

**IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF OKLAHOMA**

FLOYD SEIBERT, individually, and as)
TRUSTEE FOR THE CENTRAL)
HOME CARE SERVICES, INC., and)
AFFILIATES 401(K) PLAN,)
Plaintiff,)

vs.)

Case No. 5:06-cv-01330-F

(1) CENTRAL HOME CARE)
SERVICES, INC., and AFFILIATES)
401(K) PLAN;)
(2) MATTHEWS BENEFIT GROUP,)
ADMINISTRATOR OF THE CENTRAL)
HOME CARE SERVICES, INC.,)
and AFFILIATES;)
(3) CENTRAL HOME CARE)
SERVICES, INC.;)
(4) EXTENDED CARE SERVICES OF)
OKLAHOMA, INC.;)
(5) CENTRAL OKLAHOMA CARE)
AT HOME, INC.;)
(6) CENTRAL TEXAS HOME)
HEALTH SERVICES, INC.;)
(7) CENTRAL TEXAS EXTENDED)
CARE)
SERVICES, INC.;)
(8) WESTERN MEDICAL SUPPLIES)
AND)
EQUIPMENT, INC.;)
(9) SECRETARY OF LABOR)
FOR THE UNITED STATES OF)
AMERICA;)
(10) JOHN HANCOCK LIFE)
INSURANCE COMPANY (USA),)
Defendants.)

**SUCCESSOR FIDUCIARY'S REPORT AND PROPOSAL TO DISTRIBUTE
ASSETS OF THE TRUSTEE-DIRECTED PORTION OF
THE CENTRAL HOME CARE INC. AND AFFILIATES 401(K) PLAN**

Comes now, Jeanne Barnes Bryant, having been appointed Successor Fiduciary
of The Central Home Care Inc. and Affiliates 401(K) Plan (CHC Plan) by Order of this

Court (D.E. #44), hereby submits her report as to the status of the CHC Plan and her decisions regarding the distribution of funds presently on deposit in the Trustee-Directed Portion of the CHC Plan.

BACKGROUND

a) Appointment of Successor Fiduciary

1. This action was commenced by Mr. Floyd Siebert, the former trustee of the CHC Plan, the principal stockholder and control person of Central Home Care Inc. and its affiliates. Mr. Siebert initiated this action to remove himself as trustee as a result of his having pled guilty in a criminal matter (*United States of America vs. Floyd W. Siebert a/k/a Martin Mesquite and James E. Golden, Jr.* File No. 4:04-cr-0251, U.S. District Court, Southern District of Iowa). In the Consent Order issued by this Court, Ms. Bryant, as Successor Fiduciary, was specifically vested with the right to terminate the Pension Plan, marshal the assets of the Pension Plan, and distribute the assets of the Pension Plan without seeking further order from this Court. (D.E. # 44 at paragraph 7).

b) Components of CHC Plan

2. The CHC Plan consisted of 2 components. First, there was a traditional 401(K) Plan, with an employer match, the funds of which were invested as directed by the participant (employee) ("Participant Directed Portion"). Second, there was a discretionary profit-sharing plan, the funds of which were invested solely at the direction of the CHC Plan Trustee, Floyd Siebert ("Trustee Directed Portion").

3. The funds represented in the first component -- the Participant Directed Portion -- consisted of salary deferrals contributed by the participants and a 3% match contributed by the employer, CHC. As of the date of the Successor Fiduciary's appointment, funds in this component totaled \$52,683.51, were on deposit at

ManuLife/John Hancock, and belonged to 23 participants that had not received distributions at the time the CHC Plan ceased to operate in 2004. All funds representing Participant Directed Portion of the CHC Plan have been accounted for and have been distributed by the Successor Fiduciary, except Mr. Siebert's account and the accounts of 8 of the above-referenced 23 participants who have not been located.

4. The Trustee Directed Portion of the CHC Plan consisted of funds contributed by CHC on a discretionary basis based upon the amount of the employee's salary. No employee funds were to be contributed to the Trustee Directed Portion. Once funds were contributed by CHC to this second component, those funds became assets of the CHC Plan and the participant, if the participant fulfilled the service requirement (term of employment). At the point the service requirement was fulfilled, the participant had a "vested" balance amount. With each service requirement fulfilled, an additional percentage of the balance amount would vest, until the participant's balance was 100% vested. On the date of the appointment of the Successor Fiduciary, funds in this component totaled (from the bank account deposits) \$9,118.91 and had approximately \$3,000,000.00 in estimated missing funds.

c) Seibert's Defrauding of Trustee Directed Portion of Plan, Successor Fiduciary Actions and Recoveries to the Plan

5. The U.S. Department of Labor's investigation of the CHC Plan's Trustee Directed Component revealed that Mr. Siebert, through an elaborate scheme, took those funds and, through this scheme, defrauded the CHC Plan. The U.S. Department of Labor, along with a member of the Successor Fiduciary's staff, reviewed a database of information developed by CHC to track participant accounts in the Trustee Directed Portion of the CHC Plan and to verify those accountings. Based on this review,

contributions by CHC and the CHC Plan's balance could not be verified after December 31, 2001. As of that date, the second component of the CHC Plan had an unverified balance of approximately \$3.1 million.

6. Since her appointment, the Successor Fiduciary has successfully pursued a claim on a policy of fidelity coverage for the CHC Plan issued by The Travelers. Travelers paid the policy limits of \$250,000 to the CHC Plan's Trustee Directed Portion. This policy covered fraudulent and dishonest acts creating a loss to the CHC Plan. The Successor Fiduciary also pursued a claim on a policy of fiduciary liability coverage for the CHC Plan issued by U.S. Specialty Insurance. This policy covered acts of negligence and breach of fiduciary duties, but excluded intentional, criminal wrongful acts. This fiduciary liability claim was denied by U.S. Specialty Insurance based on the following: a) criminal proceedings were excluded from the definition of "Claim"); b) the policy specifically deleted from coverage the return of any money, assets, or personal profit received by the Insured (which included Seibert) to which the Insured was not legally entitled and deleted from coverage any damages based upon the adjudication that the Insured engaged in conduct that the Insured knew to be dishonest or a breach of the responsibilities, obligations or duties imposed upon fiduciaries; and c) Mr. Siebert's admitted conduct in question took place during the period from April 1999 through October 2001, which was prior to the inception of the policy in question, and since such actions were not disclosed in the application for this policy, coverage as to those actions would be excluded from coverage. A copy of the denial letter is attached as **Exhibit 1**. After inquiry and research, in light of both the presented facts, underlying law and

insurance policy provisions, the Successor Fiduciary determined not to challenge the denial of the claim by U.S. Specialty Insurance Company.

7. As sentenced by the U.S. District Court for the Southern District of Iowa, Mr. James Golden, a co-defendant in the criminal action against Seibert, is under a restitution order to the CHC Plan to replace the \$3,281,199.22 in funds missing from the Trustee Directed Portion. To date, Mr. Golden has paid \$113,500.00 toward the restitution amount. A copy of Mr. Golden's Judgment Order is attached as **Exhibit 2**

8. As sentenced by the U.S. District Court for the Southern District of Iowa, Mr. Siebert is jointly and severably liable with Mr. Golden to replace \$3,281,199.22 in funds missing from the Trustee Directed Portion of the CHC Plan. Mr. Siebert has paid restitution in the amount of \$25.00 to the Successor Trustee. A copy of the Judgment Order in Mr. Siebert's case is attached as **Exhibit 3**.

9. As a part of a forfeiture action brought by the United States against Mr. Siebert for certain real property held in his name in Texas, the U.S. District Court for the Southern District of Iowa ordered the sale of the Dixie Diamond Ranch and that the proceeds of this sale be paid to the Successor Trustee to replace the missing funds in the Trustee Directed Portion of the CHC Plan. On January 4, 2010, the Successor Trustee received from the U.S. Department of Justice \$1,302,820.83 as restitution from the sale of the Dixie Diamond Ranch.

DETERMINING PARTICIPANT ACCOUNT BALANCES IN THE SECOND-COMPONENT OF THE CHC PLAN

10. Beginning in June, 2007 the Successor Fiduciary's staff began conducting a review of the database of participant accounts for the Trustee Directed Portion of the CHC Plan so as to verify information reported in plan years 1999 through 2004. During

Mr. Siebert's operation of the plan, a number of participant account balances were forfeited by Mr. Siebert, ostensibly because the participant failed to meet the vesting schedule of certain funds. Mr. Siebert also reported amounts representing balances and earnings for each participant's account. Based on the database, Mr. Siebert, for plan year 2002, apparently wrote the account balances down by 50%. As a result, Mr. Siebert reported in the Trustee Directed Portion of the CHC Plan, as of 12-31-2004, unpaid balances totaling \$1,565,454.50.¹ However, the following issues call into question the validity of this amount:

- a. Commencing in 1999-2000 and continuing through 2001, Mr. Siebert, as trustee, liquidated the investments formerly held by the Trustee Directed Portion of the CHC Plan substituting for these investments: bonds (which turned out to be bogus) issued by Healthcare International Holdings, a company controlled by Mr. Siebert through an alias (Martin or Marty Mesquite). Allegedly, the proceeds of Healthcare International Holdings bonds were used to fund operations of CHC. CHC was losing money allegedly due to payments being withheld by the Centers for Medicare and Medicaid. Those payments were being withheld because CHC was suspected of violations relating to the billing of home health services.

¹ This amount is net of any earlier distribution a participant may have had from the Trustee Directed Portion of the CHC Plan.

- b. With the funds of the Trustee Directed Portion of the CHC Plan gone, Mr. Siebert began a number of activities to reduce CHC's obligations to pay participants funds due them from the Trustee Directed Portion of the CHC Plan. He began by changing vesting schedules in an attempt to reduce the number of participants the CHC Plan (and CHC) was obligated to pay. By reducing the number of participants and using their forfeited balances, he could reduce the plan sponsor's (CHC's) obligation to return funds already taken by Mr. Siebert.
- c. Because forfeiture amounts were inappropriately created and were inappropriately allocated to current employee accounts, allocations cannot be verified.
- d. The Independent Audit for Plan Year 2002 was actually a document created presumably by Mr. Siebert and not an independent accountant. No audit was performed. It is hard to imagine that any valid audit could have been performed due to the investment scheme and non-verifiable figures used in the 2002, 2003, and 2004 plan years.
- e. Investment returns (gains or losses) were created by Mr. Siebert and not the result of return on investments or market performance. Therefore the earnings cannot be verified.
- f. Forfeiture amounts were used in such a way as to reduce or eliminate CHC's obligation to make additional contributions to the

Trustee Directed Portion of the CHC Plan and its employees in 2002, 2003, and 2004. Payroll ledgers are available, but payroll bank account information is not. Therefore accurate contribution amounts cannot be verified for the Trustee Directed Portion of the CHC Plan.

