

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

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

v. )

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, )  
KRISTY WRIGHT, an individual, )  
WILLIAM M. WORTHY, II, an individual, )  
COLIN YOEUELL, an individual, )  
Respondents. )

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**PETITIONER'S NOTICE OF FILING SUPPLEMENTAL AFFIDAVITS IN  
SUPPORT OF PETITION FOR APPOINTMENT OF RECEIVER  
FOR PURPOSES OF LIQUIDATION OF RESPONDENTS SMART DATA  
SOLUTIONS, LLC, AMERICAN TRADE ASSOCIATION, INC.,  
AMERICAN TRADE ASSOCIATION, LLC, and SERVE AMERICA  
ASSURANCE**

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Petitioner, Leslie A. Newman, Commissioner of Commerce and Insurance for the State of  
Tennessee ("Commissioner" or "Department"), by her counsel, Robert E. Cooper, Jr., Attorney

General of the State of Tennessee, herewith files the following Affidavits to supplement the Commissioner's Petition for Liquidation seeking receivership and injunction under Tennessee's insurance receivership act, Tenn. Code Ann. §§ 56-9-101, *et seq.*, to remove the hazard to the public presented by the Respondents' illegal solicitation and issuance of unauthorized health insurance contracts violating Tenn. Code Ann. § 56-2-105, and to liquidate all the related assets of this business enterprise:

**AFFIDAVITS FILED**

In support of the Petition, the following affidavits and exhibits are attached and incorporated herein by this reference:

Exhibit 8 – Affidavit of Paul Eggers, Commissioner's appointee as discussed therein. Mr. Eggers discusses the existing bank account assets and the estimated claims liability of Respondents for health care and pharmacy benefits, as well as other liabilities, based on conditions and information obtained at the SDS/ATA offices. Mr. Eggers describes a significant insolvency of the Respondents' health plans in terms of these liabilities, posing a financial hazard to the claimants and the public.

Exhibit 9 – Supplemental Affidavit of David R. White, Examiner in Charge for the Tennessee Department of Commerce and Insurance, in the Insurance Division. Mr. White, with the benefit of additional bank statements and updated information, describes the Respondents' financial accounts, cash flow and financial status of the Respondent entities. His information continues to support the conclusions that SDS and ATA have been funding and comingling the funds for the insurance coverage and claims payments on and after 2008 and that significant amounts have been paid to the Respondent Poseys or for extraordinary items unrelated to any insurance coverage.

Exhibit 10 – Supplemental Affidavit of Robert Heisse, Fraud Investigator for the Tennessee Department of Commerce and Insurance. Mr. Heisse attaches documents from the SDS ATA offices that show additional certificates of coverage and marketing of insurance by SDS and ATA, sales script, incorporation documents for a new American Trade Association, Inc., a Tennessee not-for-profit corporation as of March 19, 2010, and evidences of a new product and a claim directed to AmeriCare Health, and formation of an association Great American Benefit Association, Inc. Finally he includes a copy of a February 2010 subpoena for information from the United States Department of Labor in regards to possible violations of the Employee Retirement Income Security Act of 1974 (ERISA).

Exhibit 11 – Affidavit of Trey King, Investigator in the Tennessee Attorney General's Office, Law Enforcement and Special Prosecutions Division. Mr. King authenticates printouts of

correspondence made at the offices of SDS from the business computers. Some of these printouts contain admissions of the Respondents, and evidence from their business records the non-existence of insurance coverage, and expedited but unsuccessful efforts to obtain insurance coverage in the face of regulatory scrutiny. Petitioner may refer to the records at argument on the Petition.

### DISCUSSION

1. The insurance receivership act, Tenn. Code Ann. §§ 56-9-101, *et seq.*, ("IRLA") is applied to both legal and illegal insurers. The act "may be applied to: (1) All insurers who are doing, or have done, an insurance business in this state, and against whom claims arising from that business may exist now or in the future; (2) *All insurers who purport to do* any insurance business in this state; (3) All insurers who have insureds resident in this state; (4) *All other persons organized or in the process of organizing with the intent to do* any insurance business in this state." Tenn. Code Ann. § 56-9-102. Tenn. Code Ann. § 56-9-103(14) defines "insurer" as "any person who has done, *purports to do*, is doing or is licensed to do an insurance business, and is or has been subject to the authority of, or to liquidation, rehabilitation, reorganization, supervision, or conservation by, any insurance commissioner. For purposes of this chapter, any other persons included under § 56-9-102 are deemed to be insurers."

2. Based on the foregoing information contained in the affidavits the ATAs, SDS and SAA and their principal managers are conducting unauthorized insurance and soliciting and issuing such contracts in Tennessee and to other states' residents. The newest ventures are shown by the attachments to the Supplemental Affidavit of Robert Heisse, showing an intent to issue different certificates of coverage and memberships starting April 1, 2010, under yet additional names or the American Trade Association, but with that organization having changed domicile.

3. Marketing activities are still occurring through persons who are unlicensed to sell or solicit insurance, and still with unauthorized or nonexistent insurance coverage. A person shall not

sell, solicit or negotiate insurance in this state for any class or classes of insurance unless the person is licensed for that line of authority in accordance with part 1 of chapter 6 of title 56. Tenn. Code Ann. § 56-6-103. Insurance in that part means any of the lines of authority in Tenn. Code Ann. § 56-2-201. *See*, Tenn. Code Ann. § 56-6-102(5), and Tenn. Code Ann. § 56-6-107.

4. ATA, SDS and SAA are collecting premiums in exchange for the issuance of the health coverage plans, or are in the process of organizing for the similar business under other names, which are clearly identified as insurance and underwritten by an insurer.

5. These premiums are deposited into SDS's bank account and then transferred to a bank account entitled "SDS/Serve America Claims Account," without any insurance coverage to back the payment of claims any more. SDS, with ATA is fulfilling the obligations undertaken under the name of Serve America Assurance, or any other name that may be used for underwriter. However, the bank records still reflect that membership dues and premium payments are deposited into an SDS account, and merely are transferred into the account titled "SDS/Serve America Assurance Claims Account." (David White Supplemental Affidavit).

6. The grounds asserted in the Petition for Liquidation continue to be supported by the facts adduced since the filing of the Petition, by further investigation at the premises of SDS, ATA, and of the activities done under the name or on behalf of SAA.

7. Those grounds still remain pursuant to Tenn. Code Ann. § 56-9-306 of the Act, which provides that the Commissioner may request liquidation, regardless of whether there has been any prior order directing rehabilitation of the insurer, as follows:

The commissioner may petition the chancery court of Davidson County for an order directing the commissioner to liquidate a domestic insurer or an alien insurer domiciled in this state on the basis:

(1) Of **any ground for an order of rehabilitation** as specified in § 56-9-301, whether or not there has been a prior order directing the rehabilitation of the insurer;

(2) That the insurer is insolvent; or

(3) That the insurer is in **such condition that the further transaction of business would be hazardous, financially or otherwise**, to its policyholders, its creditors or the public.

Tenn. Code Ann. § 56-9-306 (emphasis added).

8. The alternative grounds for an order found in Tenn. Code Ann. § 56-9-301 are applicable to the circumstances presented by these Respondents. Tenn. Code Ann. § 56-9-301 provides that the Commissioner may apply to rehabilitate (and, by virtue of Tenn. Code Ann. § 56-9-306(1), to liquidate) an insurer, on any one (1) or more of the following grounds:

(1) The insurer is in such condition that the further transaction of business would be **hazardous financially to its policyholders, creditors or the public**;

(2) **There is reasonable cause to believe that there has been embezzlement from the insurer, wrongful sequestration or diversion of the insurer's assets, forgery or fraud affecting the insurer, or other illegal conduct in, by, or with respect to the insurer that**, if established, would endanger assets in an amount threatening the solvency of the insurer; ...

Tenn. Code Ann. § 56-9-301, emphasis added.

9. For purposes of the express liquidation ground of insolvency found in Tenn. Code Ann. § 56-9-306(2), an insurer is considered insolvent if:

(B) ... **it is unable to pay its obligations when they are due, or when its admitted assets do not exceed its liabilities**, plus the greater of:

- (i) Any capital and surplus required by law for its organization; or
- (ii) The total par or stated value of its authorized and issued capital stock;

...

(D) .... "liabilities" include, but are not limited to, reserves required by statute or by department general regulations or specific requirements imposed by the commissioner

....

Tenn. Code Ann. § 56-9-103(13), emphasis added.

10. The information set forth in the Supplemental Affidavit of David R. White, Departmental examiner, as well as the information about claims liabilities for the health benefits and insurance coverage supplied through the Affidavit of Paul Eggers, shows the financially hazardous condition of the insurance enterprise. The assets available to pay claims are about \$1.2 million in the bank accounts (unreconciled) (Supplemental Affidavit of White, Paragraphs 4 & 9). The adjudicated claims liability is \$1,621,482, and additional unadjudicated claims for which liability is estimated, are in the range of \$5,272,348, for a total estimated claims liability to be paid for past coverage of \$6,895,830 (\$6.8 million). (Eggers Affidavit, Paragraphs 4-13, 8 and 21). This evidences a deep insolvency. In the week that this investigation has been able to be conducted, this information is preliminary, and would be adjusted by additional claims that are arriving daily.

11. Respondents are unable to pay obligations when they are due, or without significant preferences in favor of those paid first. Any claims paid now reduce the inadequate pot of assets to pay future claims. As shown, the bank accounts currently do not even support payment of 100% of the already adjudicated claims of \$1.6 million.

12. No significant payments have been made by any purported insurance company (the last payments from TransAmerica Assurance, a previous carrier, of approximately \$112,000, ended in 2008) (White Supplemental Affidavit, Paragraph 10), and Serve America has not contributed any discernible funds apart from the money SDS retains, and continues to be an unknown quantity or possibly fictitious. On information and belief, Respondents do not dispute that they have lacked coverage from any insurer since some time in 2009, and that the SDS/ATA operation has had to self-fund the benefits that are being paid out.

13. Beema-Pakistan that was the purported Pakistani parent company of Serve America Assurance, is not believed to be trustworthy or any financial support to these entities. Although a

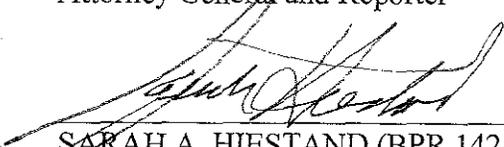
communication was received from the reputed Chairman of Beema by Sarah Hiestand, counsel to the Petitioner, information posted to public websites of Beema-Pakistan Company Limited, and the Securities & Exchange Commission of Pakistan, make statements that Beema is involved in liquidation proceedings by its Pakistan regulator. (See, previously filed Notice of Filing Affidavit of Sarah Hiestand re: Communications from Beema and Status).

14. All payments made will reduce the amount available to pay claims in the future and the assets appear insufficient to meet the present incurred liabilities of the insurance enterprise. The policies continuing to be issued from the SDS offices for ATA or other associations in development (or in existence) still offer similar certificates and various health care coverages in exchange for premium and membership fees. (See Heisse Supplemental Affidavit, exhibits 1, 3 and 4 thereto). These entities remain unlicensed to provide any such benefits, or to administer, sell or solicit these contracts. Nothing about the circumstances discovered since the filing of the Petition changes the conclusion of the Petitioner that the continued operation of ATA, SDS and SAA is and would be hazardous financially and otherwise to its policyholders, creditors and the public.

**WHEREFORE**, premises considered, Petitioner renews the prayer for relief found in the Petition for Liquidation, and that an Order of Liquidation and the other terms be entered at the earliest opportunity.

Respectfully submitted,

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



SARAH A. HIESTAND (BPR 14217)  
Senior Counsel, Financial Division  
(615) 741-6035; fax (615) 532-8223

*Lyndsay F. Sanders*

LYNDSAY F. SANDERS (BPR 22849)

Assistant Attorney General

Law Enforcement & Special Prosecutions Division

Office of the Attorney General

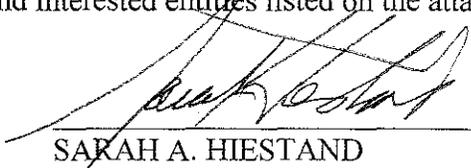
P.O. Box 20207

Nashville, Tennessee 37202-0207

(615) 741-4087

CERTIFICATE OF SERVICE

I hereby certify this 31<sup>st</sup> day of March, 2010, that the Petitioner's Notice of Filing Supplemental Affidavits, (together with the exhibits) will be served by U.S. mail, postage prepaid, this date, to the parties and interested entities listed on the attached service list.



SARAH A. HIESTAND

**For Respondents Bart and Angie Posey,  
American Trade Association, Inc., American Trade Association, LLC, and Smart Data  
Solutions, LLC:**

William L. Hendricks, Jr.  
Evans Petree, PC  
1661 International Place Drive, Suite 300  
Memphis, Tennessee 38120 901-474-6144, fax 901-374-7571

**Attorney for Respondent Kristy Wright:**  
David Glenn Ridings  
1000 Northchase Dr Ste 100  
Goodlettsville, TN 37072 (off) 615-851-1888 (fax) 615-851-1886

**Respondent Serve America Assurance, Ltd.:**

Serve America Assurance, Ltd. Company  
117 Winding Oak Way  
Blythewood, South Carolina 29016

Serve America Assurance, Ltd.  
P.O. Box 5626  
Karachi-7400, Pakistan

Serve America Assurance, Ltd.  
c/o Beema Pakistan Company, Ltd.  
412-427 Muhammadi House  
I.I. Chundrigar Road, P.O. Box 5626  
Karachi-7400, Pakistan

**Individual Respondents:**

Obed W. Kirkpatrick, Sr. and  
Linda Kirkpatrick  
1705 Rocking Chair Place  
Franklin, TN 37067

Richard H. Bachman  
1600 Magpie Cove  
Austin, Texas 78746

William M. Worthy II  
P. O. Box 462  
Isle of Palms, South Carolina 29451

(Palmetto Street address – unknown, Not able to deliver)

William M. Worthy II  
44 Morgan Place Drive  
Isle of Palms, South Carolina 29451

Collin Youell (mail returning from this address, not able to deliver)  
1551 North Flagler Drive, #1116  
West Palm Beach, Florida 33401



entered Respondents' place of business and reviewed their records and assets on March 24, 2010. The place of business included offices at 4676 Highway 41 North, in Springfield, Tennessee, and other offices at 400 Memorial Boulevard, in Springfield, Tennessee, sometimes called the "400 Main" building.

3. After my arrival, I interviewed employees of SDS, ATA and/or ATA LLC, as well as Posey, a principal of one or more of the corporate Respondents. One of the reasons for these interviews and one of the primary reasons for speaking to Posey was to identify records and assets and to ascertain the locations of such records and assets.
4. One of my initial duties was to attempt to determine the financial solvency of ATA LLC, ATA and SDS. We requested and received cut-off bank statements (statements that express cash in the accounts as of a given date) from four bank accounts for SDS and ATA from two different banks. The cut-off statements show a total of \$1,201,830.77 as of March 26, 2010. Some of the SDS/ATA bank accounts have not been reconciled and it will take some time to determine the actual amount of cash. Because there are checks that have been issued by the companies, the reconciliation will decrease the amount of cash once they clear the accounts.
5. The next step I took was to determine a value of the claims related liabilities. The particular liabilities of concern are those unpaid obligations for payment of health related expenses that would be owed under the coverage contractually promised by these businesses. Rather than using the SDS books to determine this value I decided in part to use the computer claims processing service ("Eldorado") that SDS uses in their day to day operations. I had the SDS staff run reports from Eldorado of all adjudicated claims.

The amount of adjudicated claims liability is \$1,621,482. SDS staff indicates this to be the value of all medical claims processed at the amount payable pursuant to the contracts.

6. SDS staff prepared a report for me indicating there are 11,951 claims that have been scanned by SDS staff but have not yet been adjudicated and entered into Eldorado.
7. I also discovered a significant number of claims forms in boxes, filing cabinets and on the floor that have neither been scanned nor entered into Eldorado. With the assistance of SDS staff, I determined there to be approximately 24,000 claims forms. After further inquiry, SDS staff indicated that as many as 20% or 30% of these claims could be duplicates of claims already entered and possibly adjudicated in Eldorado. I determined, for a conservative estimate, to use a duplicate rate of 50%, meaning an estimated 12,000 additional unique claims are likely to be represented by the forms that are not yet scanned.
8. I calculated the value of the unpaid claims. The basis of the estimated per claim liability was derived by dividing the value of the adjudicated claims in Eldorado by the number of adjudicated claims in Eldorado given to me by the SDS staff. The average per claim liability of the \$1,621,482 in adjudicated claims in Eldorado is \$220.13 per claim. Then I added the estimate of claims not scanned (12,000) to the number of un-adjudicated claims scanned into Eldorado (11,951) to arrive at 23,951 claims. Multiplying the per claim value (\$220.13) times the 23,951 un-scanned and scanned but un-adjudicated claims, produces the figure: \$5,272,348 of liability for un-adjudicated claims. Adding the adjudicated Eldorado claims liability to this liability for un-scanned and scanned but un-adjudicated claims produces a total outstanding and unpaid claims liability of \$6,895,830

(nearly \$7 million unpaid claims liability). I prepared the two sheets attached to show these calculations.

