attorney General's Office. The Petitioner had filed opposition on April 13, 2010 to the Motion to Amend, and argued for other clarifications and amendments of the Order of Seizure at the hearing. The Court, upon hearing arguments of counsel, certain statements made by the Special Deputy Paul Eggers at the hearing, and consideration of the record filed in this matter and prior orders of the Court, made the following amendment to the Order of Seizure entered March 23, 2010 and for certain other directives to the parties:

1. The Commissioner shall pay rent for the month of April 2010, upon receipt of a bill for rent from the lessor(s), to be provided by Mr. Baydoun to counsel for the Commissioner. Mr. Baydoun shall make arrangements to bill any further rent charges that would be made to entities under the control of the Commissioner by submitting the bill to Commissioner's counsel. The Commissioner shall not assert at this time any objections to payment of rent based on assertions that the landlord owes money or assets to the lessee entities under seizure or on the basis of any potential rights of set-off. All such objections are reserved and need not be asserted at this time to preserve such objections.

2. Mr. Baydoun will make a submission to the Commissioner, through counsel, for reimbursement to Mr. Posey of utilities that he has paid since the inception of the seizure order that are asserted to be obligations of the entities under seizure and under the Commissioner's control. The Commissioner will examine the request for reimbursement and the provisions of any lease in regards to responsibilities for paying utilities of the premises that have been occupied by SDS and the ATAs for conduct of their business, and reimburse those expenses that are the responsibility of SDS and/or the ATAs to pay. Going forward the Commissioner under the seizure order shall pay those utilities that are the responsibility of SDS and the ATAs to pay under the applicable lease provisions. The

Commissioner shall not assert at this time any objections to payment of utilities or reimbursement of utilities based on assertions that Mr. Posey owes money or assets to the entities under seizure or on the basis of any potential rights of set-off. All such objections are reserved and need not be asserted at this time to preserve such objections.

3. The Petitioner's motion to amend Paragraph 4 of the Order of Seizure is granted to the following extent that the Paragraph 4 of Order of Seizure shall now state and is amended to read as follows (all other terms to remain in place pending entry of the Court's order of liquidation):

4) 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 ATAs, SDS or SAA , including the Farmers & Merchants Bank, 3519 Tom Austin Hwy, Springfield, TN 37172 and First State Bank, 300 Northcreek Blvd., Goodlettsville, TN 37072, including financial institution accounts controlled by or held in the name of other account holders, shall immediately freeze the accounts and allow no transactions on the accounts until further order of this Court, **except to the extent that the Commissioner may exercise custody and control over assets up to \$250,000.00 (two hundred fifty thousand dollars) to expend as necessary and proper to the implementation of her powers and duties under this Order on or after April 16, 2010**, and shall transfer custody and control of all such funds, accounts, or assets to the Commissioner, and are hereby instructed that the Commissioner has absolute control over such funds, accounts and other assets. No bank, savings and loan association or other financial institution shall 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 Commissioner's control without the permission of this Court;

4. The Court has considered the matter of an outstanding request from Pharmacy Management Solutions, Inc., pharmacy contractor for payment of \$210,000. The court does not order that that invoice be paid as an emergency maintenance expense. The Commissioner shall investigate the billing, and consider the payment in light of the Court's order that claims payments and refunds of premium cannot be made at this time by the entities under seizure.

5. The Commissioner and/or her Special Deputy shall provide counsel for Respondents the copies of the signed tax returns and any extensions that have been filed by them.

6. The Court will hold its hearing on the insolvency count for liquidation on April 26, 2010 at 9:00 a.m. in Part III (the "insolvency hearing").

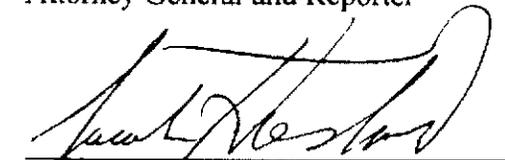
7. The Court is holding in abeyance its ruling on the Respondent Poseys' Motion to Dismiss individually named Respondents from this action until following the insolvency hearing, when the Court will rule on that matter.

IT IS SO ORDERED.

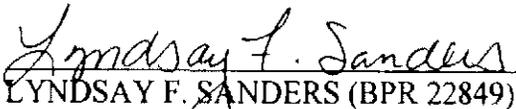
  
CHANCELLOR

Approved for entry,

ROBERT E. COOPER, JR. (BPR 10934)  
Attorney General and Reporter



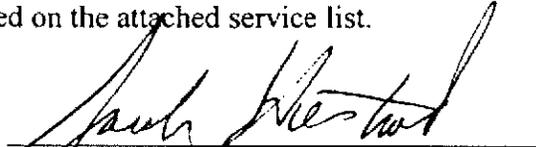
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CERTIFICATE OF SERVICE

I hereby certify this 19<sup>th</sup> day of April, 2010, that the Order Amending Order of Seizure will be served by U.S. mail, postage prepaid, this date, and/or via email as indicated, to the parties and interested entities listed on the attached service list.

  
\_\_\_\_\_  
SARAH A. HIESTAND

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