11. Taking into consideration the issues as outlined above, the Successor Fiduciary, with the assistance of the U.S. Department of Labor, determined that the Trustee Directed Portion of the CHC Plan balance at the end of 12-31-2001 could be verified as a baseline. Because the basis of the 2002 write-down in investment value could not be substantiated, it was determined to not recognize that write down. The earnings reported by Mr. Siebert in 2003 and 2004 were believed, in good faith, to be reasonable and, therefore, credit was given by the Successor Fiduciary for those amounts; however, for participants who were employed at CHC in 2002, 2003, and 2004 no credit was given for additional contributions allegedly credited by CHC (and not paid by the employee) since those amounts could not be verified. All accounts were 100% vested as of 2004. The result was as of 12-31-2004, unpaid balances in the Trustee Directed Portion of the CHC Plan totaled \$3,146,047.30.²

12. Utilizing the above-referenced computations resulting in the \$3,146,047.30 figure, the Successor Fiduciary issued preliminary notices to all participants listed as having an account in the Trustee Directed Portion of the CHC Plan on February 3, 2010. A number of objections were raised by participants regarding this

² This figure is net of any earlier distribution a participant has received from the Trustee Directed Portion of the CHC Plan

computation. First, many participants, whose employment continued after 2001, objected because statements in 2002, 2003 and 2004 (prepared by Mr. Siebert) indicated larger account balances. The Successor Fiduciary has reviewed these statements and these larger amounts are directly attributable to the unverifiable contributions allegedly made by CHC after 2001. Second, these objecting participants also called into question the earnings the accounts had between 12-31-2001 and 12-31-2004. While initially thought by the Successor Fiduciary to be reasonable, upon further review, the Successor Trustee determined that these earnings were not verifiable. Third, some of the objecting participants raised vesting percentage questions for years 2003 and 2004. As indicated earlier, the vesting schedules were changed by Mr. Siebert. All of these issues called into question accountings of the Trustee Directed Portion of the CHC Plan after 12-31-2001. For these reasons, the Successor Fiduciary has determined the termination of the CHC Plan to be 12-31-2001. In compliance with ERISA guidelines for termination of 401(K) plans, the Successor Fiduciary has determined to vest everyone at 100% at 12-31-2001. Based on that determination, the Successor Fiduciary proposes to distribute participant account balances as reflected at 12-31-2001, net of any withdrawals and un-repaid loans. Utilizing this methodology, net of any amount already distributed or a part of an unpaid outstanding loan, an unpaid balance of \$3,038,234.16 exists.

13. The effect of the Successor Fiduciary's decision significantly impacts those employee participants who worked for CHC and should have received credit for those years of 2002, 2003, and 2004. However, because these salary computations cannot be verified, the accurate amount of potential contributions from CHC cannot be calculated for those years. As this component of the CHC Plan is discretionary as to

contributions, CHC was not obligated to pay unless it determined, under the Plan document, contributions were owed. Even though employee participants received statements of earnings and contributions for this Trustee Directed Portion of the CHC Plan, the Successor Fiduciary believes those reports to have been contrived and unreliable because the Successor Fiduciary has not been able to verify those contributions, earnings, or the salaries on which those contributions would have been based. The contributions allegedly made to participants (which were made from the forfeited accounts of other participants) during plan years 2002, 2003, and 2004 total \$679,699.31. The earnings for plan years 2002, 2003, and 2004 total \$2,052,184.75. The Successor Fiduciary does not propose paying either the contribution amounts computed by Mr. Siebert or the earnings amounts reported by Mr. Siebert to participants. Should the Court disagree with the Successor Fiduciary's determination, the above amount would be in addition to the computed amounts set forth above.

14. To illustrate the differences in payment amounts resulting from the methodologies recommended by the Successor Fiduciary and the Seibert-prepared (and unverifiable) account balances, refer to **Collective Exhibit 4** attached. That exhibit is a listing of participants (names, addresses, and other identifying information not shown) showing the different computed amounts for the different methodologies. Participants were informed of these different calculations and given an opportunity to respond. (See **Exhibit 5**). On or about June 8, 2010, the Successor Fiduciary mailed **Exhibit 5** to 249 participants. No written objections were received; however two participants discussed their concerns by telephone. The main objection to the Successor Fiduciary's recommendations concerned the disregard of post 2001 contributions for persons who

remained at CHC during the 2001 to 2004 time period. Again, funds that were actually contributed by CHC during that period cannot be verified.

PLAN ACCOUNT BALANCE OF FORMER TRUSTEE FLOYD SIEBERT

15. On August 24, 2009, the U.S. Department of Labor initiated an action against Mr. Siebert for a number of ERISA violations, seeking that Mr. Siebert's CHC Plan account be set off for the alleged violations of ERISA. (*Solis v. Siebert*, Case No. 8:09-cv-1726-T-33AEP, U.S. District Court for the Middle District of Florida). The Successor Fiduciary proposes that pending this litigation, Mr. Siebert's account not be distributed.

CONCLUSION

Although under the terms of the Consent Order issued by this Court the Successor Fiduciary was specifically vested with the right to terminate the CHC Plan, marshal the assets of the CHC Plan, and distributed the assets of the CHC Plan without seeking further order from this Court, in view of the circumstances that some of the CHC Plan participants have raised questions concerning the proposed distributions, the Successor Fiduciary has determined and is recommending to the Court:

a. To adopt a termination date of 12-31-2001 for the Trustee Directed Portion of the CHC Plan.

b. To distribute participant account balances net of any withdrawals, unpaid loans, and calculated interest from 12-31-2001. The total payable amount is \$3,038,234.16. See applicable column in **Collective Exhibit 4** (sum of \$723,076.91 plus \$2,315,157.26). The current assets available to pay this amount are \$1,516,517.90, representing a pro-rata payment of 49.91%.

c. Not to distribute earnings reported by Mr. Siebert during 2002, 2003, and 2004 plan years.

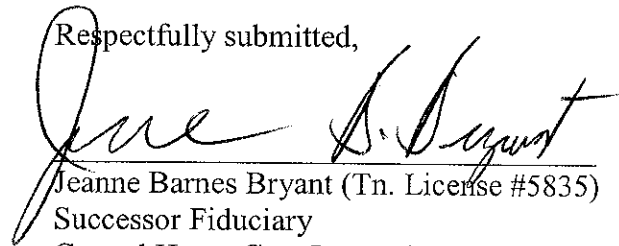
d. Not to distribute contributions reported by Mr. Siebert during 2002, 2003, and 2004 plan years.

e. Not to distribute any funds to participants who came into the plan in 2002, 2003, or 2004.

f. Not to distribute the account funds of Mr. Siebert until the case as outlined in paragraph 15 between the U.S. Department of Labor and Mr. Siebert is concluded. Upon the conclusion of that case, and the collection of additional payments from Mr. Siebert and Mr. Golden pursuant to the restitution orders, the Successor Fiduciary anticipates additional future distributions.

This Report and Proposal to Distribute Assets is being posted to the web-site of Receivership Management Inc. (www.receivermgmt.com). Notice of filing and posting of this Report and Proposal to Distribute Assets is being mailed to each affected participant in the CHC Plan. This notice includes instructions informing the participant they may submit objections with this Court within thirty (30) days of the Report and Proposal to Distribute Assets' filing with this Court. The Successor Fiduciary respectfully requests she be afforded fifteen (15) days to respond to any objection filed with the Court.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Jeanne Barnes Bryant". The signature is written in a cursive style with a large initial "J".

Jeanne Barnes Bryant (Tn. License #5835)

Successor Fiduciary

Central Home Care Inc. and Affiliates

401(K) Plan

P.O. Box 2307

Brentwood, TN 37024

615-370-0051 Phone

615-373-4336 Fax

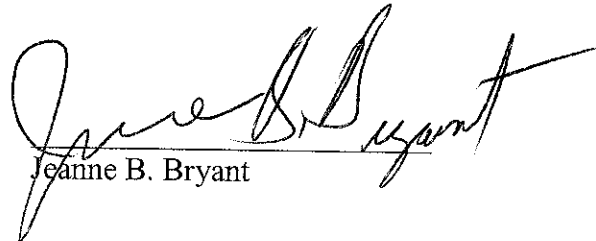
Certificate of Service

I hereby certify that a true and correct copy of the foregoing Successor Fiduciary's Report and Proposal to Distribute Assets has been or will be mailed by U.S. Mail and/or faxed if number available by the 9th day of August, 2010 to the parties noted below :

Floyd W. Seibert 07260-030
Federal Correctional Institution
PO Box 1500
El Reno, OK 73036

Dane Steffenson
Office of the Solicitor
U.S. Department of Labor
61 Forsyth Street S.W. Room 7T10
Atlanta, GA 30303
Counsel to the U.S. Secretary of Labor

Mr. C. William Threlkeld, Esq.
Fenton, Fenton, Smith, Reneau, & Moon
211 North Robinson, Suite 800 North
Oklahoma City, Oklahoma 73102
Counsel to Matthews Benefit Group


Jeanne B. Bryant

WILSON, ELSER, MOSKOWITZ, EDELMAN & DICKER LLP

150 East 42nd Street, New York, NY 10017-5639
Tel: 212.490.3000 Fax: 212.490.3038

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www.wilseleser.com

April 16, 2007

VIA FACSIMILE AND OVERNIGHT MAIL

Wyatt, Tarrant & Combs, LLP
2525 West End Avenue, Suite 1500
Nashville, Tennessee 37203-1423

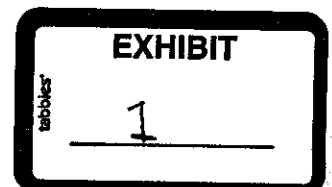
Attention: J. Graham Matherne, Esq.

Re:	Insured	:	Central Home Care Services, Inc. and Affiliates
	Claimant	:	U.S. Department of Labor/U.S. Department of Justice
	Policy No.	:	U705-50130 (5/17/05-06)
	Our File No.	:	07057.00057

Dear Mr. Matherne:

This will confirm the fact that we represent U.S. Specialty Insurance Company ("USSIC"), with respect to matters involving Corporate Fiduciary Liability Insurance Policy No. U705-50130, as issued in favor of Central Home Care Services, Inc. ("CHCS") for the period from May 17, 2005 to May 17, 2006. Said policy specified limits of liability of \$1 million per claim and in the aggregate for all claim first made against the insured during the policy period, subject to a \$5,000 deductible per claim. Both the limits of liability and the deductible were applicable to and are reduced by a payment of both Loss and Defense Costs.

Specifically, we acknowledge receipt of your letter dated April 6, 2007, as addressed to USSIC and others, as well as certain attachments regarding the Plea Agreement entered into by Floyd Seibert, former Fiduciary of the Central Home Care Services, Inc. and Affiliates 401k Plan (the "401k Plan") and the Central Home Care Services, Inc. Employee Benefit Plan and Trust (the "Medical Plan") in a criminal action filed in the United States District Court for the Middle District of Florida, Tampa Division, under case no. 8:06-cr-373-T-23MAP, entitled *United States of America v. Floyd W. Seibert*. You have indicated that you represent the Independent Fiduciary, Jeanne B. Bryant, who was appointed by court order in place of Mr. Seibert as to the 401k Plan and the Medical Plan. You have also indicated that Ms. Bryant is "supplementing or renewing" any prior notice of a "loss/claim or potential loss/claim covered under the [USSIC] policy or any renewal of said policy."