9. The premiums charged for the coverage is on a monthly basis. Because March 2010 premiums have been mostly collected, due to the automatic withdrawals generally used for collections, liability for the coverage already purchased by members exists through the end of March 2010. Significant additional revenue is unlikely. This analysis does not include any claims liability related to those claims which have not been received by the SDS offices but will exist and be incurred through the end of March 2010.
10. In conversation with Terry Surrency, president of Plan RX (the current pharmacy benefit manager for SDS), I determined there is no signed contract between Plan RX and SDS. Mr. Surrency said he began providing pharmacy discounts to SDS on March 15, 2010. I saw an email that contained an invoice for the period of March 15, 2010 to April 15, 2010 in the amount of approximately \$214,000. Mr. Surrency stated he would need a substantial payment on April 1, 2010 in order to continue providing services.
11. There are claims arriving daily in the mail that have not yet been taken into the consideration of the claims liability. Nor has any consideration been given to any claims that may be located outside of the SDS building located at 4676 Highway 41 North, Springfield TN, 37172.
12. There are other assets and liabilities in the books and records of SDS. However, a cursory review of those other assets and liabilities indicates the recoverable assets are unlikely to exceed the book value of the liabilities. I have also discovered that the pharmacy benefit was suspended by Express Scripts around February 26, 2010 and the new pharmacy benefit manager did not start until March 15, 2010. This leaves a period

of time when SDS would be liable for the possible 100% payment of prescriptions during the period. I am unable at this time to determine what the value of this liability would be.

13. The adjudicated and un-adjudicated claims liabilities alone, which I have determined on conservative assumptions to be no less than \$6,895,830, exceed the available bank account assets of SDS and the ATAs -- \$1,201,830.77 as of March 26, 2010 -- by over \$5.4 million. Thus these businesses are deeply insolvent.
14. On March 29, 2010, I had a conversation with Richard H. Bachman (Bachman) in the offices of SDS. He began by telling me how a claim was adjudicated and paid. The explanation he gave is the same understanding I have of how the process occurs.
15. Bachman does not believe there are 24,000 un-scanned claims. I showed Bachman the claims forms that I did and did not count. Bachman made a point that the claims forms in Posey's office had been paid and I should not count them. I told him that I did not count the claims forms in Posey's office to arrive at a figure of 24,000 un-scanned claims. I took Bachman around the office and showed him the various collection areas of un-scanned claims. Bachman agreed they had not been scanned but said there were less than 24,000. Bachman, however, never gave an estimate of how many less. Bachman said the only fair thing would be to allow them to enter all the claims into Eldorado and see what they adjudicate at to determine their liability. I told him that even if I decreased my number, they would still be insolvent. To which he responded Beema was going to pay them for their claims prior to August 31, 2009 and they have a new carrier lined up prospectively for claims once the Beema matter was resolved.

16. Bachman never contested the \$220.13 per claim valuation I determined by dividing the number of adjudicated claims in Eldorado by the \$1,621,482 value of the adjudicated claims in Eldorado.
17. Bachman questioned the number of claims that are scanned but not adjudicated in Eldorado, so I gave him a copy of what I was provided by the employees of SDS. We then went to Stephanie Waltz, an employee of SDS, and she confirmed the accuracy of the report.
18. Bachman and I looked at a few lines of claims being paid in the \$1,621,482 of adjudicated claims to determine if they were processed correctly. We checked four claims and agreed they were processed correctly. Bachman did complain of the issues they have had with Eldorado and the errors. Bachman claimed that Eldorado would for some reason enter a single claim multiple times. However, I asked him if he saw multiple claims in the \$1,621,482 value of adjudicated claims and he said there would not be any multiple claims because the processors would have taken them out.
19. Bachman then proceeded to tell me about how Beema Pakistan Company, Ltd. (Beema) had sent a letter to them and Tennessee Department of Commerce and Insurance saying the Board of Directors of Beema had decided to pay the claims after TransAmerica and prior to August 31, 2009. Bachman also said they had a new carrier to go forward with once everything else is taken care of. Bachman did not have a contract with another carrier but said they were waiting for everything to be worked out.
20. After Bachman left, I pulled 4 claims forms, which is not a statistically valid sample, from the box in Posey's office. Bachman stated that all of the claims forms in the box in

Posey had been paid. Of those four claims forms, two had been paid and two were not entered into Eldorado and therefore had not been paid.

21. After my conversation with Bachman, I do not see any reason to adjust my initial conservative estimate of claims liability as calculated in paragraphs 4-13.

**FURTHER AFFIANT SAITH NOT.**

  
\_\_\_\_\_  
Paul Eggers

SWORN TO AND SUBSCRIBED before me on this 30<sup>th</sup> day of March, 2010.

  
\_\_\_\_\_  
Notary Public

My Commission Expires: 11/7/12



My Commission Expires NOV. 7, 2012

**Claims in Eldorado adjudicated and ready  
to pay as of March 26, 2010**

<b>Date of service</b>	<b>\$'s adjudicated and ready to pay</b>
Jan-09	2,823.99
Feb-09	12,362.69
Mar-09	26,776.05
Apr-09	42,875.63
May-09	27,157.91
Jun-09	41,172.23
Jul-09	67,989.47
Aug-09	167,533.29
Sep-09	350,380.94
Oct-09	399,080.95
Nov-09	28,717.53
Dec-09	373,895.11
Jan-10	76,246.35
Feb-10	4,469.94
Mar-10	<u>1,621,482.08</u>
Number of claims	<u>7,366</u>
Average claim payment	<u>\$ 220.13</u>

ATTACHMENT

*Affidavit Paul Eggers*

# SDS Estimated claims liability

## As of March 26, 2010

	Estimated number of claims not
24,000	entered into Workflow
<u>50%</u>	<u>Staff estimate of duplicates</u>
12,000	
	Approximate number of claims
	in Workflow and not
<u>11,951</u>	<u>adjudicated in Eldorado</u>
23,951	Total # of claims to adjudicate
<u>\$ 220</u>	<u>Average claim payment</u>
	Total value of claims not
\$ 5,272,348	entered into Eldorado
<u>1,621,482</u>	<u>From Eldorado</u>
<u>\$ 6,893,830</u>	<u>Total estimated claims liability</u>

SUPPLEMENTAL AFFIDAVIT OF DAVID R. WHITE

STATE OF TENNESSEE )  
 )  
COUNTY OF DAVIDSON )

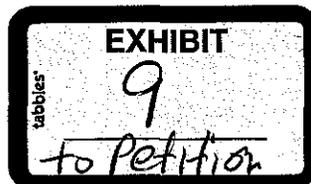
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2010 MAR 31 AM 11:53  
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DAVIDSON CO. CHANCERY CT.  
D.C. 21

I, David R. White, having been duly sworn, depose and state the following:

1. I, David White, CFE, am a certified financial examiner, and am an Examiner in Charge for the Tennessee Department of Commerce and Insurance (the "Department") responsible for direction of Insurance Company Examinations of the Department. In this role I have participated in and conducted approximately fifty insurance company examinations during my more than 16 years working for the Department, and I have experience in reviewing financial data and records of companies doing insurance business. I am over the age of 18 and have personal knowledge of the matters stated in this Affidavit. My office address and phone number are as follows:

Tennessee Dept. of Commerce and Insurance  
500 James Robertson Parkway  
Davy Crockett Tower, 4th Floor  
Nashville, TN 37243  
(615) 741-6796

2. On March 2, 2010, the Commissioner of Commerce and Insurance requested that I begin an examination of the bank records of Smart Data Solutions LLC bank accounts entitled SDS LLC account # \*\*\*\*0201 at Farmers and Merchants Bank ("SDS Account 1) and SDS LLC account # \*\*\*\*2841 at First State Bank ("SDS Account 2), the American Trade Association, Inc. account entitled American Trade Association, Inc. account # \*\*\*\*2901 at Farmers and Merchants Bank ("ATA Account") and the SDS/Serve America Claims Account # \*\*\*\*5601 at Farmers and Merchants Bank



(Claims Account) to determine their financial condition and affairs as of February 28, 2010 or as of a date to be determined.

3. As of March 29, 2010 I have received the bank records of SDS Account 1, SDS Account 2, the ATA Account and the Claims Account. I have also received the cut off statements for the SDS 1 Account, the SDS Account 2, the ATA Account, and the SDS/Serve America Claims Account as of March 26, 2010. In the Affidavit of David White, I had not reviewed the SDS Account 2 for the period of January 1, 2008 to December 31, 2008. I have since completed my review of the SDS Account 2. The bank records were obtained through a subpoena issued by the Commissioner of the Department and served upon the banks through an order granting delayed notice pursuant to Tenn. Code Ann. § 45-10-117. I visited the office of Smart Data Solutions, LLC ("SDS") and American Trade Association, Inc. ("ATA") at 4676 Highway 41 North, Springfield, TN 37172 on March 24, 2010 and March 26, 2010, but I have not conducted an onsite examination of the operations of SDS, ATA or the purported underwriter Serve America Assurance ("SAA").

4. I have prepared updated summaries of the SDS Account 1, SDS Account 2, the ATA Account and the Claims Account bank records and copies of the summaries of the bank records are attached hereto as **Exhibit A**. Looking at the bank records, it would appear, from the bank records given to us, that SDS, ATA and SAA maintain few accounts, and that they keep their money in accounts which are labeled as "general funds" rather than as trust accounts. After reviewing the bank records, I determined that the SDS Account 1 contained \$1,161,896 as of March 26, 2010. SDS Account 2 contained \$7,975 as of March 26, 2010. The ATA Account contained \$31,904 as of March 26,

2010. And the Claims Account contained \$55 as of March 26, 2010. These four accounts contain a total of approximately \$ 1,201,830. SDS and ATA continue to receive premium payments from policyholders located in all fifty states and the District of Columbia.

5. After examining the bank statements, by far the greatest number of check transactions is occurring from the Claims Account. Also, deposits to the Claims Account each month indicate check amounts written out of SDS Account 1 and SDS Account 2.

6. So far, all the documentation I have reviewed points to a pooling of the funds of SDS and ATA, so that most money taken in by SDS goes into the general type SDS Account 1 and SDS Account 2, and is then simply moved into the Claims Account where disbursements of claims payments are being made. The deposits into SDS Account 1, SDS Account 2 and the ATA Account come primarily from 3 sources: 1) 55% comes from Paylogix, Inc., 2) 15% comes from CITM LLC and 3) 30% comes directly from member's payments to SDS. There does not appear to be any effort taken by SDS or ATA to specifically earmark or segregate funds which SDS has taken in from individual member employer groups to offset those group's individual benefit plan liabilities. Furthermore, it appears there may be comingling of the funds of SDS and ATA. The liabilities for claims payments for coverage are being shared by SDS and ATA, and among employer groups and anyone who has contributed funds to the pool.

7. From the bank account records I have reviewed, out of the funds deposited into SDS Account 1 and SDS Account 2, approximately \$19,000 per month has been transferred to the ATA Account. Funds in the amount of \$11,960 have been deposited into the SDS Account by ATA. Approximately 25% of the payments from the SDS

Account 1 and SDS Account 2 go into the Claims Account. Approximately 62% of the payments from SDS Account 1 and SDS Account 2 are used for operating expenses. And approximately 13% of the payments from SDS Account 1 and SDS Account 2 are used for other personal expenses of Bart Posey and his family and are unrelated to paying claims or providing insurance coverage to the policyholders.

8. From the Claims Account bank records I have reviewed, approximately 71% of the payments from that account go to policyholders and providers. Approximately 29% of the payments from the Claims Account go to Express Scripts and MedSave, both pharmacy benefit management services companies.

9. From January, 2008 to March 26, 2010, SDS Account 1, SDS Account 2, the ATA Account and the Claims Account took in approximately \$21,000,000 million from policyholders, and on March 26, 2010 the balance of all four accounts account was down to approximately \$1,201,830.

10. The joint operation of SDS, ATA and SAA appears to perform the functions of an insurance company. The money gets deposited into SDS Account 1, SDS Account 2 and the ATA Account and then the money is transferred into the Claims Account from which claims are paid, the same as an insurance company would do. A total of \$5,274,131.14 was deposited into the Claims Account from SDS Account 1, SDS Account 2 and the ATA Account. All of the funds deposited into SDS Account 1, SDS Account 2 and the ATA Account came directly from Paylogix, CITM and policyholders. No funds were deposited into SDS Account 1, SDS Account 2 and the ATA Account by any insurance company other than deposits of approximately \$112,000 from Transamerica Assurance in April, May and June of 2008. From May 2008 to March 26,

2010, the average total amount paid from the Claims Account was \$263,000 per month. The average payment per claim to pay policyholders was \$215. Based on my review of SDS Account 1, SDS Account 2, the ATA Account and the Claims Account, there are only enough reserves to cover approximately one to two months of claims based on the average total monthly claims payments and operating expenses. If SDS, ATA and SAA have been denying claims and failing to pay or acknowledge the full extent of obligations to pay claims, the claims liabilities may be vast. If customers have claims for refunds based on having been sold a false product, that liability would also far exceed available assets.

11. I have read the foregoing petition and swear that the information contained therein is true to the best of my knowledge, information and belief.

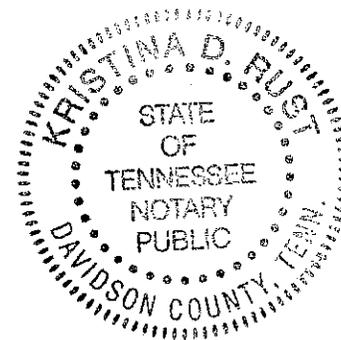
**FURTHER AFFIANT SAITH NOT.**

David R. White  
David R. White

SWORN TO AND SUBSCRIBED before me on this 31<sup>ST</sup> day of March, 2010.

