



**The State of New Hampshire
Insurance Department**

21 South Fruit Street, Suite 14
Concord, NH 03301
(603) 271-2261 Fax (603) 271-1406
TDD Access: Relay NH 1-800-735-2964

Christopher R. Nicolopoulos
Commissioner

David J. Bettencourt
Deputy Commissioner

November 4, 2021

VIA EMAIL

compliance@adroithealthgroup.com jeffrey.jeter@stratahg.com

Adroit Health Group

VIA EMAIL, FIRST-CLASS & CERTIFIED MAIL: 7011 2000 0001 8842 7087

steve.jones@adroithealthgroup.com

Stephen Vaughn Jones
1575 Heritage Drive Suite 200
McKinney, Texas 75069

VIA EMAIL, FIRST-CLASS & CERTIFIED MAIL: 7011 2000 0001 8842 7070

licensing@stratahg.com

Richard Scott Holt
21452 Stonebridge Ct
Denham Springs, LA 70726-7330

Re: Amended Order to Show Cause & Notice of Hearing, Docket No.: INS No. 21-030-EP

Dear Adroit Health Group:

Enclosed please find an Amended Order to Show Cause and Notice of Hearing issued by Commissioner Christopher Nicolopoulos.

A hearing in this matter has been scheduled on **November 30, 2021 at 10:00 AM** at the New Hampshire Insurance Department located at 21 South Fruit Street, Suite 14, Concord, NH. You may find directions and additional information on our website at <http://www.nh.gov/insurance>.

Sincerely,

A handwritten signature in blue ink, appearing to read "J. Hilliard".

Joshua S. Hilliard, Esq.
Enforcement Counsel

**STATE OF NEW HAMPSHIRE
INSURANCE DEPARTMENT**

**In Re: Adroit Health Group, Stephen Vaughn Jones, and Richard Scott Holt
Docket No.: Ins. No. 21-030-EP**

**AMENDED ORDER TO SHOW CAUSE
AND
NOTICE OF HEARING**

The New Hampshire Insurance Department (“NHID”) orders Adroit Health Group, LLC, Stephen Vaughn Jones, and Richard Scott Holt (“Respondents”) to show cause why the New Hampshire Insurance Commissioner should not revoke their New Hampshire non-resident insurance producer licenses and levy an administrative fine. In support of the Order to Show Cause and pursuant to RSA 541-A:31, RSA 400-A:17 *et seq.* and Ins Chapter 200, the NHID states as follows:

STATEMENT OF FACTS

1. Respondent Adroit Health Group (“AHG”) is a licensed non-resident New Hampshire insurance producer with a National Producer Number of 17986716, with an address of 1575 Heritage Drive Suite 200, McKinney, Texas 75069, and an e-mail address of compliance@adroithealthgroup.com.
2. Respondent Stephen Vaughn Jones (“Jones”) was the CEO and designated responsible licensed producer (“DRLP”) for AHG, and is a licensed non-resident New Hampshire insurance producer with a National Producer Number of 1207856, a business address of 1575 Heritage Drive Suite 200, McKinney, Texas 75069, and an e-mail address of steve.jones@adroithealthgroup.com. Jones resigned from his position as CEO and DRLP of AHG on or about November 27, 2019.
3. On or about August 13, 2014, Homeland Health Care and Eagle Health Advisors were subject to an administrative proceeding by the Colorado Division of Insurance and fined \$500,000 for engaging in misrepresentation, unfair competition, deceptive practices, and for failing to report other state actions. At that time, Jones was the CEO and co-owner of Eagle Health Advisors and Homeland Health Care.
4. On May 11, 2016, Jones submitted a renewal application for NH licensure; as part of that application, Jones answered “No” to question 2 inquiring about ever having been involved in an administrative proceeding, though Jones had been

the CEO and co-owner of Homeland Health Care and Eagle Health Advisors when it was subject to an administrative proceeding in Colorado.

5. Jones also submitted applications for renewal of his NH non-resident producer license on May 7, 2018, and May 18, 2020. On each application Jones answered "No" to question 2.
6. On June 24, 2016 AHG submitted an application for NH licensure; as part of that application, AHG answered "No" to question 2 inquiring about the business entity or any owner, partner, or director ever having been involved in an administrative proceeding, though Jones is the CEO of AHG, and was the CEO and co-owner of Eagle Health Advisors and Homeland Health Care when it was subject to an administrative proceeding in Colorado.
7. AGH submitted applications for renewal of its NH non-resident producer license on April 18, 2018, and April 3, 2020. On each application AHG answered "No" to question 2.
8. On or about August 13, 2020, Respondents entered into a consent agreement with Maryland. The consent agreement incorporated by reference an earlier order indicating that Respondent Jones failed to disclose an administrative action on his application for Maryland licensure, and that AHG had massively overcharged consumers on policies it sold in Maryland by as much as 1900% of the allowed premium, and sold unapproved policies in Maryland.
9. As a condition of that consent order in Maryland, the Respondent Jones's and AGH's licenses were revoked in the state of Maryland and they were ordered to pay an administrative penalty of \$50,000 and restitution in the amount \$45,402.
10. On April 14, 2021, the NHID requested information from AHG about its business in NH via its e-mail address as provided to the NHID in its licensing records at compliance@adroithealthgroup.com. The request was made pursuant to NH RSA 400-A:16. AHG failed to respond to that e-mail.
11. On April 30, 2021, the NHID requested information from AHG about its business in NH via its e-mail address as provided to the NHID in its licensing records at compliance@adroithealthgroup.com as well as via Jones's email address as provided to the NHID in its licensing records at steve.jones@adroithealthgroup.com. The request was made pursuant to NH RSA 400-A:16. Respondents failed to respond to that e-mail.
12. On May 11, 2021, the NHID requested information from AHG about its business in NH via its e-mail address as provided to the NHID in its licensing records at