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Previously, USSIC received notice from Mr. Seibert in a letter dated May 3, 2006, regarding what was denoted as a possible claim and that attorneys for Central Home Care Services were "currently working with the Department of Labor and U.S. Attorney's Office to decipher the particulars." Mr. Siebert advised at that time that the U.S. Department of Labor ("DOL") had conducted an audit in 2002, which indicated some problem with investments of the plans, including approximately \$3.5 million which was withdrawn from the 401k Plan and purportedly used to fund operational expenses of CHCS. He further advised that the United States Department of Justice was involved and that it appeared the DOJ was "bringing charges against him". Mr. Siebert confirmed that CHCS had, in fact, closed up its offices in Florida in January 2006 and was not apparently doing business there.

I enclose herewith a copy of the letter, as well as our letter in response dated June 12, 2006. We did not receive any further correspondence subsequent to that letter.

As indicated in our letter of June 12, 2006, various coverage issues are raised with respect to this matter under the captioned policy. Specifically, there would be no coverage for the criminal proceeding. In this regard, the definition of "Claim" as contained in §III.A., of the policy, does not include any criminal proceedings, but, rather, relates to civil proceedings for monetary or injunctive relief. Further, the definition of Defense Costs, as contained in §III.C., specifically states that it does not include "fees and expenses incurred with respect to any criminal action or proceeding."

We also wish to point out that, in relation to your request for further coverage as to this matter, the definition of LOSS in §§III.L. 4. and 5. of the policy specifically deletes the following from coverage:

"4. The return or restitution of any money, assets, or personal profit received by the **INSURED** to which the **INSURED** is not legally entitled;

5. Any damages based upon an adjudication that the **INSURED** engaged in conduct that the **INSURED** knew to be dishonest or a breach of the responsibilities, obligations or duties imposed upon **FIDUCIARIES**."

Based on the above, therefore, it would appear that the amounts at issue would not fall within the scope of coverage under the policy, insofar as the criminal conviction of Mr. Seibert clearly places this matter within the above exclusionary provisions of the definition of LOSS.

In addition, it appears that Mr. Seibert admitted the conduct in question took place during the period from April 1999 through October 2001. This was prior to the inception of the USSIC policies, but no mention was made of these matters in the applications for coverage. Accordingly, this omission may constitute a material misrepresentation in the applications and the validity of issuance of the policies may be in question and subject to rescission.

Also in this regard, I also direct your attention to §IV.A. of the policy, which specifically deletes for coverage for all Loss and Defense Costs with respect to any Claim made against any Insured:

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"A. Based upon or involving any facts or circumstances which at the original inception date of this Policy, any INSURED had a reasonable basis to believe such facts or circumstances might lead to a CLAIM against any INSURED; knowledge possessed by any one INSURED shall not be imputed to any other INSURED for the purpose of determining the application of this exclusion. The term "original inception date" shall mean the date when continuous coverage was first issued to the INSURED through Professional Indemnity Agency, Inc."

Accordingly, to the extent that Mr. Seibert had knowledge prior to the original inception date of the Policy of this conduct and the possibility of a claim, this exclusion would be applicable.

Based upon the foregoing and all the terms, covenants, conditions, exclusions, provisions and additions to Policy No. U705-50130, USSIC reserves all of its rights herein, including, but not limited to, the right to deny coverage in whole or in part. Our further investigation, communications, requests for information, documentation, or status, are not intended to, nor should be construed as in any way waiving, altering, or modifying any of the rights that USSIC has herein.

Subject to the foregoing reservation of rights, we solicit any response you have with respect to the foregoing issues. We will then inform our client and we will provide you with the position of USSIC in connection with this matter thereafter.

Of course, please contact the undersigned if you wish to discuss any aspect of this matter or if you have any questions regarding the above.

I thank you for your continued courtesy and cooperation herein.

Very truly yours,

WILSON, ELSER, MOSKOWITZ, EDELMAN & DICKER LLP

Martin M. Ween

cc: U.S. Specialty Insurance Co.
c/o Professional Indemnity Agency, Inc.
Att: Kelly S. Geary, Esq.
Director of Claims

Professional Indemnity Agency, Inc.
Att: Helen Porretto

APR. 16. 2007 3:31PM

NO. 8672 P. 5

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Rattner Mackenzie Limited
Att: David J. Green

APR. 16. 2007 3:32PM

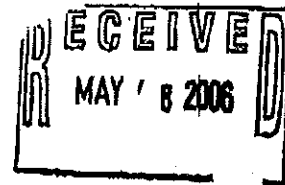
NO. 8672 P. 6

CENTRAL HOME CARE SERVICES, INC.
P.O. BOX 986
LARGO, FLORIDA 33779

May 3, 2006

Fiduciary Liability
U.S. Specialty Insurance Company
13403 Northwest Freeway
Houston, TX 77040

RE: Policy # U705-50130
Renewal of No. U704-501154
\$1,000,000
Central Home Care Services 401k Pension and Trust



Dear Sir/Madam:

Please be informed that our company may have a claim against the above referenced policy related to our 401k Pension and Trust.

Our attorneys are currently working with the Department of Labor and U.S. Attorney's office to decipher the particulars.

We would appreciate your company's cooperation in this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Floyd W. Seibert".

Floyd W. Seibert
Administrator

APR. 16. 2007 3:32PM

NO. 8672 P. 7

WILSON, ELSER MOSKOWITZ, EDELMA & DICKER LLP

150 East 42nd Street, New York, NY 10017-5639
Tel: 212.490.3000 Fax: 212.490.3038

*Albany • Baltimore • Boston • Chicago • Dallas • Garden City • Houston • Las Vegas • London • Los Angeles • McLean
Miami • Newark • New York • Orlando • Philadelphia • San Diego • San Francisco • Stamford • Washington, DC • White Plains
Affiliates: Berlin • Cologne • Frankfurt • Munich • Paris*

www.wilsonelser.com

June 12, 2006

VIA OVERNIGHT MAIL

Fulbright & Jaworski, L.L.P.
801 Pennsylvania Avenue, NW
Washington, DC 20004

Attention: Rick Robinson, Esq.

Re:	Insured	:	Central Home Care Services, Inc. and Affiliates
	Claimant	:	U.S. Department of Labor/U.S. Department of Justice
	Policy No.	:	U705-50130 (5/17/05-06)
	Our File No.	:	07057.00057

Dear Mr. Robinson:

This will confirm the fact that we represent U.S. Specialty Insurance Company ("USSIC"), with respect to matters involving Corporate Fiduciary Liability Insurance Policy No. U705-50130, as issued in favor of Central Home Care Services, Inc. ("CHCS") for the period from May 17, 2005 to May 17, 2006. Said policy specifies limits of liability of \$1 million per claim and in the aggregate for all claim first made against the insured during the policy period, subject to a \$5,000 deductible per claim. Both the limits of liability and the deductible are applicable to and are reduced by a payment of both Loss and Defense Costs.

Specifically, we acknowledge receipt of a letter dated May 3, 2006 from Floyd W. Siebert, Administrator of CHCS, as addressed to USSIC, regarding what was stated to be a possible "claim" involving the Central Home Care Services 401k Pension and Trust. The letter specifically stated that the attorneys for CHCS were working with the Department of Labor and the U.S. attorney's office to "decipher the particulars."

As I advised you during our telephone conversation of June 1, 2006, I discussed this matter briefly with Mr. Siebert on May 18, 2006 and at that time he directed me to discuss the matter further with you, as his counsel. Mr. Siebert had advised that the U.S. Department of Labor ("DOL") had conducted an audit in 2002, which indicated some problem with investments of the plans. He further advised me that the United States Department of Justice ("DOJ") was involved and that it appeared the DOJ was "bringing charges against him". Mr. Siebert confirmed to me that CHCS had, in fact, closed up its offices in Florida in January 2006 and was not apparently doing business there.

During our telephone conversation, you further advised me that the DOL and the DOJ are conducting an investigation with respect to what appears to have been approximately \$3.5 million which was withdrawn from the 401k Plan and purportedly used to fund operational expenses of CHCS. You further informed me that notice of this matter had also been given to the bonding carrier for the plan, which apparently had a \$250,000 limit of liability.

As I informed you, various coverage issues appear to be raised with respect to this matter under the captioned policy. Specifically, it appears that the conduct in question may result in a criminal proceeding. In this regard, the definition of "Claim" as contained in §III.A., of the policy, does not include any criminal proceedings, but, rather, relates to civil proceedings from monetary or injunctive relief. Further, the definition of Defense Costs, as contained in §III.C., specifically states that it does not include "fees and expenses incurred with respect to any criminal action or proceeding."

We also wish to point out the definition of "Loss", in §III.I of the policy, which specifically deletes any civil or criminal fines, penalties, multiples of compensatory damages, sanctions or taxes, as well as specifically deleting "the return or restitution of any money, assets, or personal profit received by the **INSURED** to which the **INSURED** is not legally entitled". Further, §I.5. deletes from the definition of "Loss" any "Damages based upon an adjudication that the insured engaged in conduct that the insured knew to be dishonest or a breach of the responsibilities, obligations or duties imposed upon fiduciaries."

Based on the above, therefore, it would appear that this matter would not fall within the scope of coverage under the policy, insofar as §I, being the Insuring Agreement, states as follows:

"The Company shall pay on behalf of the **INSURED**, all **LOSS** and **DEFENSE COSTS** that the **INSURED** becomes legally obligated to pay solely because of a **CLAIM** first made against the **INSURED** during the **POLICY PERIOD**, or the extended reporting period if in effect, for a **WRONGFUL ACT** committed or allegedly committed by the **INSURED** or by any person for whom the **INSURED** or by any person for whom the **INSURED** is legally responsible."

Thus, insofar as this matter would not constitute a Claim for covered loss or defense costs arising from a Wrongful Act, coverage may not be afforded.

It is also our understanding that this investigation apparently began some time ago. In this regard, I also direct your attention to §V.F. of the policy, which provides that it is a condition precedent to coverage that the insureds:

F. NOTICE

As a condition precedent to the INSUREDS' right to insurance under this Policy, the INSUREDS shall:

- "1. give written notice to the Company as soon as practicable of any CLAIM made against the INSUREDS, and at their own expense, cooperate with and assist the Company at its representatives, as the Company may require, in the settlement, defense, appeal and/or investigation of such CLAIM;
2. immediately notify the Company of any summons, lawsuit or proceedings served upon the INSURED."

Thus, to the extent notice of this matter was not forwarded to this firm, on behalf of USSIC, as soon as practicable after the assertion of same, coverage may not be afforded.