Kristina D. Rust  
Notary Public

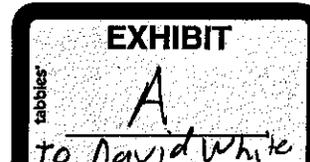
My Commission Expires: 3/10/12



Combined Summary  
 Smart Data Solutions LLC F&M Bank Acct# XXXX0201  
 American Trade Association, Inc. F&M Bank Acct# XXXX2901  
 SDS LLC First State Bank Acct# XXXX2841  
 Serve America Claims Account F&M Bank Acct# XXXX5601

Combined Accounts

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>Total</u>
<b>Premiums Received:</b>				
Paylogix	892,145.49	10,216,679.96	545,529.48	11,654,354.93
CITM	0.00	991,580.79	2,225,514.34	3,217,095.13
Members	4,694,110.12	1,171,605.15	438,788.77	6,304,504.04
Total Premiums	5,586,255.61	12,379,865.90	3,209,832.59	21,175,954.10
<b>Premiums Ratios:</b>				
Premiums from Paylogix/Total Premiums				55.04%
Premiums from CITM/Total Premiums				15.19%
Premiums from Members/Total Premiums				29.77%
Total				100.00%
<b>Disbursements:</b>				
Claims Account	8,300.00	4,161,876.02	1,238,755.12	5,408,931.14
Refunds	43,118.67	467,190.43	64,483.04	574,792.14
<b>Posey:</b>				
Direct Payments	229,383.68	364,247.60	33,700.00	627,331.28
Debit Card	148,395.93	283,663.02	22,769.00	454,827.95
Extraordinary	399,162.96	1,217,402.52	101,465.14	1,718,030.62
Total	776,942.57	1,865,313.14	157,934.14	2,800,189.85
Operations	4,732,527.53	6,540,877.41	1,791,310.91	13,064,715.85
Total Disbursements	5,560,888.77	13,035,257.00	3,252,483.21	21,848,628.98
<b>Disbursements Ratios:</b>				
Disbursements to Claims Acct/Total Disbursements				24.76%
Disbursements to Posey/Total Disbursements				12.82%
Disbursements for Refunds/Total Disbursements				2.63%
Disbursements for Operations/Total Disbursements				59.80%
Total				100.00%
<b>Claims Paid:</b>				
Policyholder/Provider	172,859.33	3,635,238.42	1,074,466.44	4,882,564.19
Express Scripts	60,143.72	1,010,296.51	796,218.76	1,866,658.99
MedSave	148,086.00	0.00	0.00	148,086.00
Total	381,089.05	4,645,534.93	1,870,685.20	6,897,309.18
<b>Claims Ratios:</b>				
Claims Disbursements/Total Disbursements				31.57%
Claims Paid to Policyholders&Providers/Total Claims Paid				70.79%
Claims Paid to Express Scripts&MedSave/Total Claims Paid				29.21%
Total # of Claims Paid to Policyholders & Providers				22,739
Average \$ of Claims Paid to Policyholders & Providers				214.72
Average Monthly \$ of Claims Paid				255,456



Combined Summary

Smart Data Solutions LLC F&M Bank Acct# XXXX0201

American Trade Association, Inc. F&M Bank Acct# XXXX2901

SDS LLC First State Bank Acct# XXXX2841

Serve America Claims Account F&M Bank Acct# XXXX5601

Smart Data Solutions F&M Bank Acct# XXXX0201

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>Total</u>
<b>Premiums Received:</b>				
Paylogix	0.00	4,529,394.49	545,529.48	5,074,923.97
CITM	0.00	655,277.92	2,192,560.59	2,847,838.51
Members	0.00	1,220.00	438,789.25	440,009.25
<b>Total Premiums</b>	<b>0.00</b>	<b>5,185,892.41</b>	<b>3,176,879.32</b>	<b>8,362,771.73</b>
<b>Disbursements:</b>				
Claims Account	8,300.00	2,936,334.75	1,238,755.12	4,183,389.87
Refunds	0.00	454,817.97	64,483.04	519,301.01
<b>Posey:</b>				
Direct Payments	34,996.51	53,356.29	17,500.00	105,852.80
Debit Card	3,579.76	62,847.71	12,467.65	78,895.12
Extraordinary	184,164.55	812,308.24	46,941.88	1,043,414.67
<b>Total</b>	<b>222,740.82</b>	<b>928,512.24</b>	<b>76,909.53</b>	<b>1,228,162.59</b>
Operations	18,818.98	1,270,481.18	1,624,962.19	2,914,262.35
<b>Total Disbursements</b>	<b>249,859.80</b>	<b>5,590,146.14</b>	<b>3,005,109.88</b>	<b>8,845,115.82</b>
<b>Claims Paid:</b>				
Policyholder/Provider	0.00	751.00	0.00	751.00
Express Scripts	4,644.56	0.00	371,169.10	375,813.66
MedSave	0.00	0.00	0.00	0.00
<b>Total</b>	<b>4,644.56</b>	<b>751.00</b>	<b>371,169.10</b>	<b>376,564.66</b>

Combined Summary

Smart Data Solutions LLC F&M Bank Acct# XXXX0201

American Trade Association, Inc. F&M Bank Acct# XXXX2901

SDS LLC First State Bank Acct# XXXX2841

Serve America Claims Account F&M Bank Acct# XXXX5601

ATA F&M Bank Acct# XXXX2901

	<u>2009</u>	<u>2010</u>	<u>Total</u>
Premiums Received:			
Paylogix	19,655.31	0.00	19,655.31
CITM	0.00	32,953.75	32,953.75
Members	0.00	0.00	0.00
Total Premiums	19,655.31	32,953.75	52,609.06
Disbursements:			
Claims Account	0.00	0.00	0.00
Refunds	0.00	0.00	0.00
Posey:			
Direct Payments	600.00	0.00	600.00
Debit Card	113.12	0.00	113.12
Extraordinary	765.74	1,000.00	1,765.74
Total	1,478.86	1,000.00	2,478.86
Operations	157,373.08	112,531.99	269,905.07
Total Disbursements	158,851.94	113,531.99	272,383.93
Claims Paid:			
Policyholder/Provider	0.00	0.00	0.00
Express Scripts	0.00	0.00	0.00
MedSave	0.00	0.00	0.00
Total	0.00	0.00	0.00

Combined Summary

Smart Data Solutions LLC F&M Bank Acct# XXXX0201

American Trade Association, Inc. F&M Bank Acct# XXXX2901

SDS LLC First State Bank Acct# XXXX2841

Serve America Claims Account F&M Bank Acct# XXXX5601

SDS First State Bank Acct# XXXX2841

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>Total</u>
<b>Premiums Received:</b>				
Paylogix	892,145.49	5,667,630.16	0.00	5,667,630.16
CITM	0.00	336,302.87	0.00	336,302.87
Members	4,694,110.12	1,170,385.15	0.00	1,170,385.15
<b>Total Premiums</b>	<b>5,586,255.61</b>	<b>7,174,318.18</b>	<b>0.00</b>	<b>12,760,573.79</b>
<b>Disbursements:</b>				
Claims Account	0.00	1,225,541.27	0.00	1,225,541.27
Refunds	43,118.67	12,372.46	0.00	55,491.13
<b>Posey:</b>				
Direct Payments	194,387.17	310,291.31	16,200.00	520,878.48
Debit Card	144,816.17	220,702.19	10,301.35	375,819.71
Extraordinary	214,998.41	404,328.54	53,523.26	672,850.21
<b>Total</b>	<b>554,201.75</b>	<b>843,921.46</b>	<b>69,891.03</b>	<b>1,468,014.24</b>
Operations	4,713,708.55	5,204,423.73	63,950.31	9,982,082.59
<b>Total Disbursements</b>	<b>5,311,028.97</b>	<b>7,286,258.92</b>	<b>133,841.34</b>	<b>12,731,129.23</b>
<b>Claims Paid:</b>				
Policyholder/Provider	20,278.35	44,427.14	95.00	64,800.49
Express Scripts	0.00	0.00	0.00	0.00
MedSave	148,086.00	0.00	0.00	148,086.00
<b>Total</b>	<b>168,364.35</b>	<b>44,427.14</b>	<b>95.00</b>	<b>212,886.49</b>

Combined Summary

Smart Data Solutions LLC F&M Bank Acct# XXXX0201

American Trade Association, Inc. F&M Bank Acct# XXXX2901

SDS LLC First State Bank Acct# XXXX2841

Serve America Claims Account F&M Bank Acct# XXXX5601

SDS/Serve America Claims Account F&M Bank Acct# XXXX5601

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>Total</u>
<b>Premiums Received:</b>				
Paylogix	0.00	0.00	0.00	0.00
CITM	0.00	0.00	0.00	0.00
Members	0.00	0.00	0.00	0.00
<b>Total Premiums</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Disbursements:</b>				
Claims Account	0.00	0.00	0.00	0.00
Refunds	0.00	0.00	0.00	0.00
<b>Posey:</b>				
Direct Payments	0.00	0.00	0.00	0.00
Debit Card	0.00	0.00	0.00	0.00
Extraordinary	0.00	0.00	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
Operations	0.00	0.00	0.00	0.00
<b>Total Disbursements</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Claims Paid:</b>				
Policyholder/Provider	152,580.98	3,590,060.28	1,074,371.44	4,817,012.70
Express Scripts	55,499.16	1,010,296.51	425,049.66	1,490,845.33
MedSave	0.00	0.00	0.00	0.00
<b>Total</b>	<b>208,080.14</b>	<b>4,600,356.79</b>	<b>1,499,421.10</b>	<b>6,307,858.03</b>
<b>Average Monthly \$ of Claims Paid</b>				<b>262,827</b>

**Analysis of:**  
**Smart Data Solutions LLC**  
**F&M Bank Account #XXXX0201**  
**January 1, 2008 - March 26, 2010**

**Prepared by:**  
**David R. White, CFE**  
**Examiner in Charge**  
**State of Tennessee**  
**Department of Commerce and Insurance**  
**Insurance Division-Examination Unit**

Smart Data Solutions LLC  
 F&M Bank  
 Acct# XXXX0201  
 Balances

	<u>Jan. 2008</u>	<u>Feb. 2008</u>	<u>Mar. 2008</u>	<u>Apr. 2008</u>	<u>May. 2008</u>	<u>Jun. 2008</u>	<u>Jul. 2008</u>	<u>Aug. 2008</u>	<u>Sep. 2008</u>	<u>Oct. 2008</u>	<u>Nov. 2008</u>	<u>Dec. 2008</u>
Prior month ending balance	0.00	902.32	867.32	832.32	36,479.00	44,047.15	46,944.20	42,316.31	41,501.27	18,015.88	790.81	20,755.81
Deposits and credits	1,000.00	0.00	0.00	68,852.23	32,940.15	26,265.40	21,511.00	55,681.70	0.00	30,000.00	20,000.00	0.00
Withdrawals and debits	97.68	35.00	35.00	33,205.55	25,372.00	23,368.36	26,138.89	56,496.74	23,485.39	47,225.07	35.00	14,365.13
Current month ending balance	902.32	867.32	832.32	36,479.00	44,047.15	46,944.20	42,316.31	41,501.27	18,015.88	790.81	20,755.81	6,390.68

	<u>Jan. 2009</u>	<u>Feb. 2009</u>	<u>Mar. 2009</u>	<u>Apr. 2009</u>	<u>May. 2009</u>	<u>Jun. 2009</u>	<u>Jul. 2009</u>	<u>Aug. 2009</u>	<u>Sep. 2009</u>	<u>Oct. 2009</u>	<u>Nov. 2009</u>	<u>Dec. 2009</u>
Prior month ending balance	6,390.68	21,027.82	57,820.03	20,667.16	7,098.17	3,869.79	21,914.84	45,674.04	33,470.77	715,373.33	1,180,386.26	2,010,556.16
Deposits and credits	35,202.93	81,934.01	52,088.12	68,525.00	56,720.19	59,413.55	83,220.53	364,097.69	758,328.64	1,053,591.78	1,856,431.72	2,066,396.35
Withdrawals and debits	20,565.79	45,141.80	89,240.99	82,093.99	59,948.57	41,368.50	59,461.33	376,300.96	76,426.08	588,578.85	1,026,261.82	3,124,757.46
Current month ending balance	21,027.82	57,820.03	20,667.16	7,098.17	3,869.79	21,914.84	45,674.04	33,470.77	715,373.33	1,180,386.26	2,010,556.16	952,195.05

	<u>Jan. 2010</u>	<u>Feb. 2010</u>	<u>Mar. 2010</u>
Prior month ending balance	952,195.05	817,446.84	1,109,824.47
Deposits and credits	949,162.15	1,296,508.66	969,139.91
Withdrawals and debits	1,083,910.36	1,004,131.03	917,068.49
Current month ending balance	817,446.84	1,109,824.47	1,161,895.89 *

\* as of March 26, 2010



Smart Data Solutions LLC  
 F&M Bank  
 Acct# XXXX0201  
 Receipts - 2008

	<u>Jan, 2008</u>	<u>Feb, 2008</u>	<u>Mar, 2008</u>	<u>Apr, 2008</u>	<u>May, 2008</u>	<u>Jun, 2008</u>
from Transamerica Assurance						
#	0.00	0.00	0.00	2.00	1.00	1.00
\$	0.00	0.00	0.00	54,852.23	32,940.15	26,265.40
% of total	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Wires from Unknown						
#	0.00	0.00	0.00	0.00	0.00	0.00
\$	0.00	0.00	0.00	0.00	0.00	0.00
% of total	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Wires from Nationwide Administrators LLC First Citizens Bank, Blythewood, SC						
#	0.00	0.00	0.00	0.00	0.00	0.00
\$	0.00	0.00	0.00	0.00	0.00	0.00
% of total	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Refunds from Providers						
#	0.00	0.00	0.00	0.00	0.00	0.00
\$	0.00	0.00	0.00	0.00	0.00	0.00
% of total	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Other						
#	0.00	0.00	0.00	1.00	0.00	0.00
\$	0.00	0.00	0.00	14,000.00	0.00	0.00
% of total	0.00%	0.00%	0.00%	20.33%	0.00%	0.00%
Totals						
#	1.00	0.00	0.00	3.00	1.00	1.00
\$	1,000.00	0.00	0.00	68,852.23	32,940.15	26,265.40
% of total	100.00%	0.00%	0.00%	100.00%	100.00%	100.00%



Smart Data Solutions LLC  
 F&M Bank  
 Acct# XXXX0201  
 Receipts - 2008

	<u>Jul, 2008</u>	<u>Aug, 2008</u>	<u>Sep, 2008</u>	<u>Oct, 2008</u>	<u>Nov, 2008</u>	<u>Dec, 2008</u>
<b>from Transamerica Assurance</b>						
#	0.00	0.00	0.00	0.00	0.00	0.00
\$	0.00	0.00	0.00	0.00	0.00	0.00
% of total	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>Wires from Unknown</b>						
#	0.00	0.00	0.00	0.00	0.00	0.00
\$	0.00	0.00	0.00	0.00	0.00	0.00
% of total	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>Wires from Nationwide Administrators LLC</b>						
<b>First Citizens Bank, Blythewood, SC</b>						
#	0.00	0.00	0.00	0.00	0.00	0.00
\$	0.00	0.00	0.00	0.00	0.00	0.00
% of total	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>Refunds from Providers</b>						
#	0.00	0.00	0.00	0.00	0.00	0.00
\$	0.00	0.00	0.00	0.00	0.00	0.00
% of total	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>Other</b>						
#	3.00	4.00	0.00	0.00	0.00	0.00
\$	21,511.00	28,531.70	0.00	0.00	0.00	0.00
% of total	100.00%	51.24%	0.00%	0.00%	0.00%	0.00%
<b>Totals</b>						
#	3.00	5.00	0.00	3.00	2.00	1.00
\$	21,511.00	55,681.70	0.00	84,852.23	52,940.15	26,265.40
% of total	100.00%	100.00%	0.00%	100.00%	100.00%	100.00%









Smart Data Solutions LLC  
 F&M Bank  
 Acct# XXXX0201  
 Receipts - 2010

	<u>Jan, 2010</u>	<u>Feb, 2010</u>	<u>Mar, 2010</u>
from Paylogix			
#	14.00	0.00	
\$	545,529.48	0.00	
% of total	57.47%	0.00%	
from CITM			
#	3.00	3.00	
\$	240,378.53	1,083,185.82	868,996.24
% of total	25.33%	83.55%	
from Members			
#	272.00	290.00	
\$	156,040.24	182,605.34	
% of total	16.44%	14.08%	
Checks from SDS LLC First State			
#	0.00	0.00	
\$	0.00	0.00	
% of total	0.00%	0.00%	
from SDS/Serve America			
#	0.00	0.00	
\$	0.00	0.00	
% of total	0.00%	0.00%	
from Express Scripts			
#	0.00	1.00	
\$	0.00	18,358.50	
% of total	0.00%	1.42%	

Smart Data Solutions LLC  
 F&M Bank  
 Acct# XXXX0201  
 Receipts - 2010

	<u>Jan, 2010</u>	<u>Feb, 2010</u>	<u>Mar, 2010</u>
from ATA			
#	0.00	1.00	
\$	0.00	11,960.00	
% of total	0.00%	0.92%	
Wires from Unknown			
#	0.00	0.00	
\$	0.00	0.00	
% of total	0.00%	0.00%	
Wires from Nationwide Administrators LLC			
First Citizens Bank, Blythewood, SC			
#	0.00	0.00	
\$	0.00	0.00	
% of total	0.00%	0.00%	
Refunds from Providers			
#	0.00	0.00	
\$	0.00	0.00	
% of total	0.00%	0.00%	
Other			
#	4.00	1.00	
\$	7,213.90	399.00	
% of total	0.76%	0.03%	
Totals			
#	293.00	294.00	
\$	949,162.15	1,296,508.66	969,139.91 *
% of total	100.00%	100.00%	

\* as of March 26, 2010



Smart Data Solutions LLC  
 F&M Bank  
 Acct# XXXX0201  
 Disbursements - 2008

	<u>Jan, 2008</u>	<u>Feb, 2008</u>	<u>Mar, 2008</u>	<u>Apr, 2008</u>	<u>May, 2008</u>	<u>Jun, 2008</u>
to Obed Kirkpatrick						
#	0.00	0.00	0.00	0.00	0.00	0.00
\$	0.00	0.00	0.00	0.00	0.00	0.00
% of Total \$	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
to OMNI Services						
#	0.00	0.00	0.00	0.00	0.00	0.00
\$	0.00	0.00	0.00	0.00	0.00	0.00
% of Total \$	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
to Richard Bachman						
#	0.00	0.00	0.00	0.00	0.00	0.00
\$	0.00	0.00	0.00	0.00	0.00	0.00
% of Total \$	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Debit Card						
#	0.00	0.00	0.00	0.00	0.00	0.00
\$	0.00	0.00	0.00	0.00	0.00	0.00
% of Total \$	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Other (1)						
#	1.00	1.00	1.00	3.00	4.00	4.00
\$	97.68	35.00	35.00	33,205.55	11,872.00	8,668.35
% of Total \$	100.00%	100.00%	100.00%	100.00%	46.79%	37.09%
Totals						
#	1.00	1.00	1.00	3.00	8.00	6.00
\$	97.68	35.00	35.00	33,205.55	25,372.00	23,368.35
% of Total \$	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