compliance@adroithealthgroup.com as well as via Jones's email address as provided to the NHID in its licensing records at steve.jones@adroithealthgroup.com, as well as via US mail at Respondents' business address of 1575 Heritage Drive Suite 200, McKinney, Texas 75069. The request was made pursuant to NH RSA 400-A:16. Respondents failed to respond to that request.

13. On or about July 15, 2021, months after NHID made its initial requests, counsel for AHG contacted the NHID and expressed his willingness to provide the NHID responses to its requests. Since that time, AHG has responded to requests for information pursuant to NH RSA 400-A:16.
14. The documents provided in response to the NHID by AHG revealed that AHG is engaged in the same unlawful conduct it was engaged in with Maryland consumers: namely, AHG is consistently and regularly massively overcharging New Hampshire consumers for insurance policies, on average across all policies by the staggering amount of approximately **2600%**.
15. As an example: a New Hampshire consumer who purchases an accidental death & dismemberment policy with a face value of \$50,000 can expect to pay a premium of approximately \$1.50 a month. Instead, AHG regularly charged NH consumers **\$69.95 a month** for that policy, an overcharge of approximately **4563%**.
16. Records revealed that AHG has massively overcharged NH consumers in this manner on at least 399 policies.
17. Respondent Richard Scott Holt ("Holt") is now the designated responsible licensed producer ("DRLP") for AHG, and is a licensed non-resident New Hampshire insurance producer with a National Producer Number of 13434444, a business address of 21452 Stonebridge Ct, Denham Springs, LA 70726-7330, and an e-mail address of licensing@stratahg.com. Holt was not designated as the DRLP of AHG until October 25, 2021.

STATEMENT OF ISSUES

18. Whether Respondents violated NH RSA 402-J:12, I (h) by using fraudulent, coercive, or dishonest practices, or demonstrating incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in this state or elsewhere when they massively overcharged Maryland consumers for policies by as much as 1900% of the allowed premium, and sold policies that were not approved for sale in Maryland.

19. Whether Respondents violated NH RSA 402-J:12, I(a) by providing incorrect, misleading, incomplete, or materially untrue information in the license applications in 2016, 2018, and 2020 when Respondents failed to notify the NHID of the prior administrative proceedings Jones was involved in.
20. Whether Respondents violated NH RSA 402-J:12, I(c) by obtaining a license through misrepresentation or fraud when they failed to notify the NHID of the prior administrative proceedings Jones was involved in.
21. Whether Respondents violated NH RSA 402-J:12, I (i) by having their insurance producer licenses suspended and revoked in another state.
22. Whether the Respondents violated NH RSA 402-J:12, I (b) by failing to provide to the NHID the information it requested within 10 business days pursuant to NH RSA 400-A:16.
23. Whether the Respondents violated NH RSA 402-J:12, I (h) by using fraudulent, coercive, or dishonest practices, or demonstrating incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in this state or elsewhere when they massively overcharged New Hampshire consumers on the sale of at least 399 policies by an average of approximately 2600% of the allowed premium.
24. Whether Respondents violated NH RSA 417:4 XII by knowingly collecting as premium or charge for insurance any sum in excess of the premium or charge applicable to such insurance and as specified in the policy, when they massively overcharged New Hampshire consumers on the sale of at least 399 policies by an average of approximately 2600% of the allowed premium.
25. Whether Respondent AHG violated NH RSA 402-J:6 II (b) by failing to have a person designated as the licensed person responsible for the entity's compliance with all insurance laws and rules of the state.
26. The NHID reserves the right to amend this statement of issues upon reasonable notice to the Commissioner (or his designated Representative) and the Respondent.

INSURANCE LAWS VIOLATED BY RESPONDENTS

27. The NHID maintains the Respondent violated the following New Hampshire insurance law statutes: NH RSA 402-J:12, I (a), NH RSA 402-J:12, I (b), NH RSA

402-J:12, I (c), NH RSA 402-J:12, I (h), NH RSA 402-J:12, I (i), NH RSA 402-J:6, II (b), and NH RSA 417:4, XII.