Based upon the foregoing and all the terms, covenants, conditions, exclusions, provisions and additions to Policy No. U705-50130, USSIC reserves all of its rights herein, including, but not limited to, the right to deny coverage in whole or in part. Our further investigation, communications, requests for information, documentation, or status, are not intended to, nor should be construed as in any way waiving, altering, or modifying any of the rights that USSIC has herein.

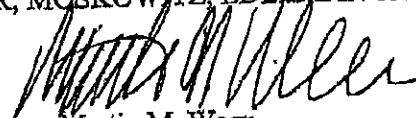
Subject to the foregoing reservation of rights, we solicit any response you have with respect to the foregoing issues. We have informed our client of these matters and we will provide you with the position of USSIC in connection with this matter shortly.

Of course, please let me know if you have any questions as to any of the above.

I thank you for your continued courtesy and cooperation herein.

Very truly yours,

WILSON, ELSER, MOSKOWITZ, EDELMAN & DICKER LLP



Martin M. Ween

MMW:srb

APR. 16. 2007 3:33PM

NO. 8672 P. 10

File No.: 07057.00057

Page 4

cc: U.S. Specialty Insurance Co.
c/o Professional Indemnity Agency, Inc.
Att: Kelly S. Geary, Esq.
Director of Claims

Professional Indemnity Agency, Inc.
Att: Helen Porretto

Rattner Mackenzie Limited
Att: David J. Green

UNITED STATES DISTRICT COURT

Southern

District of

Iowa

UNITED STATES OF AMERICA

V.

James E. Golden, Jr.

AMENDED JUDGMENT IN A CRIMINAL CASE

Case Number: 4:04-cr-00251

USM Number: 07401-030

J. David Ogle

Defendant's Attorney

Date of Original Judgment: September 28, 2007
(Or Date of Last Amended Judgment)

Reason for Amendment:

- Correction of Sentence on Remand (18 U.S.C. 3742(f)(1) and (2))
- Reduction of Sentence for Changed Circumstances (Fed. R. Crim. P. 35(b))
- Correction of Sentence by Sentencing Court (Fed. R. Crim. P. 35(a))
- Correction of Sentence for Clerical Mistake (Fed. R. Crim. P. 36)

- Modification of Supervision Conditions (18 U.S.C. §§ 3563(c) or 3583(e))
- Modification of Imposed Term of Imprisonment for Extraordinary and Compelling Reasons (18 U.S.C. § 3582(c)(1))
- Modification of Imposed Term of Imprisonment for Retroactive Amendment(s) to the Sentencing Guidelines (18 U.S.C. § 3582(c)(2))
- Direct Motion to District Court Pursuant 28 U.S.C. § 2255 or 18 U.S.C. § 3559(c)(7)
- Modification of Restitution Order (18 U.S.C. § 3664)

THE DEFENDANT:

- pleaded guilty to count(s) One
- pleaded nolo contendere to count(s) _____ which was accepted by the court.
- was found guilty on count(s) _____ after a plea of not guilty.

The defendant is adjudicated guilty of these offenses:

<u>Title & Section</u>	<u>Nature of Offense</u>	<u>Offense Ended</u>	<u>Count</u>
T.18:4	Misprison of a Felony	06-10-01	One

The defendant is sentenced as provided in pages 2 5 of this judgment. The sentence is imposed pursuant to the Sentencing Reform Act of 1984.

- The defendant has been found not guilty on count(s) _____
- Count(s) _____ is are dismissed on the motion of the United States.

It is ordered that the defendant must notify the United States Attorney for this district within 30 days of any change of name, residence, or mailing address until all fines, restitution, costs, and special assessments imposed by this judgment are fully paid. If ordered to pay restitution, the defendant must notify the court and United States attorney of material changes in economic circumstances.

October 25, 2007

Date of Imposition of Judgment

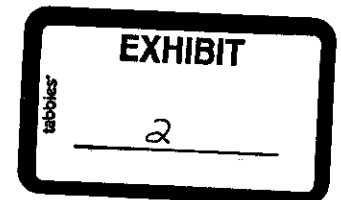
Signature of Judge

James E. Gritzner, U.S. District Judge

Name and Title of Judge

October 25, 2007

Date



DEFENDANT: James E. Golden, Jr.
CASE 4:04-cr-00251

PROBATION

The defendant is hereby sentenced to probation for a term of: Three years.

The defendant shall not commit another federal, state or local crime.

The defendant shall not unlawfully possess a controlled substance. The defendant shall refrain from any unlawful use of a controlled substance. The defendant shall submit to one drug test within 15 days of placement on probation and at least two periodic drug tests thereafter, as determined by the court.

- The above drug testing condition is suspended, based on the court's determination that the defendant poses a low risk of future substance abuse. (Check, if applicable.)
- The defendant shall not possess a firearm, destructive device, or any other dangerous weapon. (Check, if applicable.)
- The defendant shall cooperate in the collection of DNA as directed by the probation officer. (Check, if applicable.)
- The defendant shall register with the state sex offender registration agency in the state where the defendant resides, works, or is a student, as directed by the probation officer. (Check, if applicable.)
- The defendant shall participate in an approved program for domestic violence. (Check, if applicable.)

If this judgment imposes a fine or restitution, it is a condition of probation that the defendant pay in accordance with the Schedule of Payments sheet of this judgment.

The defendant must comply with the standard conditions that have been adopted by this court as well as with any additional conditions on the attached page.

STANDARD CONDITIONS OF SUPERVISION

- 1) the defendant shall not leave the judicial district without the permission of the court or probation officer;
- 2) the defendant shall report to the probation officer and shall submit a truthful and complete written report within the first five days of each month;
- 3) the defendant shall answer truthfully all inquiries by the probation officer and follow the instructions of the probation officer;
- 4) the defendant shall support his or her dependents and meet other family responsibilities;
- 5) the defendant shall work regularly at a lawful occupation, unless excused by the probation officer for schooling, training, or other acceptable reasons;
- 6) the defendant shall notify the probation officer at least ten days prior to any change in residence or employment;
- 7) the defendant shall refrain from excessive use of alcohol and shall not purchase, possess, use, distribute, or administer any controlled substance or any paraphernalia related to any controlled substances, except as prescribed by a physician;
- 8) the defendant shall not frequent places where controlled substances are illegally sold, used, distributed, or administered;
- 9) the defendant shall not associate with any persons engaged in criminal activity and shall not associate with any person convicted of a felony, unless granted permission to do so by the probation officer;
- 10) the defendant shall permit a probation officer to visit him or her at any time at home or elsewhere and shall permit confiscation of any contraband observed in plain view of the probation officer;
- 11) the defendant shall notify the probation officer within seventy-two hours of being arrested or questioned by a law enforcement officer;
- 12) the defendant shall not enter into any agreement to act as an informer or a special agent of a law enforcement agency without the permission of the court; and
- 13) as directed by the probation officer, the defendant shall notify third parties of risks that may be occasioned by the defendant's criminal record or personal history or characteristics and shall permit the probation officer to make such notifications and to confirm the defendant's compliance with such notification requirement.

DEFENDANT: James E. Golden, Jr.
CASE NUMBER: 4:04-cr-00251

SPECIAL CONDITIONS OF SUPERVISION

You shall participate in a program of curfew supervision for a period of five months. For seven days each week, during such period, you shall be at your place of residence from 9:00 p.m. to 6:00 a.m. You shall remain at your residence during the hours designated unless otherwise approved by your probation officer. You will maintain a telephone at your place of residence without call forwarding, a modem, caller ID, call waiting or portable cordless telephone for the above period. You are not required to wear an electronic monitoring device, unless the probation office determines that you have violated the conditions of home confinement. If directed by the probation officer, you shall wear an electronic monitoring device and follow electronic monitoring procedures specified by the probation officer and pay the costs of electronic monitoring.

Restitution in the amount of \$5,719,340.22 is ordered. You shall cooperate with the Probation Officer in developing a monthly payment plan consistent with a schedule of allowable expenses provided by the Probation Office. You shall provide the Probation Office access to any financial records including income tax returns, and checking accounts. You shall not enter into any financial agreement, incur new credit charges, open additional lines of credit, or checking account, or make any purchases in excess of \$500 without approval of the U. S. Probation Officer. You may be required to participate in an IRS offset program which may include the garnishment of wages, or seizure of all or part of any income tax refund to be applied toward the restitution balance. You may be required to participate in the Treasury Offset Program which would include the seizure of any government payment to be applied toward the restitution balance. In addition, you may be subject to wage garnishment.

You shall work only at employment approved by the U. S. Probation Office. You shall consult the U. S. Probation Office prior to any changes in employment. You shall not terminate any employment without prior approval from the U. S. Probation Office.

You shall submit to a mental health evaluation and participate in treatment, if recommended, which may include compliance with any medical regime recommended by treatment personnel, as directed by the Probation Officer.

DEFENDANT: James E. Golden, Jr.
 CASE NUMBER: 4:04-cr-00251

CRIMINAL MONETARY PENALTIES

The defendant must pay the total criminal monetary penalties under the schedule of payments on Sheet 6.

	<u>Assessment</u>	<u>Fine</u>	<u>Restitution</u>
TOTALS	\$ 100	\$ 0	\$ 5,719,340.22

- The determination of restitution is deferred until _____. An *Amended Judgment in a Criminal Case* (AO 245C) will be entered after such determination.
- The defendant must make restitution (including community restitution) to the following payees in the amount listed below.

If the defendant makes a partial payment, each payee shall receive an approximately proportioned payment, unless specified otherwise in the priority order or percentage payment column below. However, pursuant to 18 U.S.C. § 3664(i), all nonfederal victims must be paid before the United States is paid.

<u>Name of Payee</u>	<u>Total Loss*</u>	<u>Restitution Ordered</u>	<u>Priority or Percentage</u>
Jeanne Bryant Receivership Management, Inc. P.O. Box 2307 Brentwood, TN 37024 (615) 370-0051		\$3,281,199.22	
Centers for Medicare and Medicaid Services Attn: Veronica Moore Division of Accounting P.O. Box 7520 Baltimore, MD 21207-0520		\$2,438,141.00	
TOTALS	\$ _____	\$ 5,719,340.22	

- Restitution amount ordered pursuant to plea agreement \$ _____
- The defendant must pay interest on restitution and a fine of more than \$2,500, unless the restitution or fine is paid in full before the fifteenth day after the date of the judgment, pursuant to 18 U.S.C. § 3612(f). All of the payment options on Sheet 6 may be subject to penalties for delinquency and default, pursuant to 18 U.S.C. § 3612(g).
- The court determined that the defendant does not have the ability to pay interest and it is ordered that:
 - the interest requirement is waived for the fine restitution.
 - the interest requirement for the fine restitution is modified as follows:

* Findings for the total amount of losses are required under Chapters 109A, 110, 110A, and 113A of Title 18 for offenses committed on or after September 13, 1994, but before April 23, 1996.