(1) see Extraordinary Disbursements Detail



Smart Data Solutions LLC  
 F&M Bank  
 Acct# XXXX0201  
 Disbursements - 2008

	<u>Jul, 2008</u>	<u>Aug, 2008</u>	<u>Sep, 2008</u>	<u>Oct, 2008</u>	<u>Nov, 2008</u>	<u>Dec, 2008</u>
to Obed Kirkpatrick						
#	0.00	0.00	0.00	0.00	0.00	0.00
\$	0.00	0.00	0.00	0.00	0.00	0.00
% of Total \$	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
to OMNI Services						
#	0.00	0.00	0.00	0.00	0.00	0.00
\$	0.00	0.00	0.00	0.00	0.00	0.00
% of Total \$	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
to Richard Bachman						
#	0.00	0.00	0.00	0.00	0.00	0.00
\$	0.00	0.00	0.00	0.00	0.00	0.00
% of Total \$	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Debit Card						
#	0.00	0.00	0.00	0.00	0.00	12.00
\$	0.00	0.00	0.00	0.00	0.00	3,702.44
% of Total \$	0.00%	0.00%	0.00%	0.00%	0.00%	25.77%
Other (1)						
#	5.00	23.00	4.00	4.00	1.00	5.00
\$	19,138.89	55,396.74	1,044.32	46,825.07	35.00	9,362.69
% of Total \$	73.22%	98.05%	4.45%	99.15%	100.00%	65.18%
Totals						
#	7.00	25.00	11.00	5.00	1.00	20.00
\$	26,138.89	56,496.74	23,485.39	47,225.07	35.00	14,365.13
% of Total \$	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

(1) see Extraordinary Disbursements Detail

Smart Data Solutions LLC  
 F&M Bank Acct# XXXX0201  
 Disbursements - 2009

	<u>Jan, 2009</u>	<u>Feb, 2009</u>	<u>Mar, 2009</u>	<u>Apr, 2009</u>	<u>May, 2009</u>	<u>Jun, 2009</u>
<b>Wires:</b>						
to Nationwide (1)						
#	0.00	0.00	0.00	0.00	0.00	0.00
\$	0.00	0.00	0.00	0.00	0.00	0.00
% of Total \$	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
to Other (1)						
#	0.00	0.00	0.00	0.00	0.00	0.00
\$	0.00	0.00	0.00	0.00	0.00	0.00
% of Total \$	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>Checks/Transfers:</b>						
to First State Bank						
#	0.00	0.00	0.00	0.00	0.00	0.00
\$	0.00	0.00	0.00	0.00	0.00	0.00
% of Total \$	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
to SDS/Serve America						
#	0.00	0.00	0.00	0.00	0.00	0.00
\$	0.00	0.00	0.00	0.00	0.00	0.00
% of Total \$	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
to F&M Bank						
#	0.00	0.00	0.00	1.00	0.00	0.00
\$	0.00	0.00	0.00	10,494.15	0.00	0.00
% of Total \$	0.00%	0.00%	0.00%	12.78%	0.00%	0.00%
to ATA						
#	0.00	0.00	0.00	0.00	0.00	0.00
\$	0.00	0.00	0.00	0.00	0.00	0.00
% of Total \$	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
to Bart/Angie Posey						
#	2.00	0.00	0.00	2.00	1.00	0.00
\$	3,300.00	0.00	0.00	3,500.00	1,000.00	0.00
% of Total \$	16.05%	0.00%	0.00%	4.26%	1.67%	0.00%

(1) see Wire Disbursements Details

(2) see Extraordinary Disbursements Detail

Smart Data Solutions LLC  
 F&M Bank Acct# XXXX0201  
 Disbursements - 2009

	<u>Jan, 2009</u>	<u>Feb, 2009</u>	<u>Mar, 2009</u>	<u>Apr, 2009</u>	<u>May, 2009</u>	<u>Jun, 2009</u>
to New Benefits						
#	0.00	0.00	0.00	0.00	0.00	0.00
\$	0.00	0.00	0.00	0.00	0.00	0.00
% of Total \$	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
to Nuvox Comm						
#	0.00	0.00	0.00	0.00	0.00	0.00
\$	0.00	0.00	0.00	0.00	0.00	0.00
% of Total \$	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
to Obed Kirkpatrick						
#	0.00	0.00	0.00	0.00	0.00	0.00
\$	0.00	0.00	0.00	0.00	0.00	0.00
% of Total \$	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
to OMNI Services						
#	0.00	0.00	0.00	0.00	0.00	0.00
\$	0.00	0.00	0.00	0.00	0.00	0.00
% of Total \$	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
to Richard Bachman						
#	0.00	0.00	0.00	0.00	0.00	0.00
\$	0.00	0.00	0.00	0.00	0.00	0.00
% of Total \$	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Debit Card						
#	3.00	23.00	27.00	27.00	25.00	14.00
\$	244.05	4,773.11	2,217.93	5,030.98	3,494.84	3,105.58
% of Total \$	1.19%	10.57%	2.49%	6.13%	5.83%	7.51%
Other (2)						
#	53.00	100.00	230.00	164.00	147.00	89.00
\$	17,021.74	40,368.69	87,023.06	63,068.86	55,453.73	38,262.92
% of Total \$	82.77%	89.43%	97.51%	76.83%	92.50%	92.49%
Totals						
#	58.00	123.00	257.00	194.00	173.00	103.00
\$	20,565.79	45,141.80	89,240.99	82,093.99	59,948.57	41,368.50
% of Total \$	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

(1) see Wire Disbursements Details

(2) see Extraordinary Disbursements Detail

Smart Data Solutions LLC  
 F&M Bank Acct# XXXX0201  
 Disbursements - 2009

	<u>Jul. 2009</u>	<u>Aug. 2009</u>	<u>Sep. 2009</u>	<u>Oct. 2009</u>	<u>Nov. 2009</u>	<u>Dec. 2009</u>
<b>Wires:</b>						
to Nationwide (1)						
#	0.00	0.00	0.00	0.00	1.00	0.00
\$	0.00	0.00	0.00	0.00	180,202.29	0.00
% of Total \$	0.00%	0.00%	0.00%	0.00%	17.56%	0.00%
to Other (1)						
#	0.00	0.00	0.00	0.00	0.00	1.00
\$	0.00	0.00	0.00	0.00	0.00	582,966.85
% of Total \$	0.00%	0.00%	0.00%	0.00%	0.00%	18.66%
<b>Checks/Transfers:</b>						
to First State Bank						
#	0.00	0.00	0.00	1.00	3.00	2.00
\$	0.00	0.00	0.00	2,597.66	4,363.13	5,548.10
% of Total \$	0.00%	0.00%	0.00%	0.44%	0.43%	0.18%
to SDS/Serve America						
#	0.00	1.00	2.00	2.00	2.00	9.00
\$	0.00	346,779.25	57,050.00	450,000.00	499,528.27	1,582,977.23
% of Total \$	0.00%	92.15%	74.65%	76.46%	48.67%	50.66%
to F&M Bank						
#	0.00	0.00	0.00	1.00	1.00	3.00
\$	0.00	0.00	0.00	1,460.69	1,460.69	13,004.85
% of Total \$	0.00%	0.00%	0.00%	0.25%	0.14%	0.42%
to ATA						
#	0.00	0.00	0.00	1.00	2.00	2.00
\$	0.00	0.00	0.00	20,724.00	22,268.98	27,548.00
% of Total \$	0.00%	0.00%	0.00%	3.52%	2.17%	0.88%
to Bart/Angie Posey						
#	2.00	1.00	0.00	1.00	5.00	4.00
\$	8,256.29	4,000.00	0.00	17,000.00	9,100.00	7,200.00
% of Total \$	13.89%	1.06%	0.00%	2.89%	0.89%	0.23%

(1) see Wire Disbursements Details

(2) see Extraordinary Disbursements Detail

Smart Data Solutions LLC  
 F&M Bank Acct# XXXX0201  
 Disbursements - 2009

	<u>Jul. 2009</u>	<u>Aug. 2009</u>	<u>Sep. 2009</u>	<u>Oct. 2009</u>	<u>Nov. 2009</u>	<u>Dec. 2009</u>
<b>to New Benefits</b>						
#	0.00	0.00	0.00	1.00	1.00	1.00
\$	0.00	0.00	0.00	37,063.35	38,918.45	41,170.12
% of Total \$	0.00%	0.00%	0.00%	6.30%	3.79%	1.32%
<b>to Nuvox Comm</b>						
#	0.00	0.00	0.00	1.00	1.00	1.00
\$	0.00	0.00	0.00	7,750.49	10,224.01	12,975.35
% of Total \$	0.00%	0.00%	0.00%	1.32%	1.00%	0.42%
<b>to Obed Kirkpatrick</b>						
#	0.00	0.00	0.00	0.00	3.00	4.00
\$	0.00	0.00	0.00	0.00	1,792.99	1,513.99
% of Total \$	0.00%	0.00%	0.00%	0.00%	0.17%	0.05%
<b>to OMNI Services</b>						
#	0.00	0.00	0.00	0.00	2.00	4.00
\$	0.00	0.00	0.00	0.00	5,621.30	27,929.89
% of Total \$	0.00%	0.00%	0.00%	0.00%	0.55%	0.89%
<b>to Richard Bachman</b>						
#	0.00	0.00	0.00	3.00	4.00	6.00
\$	0.00	0.00	0.00	4,233.85	6,041.71	13,532.66
% of Total \$	0.00%	0.00%	0.00%	0.72%	0.59%	0.43%
<b>Debit Card</b>						
#	21.00	16.00	35.00	56.00	77.00	54.00
\$	2,375.21	2,203.56	6,565.08	12,772.45	18,553.24	9,081.66
% of Total \$	3.99%	0.59%	8.59%	2.17%	1.81%	0.29%
<b>Other (2)</b>						
#	120.00	69.00	29.00	61.00	124.00	134.00
\$	48,829.83	23,318.15	12,811.00	34,976.36	228,186.76	799,308.76
% of Total \$	82.12%	6.20%	16.76%	5.94%	22.23%	25.58%
<b>Totals</b>						
#	143.00	87.00	66.00	128.00	226.00	225.00
\$	59,461.33	376,300.96	76,426.08	588,578.85	1,026,261.82	3,124,757.46
% of Total \$	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

(1) see Wire Disbursements Details

(2) see Extraordinary Disbursements Detail

Smart Data Solutions LLC  
 F&M Bank Acct# XXXX0201  
 Disbursements - 2010

	<u>Jan, 2010</u>	<u>Feb, 2010</u>	<u>Mar, 2010</u>
<b>Wires:</b>			
to Nationwide			
#	0.00	0.00	
\$	0.00	0.00	
% of Total \$	0.00%	0.00%	
to Other (1)			
#	2.00	5.00	
\$	5,196.82	66,717.34	
%	0.48%	6.64%	
<b>Checks/Transfers:</b>			
Express Scripts			
#	0.00	2.00	
\$	0.00	371,169.10	
% of Total \$	0.00%	36.96%	
to SDS/Serve America			
#	19.00	12.00	
\$	830,074.38	273,880.74	134,800.00
% of Total \$	76.58%	27.28%	
to F&M Bank			
#	4.00	3.00	
\$	8,875.36	7,349.30	
% of Total \$	0.82%	0.73%	
to ATA			
#	2.00	1.00	
\$	31,400.00	10,000.00	
% of Total \$	2.90%	1.00%	
to Bart/Angie Posey			
#	2.00	4.00	
\$	8,400.00	9,100.00	
% of Total \$	0.77%	0.91%	

(1) see Wire Disbursements Details

Smart Data Solutions LLC  
 F&M Bank Acct# XXXX0201  
 Disbursements - 2010

	<u>Jan, 2010</u>	<u>Feb, 2010</u>	<u>Mar, 2010</u>
to New Benefits			
#	1.00	1.00	
\$	44,538.96	43,148.02	
% of Total \$	4.11%	4.30%	
to Nuvox Communications			
#	0.00%	1.00	
\$	12,277.73	12,954.91	
% of Total \$	1.13%	1.29%	
to Obed Kirkpatrick			
#	3.00	5.00	
\$	1,388.71	3,168.10	
% of Total \$	0.13%	0.32%	
to OMNI Services			
#	5.00	3.00	
\$	23,966.88	36,174.49	
% of Total \$	2.21%	3.60%	
to Richard Bachman			
#	4.00	5.00	
\$	5,283.80	8,648.55	
% of Total \$	0.49%	0.86%	
Debit Card			
#	68.00	50.00	
\$	11,436.64	7,320.26	
% of Total \$	1.06%	0.73%	
Other (2)			
#	143.00	190.00	
\$	101,071.08	154,500.22	
% of Total \$	9.32%	15.39%	
Totals			
#	253.00	277.00	
\$	1,083,910.36	1,004,131.03	917,068.49 *
% of Total \$	100.00%	100.00%	

(2) see Extraordinary Disbursements Details

\* as of March 26, 2010

Smart Data Solutions LLC  
 F&M Bank  
 Acct# XXXX0201  
 Summary of Receipts & Disbursements

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>Totals</u>
Total Receipts	370,308.26	6,535,950.51	3,214,810.72	10,121,069.49
Monthly Average	30,859.02	544,662.54	1,071,603.57	374,854.43
Total Disbursements	249,859.80	5,590,146.14	3,005,109.88	8,845,115.82
Monthly Average	20,821.65	465,845.51	1,001,703.29	327,596.88
Total Disbursed to Claims Account	8,300.00	2,936,334.75	1,238,755.12	4,183,389.87
Monthly Average	691.67	244,694.56	412,918.37	154,940.37
% of Total Disbursements to Total Receipts	67.47%	85.53%	93.48%	87.39%
% of Total Disbursements to Claims Account to Total Receipts	2.24%	44.93%	38.53%	41.33%

Smart Data Solutions LLC  
 F&M Bank Acct# XXXX0201  
 Extraordinary Disbursements

**Note: These disbursements appear to be personal in nature**

<u>Date</u>	<u>Check #</u>	<u>Amount</u>	<u>Payee</u>	<u>Additional Information</u>
Apr, 2008	1002	367.82	Klober Engineering	
	1003	32,802.73	Cunningham Pontiac Buick	
May, 2008	1004	3,925.00	Univ. of Alabama Tide Pride	
	1005	730.00	Univ. of Alabama Tide Pride	
	1006	1,000.00	Ron Gruley	
Jun, 2008	1012	296.21	Porter Paint	
	1014	347.14	Walker Hardware	
	1016	7,700.00	Molly Posey	
	Cash	8,000.00	John R. Cheadle	Attorney
Jul, 2008	1019	282.86	F&M Bank	Payment on Loan #2570360
	1021	10,000.00	Anvil American	Construction Equipment Whitehouse, TN
	1023	5,000.00	Gupton Motors	
	1024	3,772.86	First State	Payment on Loan #6799716
Aug, 2008	1026	1,411.00	Pearson Insurance	
	1027	36,692.83	Lee County Circuit Clerk	
	1028	800.00	Ron Gruley	
	1030	611.52	Hollingsworth	
	1032	775.00	Yogi Yelverton	
	1033	639.24	Home Depot	
	1034	188.26	Home Depot	
	1036	1,700.00	Stewart Williams	Furniture Company in Springfield, TN
	1037	234.29	Cunningham	
	1039	1,400.00	Stewart Williams	Furniture Company in Springfield, TN
	1040	1,195.18	Lowes	
	1041	373.30	Lowes	
	1043	284.19	Ridout Lumber	
	1044	251.59	Walmart	
	1045	344.46	Lowes	
1046	23.75	Springfield Design & Paint		
1047	452.44	Ace Hardware		
1049	1,960.00	Tommy Hunter		
1052	500.00	Craig Dallessio		
W/D		3,970.80	Withdrawal for Land Payment	

Smart Data Solutions LLC  
 F&M Bank Acct# XXXX0201  
 Extraordinary Disbursements