28. The NHID reserves the right to amend this list of insurance laws violated by the Respondent upon reasonable notice to the Commissioner (or his designated Representative) and the Respondents.

PENALTY REQUESTED

29. In the event that the Hearing Officer determines after an evidentiary hearing that the NHID sustained its burden of proof with respect to the allegations of fact and violations of law outlined above, the NHID requests that the Hearing Officer impose the following sanctions on the Respondent:

- a. Order revocation of the Respondents' New Hampshire non-resident producer licenses; and
- b. Order the Respondents to pay a fine in an amount of \$2,500 per violation, for a total fine of no less than **two million twenty two thousand five hundred dollars (\$2,022,500)**.

30. The NHID reserves the right to amend the penalty requested upon reasonable notice to the Commissioner (or his designated Representative) and the Respondents.

NOTICE OF HEARING

31. An adjudicatory proceeding shall be commenced for the purpose of resolving the issues articulated above pursuant to RSA 541-A:31, RSA 400-A:17:6, *et seq.*, RSA 417:6, *et seq.*, and Ins 200. To the extent that the Department's rules do not address an issue of policy or procedures, the Department shall apply the N.H. Department of Justice Rules, Part 800.

32. The Respondents shall appear at Department on **November 30, 2021 at 10 AM**, at the Department's office located at 21 South Fruit Street, Suite 14, in Concord New Hampshire to participate in this adjudicatory proceeding and, if deemed appropriate, be subject to sanctions pursuant to RSA 402-J:12, I and RSA 400-A:15, III. Respondents' failure to appear at the time and place specified above may result in the hearing being held *in absentia* pursuant to RSA 400-A:19, VII, and sanctions may be imposed without further notice or an opportunity to be heard.

33. Steve Notinger, Esq. is appointed to act as Hearing Officer in this matter with all the authority within the scope of RSA 400-A:19 and Ins 203.01.
34. Linda Zalinskie shall serve as clerk to the Hearing Officer. The parties should direct all communications to Ms. Zalinskie, whose contact information is:

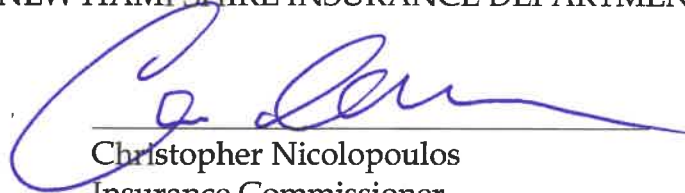
Linda Zalinskie, Clerk
New Hampshire Insurance Department
21 South Fruit Street, Suite 14
Concord, NH 03301
Tel: (603) 271-2460 Fax: (603)271-1406
Email: linda.m.zalinskie@ins.nh.gov

35. The Respondents have the right to be represented by a lawyer in this proceeding. However, the Respondents shall bear the cost of retaining said lawyer. Should the Respondents elect to retain a lawyer, their lawyer shall file a Notice of Appearance with Ms. Zalinskie, and said lawyer should do so at the earliest possible date. A copy of the NHID's Notice of Appearance form is enclosed with this Order.
36. Any party may request a transcript of the proceeding. The party requesting a transcript of the proceedings shall file a written request for a certified court reporter with the Hearing Officer at least 10 days prior to the scheduled hearing date. The costs incurred for the services of a certified court reporter shall be borne by the requesting party.
37. Joshua Hilliard, Esq. shall serve as staff advocate representing the interests of the NHID.
38. All routine procedural inquiries may be made by contacting Linda Zalinskie, Hearing Clerk, New Hampshire Insurance Department, 21 South Fruit Street, Suite 14, Concord NH 03301, (603) 271-2460, but that all other communications with the Hearing Officer and the Commissioner shall be in writing and filed as provided above. *Ex parte* communications are forbidden by statute and the Department's regulations.

39. A copy of this hearing notice shall be served upon Respondents by certified mail addressed to the mailing address on file with New Hampshire Insurance Department. *See*, RSA 400-A:14.

It is **SO ORDERED**.
NEW HAMPSHIRE INSURANCE DEPARTMENT

Date: 11-4-2021


Christopher Nicolopoulos
Insurance Commissioner

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and accurate copy of the foregoing Order to Show Cause and Notice of Hearing was sent this date by first-class mail, postage prepaid, and by certified mail, return receipt requested, to the Stephen Vaughn Jones at 1575 Heritage Drive Suite 200, McKinney, Texas 75069 and compliance@adroithealthgroup.com; to Richard Scott Holt at 21452 Stonebridge Ct, Denham Springs Louisiana, 70726-7330 and licensing@stratahg.com, the business and e-mail address on record with the NHID that the Respondent's provided to the NHID, and via e-mail only to AHG at jeffrey.jeter@stratahg.com, the e-mail address for AHG's counsel.

Date: 11/4/21


Joshua S. Hilliard, Esq.
Compliance & Enforcement Counsel