DEFENDANT: James E. Golden, Jr.
CASE NUMBER: 4:04-cr-00251

SCHEDULE OF PAYMENTS

Having assessed the defendant's ability to pay, payment of the total criminal monetary penalties are due as follows:

- A Lump sum payment of \$ 5,719,440.22 due immediately, balance due
 - not later than _____, or
 - X in accordance C, D, E, or F below; or
- B Payment to begin immediately (may be combined with C, D, or F below); or
- C Payment in equal _____ (e.g., weekly, monthly, quarterly) installments of \$ _____ over a period of _____ (e.g., months or years), to commence _____ (e.g., 30 or 60 days) after the date of this judgment; or
- D Payment in equal _____ (e.g., weekly, monthly, quarterly) installments of \$ _____ over a period of _____ (e.g., months or years), to commence _____ (e.g., 30 or 60 days) after release from imprisonment to a term of supervision; or
- E Payment during the term of supervised release will commence within _____ (e.g., 30 or 60 days) after release from imprisonment. The court will set the payment plan based on an assessment of the defendant's ability to pay at that time; or
- F Special instructions regarding the payment of criminal monetary penalties:

All criminal monetary penalty payments are to be made to the Clerk's Office, U. S. District Court, P. O. Box 9344, Des Moines, IA 50306-9344.

While on supervised release, you shall cooperate with the Probation Officer in developing a monthly payment plan consistent with a schedule of allowable expenses provided by the Probation Office.

Nothing in this judgment shall be construed as a limitation on the authority of the United States to apply to the Court for a writ of garnishment subject to the approval of the Court in accordance with the Federal Debt Collection Procedure Act, 28 U.S.C. §§3301, et seq., or applicable State law, during the time period that the defendant is incarcerated or under supervision pursuant to this judgment. (See 18 U.S.C. §3664(m)).

Nothing in this judgment shall be construed as a limitation or restriction on the authority of the Bureau of Prisons to require additional payments as a condition for an assignment or for participation in any program.

Unless the court has expressly ordered otherwise, if this judgment imposes imprisonment, payment of criminal monetary penalties is due during imprisonment. All criminal monetary penalties, except those payments made through the Federal Bureau of Prisons' Inmate Financial Responsibility Program, are made to the clerk of the court.

The defendant shall receive credit for all payments previously made toward any criminal monetary penalties imposed.

Joint and Several

Defendant and Co-Defendant Names and Case Numbers (including defendant number), Total Amount, Joint and Several Amount, and corresponding payee, if appropriate.

Seibert, Floyd W., Case Nos. 4:04-CR-251 and 4:06-CR-2514, \$5,719,340.22

- The defendant shall pay the cost of prosecution.
- The defendant shall pay the following court cost(s):
- The defendant shall forfeit the defendant's interest in the following property to the United States:

Payments shall be applied in the following order: (1) assessment, (2) restitution principal, (3) restitution interest, (4) fine principal, (5) fine interest, (6) community restitution, (7) penalties, and (8) costs, including cost of prosecution and court costs.

UNITED STATES DISTRICT COURT

SOUTHERN

District of

IOWA

UNITED STATES OF AMERICA
V.

JUDGMENT IN A CRIMINAL CASE

Floyd W. Seibert

Case Number: 4:04-CR-251 & 4:06-CR-210

USM Number: 07260-030

Frederick Robinson
Defendant's Attorney

THE DEFENDANT:

pleaded guilty to count(s) Four in 4:04-CR-251 and One in 4:06-CR-210

pleaded nolo contendere to count(s) _____
which was accepted by the court.

was found guilty on count(s) _____
after a plea of not guilty.

The defendant is adjudicated guilty of these offenses:

<u>Title & Section</u>	<u>Nature of Offense</u>	<u>Offense Ended</u>	<u>Count</u>
18:1347	Health Care Fraud	05/28/99	Four
18:664	Theft or Embezzlement from Employee Benefit Plan	10/12/01	One

The defendant is sentenced as provided in pages 2 through 6 of this judgment. The sentence is imposed pursuant to the Sentencing Reform Act of 1984.

The defendant has been found not guilty on count(s) _____

Count(s) 1-3 and 5-11 in 4:04-CR-251 is are dismissed on the motion of the United States.

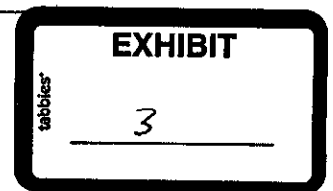
It is ordered that the defendant must notify the United States attorney for this district within 30 days of any change of name, residence, or mailing address until all fines, restitution, costs, and special assessments imposed by this judgment are fully paid. If ordered to pay restitution, the defendant must notify the court and United States attorney of material changes in economic circumstances.

September 11, 2007
Date of Imposition of Judgment

Signature of Judge *James E. Gritzner*

James E. Gritzner, U.S. District Judge
Name and Title of Judge

September 12, 2007
Date



DEFENDANT: Seibert, Floyd W.
CASE NUMBER: 4:04-CR-251 and 4:06-CR-210

IMPRISONMENT

The defendant is hereby committed to the custody of the United States Bureau of Prisons to be imprisoned for a total term of:

46 months on Count Four in 4:04-CR-251 and 46 months on Count One in 4:06-CR-210, to run concurrently.

X The court makes the following recommendations to the Bureau of Prisons:

The Court recommends Defendant be placed at the FCI El Reno, Oklahoma facility, in the satellite camp.

The defendant is remanded to the custody of the United States Marshal.

The defendant shall surrender to the United States Marshal for this district:

at _____ a.m. p.m. on _____

as notified by the United States Marshal.

The defendant shall surrender for service of sentence at the institution designated by the Bureau of Prisons:

before 2 p.m. on _____

as notified by the United States Marshal. Defendant shall not be designated prior to November 15, 2007.

as notified by the Probation or Pretrial Services Office.

RETURN

I have executed this judgment as follows:

Defendant delivered on _____ to _____

a _____, with a certified copy of this judgment.

UNITED STATES MARSHAL

By _____
DEPUTY UNITED STATES MARSHAL

DEFENDANT: Seibert, Floyd W.
CASE NUMBER: 4:04-CR-251 and 4:06-CR-210

SUPERVISED RELEASE

Upon release from imprisonment, the defendant shall be on supervised release for a term of:
Three years on Count Four in 4:04-CR-251 and three years on Count One in 4:06-CR-210, to run concurrently.

The defendant must report to the probation office in the district to which the defendant is released within 72 hours of release from the custody of the Bureau of Prisons.
The defendant shall not commit another federal, state or local crime.

The defendant shall not unlawfully possess a controlled substance. The defendant shall refrain from any unlawful use of a controlled substance. The defendant shall submit to one drug test within 15 days of release from imprisonment and at least two periodic drug tests thereafter, as determined by the court.

- The above drug testing condition is suspended, based on the court's determination that the defendant poses a low risk of future substance abuse. (Check, if applicable.)
- The defendant shall not possess a firearm, destructive device, or any other dangerous weapon. (Check, if applicable.)
- The defendant shall cooperate in the collection of DNA as directed by the probation officer. (Check, if applicable.)
- The defendant shall register with the state sex offender registration agency in the state where the defendant resides, works, or is a student, as directed by the probation officer. (Check, if applicable.)
- The defendant shall participate in an approved program for domestic violence. (Check, if applicable.)

If this judgment imposes a fine or restitution, it is a condition of supervised release that the defendant pay in accordance with the Schedule of Payments sheet of this judgment.

The defendant must comply with the standard conditions that have been adopted by this court as well as with any additional conditions on the attached page.

STANDARD CONDITIONS OF SUPERVISION

- 1) the defendant shall not leave the judicial district without the permission of the court or probation officer;
- 2) the defendant shall report to the probation officer and shall submit a truthful and complete written report within the first five days of each month;
- 3) the defendant shall answer truthfully all inquiries by the probation officer and follow the instructions of the probation officer;
- 4) the defendant shall support his or her dependents and meet other family responsibilities;
- 5) the defendant shall work regularly at a lawful occupation, unless excused by the probation officer for schooling, training, or other acceptable reasons;
- 6) the defendant shall notify the probation officer at least ten days prior to any change in residence or employment;
- 7) the defendant shall refrain from excessive use of alcohol and shall not purchase, possess, use, distribute, or administer any controlled substance or any paraphernalia related to any controlled substances, except as prescribed by a physician;
- 8) the defendant shall not frequent places where controlled substances are illegally sold, used, distributed, or administered;
- 9) the defendant shall not associate with any persons engaged in criminal activity and shall not associate with any person convicted of a felony, unless granted permission to do so by the probation officer;
- 10) the defendant shall permit a probation officer to visit him or her at any time at home or elsewhere and shall permit confiscation of any contraband observed in plain view of the probation officer;
- 11) the defendant shall notify the probation officer within seventy-two hours of being arrested or questioned by a law enforcement officer;
- 12) the defendant shall not enter into any agreement to act as an informer or a special agent of a law enforcement agency without the permission of the court; and
- 13) as directed by the probation officer, the defendant shall notify third parties of risks that may be occasioned by the defendant's criminal record or personal history or characteristics and shall permit the probation officer to make such notifications and to confirm the defendant's compliance with such notification requirement.

DEFENDANT: Seibert, Floyd W.
CASE NUMBER: 4:04-CR-251 and 4:06-CR-210**ADDITIONAL SUPERVISED RELEASE TERMS**

Restitution in the amount of \$5,719,340.22 is ordered. You shall cooperate with the Probation Officer in developing a monthly payment plan consistent with a schedule of allowable expenses provided by the Probation Office. You shall provide the Probation Office access to any financial records including income tax returns, and checking accounts. You shall not enter into any financial agreement, incur new credit charges, open additional lines of credit, or checking account, or make any purchases in excess of \$500 without approval of the U. S. Probation Officer. You may be required to participate in an IRS offset program which may include the garnishment of wages, or seizure of all or part of any income tax refund to be applied toward the restitution balance. You may be required to participate in the Treasury Offset Program which would include the seizure of any government payment to be applied toward the restitution balance. In addition, you may be subject to wage garnishment.

You shall work only at employment approved by the U. S. Probation Office. You shall consult the U. S. Probation Office prior to any changes in employment. You shall not terminate any employment without prior approval from the U. S. Probation Office.

DEFENDANT: Seibert, Floyd W.
 CASE NUMBER: 4:04-CR-251 and 4:06-CR-210

CRIMINAL MONETARY PENALTIES

The defendant must pay the total criminal monetary penalties under the schedule of payments on

	<u>Assessment</u>	<u>Fine</u>	<u>Restitution</u>
TOTALS	\$ 200	\$ 0	\$ 5,719,340.22

- The determination of restitution is deferred _____. An *Amended Judgment in a Criminal Case* (AO 245C) will be after such determination.
- The defendant must make restitution (including community restitution) to the following payees in the amount listed below.

If the defendant makes a partial payment, each payee shall receive an approximately proportioned payment, unless specified otherwise in the priority order or percentage payment column below. However, pursuant to 18 U.S.C. § 3664(i), all nonfederal victims must be paid before the United States is paid.