**Note: These disbursements appear to be personal in nature**

<u>Date</u>	<u>Check #</u>	<u>Amount</u>	<u>Payee</u>	<u>Additional Information</u>
Sep, 2008	1029	600.00	Mike Strickland	
	1053	173.41	Ace Hardware	
	1054	150.91	Lees	
	1055	120.00	Sherry Martel	
Oct, 2008	1061	45,760.07	Cunningham Pontiac Buick	
Dec, 2008	1048	1,139.20	Hadco	Endorsed as Hadco Cooking Systems LLC Orlando, FL
	1060	5,905.63	Lee Krisle	Lawn Care Springfield, TN
	1062	2,000.00	Lee Krisle	Lawn Care Springfield, TN
	Debit	282.86	F&M Bank	Payment on Zack Posey's Loan
Feb, 2009	Bank Debit	4,374.56	F&M Bank	Payment on Bart Posey's Loan #35691364
	Bank Debit	874.06	F&M Bank	Payment on SDS Loan #77136063
	Bank Debit	282.86	F&M Bank	Transfer for Zack Posey's Car Payment
Apr, 2009	Bank Debit	307.86	F&M Bank	Transfer for Zack Posey's Car Payment
May, 2009	Bank Debit	307.86	F&M Bank	Transfer for Zack Posey's Car Payment
	Bank Debit	282.86	F&M Bank	Transfer for Zack Posey's Car Payment
Jun, 2009	1861	2,000.00	Bart Posey, Jr	Son of Bart S. Posey
	1884	5,000.00	BJ Posey	Son of Bart S. Posey
	2152	3,500.00	Julian Vasquez	Real Estate Agent @ Prudential Clarksville, TN
	2157	1,486.11	Dean Oil	
	2169	444.98	Springfield Design & Paint Center	
	2175	1,106.28	Amy Garrison	Beauti Control Cosmetics
	2203	1,000.00	Bart Posey, Jr	Son of Bart S. Posey
	2204	1,000.00	Bart Posey, Jr	Son of Bart S. Posey
	2223	1,000.00	Donnie Wright	

Smart Data Solutions LLC  
 F&M Bank  
 Acct# XXXX0201  
 Extraordinary Disbursements

**Note: These disbursements appear to be personal in nature**

<u>Date</u>	<u>Check #</u>	<u>Amount</u>	<u>Payee</u>	<u>Additional Information</u>
Nov, 2009	2202	2,000.00	Springfield Realty	Bart Posey - Owner
	2204	3,055.44	Lowes	
	2207	23.84	Kroger	
	2227	121.56	Wlamart	
	2229	2,500.00	Jerry Diehl	
	2233	65.85	Lowes	
	2272	100,000.00	Univ. of Alabama Crimson Tide Foundation	
	2273	5,000.00	Springfield Realty	Bart Posey - Owner
	2277	693.70	Dean Oil	
	2279	130.08	Ameritas Life Insurance	
	2295	1,000.00	Sound Words Ministry	Obed Kirkpatrick - Founder
	2303	1,000.00	Julian Vasquez	Real Estate Agent @ Prudential Clarksville, TN
	2328	63.66	Amy Garrison	Beauti Control Cosmetics
	2345	1,241.26	Springfield Design & Paint Center	
	2347	199.20	Cunningham Pontiac Buick	
	2371	1,351.55	Lowes	
	2381	2,000.00	Craig Dallessio	
Dec, 2009	2383	2,552.74	Bass Pro Shops	
	2384	1,100.00	Julian Vasquez	
	2387	18,195.63	Cunningham Pontiac Buick	
	2389	2,365.00	Anderson Heat & Air	
	2392	50,000.00	Charles & Stephanie Hamilton	Racecar Driver (Bobby Hamilton, Jr.) owns Courthouse Café in Springfield and Highland Rim Speedway
	2396	900.00	Edwards Roofing	
	2435	237.85	Dean Oil	
	2477	700.00	Springfield Sports Bar	
	2479	1,000.00	Sound Words Ministry	Obed Kirkpatrick - Founder
	2510	303.67	Springfield Design & Paint Center	
	2520	3,000.00	Springfield Sports Bar	
	2521	588,539.78	First State Bank	Payoff Loan Acct# 6799716

Smart Data Solutions LLC  
 F&M Bank  
 Acct# XXXX0201  
 Extraordinary Disbursements

**Note: These disbursements appear to be personal in nature**

<u>Date</u>	<u>Check #</u>	<u>Amount</u>	<u>Payee</u>	<u>Additional Information</u>
Jan, 2010	2542	142.59	Walmart	
	2546	2,000.00	Springfield Sports Bar	
	2643	1,093.70	Dean Oil Co	
	2676	1,000.00	Sound Words Ministry	Obed Kirkpatrick - Founder
	2708	77.13	Walmart	
	Debit	586.63	F&M Bank	Payment on Loan #77136062
	Debit	830.10	F&M Bank	Payment on Loan #77136064
	2728	4,250.00	Nolan Davidson	
Feb, 2010	2736	1,000.00	Jerry Diehl	
	4751	5,000.00	Springfield Realty	Bart Posey - Owner
	4772	860.00	Anderson Heat & Air	
	4793	1,000.00	Berean Bible	
	4812	87.35	Walmart	
	4851	1,288.71	Dean Oil Co	
	4872	60.96	Walmart	
	4905	1,000.00	Helen Norris	
	4932	253.52	Walmart	
	Bank Debit	26,411.19	F&M Bank	Interest Payment for Loan Renewal
		1,043,046.85		

Smart Data Solutions LLC  
F&M Bank  
Acct# XXXX0201  
Wire Disbursements

<u>Date</u>	<u>Sender</u>	<u>Receiver</u>	<u>Beneficiary</u>	<u>Amount</u>
6-Nov-09	F&M Bank Acct# XXXX0201	First Citizens Bank Blythewood, SC	Nationwide Administrators	180,202.29
30-Dec-09	F&M Bank Acct# XXXX0201	PNC Bank Hackettsville, NJ	First Risk-Andone	582,966.85
8-Jan-10	F&M Bank Acct# XXXX0201	Wachovia Fresno, CA	National Prestige Healthcare LLC	2,396.82
11-Jan-10	F&M Bank Acct# XXXX0201	Wells Fargo San Marcos, CA	Paul M. Christoforo	2,800.00
3-Feb-10	F&M Bank Acct# XXXX0201	Wachovia Fresno, CA	National Prestige Healthcare LLC	13,367.34
3-Feb-10	F&M Bank Acct# XXXX0201	Wells Fargo San Marcos, CA	Paul M. Christoforo	2,800.00
11-Feb-10	F&M Bank Acct# XXXX0201	Bank of America New York, NY	Herrick, Feinstein LLP	25,000.00
17-Feb-10	F&M Bank Acct# XXXX0201	Wells Fargo San Marcos, CA	Paul M. Christoforo	550.00
23-Feb-10	F&M Bank Acct# XXXX0201	Bank of America New York, NY	Herrick, Feinstein LLP	25,000.00

Analysis of:  
Smart Data Solutions LLC  
First State Bank Account #XXXX2841  
January 1, 2008 - March 26, 2010

Prepared by:  
David R. White, CFE  
Examiner in Charge  
State of Tennessee  
Department of Commerce and Insurance  
Insurance Division-Examination Unit

SDS LLC  
 First State Bank Acct# XXXX2841  
 Balances

	<u>Jan. 2008</u>	<u>Feb. 2008</u>	<u>Mar. 2008</u>	<u>Apr. 2008</u>	<u>May. 2008</u>	<u>Jun. 2008</u>	<u>Jul. 2008</u>	<u>Aug. 2008</u>	<u>Sep. 2008</u>	<u>Oct. 2008</u>	<u>Nov. 2008</u>	<u>Dec. 2008</u>
Prior month ending balance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Deposits and credits	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Withdrawals and debits	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Current month ending balance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

	<u>Jan. 2009</u>	<u>Feb. 2009</u>	<u>Mar. 2009</u>	<u>Apr. 2009</u>	<u>May. 2009</u>	<u>Jun. 2009</u>	<u>Jul. 2009</u>	<u>Aug. 2009</u>	<u>Sep. 2009</u>	<u>Oct. 2009</u>	<u>Nov. 2009</u>	<u>Dec. 2009</u>
Prior month ending balance	216,644.20	150,631.11	195,410.68	263,481.23	407,204.17	538,774.28	762,795.12	782,321.95	810,939.06	271,253.88	57,423.14	79,274.56
Deposits and credits	387,151.79	508,317.48	578,592.69	662,097.25	763,332.09	1,029,637.25	872,267.57	1,076,516.65	840,938.97	164,327.90	124,827.37	203,451.44
Withdrawals and debits	453,164.88	463,537.91	510,522.14	518,374.31	631,761.98	805,616.41	852,740.74	1,047,899.54	1,380,624.15	378,158.64	102,975.95	140,882.27
Current month ending balance	150,631.11	195,410.68	263,481.23	407,204.17	538,774.28	762,795.12	782,321.95	810,939.06	271,253.88	57,423.14	79,274.56	141,843.73

	<u>Jan. 2010</u>	<u>Feb. 2010</u>	<u>Mar. 2010</u>
Prior month ending balance	141,843.73	95,256.96	43,916.54
Deposits and credits	0.00	0.00	0.00
Withdrawals and debits	46,586.77	51,340.42	35,941.15
Current month ending balance	95,256.96	43,916.54	7,975.39 *

\* as of March 26, 2010









SDS LLC  
First State Bank Acct# XXXX2841  
Receipts - 2010

	<u>Jan, 2010</u>	<u>Feb, 2010</u>	<u>Mar, 2010</u>
from Paylogix			
#	0.00	0.00	
\$	0.00	0.00	
% of total	0.00%	0.00%	
from CITM			
#	0.00	0.00	
\$	0.00	0.00	
% of total	0.00%	0.00%	
from Members			
#	0.00	0.00	
\$	0.00	0.00	
% of total	0.00%	0.00%	
Checks from SDS LLC First State			
#	0.00	0.00	
\$	0.00	0.00	
% of total	0.00%	0.00%	
from SDS/Serve America			
#	0.00	0.00	
\$	0.00	0.00	
% of total	0.00%	0.00%	
from Posey			
#	0.00	0.00	
\$	0.00	0.00	
% of total	0.00%	0.00%	

SDS LLC  
 First State Bank Acct# XXXX2841  
 Receipts - 2010

	<u>Jan, 2010</u>	<u>Feb, 2010</u>	<u>Mar, 2010</u>
<b>from Transamerica Assurance</b>			
#	0.00	0.00	
\$	0.00	0.00	
% of total	0.00%	0.00%	
<b>Wires from Unknown</b>			
#	0.00	0.00	
\$	0.00	0.00	
% of total	0.00%	0.00%	
<b>Wires from Nationwide Administrators LLC</b>			
First Citizens Bank, Blythewood, SC			
#	0.00	0.00	
\$	0.00	0.00	
% of total	0.00%	0.00%	
<b>Refunds from Providers</b>			
#	0.00	0.00	
\$	0.00	0.00	
% of total	0.00%	0.00%	
<b>Other</b>			
#	0.00	0.00	
\$	0.00	0.00	
% of total	0.00%	0.00%	
<b>Totals</b>			
#	0.00	0.00	
\$	0.00	0.00	0.00 *
% of total	0.00%	0.00%	

\* as of March 26, 2010

SDS LLC  
 First State Bank Acct# XXXX2841  
 Disbursements - 2009

	<u>Jan, 2009</u>	<u>Feb, 2009</u>	<u>Mar, 2009</u>	<u>Apr, 2009</u>	<u>May, 2009</u>	<u>Jun, 2009</u>
<b>Wires:</b>						
to Nationwide (1)						
#	3.00	3.00	1.00	2.00	2.00	2.00
\$	204,833.00	213,507.89	211,291.53	290,002.74	152,074.24	257,688.51
% of Total \$	45.20%	46.06%	41.39%	55.94%	24.07%	31.99%
to Other (1)						
#	0.00	1.00	0.00	0.00	0.00	0.00
\$	0.00	4,833.00	0.00	0.00	0.00	0.00
% of Total \$	0.00%	1.04%	0.00%	0.00%	0.00%	0.00%
<b>Checks/Transfers:</b>						
to First State Bank						
#	0.00	3.00	2.00	3.00	2.00	2.00
\$	0.00	21,819.02	4,433.67	6,525.64	4,237.63	4,062.05
% of Total \$	0.00%	4.71%	0.87%	1.26%	0.67%	0.50%
to SDS/Serve America						
#	1.00	0.00	0.00	0.00	2.00	3.00
\$	300.00	0.00	0.00	0.00	204,054.11	215,945.89
% of Total \$	0.07%	0.00%	0.00%	0.00%	32.30%	26.81%
to F&M Bank						
#	1.00	0.00	2.00	0.00	3.00	1.00
\$	1,460.69	0.00	2,921.38	0.00	2,913.13	1,460.69
% of Total \$	0.32%	0.00%	0.57%	0.00%	0.46%	0.18%
to ATA						
#	0.00	0.00	0.00	1.00	1.00	2.00
\$	0.00	0.00	0.00	200.00	10,000.00	3,500.00
% of Total \$	0.00%	0.00%	0.00%	0.04%	1.58%	0.43%
to Bart/Angie Posey						
#	8.00	5.00	5.00	6.00	9.00	7.00
\$	17,878.55	11,400.00	14,700.00	18,400.00	24,565.77	18,200.00
% of Total \$	3.95%	2.46%	2.88%	3.55%	3.89%	2.26%

(1) see Wire Disbursements Details

SDS LLC  
 First State Bank Acct# XXXX2841  
 Disbursements - 2009

	<u>Jan, 2009</u>	<u>Feb, 2009</u>	<u>Mar, 2009</u>	<u>Apr, 2009</u>	<u>May, 2009</u>	<u>Jun, 2009</u>
to New Benefits						
#	1.00	1.00	2.00	1.00	1.00	1.00
\$	18,078.22	16,387.02	34,734.57	17,819.67	20,870.92	19,794.51
% of Total \$	3.99%	3.54%	6.80%	3.44%	3.30%	2.46%
to Nuvox Comm						
#	1.00	1.00	1.00	1.00	1.00	1.00
\$	2,257.49	2,436.29	2,944.91	3,239.21	3,029.90	2,245.80
% of Total \$	0.50%	0.53%	0.58%	0.62%	0.48%	0.28%
to Obed Kirkpatrick						
#	3.00	2.00	4.00	2.00	3.00	3.00
\$	1,475.93	1,200.65	1,484.40	1,342.28	1,592.94	1,477.83
% of Total \$	0.33%	0.26%	0.29%	0.26%	0.25%	0.18%
to SDS LLC F&M Bank						
#	7.00	5.00	4.00	5.00	4.00	4.00
\$	30,758.27	59,655.98	69,030.10	68,975.00	56,496.60	53,551.05
% of Total \$	6.79%	12.87%	13.52%	13.31%	8.94%	6.65%
to Richard Bachman						
#	10.00	5.00	8.00	4.00	6.00	6.00
\$	19,120.44	12,574.35	11,175.21	5,711.06	8,914.99	9,059.43
% of Total \$	4.22%	2.71%	2.19%	1.10%	1.41%	1.12%
Debit Card						
#	45.00	30.00	22.00	30.00	20.00	30.00
\$	30,933.65	21,616.23	17,417.20	20,066.34	17,375.71	39,902.61
% of Total \$	6.83%	4.66%	3.41%	3.87%	2.75%	4.95%
Other (2)						
#	175.00	124.00	185.00	111.00	116.00	120.00
\$	126,068.64	98,107.48	140,389.17	86,092.37	125,636.04	178,728.04
% of Total \$	27.82%	21.16%	27.50%	16.61%	19.89%	22.19%
Totals						
#	255.00	180.00	236.00	166.00	170.00	182.00
\$	453,164.88	463,537.91	510,522.14	518,374.31	631,761.98	805,616.41
% of Total \$	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