<u>Name of Payee</u>	<u>Total Loss*</u>	<u>Restitution Ordered</u>	<u>Priority or Percentage</u>
Jeanne Bryant Receivership Management Inc., PO Box 2307 Brentwood, TN 37024 (615) 370-0051		\$3,281,199.22	
Centers for Medicare and Medicaid Services, Attn: Veronica Moore Division of Accounting PO Box 7520 Baltimore, MD 21207-0520		\$2,438,141	
TOTALS	\$ _____	\$ <u>5,719,340.22</u>	

- Restitution amount ordered pursuant to plea _____
- The defendant must pay interest on restitution and a fine of more than \$2,500, unless the restitution or fine is paid in full fifteenth day after the date of the judgment, pursuant to 18 U.S.C. § 3612(f). All of the payment options on Sheet 6 may be to penalties for delinquency and default, pursuant to 18 U.S.C. § 3612(g).
- X The court determined that the defendant does not have the ability to pay interest and it is ordered that:
 - the interest requirement is waived for fine X restitution.
 - the interest requirement for fine restitution is modified as follows:

* Findings for the total amount of losses are required under Chapters 109A, 110, 110A, and 113A of Title 18 for offenses committed on or after September 13, 1994, but before April 23, 1996.

DEFENDANT: Seibert, Floyd W.
 CASE NUMBER: 4:04-CR-251 and 4:06-CR-210

SCHEDULE OF PAYMENTS

Having assessed the defendant's ability to pay, payment of the total criminal monetary penalties

- A Lump sum payment of \$ 5,719,540.22 due immediately, balance due
 - not later than _____, or
 - in accordance C, D, E, or F below; or
- B Payment to begin immediately (may be combined with C, D, or F below); or
- C Payment in equal _____ (e.g., weekly, monthly, quarterly) installments of \$ _____ over a period of _____ (e.g., months or years), to commence _____ (e.g., 30 or 60 days) after the date of this judgment; or
- D Payment in equal _____ (e.g., weekly, monthly, quarterly) installments of \$ _____ over a period of _____ (e.g., months or years), to commence _____ (e.g., 30 or 60 days) after release from imprisonment to a term of supervision; or
- E Payment during the term of supervised release will commence within _____ (e.g., 30 or 60 days) after release from imprisonment. The court will set the payment plan based on an assessment of the defendant's ability to pay at that time; or
- F Special instructions regarding the payment of criminal monetary penalties:
 All criminal monetary penalty payments are to be made to the Clerk's Office, U. S. District Court, P. O. Box 9344, Des Moines, IA 50306-9344.

 While on supervised release, you shall cooperate with the Probation Officer in developing a monthly payment plan consistent with a schedule of allowable expenses provided by the Probation Office.

Nothing in this judgment shall be construed as a limitation on the authority of the United States to apply to the Court for a writ of garnishment subject to the approval of the Court in accordance with the Federal Debt Collection Procedure Act, 28 U.S.C. §§3301, et seq., or applicable State law, during the time period that the defendant is incarcerated or under supervision pursuant to this judgment. (See 18 U.S.C. §3664(m)).

Nothing in this judgment shall be construed as a limitation or restriction on the authority of the Bureau of Prisons to require additional payments as a condition for an assignment or for participation in any program.

Unless the court has expressly ordered otherwise, if this judgment imposes imprisonment, payment of criminal monetary penalties is due during imprisonment. All criminal monetary penalties, except those payments made through the Federal Bureau of Prisons' Inmate Financial Responsibility Program, are made to the clerk of the court.

The defendant shall receive credit for all payments previously made toward any criminal monetary penalties imposed.

X Joint and Several

Defendant and Co-Defendant Names and Case Numbers (including defendant number), Total Amount, Joint and Several Amount, and corresponding payee, if appropriate.

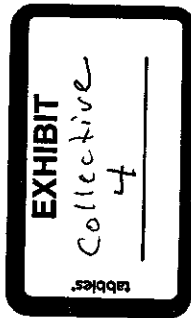
James E. Golden, Jr. Case No. 4:04-CR-251, \$2,438,174

- The defendant shall pay the cost of prosecution.
- The defendant shall pay the following court cost(s):
- The defendant shall forfeit the defendant's interest in the following property to the United States:

Payments shall be applied in the following order: (1) assessment, (2) restitution principal, (3) restitution interest, (4) fine principal, (5) fine interest, (6) community restitution, (7) penalties, and (8) costs, including cost of prosecution and court costs.

CURRENT PARTICIPANTS

State	Zip	END BAL 2001	2002 PAYOUTS	2003 PAYOUTS	2004 PAYOUTS	LOANS	2001 Balance, Minus Loans and Withdrawals	Siebert Prepared Plan Account Balances
OK	73162	23,250.51	0.00	-3,332.58	0.00		19,917.93	18,036.28
FL	33755	44,306.47	0.00	0.00	0.00		44,306.47	42,443.86
TX	78247	38,933.47	0.00	0.00	-7,628.46		31,305.01	44,962.25
TX	78247	91.90	0.00	0.00	0.00		91.90	484.41
TX	78233	4,807.69	0.00	0.00	0.00		4,807.69	9,699.71
FL	33773	11,909.74	0.00	0.00	0.00		11,909.74	29,112.50
FL	34689	1,060.29	0.00	0.00	0.00		1,060.29	1,060.29
OK	73153	409,539.81	0.00	0.00	0.00	-46,000.00	363,539.81	225,877.96
OK	73105	13,307.28	0.00	-1,506.77	0.00		11,800.51	15,674.74
OK	74063	0.00	0.00	0.00	0.00		0.00	0.00
OK	73003	10,187.98	0.00	0.00	0.00		10,187.98	24,497.23
		0.00	0.00	0.00	0.00		0.00	0.00
TX	78270	38,127.81	0.00	0.00	0.00		38,127.81	34,081.62
OK	73114-5013	22,865.83	0.00	-3,349.79	0.00		19,516.04	18,782.07
OK	74047	18,256.85	0.00	-8,002.97	0.00		10,253.88	38,595.57
OK	73170	46,550.56	0.00	-10,168.30	0.00		36,382.26	40,052.00
OK	73084	5,304.83	0.00	0.00	0.00		5,304.83	5,304.83
OK	74063	0.00	0.00	0.00	0.00		0.00	0.00
OK	74437	75,124.79	0.00	-9,037.23	0.00		66,087.56	57,368.29
OK	74030	2,478.05	0.00	0.00	0.00		2,478.05	2,478.05
FL	33702	227.59	0.00	0.00	0.00		227.59	227.59
TX	78063	10,554.70	0.00	0.00	0.00		10,554.70	24,554.73
TX	78261	53,106.36	0.00	-17,889.50	0.00		35,216.86	51,291.83
							723,076.91	684,585.81



TERMINATED PARTICIPANTS

DATE OF TERM	STATE	ZIP	END BAL 2001	2002 PAYOUTS	2003 PAYOUTS	2004 PAYOUTS	LOANS	2001 Balance, Minus Loans and Withdrawals	Seibert Account Balances
18-Jul-00	OK	73501	1,549.45	0.00	0.00	-645.82	0.00	903.63	0.00
22-Oct-01	OK	73072	5,594.51	0.00	0.00	0.00	0.00	5,594.51	2,153.18
30-Sep-00	OK	74075	4,397.45	0.00	0.00	0.00	0.00	4,397.45	1,603.15
20-Sep-02	TX	78239	5,371.99	0.00	0.00	-1,346.22	0.00	4,025.77	0.00
12-Oct-99			0.00					0.00	0.00
20-Aug-01	TX	78213	12,333.50	-1,856.68	0.00	0.00	0.00	10,476.82	3,806.21
18-Jan-00	TX	78233	3,397.61	0.00	0.00	0.00	0.00	3,397.61	1,238.64
2-Mar-99			701.42					701.42	0.00
18-Nov-96								0.00	0.00
22-Jun-02	OK	73130	48,638.55	0.00	-4,222.21	0.00	0.00	44,416.34	15,987.65
15-Sep-00	OK	73069-6230	620.94	0.00	0.00	-91.61	0.00	529.33	0.00
6-Oct-98								0.00	0.00
2-Jun-99	TX	76051	529.73					529.73	0.00
31-Mar-00	CO	80132-7944	1,566.34	0.00	0.00	0.00	0.00	1,566.34	675.81
5-Jan-98	OK	74085	2,671.15	0.00	0.00	0.00	0.00	2,671.15	636.95
15-May-01	OK	73026	15,689.10	0.00	-4,989.81	-2,694.65	0.00	8,004.64	0.00
21-May-03	OK	73127-6840	46,240.33	0.00	0.00	0.00	0.00	46,240.33	28,329.00
14-Nov-01	FL	33764	10,896.39	-3,950.18	0.00	-1,967.77	0.00	4,978.44	0.00
15-Jan-02	TX	78028-6641	6,567.86	0.00	0.00	0.00	0.00	6,567.86	2,968.45
9-May-01	OK	73130	15,413.29	-6,828.17	0.00	0.00	0.00	8,585.12	3,016.16
10-Oct-01	TX	78227	14,035.26	-4,994.87	0.00	-3,360.89	0.00	5,679.50	0.00
3-Dec-99			384.51					384.51	0.00
20-Aug-99	FL	33578	26,816.59	0.00	-2,240.82	0.00	0.00	24,575.77	8,666.26
7-Mar-99	OK	73099						0.00	0.00
15-Feb-99			727.73					727.73	0.00
2-Oct-95	OK	73162-7530	1,932.15	0.00	0.00	0.00	0.00	1,932.15	704.39
31-Dec-99	OK	73112	46,345.23	0.00	0.00	0.00	0.00	46,345.23	16,895.77
	OK	74114						0.00	2,329.97
8-Oct-99	FL	32312-6780	1,006.25	0.00	0.00	-74.23	0.00	932.02	0.00
12-Mar-99	FL	33774						0.00	0.00
29-Jan-99			990.56					990.56	0.00
22-Oct-01	OK	73071	7,406.32	0.00	0.00	-3,903.39	0.00	3,502.93	0.00
31-Aug-01	TX	78025	331.36	0.00	0.00	-285.56	0.00	45.80	0.00

TERMINATED PARTICIPANTS

21-Mar-00 OK	74429-3406	1,489.47	0.00	0.00	0.00	0.00	0.00	1,489.47	580.80
15-Jun-01 FL	33781	5,057.52	0.00	0.00	0.00	0.00	0.00	5,057.52	3,503.70
12-Apr-99								0.00	0.00
15-Sep-98								0.00	0.00
8-Oct-99								0.00	0.00
11-Oct-02 FL	33762	28,600.70	0.00	-15,099.27	0.00	0.00	0.00	13,501.43	18,413.13
14-Nov-03 OK	73170	34,889.72	0.00	0.00	0.00	-4,441.45	-4,339.86	26,108.41	30,522.96
12-Apr-01		548.12						548.12	0.00
7-Apr-00 OK	73013-6838	31,471.51	0.00	0.00	0.00	0.00	-8,166.56	23,304.95	11,275.02
31-Dec-99		0.00						0.00	0.00
21-Sep-00 AZ	85032	20,122.22	0.00	-4,996.08	0.00	-4,041.28		11,084.86	0.00
1-Jul-99		482.38	0.00	-96.48	0.00			385.90	0.00
29-Jun-00 OK	73651	1,084.23	0.00	0.00	0.00	0.00	0.00	1,084.23	574.80
3-Dec-01 OK	14561	1,835.12	0.00	0.00	0.00	-183.13		1,072.61	0.00
8-Oct-99 OK	73120	48,441.32	0.00	0.00	0.00	0.00		48,441.32	17,659.94
26-Jun-02 TX	78217	44,864.34	0.00	-14,840.31	0.00	0.00		30,024.03	10,945.93
19-Mar-02 TX	78028		0.00	0.00	0.00	-100.36		-100.36	0.00
15-Sep-98								0.00	0.00
3-Nov-00 OK	73162-4716	41,262.53	0.00	-14,726.36	0.00	0.00		26,536.17	7,916.56
29-Sep-00 TX	78244	2,340.65	0.00	0.00	0.00	-345.34		1,995.31	0.00
26-Oct-01 OK	74104	20,783.51	0.00	-10,216.06	0.00	0.00		10,567.45	3,243.08
7-Apr-95 FL	32444	1,157.35	0.00	0.00	0.00	0.00		1,157.35	421.93
19-Jan-01 OK	73132	5,594.40	0.00	0.00	0.00	-182.61		2,297.67	0.00
24-Aug-01 OK	73160	29,004.77	0.00	-14,146.57	0.00	0.00		14,858.20	5,475.76
13-Oct-98		269.69	0.00	-101.97	0.00			167.72	0.00
8-Feb-97 CO	80401	2,451.01	0.00	0.00	0.00	0.00		2,451.01	783.08
19-Jul-00 TX	78648-3010	1,222.55	0.00	0.00	0.00	0.00		1,222.55	637.56
5-Jun-98								0.00	0.00
6-Oct-00 TX	78242	6,075.32	0.00	0.00	0.00	-1,344.53		4,730.79	0.00
27-Jul-01 TX	76702-4085	3,841.37	0.00	0.00	0.00	0.00		3,841.37	2,146.07
9-Feb-00		128.52						128.52	0.00
15-Sep-00 TX	78211	1,214.03	0.00	0.00	0.00	-89.56		1,124.47	0.00
8-Oct-02 OK	73139	27,410.87	0.00	-2,997.40	0.00	0.00		24,413.47	8,851.32
5-Sep-02 AZ	85193	4,651.71	0.00	0.00	0.00	0.00		4,651.71	2,144.56
1-May-98 TX	78249	75,182.21	0.00	0.00	0.00	-30,274.18		44,908.03	0.00
22-Feb-02 OK	73010	8,472.16	0.00	0.00	0.00	0.00		8,472.16	4,137.67
5-Nov-99 OK	73099							0.00	0.00
31-Dec-99 OK	74857	9,175.32	0.00	0.00	0.00	0.00		9,175.32	3,344.98
12-Jan-96		56.02	0.00	-37.03	0.00			18.99	0.00
10-Jan-01		590.75						418.63	0.00
4-Oct-99		3,033.16						1,061.24	0.00
9-Mar-00 OK	74033	14,392.47	0.00	0.00	0.00	0.00		14,392.47	9,760.49
17-Aug-01 OK	73034	12,386.25	0.00	0.00	0.00	-1,575.11		10,811.14	3,850.80
9-Oct-01 OK	74014	434.75	-401.78					32.97	0.00

TERMINATED PARTICIPANTS

17-Nov-00 TX	78023-2838	14,222.64	0.00	0.00	0.00	14,222.64	5,426.65
26-Mar-04 TX	78250					0.00	572.54
14-Jan-00 OK	73110	17,703.98	0.00	0.00	0.00	17,703.98	8,682.49
16-Jul-96		583.69	-494.22			89.47	0.00
22-Dec-00 TX	78251	3,463.34	0.00	-1,599.52	-110.36	1,753.46	0.00
7-Jun-00 GA	31201	2,772.97	0.00	0.00	0.00	2,772.97	1,804.64
21-Jun-99						0.00	0.00
16-Feb-96						0.00	0.00
1-Jan-95						0.00	0.00
19-Mar-03						0.00	0.00
15-Sep-00 FL	34690	604.36	0.00	0.00	-250.24	354.12	0.00
23-Dec-99						0.00	0.00
3-Oct-00 TX	78245	2,325.81	0.00	0.00	-857.88	1,467.93	0.00
11-Aug-00 OK	73070	3,539.59	0.00	0.00	-2,000.03	1,539.56	0.00
16-Oct-98 OK	73106	12,620.26	0.00	0.00	0.00	12,620.26	1,840.35
24-May-98 TX	78223	3,894.95	0.00	0.00	0.00	3,894.95	283.99
31-Dec-99		0.00				0.00	0.00
10-May-01 TX	78210	23,590.86	-3,530.40	0.00	0.00	20,060.46	7,297.31
6-Feb-01 OK	73527	9,318.95	-2,643.14	0.00	-1,475.08	5,200.73	0.00
23-Nov-00 TX	78210	16,930.62	-3,265.83	0.00	0.00	13,664.79	4,973.68
23-Jan-01 TX	78228	9,899.75	0.00	-1,531.25	0.00	8,368.50	2,972.10
22-Sep-98 OK	74075	1,528.79	0.00	0.00	-485.33	1,043.46	0.00
5-Mar-99 OK	73003	36,209.58	0.00	0.00	-13,355.96	22,853.62	0.00
10-Sep-01 OK	73072	17,908.72	-6,939.89	0.00	0.00	10,968.83	3,937.19
1-Feb-99						0.00	0.00
24-Oct-01 OK	74014	17,583.77	0.00	-5,385.46	0.00	12,198.31	26,096.74
1-Aug-00 TX	78065	584.43	0.00	0.00	-215.87	368.56	0.00
25-Jul-97 FL	33777	15,475.89	0.00	0.00	0.00	15,475.89	3,385.16
6-Oct-00 OK	73701	2,861.85	0.00	0.00	0.00	2,861.85	1,588.68
4-Sep-00 OK	73716	882.15	0.00	-176.43	0.00	705.72	0.00
8-Oct-98 OK	73116	4,133.75	0.00	0.00	0.00	4,133.75	637.15
21-Sep-01 TX	79766	8,368.99	-2,891.99	0.00	0.00	5,477.00	1,985.93
1-Jan-95 AL	35222	1,747.61	0.00	0.00	-644.61	1,103.00	0.00
7-Sep-00 OK	74601	4,009.15	-2,334.36	0.00	-248.51	1,426.28	0.00
25-Apr-01 TX	78233	43,914.99	-6,863.40	0.00	-13,666.59	23,385.00	0.00
28-Jul-00 OK	73162	18,838.49	0.00	-6,819.79	-2,437.90	9,580.80	0.00
27-Apr-99		161.23				161.23	0.00
27-Dec-01		18,243.08	-2,971.34			15,271.74	0.00
1-Jul-99						0.00	0.00
30-Sep-00 OK	74023	789.17	0.00	-157.83		631.34	0.00
6-Nov-01 TX	78251	5,296.28	-2,313.50	0.00	-437.92	2,544.86	0.00
15-Sep-95		0.00				0.00	0.00
8-May-98 OK	73034	25,592.55	0.00	0.00	-3,775.93	21,816.62	0.00
17-Dec-01 OK	73112	346.57	0.00	0.00	-284.88	61.69	0.00

TERMINATED PARTICIPANTS

16-Mar-99	73703	8,822.34	0.00	0.00	0.00	0.00	8,822.34	0.00	0.00
20-Aug-97 OK		0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,967.79
21-Jul-00	73701	3,369.98	0.00	0.00	0.00	0.00	3,369.98	0.00	0.00
4-Jan-01 OK	73045	928.96	0.00	0.00	0.00	0.00	928.96	0.00	959.03
28-Sep-98 OK	73036	20,251.89	0.00	0.00	0.00	0.00	20,251.89	0.00	369.24
19-Oct-00 OK	78232	47,002.60	-13,793.02	0.00	0.00	-7,454.00	47,002.60	-448.57	0.00
8-Nov-01 TX	78232	9,145.72	-1,279.14	0.00	0.00	-11,616.99	9,145.72	0.00	0.00
30-Nov-01 TX	78249	1,614.83	0.00	0.00	0.00	-1,833.10	1,614.83	0.00	0.00
5-Aug-97 TX		772.72	0.00	0.00	0.00	-684.63	772.72	0.00	0.00
6-Oct-98	74849	1,881.70	0.00	0.00	0.00	0.00	1,881.70	0.00	308.99
28-Feb-00 OK		0.00	0.00	0.00	0.00	-138.82	0.00	0.00	0.00
7-Apr-95	74044	9,318.51	0.00	-2,228.16	0.00	0.00	9,318.51	0.00	0.00
24-Oct-01 OK	73162	23,106.46	-14,063.44	0.00	0.00	-960.06	23,106.46	0.00	17,399.85
6-Oct-00 OK		332.72	0.00	-147.54	0.00	0.00	332.72	0.00	0.00
3-Apr-96	33778	7,728.00	0.00	-1,910.55	0.00	0.00	7,728.00	0.00	185.18
27-Mar-03 FL	34604	1,285.08	0.00	0.00	0.00	-362.44	1,285.08	0.00	5,817.45
14-Apr-00 FL	73773	1,202.07	0.00	0.00	0.00	0.00	1,202.07	0.00	922.64
23-Jun-00 OK	76904	661.14	-306.27	0.00	0.00	0.00	661.14	0.00	1,202.07
22-Aug-00 TX		349.83	-351.77	0.00	0.00	0.00	349.83	0.00	354.87
25-Apr-01								-1.94	0.00
13-May-99	33770	24,105.26	-4,178.36	0.00	0.00	0.00	24,105.26	0.00	0.00
21-Dec-01 FL								0.00	0.00
16-Feb-96	73034	6,105.85	0.00	0.00	0.00	0.00	6,105.85	0.00	19,926.90
11-Feb-99 OK	06457	1,477.33	0.00	0.00	0.00	0.00	1,477.33	0.00	7,255.28
22-Oct-01	78055	21,632.69	-6,048.68	0.00	0.00	-5,674.50	21,632.69	-2,387.86	0.00
25-May-01 CT		31,702.99	0.00	-5,185.30	0.00	0.00	31,702.99	-1,816.28	0.00
20-Dec-02 TX									24,701.41
29-Jan-99	78240	305.20	0.00	0.00	0.00	0.00	305.20	0.00	28,410.60
31-Dec-99 TX	78055	4,947.97	-2,908.80	0.00	0.00	-304.47	4,947.97	0.00	0.00
24-Aug-01 TX	07313	51,109.44	0.00	0.00	0.00	-8,977.20	51,109.44	0.00	0.00
1-Feb-00 OK	73064	5,991.10	0.00	0.00	0.00	0.00	5,991.10	0.00	14,503.61
10-Dec-01 OK		11,854.19	0.00	0.00	0.00	0.00	11,854.19	0.00	2,959.18
29-Dec-00	78233	927.65	0.00	-185.53	0.00	0.00	927.65	0.00	4,321.59
30-Sep-99		884.05	0.00	0.00	0.00	-310.88	884.05	0.00	0.00
7-Mar-00 TX								573.17	0.00
12-Feb-99								0.00	0.00
1-Jul-99	90044	60,351.54	0.00	0.00	0.00	0.00	60,351.54	0.00	0.00
1-Dec-00 CA		2,811.85	-2,788.40	0.00	0.00	0.00	2,811.85	0.00	892.68
14-Sep-01	73645-1044	820.86	0.00	0.00	0.00	-121.11	820.86	0.00	0.00
3-Nov-00 OK	73116	3,396.60	0.00	0.00	0.00	-250.57	3,396.60	0.00	0.00
28-Nov-98 OK	78043	13,300.72	0.00	0.00	0.00	-3,924.79	13,300.72	0.00	0.00
8-Sep-00 TX		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1-Jul-95		469.93	0.00	-175.25	0.00	0.00	469.93	0.00	0.00
26-Mar-98								294.68	0.00