(2) see Extraordinary Disbursements Detail

SDS LLC  
 First State Bank Acct# XXXX2841  
 Disbursements - 2009

	<u>Jul, 2009</u>	<u>Aug, 2009</u>	<u>Sep, 2009</u>	<u>Oct, 2009</u>	<u>Nov, 2009</u>	<u>Dec, 2009</u>
<b>Wires:</b>						
to Nationwide (1)						
#	2.00	3.00	2.00	1.00	0.00	0.00
\$	266,597.79	226,030.53	209,548.65	100,000.00	0.00	0.00
% of Total \$	31.26%	21.57%	15.18%	26.44%	0.00%	0.00%
to Other (1)						
#	0.00	1.00	1.00	4.00	3.00	4.00
\$	0.00	144,400.00	5,000.00	16,340.57	16,526.10	17,019.01
% of Total \$	0.00%	13.78%	0.36%	4.32%	16.05%	12.08%
<b>Checks/Transfers:</b>						
to First State Bank						
#	2.00	4.00	1.00	2.00	0.00	0.00
\$	4,457.93	36,907.81	2,458.62	4,605.06	0.00	0.00
% of Total \$	0.52%	3.52%	0.18%	1.22%	0.00%	0.00%
to SDS/Serve America						
#	0.00	1.00	3.00	0.00	0.00	0.00
\$	0.00	346,779.25	458,462.02	0.00	0.00	0.00
% of Total \$	0.00%	33.09%	33.21%	0.00%	0.00%	0.00%
to F&M Bank						
#	1.00	4.00	2.00	1.00	0.00	0.00
\$	1,460.69	25,946.40	501,460.69	495.17	0.00	0.00
% of Total \$	0.17%	2.48%	36.32%	0.13%	0.00%	0.00%
to ATA						
#	2.00	3.00	1.00	0.00	0.00	0.00
\$	27,572.00	36,218.95	19,684.00	0.00	0.00	0.00
% of Total \$	3.23%	3.46%	1.43%	0.00%	0.00%	0.00%
to Bart/Angie Posey						
#	15.00	13.00	12.00	10.00	7.00	9.00
\$	50,200.00	55,506.99	29,800.00	30,140.00	18,700.00	20,800.00
% of Total \$	5.89%	5.30%	2.16%	7.97%	18.16%	14.76%

(1) see Wire Disbursements Details

SDS LLC  
 First State Bank Acct# XXXX2841  
 Disbursements - 2009

	<u>Jul, 2009</u>	<u>Aug, 2009</u>	<u>Sep, 2009</u>	<u>Oct, 2009</u>	<u>Nov, 2009</u>	<u>Dec, 2009</u>
to New Benefits						
#	1.00	1.00	0.00	0.00	0.00	0.00
\$	24,243.62	25,297.82	0.00	0.00	0.00	0.00
% of Total \$	2.84%	2.41%	0.00%	0.00%	0.00%	0.00%
to Nuvox Comm						
#	1.00	1.00	0.00	1.00	0.00	0.00
\$	3,862.67	3,674.95	0.00	4,870.14	0.00	0.00
% of Total \$	0.45%	0.35%	0.00%	1.29%	0.00%	0.00%
to Obed Kirkpatrick						
#	1.00	3.00	2.00	3.00	0.00	0.00
\$	1,000.00	1,501.32	1,119.49	1,982.59	0.00	0.00
% of Total \$	0.12%	0.14%	0.08%	0.52%	0.00%	0.00%
to SDS LLC F&M Bank						
#	8.00	4.00	1.00	0.00	0.00	0.00
\$	70,592.57	25,946.40	19,812.00	0.00	0.00	0.00
% of Total \$	8.28%	2.48%	1.44%	0.00%	0.00%	0.00%
to Richard Bachman						
#	10.00	3.00	4.00	3.00	0.00	0.00
\$	14,614.82	9,650.82	8,828.09	8,859.35	0.00	0.00
% of Total \$	1.71%	0.92%	0.64%	2.34%	0.00%	0.00%
Debit Card						
#	27.00	18.00	25.00	32.00	31.00	41.00
\$	17,321.19	6,383.00	7,649.43	9,019.94	9,248.74	23,768.15
% of Total \$	2.03%	0.61%	0.55%	2.39%	8.98%	16.87%
Other (2)						
#	117.00	134.00	107.00	114.00	57.00	101.00
\$	370,817.46	103,655.30	116,801.16	201,845.82	58,501.11	79,295.11
% of Total \$	43.49%	9.89%	8.46%	53.38%	56.81%	56.28%
Totals						
#	187.00	193.00	161.00	171.00	98.00	155.00
\$	852,740.74	1,047,899.54	1,380,624.15	378,158.64	102,975.95	140,882.27
% of Total \$	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

(2) see Extraordinary Disbursements Detail

SDS LLC  
 First State Bank Acct# XXXX2841  
 Disbursements - 2010

	<u>Jan, 2010</u>	<u>Feb, 2010</u>	<u>Mar, 2010</u>
<b>Wires:</b>			
to Nationwide			
#	0.00	0.00	
\$	0.00	0.00	
% of Total \$	0.00%	0.00%	
to Other (1)			
#	0.00	0.00	
\$	0.00	0.00	
%	0.00%	0.00%	
<b>Checks/Transfers:</b>			
Express Scripts			
#	0.00	0.00	
\$	0.00	0.00	
% of Total \$	0.00%	0.00%	
to SDS/Serve America			
#	0.00	0.00	
\$	0.00	0.00	
% of Total \$	0.00%	0.00%	
to F&M Bank			
#	0.00	0.00	
\$	0.00	0.00	
% of Total \$	0.00%	0.00%	
to ATA			
#	0.00	0.00	
\$	0.00	0.00	
% of Total \$	0.00%	0.00%	
to Bart/Angie Posey			
#	4.00	1.00	
\$	13,200.00	3,000.00	
% of Total \$	28.33%	5.84%	

(1) see Wire Disbursements Details

SDS LLC  
 First State Bank Acct# XXXX2841  
 Disbursements - 2010

	<u>Jan, 2010</u>	<u>Feb, 2010</u>	<u>Mar, 2010</u>
to New Benefits			
#	0.00	0.00	
\$	0.00	0.00	
% of Total \$	0.00%	0.00%	
to Nuvox Communications			
#	0.00	0.00	
\$	0.00	0.00	
% of Total \$	0.00%	0.00%	
to Obed Kirkpatrick			
#	0.00	0.00	
\$	0.00	0.00	
% of Total \$	0.00%	0.00%	
to OMNI Services			
#	0.00	0.00	
\$	0.00	0.00	
% of Total \$	0.00%	0.00%	
to Richard Bachman			
#	0.00	0.00	
\$	0.00	0.00	
% of Total \$	0.00%	0.00%	
Debit Card			
#	23.00	13.00	
\$	7,275.78	3,025.57	
% of Total \$	15.62%	5.89%	
Other (2)			
#	35.00	17.00	
\$	26,110.99	45,314.85	
% of Total \$	56.05%	88.26%	
Totals			
#	62.00	31.00	
\$	46,586.77	51,340.42	35,914.15 *
% of Total \$	100.00%	100.00%	

(2) see Extraordinary Disbursements Details

\* as of March 26, 2010

SDS LLC

First State Bank Acct# XXXX2841

Summary of Receipts & Disbursements

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>Totals</u>
Total Receipts	5,541,079.93	7,211,457.45	0.00	12,752,537.38
Monthly Average	461,756.66	600,954.79	0.00	472,316.20
Total Disbursements	5,311,028.97	7,286,258.92	133,841.34	12,731,129.23
Monthly Average	442,585.75	607,188.24	44,613.78	471,523.30
Total Disbursed to Claims Account	0.00	1,225,541.27	0.00	1,225,541.27
Monthly Average	0.00	102,128.44	0.00	45,390.42

SDS LLC

First State Bank Acct# XXXX2841

Extraordinary Disbursements

**Note: These disbursements appear to be personal in nature**

<u>Date</u>	<u>Check #</u>	<u>Amount</u>	<u>Payee</u>	<u>Additional Information</u>
Jan, 2008	1859	2,000.00		
	3844	1,000.00		
	3852	1,000.00		
	3863	1,000.00		
	3883	1,500.00		
	3907	1,000.00		
	3919	2,500.00		
	3925	1,500.00		
Feb, 2008	4003	1,500.00		
	4041	1,500.00		
	4043	2,200.00		
	4047	1,000.00		
	4072	1,000.00		
Mar, 2008	4113	1,000.00		
	4116	2,468.88		
	4117	2,069.96		
	4153	1,000.00		
	4157	3,570.00		
	4194	1,000.00		
	4195	1,000.00		
	4196	1,000.00		
	4207	1,000.00		
	4232	1,000.00		
	Debit	6,217.00		
Apr, 2008	4279	1,202.00		
	4294	1,000.00		
	4297	1,000.00		
	4308	31,419.91		
	4309	1,171.64		
	4326	1,000.00		

4355	1,000.00
4367	1,000.00
4368	1,000.00
4371	1,000.00
4381	5,000.00
4390	6,220.10

May, 2008	3775	1,000.00
	4402	1,000.00
	4408	3,000.00
	4415	1,500.00
	4432	1,000.00
	4445	2,772.00
	4453	1,000.00
	4458	1,000.00
	4476	1,000.00

Jun, 2008	4097	1,500.00
	4527	1,500.00
	4539	2,269.00
	4572	1,500.00
	4577	1,500.00
	4578	1,000.00
	4705	1,500.00
	4722	6,217.00
	4743	2,000.00

Jul, 2008	3754	1,450.00
	4651	1,000.00
	4699	1,000.00
	4768	1,000.00
	4773	5,000.00
	4774	2,500.00
	4797	1,500.00
	4802	1,000.00
	4812	1,000.00
	4823	6,217.00
	4871	1,500.00
	4886	2,000.00

Aug, 2008	4932	1,032.91
	4972	1,000.00
	5003	1,500.00
	5045	1,000.00
	5046	1,450.00
	5134	4,880.38
Sep, 2008	4918	1,000.00
	5161	1,500.00
	5192	1,000.00
	5203	1,000.00
	5268	1,000.00
	5289	1,000.00
Oct, 2008	5321	1,940.48
	5349	1,000.00
	5352	1,000.00
	5354	1,000.00
	5374	1,000.00
	5395	1,100.00
	5396	1,880.00
	5441	2,526.50
Nov, 2008	5399	2,135.90
	5421	1,000.00
	5423	1,000.00
	5471	2,500.00
	5476	1,000.00
	5479	1,202.46
	5533	1,000.00
	5535	1,500.00
Dec, 2008	5581	1,521.00
	5582	119.31
	5661	1,000.00
	5662	1,000.00
	5664	80.80
	5665	478.73

5695	3,450.00
5713	1,937.00
5715	1,000.00
5726	1,500.00
5739	1,200.00
5740	1,000.00
5763	39.44
5778	1,000.00
5779	1,000.00
5785	375.00
5789	51.53
5810	800.81
5828	681.75
5848	214.81
5850	75.00
5851	559.64
5852	300.47
Wire	6,000.00

Jan, 2009

5856	149.00	Onstar
5858	4,589.65	Americas Motor Sports
5883	800.00	Springfield Realty
5911	17,227.25	Cunningham Pontiac Buick
5912	1,650.15	Security Door Co
5913	500.00	Lee Academy
5915	2,115.92	Stewart Williams Co
5919	580.00	Tommy Hunter
5922	1,000.00	American Express
5924	1,000.00	James West
5983	1,000.00	Sound Words Ministry
5985	1,000.00	Springfield Realty
5991	100.00	Tommy Hunter
6012	123.00	Lowe's
6020	1,011.46	Lowe's
6022	189.03	Lowe's
6026	1,222.88	Lowe's
6029	1,500.00	Tommy Hunter
6083	1,500.00	Tommy Hunter
6666	569.22	First State Bank

Poseys High School

Attorney for Obed Kirkpatrick

Feb, 2009	6080	1,000.00	Springfield Realty	
	6053	798.76	Lowes	
	6058	298.02	Lowes	
	6059	246.61	Lowes	
	6063	316.15	Lowes	
	6068	255.82	Springfield Design & Paint	
	6084	300.00	M&M Hardwood Flooring	
	6111	236.01	Springfield Design & Paint	
	6112	400.00	Pleasant View Glass	
	6124	1,500.00	Tommy Hunter	
	6125	104.13	Lowes	
	6127	1,000.00	American Express	
	6131	1,000.00	Sound Words Ministry	
	6132	2,500.00	Springfield Realty	
	6147	350.00	Anderson Heat & Air	
	6151	250.00	Springfield Realty	
	6196	3,570.00	Univ of Alabama Tide Pride	
	6198	1,300.00	Candy Mountain	
Mar, 2009	6208	5,000.00	DDS Engineering	
	6210	3,155.00	Hooper Electric	
	6216	1,000.00		
	6232	1,500.00	Springfield Realty	
	6320	3,707.92	Bose	
	6347	500.00		
	6348	1,000.00	Sound Words Ministry	
	6351	1,000.00		
	6357	800.00	Springfield Realty	
	6362	584.44		
	6377	7,500.00	George Carr Pontiac Buick	
	6369	60.36		
	6418	1,000.00	Springfield Realty	
	6424	392.75		
	6434	3,951.20	F&M Bank	Payment on Loan #35691364
Apr, 2009	6416	1,000.00		
	6440	986.09		
	6446	322.72		

6448	1,312.09	Springfield Realty
6471	1,000.00	Springfield Realty
6473	3,873.00	
6484	1,000.00	Springfield Realty
6486	750.00	Univ of Alabama Tide Pride
6487	4,035.00	Univ of Alabama Athletic Dept
6489	555.84	
6492	2,000.00	Stewart Williams Co
6493	1,626.96	Cunningham Pontiac Buick
6498	613.88	
6501	958.14	
6506	5,000.00	DDS Engineering
6523	1,000.00	Sound Words Ministry
6537	1,308.87	
6538	5,315.00	John Simpson Auction & Real Estate
6547	175.79	
6565	138.33	

May, 2009	6566	2,500.00	Payne Chevrolet
	6617	500.00	Springfield Realty
	6619	600.00	
	6620	325.00	
	6649	1,134.32	
	6655	1,000.00	Sound Words Ministry
	6657	31,981.96	Downtown Nissan
	6658	1,000.00	Springfield Realty
	6700	512.28	Cunningham Pontiac Buick

Jun, 2009	5914	1,534.35	Auburn Lumber
	6621	1,788.93	
	6718	70.72	
	6730	1,000.00	Springfield Realty
	6746	103.15	Springfield Design & Paint
	6748	5,000.00	Springfield Fireworks
	6749	1,277.51	Cayce Mill Supply
	6756	5,000.00	Civil Site Design
	6757	1,782.13	Better Block Co
	6768	1,020.69	ABC Supply
	6769	2,624.21	Logan Lumber

6772	1,000.00	Springfield Realty
6801	224.74	Cunningham Pontiac Buick
6831	1,000.00	Springfield Realty
6841	157.52	
6853	4,849.00	Harold Hicks
6854	712.09	Walker Hardware
6855	4,300.00	Sterling Electric
6856	500.00	
6857	1,000.00	Sound Words Ministry
6866	2,000.00	Overhead Door
6867	500.00	
6889	531.28	

Jul, 2009

6875	90.74	
6907	1,500.00	Springfield Realty
6911	1,576.29	Logan Metal
6912	556.50	
6913	541.00	
6914	1,798.61	Cumberland Materials
6915	143.14	
6916	626.46	
6917	2,000.00	
6918	1,500.00	
6919	2,000.00	
6936	500.00	
6957	240.00	
6959	500.00	
6962	101.57	
6966	189.16	
6972	95.09	
6974	1,000.00	Sound Words Ministry
6975	2,000.00	Springfield Realty
6978	2,120.00	
6979	559.66	
6994	5,000.00	
7010	500.00	
7017	4,037.99	Logan Metal
7018	1,460.18	
7022	2,000.00	

7025	1,797.98	Cunningham
7029	4,500.00	
7031	2,200.00	
7043	85.00	

Aug, 2009

7040	56.97		
7044	220.84		
7057	380.00	Springfield Realty	Bart Posey-Owner
7058	1,600.00		
7071	5,000.00		
7082	229.95		
7108	333.07		
7121	3,000.00		
7129	1,000.00	Sound Words Ministry	Obed Kirkpatrick-Founder
7132	2,500.00		
7136	2,000.00		
7137	330.55		
7138	2,000.00		
7145	1,525.00		
7146	1,059.44		
7147	2,000.00		
7154	1,470.83		
7168	1,117.00		
7177	4,500.00		
7193	1,000.00	Springfield Realty	Bart Posey-Owner
7199	3,627.84		
7202	850.00		
7203	2,469.20		
7218	117.54	Cunningham Pontiac Buick	
7220	1,924.56	Cunningham Pontiac Buick	

Sep, 2009

7032	377.36		
7172	2,000.00		
7179	1,500.00		
7192	500.00		
7198	567.00		
7215	2,000.00	Springfield Realty	Bart Posey-Owner
7219	2,179.10	Lowe's	
7223	534.32	Lowe's	
7226	1,260.45	Lowe's	
7227	186.49		

7245	2,722.92	Lowes	
7250	700.00		
7254	685.00		
7255	953.72	Cullum & Maxey	
7277	1,000.00	Sound Words Ministry	Obed Kirkpatrick-Founder
7280	1,600.00		
7306	763.86	Lowes	
7310	672.68		
7314	96.40		
7317	200.00		
7318	227.97		
7319	2,213.00	Overhead Door	
7321	327.74		
7322	81.30		
7340	2,100.00		
7341	400.00		
Debit	3,520.00	Appraisal Fee	

Oct, 2009	Debit	4,422.75	
	7323	155.80	Lowes
	7333	279.43	Lowes
	7339	685.65	Lowes
	7345	727.58	Lowes
	7380	1,000.00	Springfield Realty
	7381	2,000.00	Bart Posey-Owner
	7389	261.88	
	7390	46.54	
	7409	1,500.00	
	7410	1,400.00	
	7411	5,390.00	
	7412	4,400.00	
	7413	337.34	Lowes
	7414	81.80	
	7415	1,000.00	
	7417	6,174.04	Timber Tops
	7418	2,791.52	Timber Tops
	7426	700.00	Cabin Rentals Sevierville, TN
	7432	1,200.00	Cabin Rentals Sevierville, TN
	7434	1,000.00	Sound Words Ministry
	7463	3,015.00	Obed Kirkpatrick-Founder
	7502	500.00	

7503 142.79  
Wire 2,500.00 Larkin Lake Hunting Club

Nov, 2009 7504 563.80 QVC  
7507 4,942.65 Restaurant Hood Experts  
7508 757.95 Lowes  
7511 330.00  
7513 77.27  
7514 725.00  
7515 3,664.51 Walmart  
7516 3,302.50 James Ferguson LLC  
7517 7,200.99 L&L Restaurant Supply  
7518 166.52  
7522 3,000.00  
7543 2,856.05 Lowes  
7544 242.53  
7545 750.00  
7547 430.99  
7551 5,000.00 Springfield Sports Bar

Dec, 2009 Debit 4,880.30 First State Bank Loan Payment #6799716  
7575 2,459.18 Best Buy  
7582 2,417.50 Whites  
7583 1,400.00 Zach Posey  
7584 400.00 Zach Posey  
7585 875.81 Walmart  
7586 109.30 Walmart  
7592 355.00 Robertson County Realtors  
7625 2,000.00 Helen Norris  
7626 524.88 F&M Bank Loan Payment #2570361  
7627 417.69 Walmart  
7629 846.94 Brians  
7656 575.00 Donnie Wright  
7657 1,250.00 Whites  
7659 354.27 Walmart  
7662 2,000.00 Alan Yates  
7663 800.00 Julien Vasquez  
7668 1,132.00 Griggs Gutter

Jan, 2010 7640 111.82 Lowes  
7641 47.15 Lowes

7642 800.00 Julien Vasquez  
7644 675.00 L&L  
7648 7,865.68 DCR  
7653 1,053.49 Metro Ready Mix  
7688 214.29 Shermin Williams  
7690 1,504.32 Sam Ash Music  
7699 524.88 F&M Bank

Loan Payment #2570361

Feb, 2010 7700 281.46 Sams  
7702 495.17 F&M Bank  
7705 38,000.00 Univ. of Alabama Tide Pride  
7710 1,700.00 DDT Engineering  
7716 250.00 Donnie Wright

Loan Payment #2570361

672,850.21

SDS LLC

First State Bank Acct# XXXX2841

Wire Disbursements

<u>Date</u>	<u>Sender</u>	<u>Receiver</u>	<u>Beneficiary</u>	<u>Amount</u>
7-Jan-09	First State Bank Acct# XXXX2841	First Citizens Bank Blythewood, SC	Nationwide Administrators	150,000.00
30-Jan-09	First State Bank Acct# XXXX2841	Wells Fargo Bank Houston, TX	Nationwide Credit Kennesaw, GA	4,833.00
30-Jan-09	First State Bank Acct# XXXX2841	First Citizens Bank Blythewood, SC	Nationwide Administrators	50,000.00
6-Feb-09	First State Bank Acct# XXXX2841	Wells Fargo Bank Houston, TX	Nationwide Credit Kennesaw, GA	4,833.00
18-Feb-09	First State Bank Acct# XXXX2841	First Citizens Bank Blythewood, SC	Nationwide Administrators	163,507.89
27-Feb-09	First State Bank Acct# XXXX2841	First Citizens Bank Blythewood, SC	Nationwide Administrators	50,000.00
18-Mar-09	First State Bank Acct# XXXX2841	First Citizens Bank Blythewood, SC	Nationwide Administrators	211,291.53
3-Apr-09	First State Bank Acct# XXXX2841	First Citizens Bank Blythewood, SC	Nationwide Administrators	50,000.00
20-Apr-09	First State Bank Acct# XXXX2841	First Citizens Bank Blythewood, SC	Nationwide Administrators	240,002.74
4-May-09	First State Bank Acct# XXXX2841	First Citizens Bank Blythewood, SC	Nationwide Administrators	50,000.00
19-May-09	First State Bank Acct# XXXX2841	First Citizens Bank Blythewood, SC	Nationwide Administrators	102,074.24
3-Jun-09	First State Bank Acct# XXXX2841	First Citizens Bank Blythewood, SC	Nationwide Administrators	100,000.00
18-Jun-09	First State Bank Acct# XXXX2841	First Citizens Bank Blythewood, SC	Nationwide Administrators	157,688.51
2-Jul-09	First State Bank Acct# XXXX2841	First Citizens Bank Blythewood, SC	Nationwide Administrators	100,000.00
20-Jul-09	First State Bank Acct# XXXX2841	First Citizens Bank Blythewood, SC	Nationwide Administrators	166,597.79
3-Aug-09	First State Bank Acct# XXXX2841	Columbus Bank & Trust, GA	Evans Petree Bogatin	144,400.00
5-Aug-09	First State Bank Acct# XXXX2841	First Citizens Bank Blythewood, SC	Nationwide Administrators	100,000.00
20-Aug-09	First State Bank Acct# XXXX2841	First Citizens Bank Blythewood, SC	Nationwide Administrators	100,000.00
25-Aug-09	First State Bank Acct# XXXX2841	First Citizens Bank Blythewood, SC	Nationwide Administrators	26,030.53
2-Sep-09	First State Bank Acct# XXXX2841	First Citizens Bank Blythewood, SC	Nationwide Administrators	100,000.00
18-Sep-09	First State Bank Acct# XXXX2841	First Citizens Bank Blythewood, SC	Nationwide Administrators	109,548.65
28-Sep-09	First State Bank Acct# XXXX2841	Crescent State Bank Clayton, NC	CD Fuller	5,000.00

SDS LLC

First State Bank Acct# XXXX2841

Wire Disbursements

<u>Date</u>	<u>Sender</u>	<u>Receiver</u>	<u>Beneficiary</u>	<u>Amount</u>
2-Oct-09	First State Bank Acct# XXXX2841	First Citizens Bank Blythewood, SC	Nationwide Administrators	100,000.00
8-Oct-09	First State Bank Acct# XXXX2841	Wells Fargo San Marcos, CA	Paul M. Christoforo	2,800.00
14-Oct-09	First State Bank Acct# XXXX2841	Helena National Bank, AR	Larkin Lake Hunting Club	2,500.00
26-Oct-09	First State Bank Acct# XXXX2841	Crescent State Bank Clayton, NC	CD Fuller	5,000.00
28-Oct-09	First State Bank Acct# XXXX2841	Wachovia Fresno, CA	National Prestige Healthcare	6,040.57
3-Nov-09	First State Bank Acct# XXXX2841	Wells Fargo San Marcos, CA	Paul M. Christoforo	2,800.00
6-Nov-09	First State Bank Acct# XXXX2841	Wachovia Fresno, CA	National Prestige Healthcare	3,523.10
23-Nov-09	First State Bank Acct# XXXX2841	Wachovia Fresno, CA	National Prestige Healthcare	9,933.00
1-Dec-09	First State Bank Acct# XXXX2841	Crescent State Bank Clayton, NC	CD Fuller	5,000.00
3-Dec-09	First State Bank Acct# XXXX2841	Wells Fargo San Marcos, CA	Paul M. Christoforo	2,800.00
8-Dec-09	First State Bank Acct# XXXX2841	Wachovia Fresno, CA	National Prestige Healthcare	3,264.11
22-Dec-09	First State Bank Acct# XXXX2841	Wachovia Fresno, CA	National Prestige Healthcare	5,954.90

**Analysis of:**  
**American Trade Association, Inc.**  
**F&M Bank Account #XXXX2901**  
**April 1, 2009 - March 26, 2010**

**Prepared by:**  
**David R. White, CFE**  
**Examiner in Charge**  
**State of Tennessee**  
**Department of Commerce and Insurance**  
**Insurance Division-Examination Unit**

American Trade Association, Inc.  
 F&M Bank Acct# XXXX2901  
 Balances

	<u>Apr. 2009</u>	<u>May, 2009</u>	<u>Jun. 2009</u>	<u>Jul. 2009</u>	<u>Aug. 2009</u>	<u>Sep. 2009</u>	<u>Oct. 2009</u>	<u>Nov. 2009</u>	<u>Dec. 2009</u>
Prior month ending balance	0.00	10,064.73	2,208.23	2,101.92	12,930.55	17,181.11	8,996.91	6,666.56	12,203.29
Deposits and credits	10,200.00	0.00	3,675.00	27,572.00	32,544.00	19,684.00	20,724.00	30,336.50	41,058.15
Withdrawals and debits	135.27	7,856.50	3,781.31	16,743.37	28,293.44	27,868.20	23,054.35	24,799.77	38,092.81
Current month ending balance	10,064.73	2,208.23	2,101.92	12,930.55	17,181.11	8,996.91	6,666.56	12,203.29	15,168.63

	<u>Jan. 2010</u>	<u>Feb. 2010</u>	<u>Mar. 2010</u>
Prior month ending balance	15,168.63	21,895.44	28,756.81
Deposits and credits	37,266.43	42,953.75	50,047.45
Withdrawals and debits	30,539.62	36,092.38	46,899.99
Current month ending balance	21,895.44	28,756.81	31,904.27 *

\* as of March 26, 2010

American Trade Association, Inc.  
 F&M Bank Acct# XXXX2901  
 Receipts - 2009

	<u>Jan, 2009</u>	<u>Feb, 2009</u>	<u>Mar, 2009</u>	<u>Apr, 2009</u>	<u>May, 2009</u>	<u>Jun, 2009</u>
from Paylogix	NO DATA FOR THESE MONTHS ACCOUNT OPENED APRIL 7, 2009					
#				0.00	0.00	0.00
\$				0.00	0.00	0.00
% of total \$				0.00%	0.00%	0.00%
from CITM						
#				0.00	0.00	0.00
\$				0.00	0.00	0.00
% of total \$				0.00%	0.00%	0.00%
from Members						
#				0.00	0.00	0.00
\$				0.00	0.00	0.00
% of total \$				0.00%	0.00%	0.00%
from SDS LLC F&M						
#				0.00	0.00	0.00
\$				0.00	0.00	0.00
% of total \$				0.00%	0.00%	0.00%
from SDS LLC First State						
#				1.00	0.00	2.00
\$	10,000.00	0.00	3,500.00			
% of total \$	98.04%	0.00%	95.24%			
from Posey						
#	0.00	0.00	0.00			
\$	0.00	0.00	0.00			
% of total \$	0.00%	0.00%	0.00%			

American Trade Association, Inc.  
 F&M Bank Acct# XXXX2901  
 Receipts - 2009

	<u>Jan, 2009</u>	<u>Feb, 2009</u>	<u>Mar, 2009</u>	<u>Apr, 2009</u>	<u>May, 2009</u>	<u>Jun, 2009</u>
from Transamerica Assurance						
#				0.00	0.00	0.00
\$				0.00	0.00	0.00
% of total \$				0.00%	0.00%	0.00%
Wires from Unknown						
#				0.00	0.00	0.00
\$				0.00	0.00	0.00
% of total \$				0.00%	0.00%	0.00%
Wires from Nationwide Administrators LLC First Citizens Bank, Blythewood, SC						
#				0.00	0.00	0.00
\$				0.00	0.00	0.00
% of total \$				0.00%	0.00%	0.00%
Refunds from Providers						
#				0.00	0.00	0.00
\$				0.00	0.00	0.00
% of total \$				0.00%	0.00%	0.00%
Other						
#				1.00	0.00	1.00
\$				200.00	0.00	175.00
% of total \$				1.96%	0.00%	4.76%
Totals						
#				2.00	0.00	3.00
\$				10,200.00	0.00	3,675.00
% of Total \$				100.00%	0.00%	100.00%

NO DATA FOR THESE MONTHS  
 ACCOUNT OPENED APRIL 7, 2009





American Trade Association, Inc.  
 F&M Bank Acct# XXXX2901  
 Receipts - 2010

	<u>Jan, 2010</u>	<u>Feb, 2010</u>	<u>Mar, 2010</u>
from Paylogix			
#	6.00	0.00	
\$	5,741.43	0.00	
% of total	15.41%	0.00%	
from CITM			
#	0.00	3.00	
\$	0.00	32,953.75	
% of total	0.00%	76.72%	
from Members			
#	0.00	0.00	
\$	0.00	0.00	
% of total	0.00%	0.00%	
Checks from SDS LLC F&M			
#	2.00	1.00	
\$	31,400.00	10,000.00	
% of total	84.26%	23.28%	
from SDS/Serve America			
#	0.00	0.00	
\$	0.00	0.00	
% of total	0.00%	0.00%	
from Posey			
#	0.00	0.00	
\$	0.00	0.00	
% of total	0.00%	0.00%	

American Trade Association, Inc.  
 F&M Bank Acct# XXXX2901  
 Receipts - 2010

	<u>Jan, 2010</u>	<u>Feb, 2010</u>	<u>Mar, 2010</u>
from Transamerica Assurance			
#	0.00	0.00	
\$	0.00	0.00	
% of total	0.00%	0.00%	
Wires from Unknown			
#	0.00	0.00	
\$	0.00	0.00	
% of total	0.00%	0.00%	
Wires from Nationwide Administrators LLC First Citizens Bank, Blythewood, SC			
#	0.00	0.00	
\$	0.00	0.00	
% of total	0.00%	0.00%	
Refunds from Providers			
#	0.00	0.00	
\$	0.00	0.00	
% of total	0.00%	0.00%	
Other			
#	1.00	0.00	
\$	125.00	0.00	
% of total	0.34%	0.00%	
Totals			
#	9.00	3.00	
\$	37,266.43	42,953.75	50,047.45 *
% of total	100.00%	100.00%	

\* as of March 26, 2010

American Trade Association, Inc.  
 F&M Bank Acct# XXXX2901  
 Disbursements - 2009

	<u>Jan, 2009</u>	<u>Feb, 2009</u>	<u>Mar, 2009</u>	<u>Apr, 2009</u>	<u>May, 2009</u>	<u>Jun, 2009</u>
<b>Wires:</b>						
to Nationwide						
#				0.00	0.00	0.00
\$				0.00	0.00	0.00
% of Total \$				0.00%	0.00%	0.00%
to Other						
#				0.00	0.00	0.00
\$				0.00	0.00	0.00
% of Total \$				0.00%	0.00%	0.00%
<b>Checks/Transfers:</b>						
to First State Bank						
#				0.00	0.00	0.00
\$				0.00	0.00	0.00
% of Total \$				0.00%	0.00%	0.00%
to SDS/Serve America						
#				0.00	0.00	0.00
\$				0.00	0.00	0.00
% of Total \$				0.00%	0.00%	0.00%
to F&M Bank						
#				0.00	0.00	0.00
\$				0.00	0.00	0.00
% of Total \$				0.00%	0.00%	0.00%
to SDS						
#				0.00	0.00	0.00
\$				0.00	0.00	0.00
% of Total \$				0.00%	0.00%	0.00%
to Bart/Angie Posey						
#				0.00	0.00	0.00
\$				0.00	0.00	0.00
% of Total \$				0.00%	0.00%	0.00%

NO DATA FOR THESE MONTHS  
 ACCOUNT OPENED APRIL 7, 2009

American Trade Association, Inc.  
 F&M Bank Acct# XXXX2901  
 Disbursements - 2009

	<u>Jan. 2009</u>	<u>Feb. 2009</u>	<u>Mar. 2009</u>	<u>Apr. 2009</u>	<u>May, 2009</u>	<u>Jun, 2009</u>
to New Benefits						
#				0.00	0.00	0.00
\$				0.00	0.00	0.00
% of Total \$				0.00%	0.00%	0.00%
to Nuvox Comm						
#				0.00	0.00	0.00
\$				0.00	0.00	0.00
% of Total \$				0.00%	0.00%	0.00%
to Obed Kirkpatrick						
#				0.00	0.00	0.00
\$				0.00	0.00	0.00
% of Total \$				0.00%	0.00%	0.00%
to OMNI Services						
#				0.00	0.00	0.00
\$				0.00	0.00	0.00
% of Total \$				0.00%	0.00%	0.00%
to Richard Bachman						
#				0.00	1.00	0.00
\$				0.00	175.00	0.00
% of Total \$				0.00%	2.23%	0.00%
Debit Card						
#				0.00	0.00	0.00
\$				0.00	0.00	0.00
% of Total \$				0.00%	0.00%	0.00%
Other						
#				1.00	25.00	25.00
\$				135.27	7,681.50	3,781.31
% of Total \$				100.00%	97.77%	100.00%
Totals						
#				1.00	26.00	25.00
\$				135.27	7,856.50	3,781.31
% of Total \$				100.00%	100.00%	100.00%

NO DATA FOR THESE MONTHS  
 ACCOUNT OPENED APRIL 7, 2009





American Trade Association, Inc.  
 F&M Bank Acct# XXXX2901  
 Disbursements - 2010

	<u>Jan, 2010</u>	<u>Feb, 2010</u>	<u>Mar, 2010</u>
<b>Wires:</b>			
to Nationwide			
#	0.00	0.00	
\$	0.00	0.00	
% of Total \$	0.00%	0.00%	
to Other			
#	0.00	0.00	
\$	0.00	0.00	
%	0.00%	0.00%	
<b>Checks/Transfers:</b>			
to F&M Bank			
#	3.00	2.00	
\$	7,001.66	3,432.05	
% of Total \$	22.93%	9.51%	
to SDS/Serve America			
#	0.00	0.00	
\$	0.00	0.00	
% of Total \$	0.00%	0.00%	
to F&M Bank			
#	0.00	0.00	
\$	0.00	0.00	
% of Total \$	0.00%	0.00%	
to SDS F&M Bank			
#	0.00	1.00	
\$	0.00	11,960.00	
% of Total \$	0.00%	33.14%	
to Bart/Angie Posey			
#	0.00	0.00	
\$	0.00	0.00	
% of Total \$	0.00%	0.00%	

American Trade Association, Inc.  
 F&M Bank Acct# XXXX2901  
 Disbursements - 2010

	<u>Jan, 2010</u>	<u>Feb, 2010</u>	<u>Mar, 2010</u>
to New Benefits			
#	0.00	0.00	
\$	0.00	0.00	
% of Total \$	0.00%	0.00%	
to Nuvox Communications			
#	0.00%	0.00	
\$	0.00	0.00	
% of Total \$	0.00%	0.00%	
to Obed Kirkpatrick			
#	0.00	0.00	
\$	0.00	0.00	
% of Total \$	0.00%	0.00%	
to OMNI Services			
#	0.00	0.00	
\$	0.00	0.00	
% of Total \$	0.00%	0.00%	
to Richard Bachman			
#	0.00	0.00	
\$	0.00	0.00	
% of Total \$	0.00%	0.00%	
Debit Card			
#	5.00	21.00	
\$	232.44	3,151.29	
% of Total \$	0.76%	8.73%	
Other (1)			
#	21.00	35.00	
\$	23,305.52	17,549.04	
% of Total \$	76.31%	48.62%	
Totals			
#	29.00	59.00	
\$	30,539.62	36,092.38	46,899.99 *
% of Total \$	100.00%	100.00%	

(1) see Extraordinary Disbursements Details

\* as of March 26, 2010

American Trade Association, Inc.  
F&M Bank Acct# XXXX2901  
Summary of Receipts & Disbursements

	<u>2009</u>	<u>2010</u>	<u>Totals</u>
Total Receipts	185,793.65	130,267.63	316,061.28
Monthly Average	20,643.74	43,422.54	24,262.28
Total Disbursements	170,625.02	113,531.99	284,157.01
Monthly Average	18,958.34	37,844.00	22,112.00
Total Disbursed to Claims Account	0.00	0.00	0.00
Monthly Average	0.00	0.00	0.00

American Trade Association, Inc.  
F&M Bank Acct# XXXX2901  
Extraordinary Disbursements

**Note: These disbursements appear to be personal in nature**

<u>Date</u>	<u>Check #</u>	<u>Amount</u>	<u>Payee</u>	<u>Additional Information</u>
Sep, 2009	2109	569.72	Lowes	
Oct, 2009	2099	145.92	Walmart	
Dec, 2009	2169	50.00	AARC	
Feb, 2010	2272	<u>1,000.00</u>	Sound Words Ministry	Obed Kirkpatrick - Founder
		1,765.64		

Analysis of:  
Smart Data Solutions LLC  
Serve America  
Claims Account  
F&M Bank Account #XXXX5601  
May 1, 2008 - March 26, 2010

Prepared by:  
David R. White, CFE  
Examiner in Charge  
State of Tennessee  
Department of Commerce and Insurance  
Insurance Division-Examination Unit

Smart Data Solutions LLC  
 Serve America  
 Claims Account  
 F&M Bank  
 Acct# XXXX5601  
 Balances

	<u>Jan. 2008</u>	<u>Feb. 2008</u>	<u>Mar. 2008</u>	<u>Apr. 2008</u>	<u>May. 2008</u>	<u>Jun. 2008</u>	<u>Jul. 2008</u>	<u>Aug. 2008</u>	<u>Sep. 2008</u>	<u>Oct. 2008</u>	<u>Nov. 2008</u>	<u>Dec. 2008</u>
Prior month ending balance	NO DATA FOR THESE MONTHS ACCOUNT OPENED MAY 2, 2008				0.00	2,770.49	4,359.10	72,659.37	6,460.74	10,093.85	18,222.86	31,061.05
Deposits and credits					4,994.74	8,115.69	74,322.75	80,956.36	38,073.28	32,307.90	71,895.39	83,020.94
Withdrawals and debits					2,224.25	6,527.08	6,022.48	147,154.99	34,440.17	24,178.89	59,057.20	81,681.26
Current month ending balance					2,770.49	4,359.10	72,659.37	6,460.74	10,093.85	18,222.86	31,061.05	32,400.73

	<u>Jan. 2009</u>	<u>Feb. 2009</u>	<u>Mar. 2009</u>	<u>Apr. 2009</u>	<u>May. 2009</u>	<u>Jun. 2009</u>	<u>Jul. 2009</u>	<u>Aug. 2009</u>	<u>Sep. 2009</u>	<u>Oct. 2009</u>	<u>Nov. 2009</u>	<u>Dec. 2009</u>
Prior month ending balance	32,400.73	55,019.83	41,239.19	74,644.16	67,397.88	154,932.40	131,714.52	125,412.99	2,068.00	7,732.25	179,844.22	50,101.20
Deposits and credits	124,068.96	74,670.77	185,916.43	161,797.37	297,662.18	319,735.78	250,000.00	349,723.88	515,512.02	462,846.58	500,898.44	1,582,977.23
Withdrawals and debits	101,449.86	88,451.41	152,511.46	169,043.65	210,127.66	342,953.66	256,301.53	473,068.87	509,847.77	290,734.61	630,641.46	1,384,638.37
Current month ending balance	55,019.83	41,239.19	74,644.16	67,397.88	154,932.40	131,714.52	125,412.99	2,068.00	7,732.25	179,844.22	50,101.20	248,440.06

	<u>Jan. 2010</u>	<u>Feb. 2010</u>	<u>Mar. 2010</u>
Prior month ending balance	248,440.06	-521.31	112,694.93
Deposits and credits	830,074.38	273,880.74	148,658.26
Withdrawals and debits	1,079,035.75	160,664.50	261,297.97
Current month ending balance	-521.31	112,694.93	55.22 *

\* as of March 26, 2010

Smart Data Solutions LLC  
 Serve America  
 Claims Account  
 F&M Bank Acct# XXXX5601  
 Disbursements - 2008

	<u>Jan, 2008</u>	<u>Feb, 2008</u>	<u>Mar, 2008</u>	<u>Apr, 2008</u>	<u>May, 2008</u>	<u>Jun, 2008</u>
Claims	NO DATA FOR THESE MONTHS ACCOUNT OPENED MAY 2, 2008					
#						
\$						
Avg \$						
% of Total						
Express Scripts						
#						
\$						
Avg \$						
% of Total						
Non-Claim						
#						
\$						
Totals						
#						
\$						
Avg \$						
% of Total						

	37.00	108.00
	1,849.78	6,527.08
	49.99	60.44
	83.16%	100.00%
	0.00	0.00
	0.00	0.00
	0.00	0.00
	0.00%	0.00%
	1.00	0.00
	374.47	0.00
	38.00	108.00
	2,224.25	6,527.08
	58.53	60.44
	100.00%	100.00%







Smart Data Solutions LLC  
 Serve America  
 Claims Account  
 F&M Bank Acct# XXXX5601  
 Disbursements - 2010

	<u>Jan, 2010</u>	<u>Feb, 2010</u>	<u>Mar, 2010</u>
<b>Claims</b>			
#	4,379.00	1,098.00	1,332.00
\$	652,602.68	160,470.79	261,297.97
Avg \$	149.03	146.15	
% of Total	60.48%	99.88%	
<b>Express Scripts</b>			
#	2.00	0.00	
\$	425,049.66	0.00	
Avg \$	212,524.83	0.00	
% of Total	39.39%	0.00%	
<b>Non-Claim</b>			
#	6.00	2.00	
\$	1,383.41	193.71	
<b>Totals</b>			
#	4,387.00	1,100.00	
\$	1,079,035.75	160,664.50	261,297.97 *
Avg \$	245.96	146.06	
% of Total	100.00%	100.00%	

\* as of March 26, 2010

Smart Data Solutions LLC  
 Serve America Claims Account  
 F&M Bank Acct# XXXX5601  
 Receipts - 2008

Jan. 2008      Feb. 2008      Mar. 2008      Apr. 2008      May, 2008      Jun, 2008

Checks from SDS LLC FM Acct# XXXX0201  
 #  
 \$  
 % of total

Transfers from SDS LLC Acct# XXXX0201  
 #  
 \$  
 % of total

Checks from SDS LLC First State# XXXX2841  
 #  
 \$  
 % of total

Wires from Unknown  
 #  
 \$  
 % of total

Wires from SDS LLC FM  
 #  
 \$  
 % of total

Wires from Nationwide Administrators LLC  
 First Citizens Bank, Blythewood, SC  
 #  
 \$  
 % of total

NO DATA FOR THESE MONTHS  
 ACCOUNT OPENED MAY 2, 2008

	0.00	0.00
	0.00	0.00
	0.00%	0.00%
	0.00	0.00
	0.00	0.00
	0.00%	0.00%
	1.00	0.00
	475.00	0.00
	9.51%	0.00%
	2.00	4.00
	4,519.74	8,115.69
	90.49%	162.48%
	0.00	0.00
	0.00	0.00
	0.00%	0.00%
	0.00	0.00
	0.00	0.00
	0.00%	0.00%

Smart Data Solutions LLC  
 Serve America Claims Account  
 F&M Bank Acct# XXXX5601  
 Receipts - 2008

Jan, 2008      Feb, 2008      Mar, 2008      Apr, 2008      May, 2008      Jun, 2008

Refunds from Providers

#					0.00	0.00
\$					0.00	0.00
% of total					0.00%	0.00%

Bank Adjustments

#					0.00	0.00
\$					0.00	0.00
% of total					0.00%	0.00%

Totals

#					3.00	4.00
\$					4,994.74	8,115.69
% of total					100.00%	100.00%

NO DATA FOR THESE MONTHS  
 ACCOUNT OPENED MAY 2, 2008





Smart Data Solutions LLC  
 Serve America Claims Account  
 F&M Bank Acct# XXXX5601  
 Receipts - 2009

	<u>Jan, 2009</u>	<u>Feb, 2009</u>	<u>Mar, 2009</u>	<u>Apr, 2009</u>	<u>May, 2009</u>	<u>Jun, 2009</u>
<b>Checks from SDS LLC FM Acct# XXXX0201</b>						
#	0.00	0.00	0.00	0.00	0.00	0.00
\$	0.00	0.00	0.00	0.00	0.00	0.00
% of total	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>Transfers from SDS LLC Acct# XXXX0201</b>						
#	0.00	0.00	0.00	0.00	0.00	0.00
\$	0.00	0.00	0.00	0.00	0.00	0.00
% of total	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>Checks from SDS LLC First State# XXXX2841</b>						
#	1.00	0.00	0.00	0.00	2.00	3.00
\$	300.00	0.00	0.00	0.00	204,054.11	215,945.89
% of total	0.24%	0.00%	0.00%	0.00%	68.55%	67.54%
<b>Wires from Unknown</b>						
#	0.00	1.00	0.00	0.00	2.00	0.00
\$	0.00	30,000.00	0.00	0.00	68,500.00	0.00
% of total	0.00%	40.18%	0.00%	0.00%	23.01%	0.00%
<b>Wires from SDS LLC FM</b>						
#	0.00	0.00	0.00	0.00	0.00	0.00
\$	0.00	0.00	0.00	0.00	0.00	0.00
% of total	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>Wires from Nationwide Administrators LLC First Citizens Bank, Blythewood, SC</b>						
#	7.00	2.00	8.00	8.00	2.00	5.00
\$	123,768.96	44,670.77	185,429.65	161,797.37	24,888.87	103,789.89
% of total	99.76%	59.82%	99.74%	100.00%	8.36%	32.46%







Smart Data Solutions LLC  
 Serve America Claims Account  
 F&M Bank Acct# XXXX5601  
 Receipts - 2010

	<u>Jan, 2010</u>	<u>Feb, 2010</u>	<u>Mar, 2010</u>
<b>Checks from SDS LLC FM Acct# XXXX0201</b>			
#	9.00	6.00	
\$	762,174.38	255,480.74	
% of total	91.82%	93.28%	
<b>Transfers from SDS LLC Acct# XXXX0201</b>			
#	5.00	6.00	
\$	67,900.00	18,400.00	134,800.00
% of total	8.18%	6.72%	
<b>Checks from SDS LLC First State #XXXX2841</b>			
#	0.00	0.00	
\$	0.00	0.00	
% of total	0.00%	0.00%	
<b>Wires from Unknown</b>			
#	0.00	0.00	
\$	0.00	0.00	
% of total	0.00%	0.00%	
<b>Wires from SDS LLC FM</b>			
#	0.00	0.00	
\$	0.00	0.00	
% of total	0.00%	0.00%	
<b>Wires from Nationwide Administrators LLC First Citizens Bank, Blythewood, SC</b>			
#	0.00	0.00	
\$	0.00	0.00	
% of total	0.00%	0.00%	

Smart Data Solutions LLC  
Serve America Claims Account  
F&M Bank Acct# XXXX5601  
Receipts - 2010

	<u>Jan, 2010</u>	<u>Feb, 2010</u>	<u>Mar, 2010</u>
Refunds from Providers			
#	0.00	0.00	
\$	0.00	0.00	
% of total	0.00%	0.00%	
Bank Adjustments			
#	0.00	0.00	
\$	0.00	0.00	
% of total	0.00%	0.00%	
Totals			
#	14.00	12.00	
\$	830,074.38	273,880.74	148,658.26 *
% of total	100.00%	100.00%	

\* as of March 26, 2010

Smart Data Solutions LLC  
 Serve America  
 Claims Account  
 F&M Bank Acct# XXXX5601  
 Summary of Receipts & Disbursements

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>Total</u>
Total Receipts	393,687.05	4,825,809.64	148,658.26	5,368,154.95
Monthly Average	43,743.01	402,150.80	49,552.75	223,673.12
Total \$ of Claim Disbursements	152,580.98	3,590,060.28	1,074,371.44	4,817,012.70
Monthly Average	16,953.44	299,171.69	358,123.81	200,708.86
Total # of Claim Disbursements	1,523.00	14,182.00	6,809.00	22,514.00
Monthly Average	169.22	1,181.83	2,269.67	938.08
Average Claim Disbursement	100.18	253.14	157.79	213.96
Total Pharmacy Disbursements	55,499.16	1,010,296.51	425,049.66	1,490,845.33
Monthly Average	6,166.57	84,191.38	141,683.22	62,118.56
Total Claim & Pharmacy Disbursements	208,080.14	4,600,356.79	1,499,421.10	6,307,858.03
Monthly Average	23,120.02	383,363.07	499,807.03	262,827.42
Non-Claim Disbursements	153,206.18	9,413.52	1,577.12	164,196.82
Total Claim & Non-Claim Disbursements	361,286.32	4,609,770.31	1,500,998.22	6,472,054.85
Monthly Average	40,142.92	384,147.53	500,332.74	269,668.95