TERMINATED PARTICIPANTS

19-Oct-99 OK	74076	1,220.35	0.00	0.00	0.00	1,220.35	717.10
14-Oct-98		372.11				372.11	0.00
17-Dec-96		0.00				0.00	0.00
8-Sep-00 FL	33759	10,097.36	0.00	0.00	-2,979.54	7,117.82	0.00
24-Mar-99 OK	73162	8,187.64	0.00	0.00	0.00	8,187.64	1,193.96
15-Jan-99 OK	74437	558.11				558.11	0.00
25-Jan-01		423.06	0.00	-84.61		338.45	0.00
15-May-01 TX	78028	25,501.20	-6,090.35	0.00	0.00	19,410.85	6,969.64
31-Jan-97 TX	75206	10,008.41	0.00	0.00	0.00	10,008.41	3,479.55
2-Jan-04 OK	73003-3202	24,002.23	0.00	-10,658.23	0.00	13,344.00	27,361.79
24-Aug-00 TX	78217	25,846.17	0.00	0.00	-9,362.25	11,782.74	0.00
6-Sep-00 TX	78250	1,350.04	0.00	0.00	-544.59	805.45	0.00
30-Jan-97 CO	80111	5,303.40	0.00	0.00	-1,865.48	3,437.92	0.00
28-Aug-98 VA	22032	20,637.04	0.00	0.00	-5,840.81	14,796.23	0.00
15-Jun-01 OK	74804	813.27	-788.28			24.99	0.00
1-Jul-98		82.20	0.00	-23.94		58.26	0.00
7-Sep-01		823.11	0.00	0.00	-261.23	561.88	0.00
17-Sep-02 FL	33761	74,565.57	-24,060.21	0.00	0.00	50,505.36	17,070.65
22-Sep-00 TX	78230-5838	13,648.62	0.00	0.00	-3,992.50	8,303.25	0.00
30-Jan-99 OK	74074	1,542.28	0.00	0.00	0.00	1,542.28	553.94
15-Dec-00		0.00				0.00	0.00
11-Aug-00 MO	64078	934.90	0.00	-186.98		747.92	0.00
10-Aug-97 OK	73160	1,039.87	0.00	0.00	0.00	1,039.87	477.12
19-Jun-02 TX	78247	18,933.31	0.00	0.00	0.00	18,933.31	11,419.79
5-Oct-00 OK	73441	21,580.22	0.00	-4,766.58	0.00	16,813.64	5,890.64
22-Oct-98		0.00				0.00	0.00
21-May-01 OK	74145	5,309.94	0.00	-3,078.35	-112.76	2,118.83	0.00
21-Aug-98		161.31				161.31	0.00
25-Sep-00 OK	73072	182.47	0.00	0.00	0.00	182.47	66.53
22-Oct-01 OK	74883	5,866.59	-2,893.51	0.00	-206.65	2,766.43	0.00
3-Oct-00 OK	73003-3191	567.31	0.00	-175.97		391.34	0.00
30-Sep-00 OK	73120	42,860.18	0.00	0.00	-15,809.03	27,051.15	0.00
8-Aug-03 TX	78247	9,381.54	0.00	-8,234.31	0.00	1,147.23	18,132.75
15-Aug-99		29.25	0.00	-6.49		22.76	0.00
31-Dec-99 TX	78225	1,202.69	0.00	0.00	-88.72	1,113.97	0.00
12-Mar-00		161.82				161.82	0.00
21-Jun-02 OK	74039	12,301.82	0.00	-7,850.52	-505.74	3,945.56	0.00
15-Sep-98 OK	73064	2,008.50	0.00	0.00	-148.16	1,860.34	0.00
31-Oct-02 FL	34436	57,697.89	-7,484.21	-881.55	-36,837.55	12,494.58	0.00
29-Sep-98		372.20				372.20	0.00
20-Jul-99		38.65	0.00	-14.74		23.91	0.00
24-Sep-99						0.00	0.00
OK	74041		0.00	0.00	0.00	0.00	781.94
26-Jul-00 OK	73069	9,364.09	0.00	0.00	0.00	9,364.09	3,413.80

TERMINATED PARTICIPANTS

30-Sep-98 TX	78243	1,441.93	0.00	0.00	-106.37	1,335.56	0.00
29-Feb-00 OK	73082	6,836.65	0.00	0.00	-1,008.68	5,827.97	0.00
1-May-03 OK	73170	24,598.60	0.00	-10,782.18	0.00	13,816.42	21,025.03
30-Sep-00 OK	73105	30,184.45	0.00	0.00	-11,133.57	19,050.88	0.00
22-Oct-01 OK	74066	222.91	0.00	0.00	-16.44	206.47	0.00
11-Oct-01 OK	73013	10,842.48	-5,182.91	0.00	-1,668.68	3,990.89	0.00
9-Aug-99 OK	74066	244.49	0.00	0.00	0.00	244.49	0.00
9-Jul-99		1,177.87	0.00	-455.11	-45.33	677.43	0.00
19-Nov-99 OK	73122	2,393.93	0.00	0.00	-176.60	2,217.33	0.00
21-May-99		108.00	0.00	0.00	0.00	108.00	0.00
2-Jan-00		0.00	0.00	0.00	0.00	0.00	0.00
25-Sep-98 OK	73108	13,569.32	0.00	0.00	-3,007.52	10,561.80	0.00
15-Dec-98		0.00	0.00	0.00	0.00	0.00	0.00
2-Nov-99 AZ	85193	25,369.70	0.00	0.00	0.00	25,369.70	9,730.88
17-Jul-00 AR	72112	3,575.41	0.00	0.00	-1,566.65	2,008.76	0.00
30-Sep-00 OK	74820	1,248.76	0.00	0.00	-449.23	799.53	0.00
20-Oct-98 OK	73047	964.75	0.00	0.00	-71.17	893.58	0.00
10-Dec-97 OK	73099	5,923.05	0.00	0.00	0.00	5,923.05	700.02
1-Jun-01 OK	74030	752.62	0.00	0.00	0.00	752.62	0.00
14-Mar-01 OK	73160	5,366.88	0.00	-1,755.69	0.00	3,611.19	1,221.07
25-Jan-96 OK	73118	1,556.18	0.00	0.00	0.00	1,556.18	601.71
11-May-00		0.00	0.00	0.00	0.00	0.00	0.00
30-Sep-00 OK	74851	6,022.09	0.00	0.00	0.00	6,022.09	2,195.43
10-Dec-99		0.00	0.00	0.00	0.00	0.00	0.00
6-May-02 TX	78028	6,272.94	0.00	0.00	0.00	6,272.94	2,284.44
29-Jan-01		5,453.94	-2,808.93	0.00	0.00	2,645.01	0.00
17-Aug-98		0.00	0.00	0.00	0.00	0.00	0.00
24-Jul-98		0.00	0.00	0.00	0.00	0.00	0.00
25-Aug-02 FL	33763	92,827.42	0.00	-27,344.20	0.00	65,483.22	55,794.01
18-Jul-01 TX	78242	4,486.95	0.00	0.00	-482.27	4,004.68	0.00
10-Dec-99 OK	73111	9,926.79	0.00	0.00	0.00	9,926.79	3,618.95
12-Oct-00 OK	73160	48,562.36	0.00	-7,363.16	0.00	38,021.89	14,144.82
29-Mar-99 OK	74053	769.59	0.00	0.00	0.00	769.59	0.00
21-Jul-00 TX	78240	2,770.13	0.00	0.00	0.00	2,770.13	1,615.29
20-May-99		648.64	0.00	0.00	0.00	648.64	0.00
25-Jan-01 TX	78886	23,944.72	-6,958.16	0.00	-11,162.60	5,823.96	0.00
11-Mar-02 FL	33771	4,686.81	0.00	0.00	0.00	4,686.81	720.38
15-Oct-99 OK	73036	4,190.11	0.00	0.00	-618.22	3,571.89	0.00
14-May-01 OK	73170	27,852.07	-3,536.29	0.00	-8,894.50	15,421.28	0.00
14-Mar-02 OK	74859	9,144.72	0.00	-1,291.72	-567.60	7,285.40	0.00
5-Jul-00		0.00	0.00	0.00	0.00	0.00	0.00
11-Mar-98		1,527.16	0.00	0.00	0.00	1,527.16	0.00
27-Apr-00 OK	74843	10,493.12	0.00	-2,009.40	0.00	8,483.72	2,977.56
30-Nov-00 OK	73111	2,337.50	-959.60	0.00	-100.84	1,277.06	0.00

-3,177.31

TERMINATED PARTICIPANTS

25-Sep-00 OK	73012	1,701.69	-759.42	0.00	0.00	0.00	942.27	0.00
24-Oct-01 OK	74107	8,858.92	0.00	0.00	0.00	0.00	8,858.92	16,574.34
15-Apr-99 OK	73156	307.57	0.00	0.00	0.00	0.00	307.57	0.00
3-Jul-01 TX	78624	8,327.19	0.00	0.00	0.00	-4,967.12	3,360.07	0.00
30-Sep-00 OK	73132	11,634.76	0.00	0.00	0.00	-7,698.63	3,936.13	0.00
5-Oct-01 TX	78073	2,561.76	-1,059.57	0.00	0.00	-87.92	1,414.27	0.00
18-Dec-00 TX	78239	25,996.66	0.00	0.00	0.00	0.00	25,996.66	9,477.42
30-Oct-01 MO	65714	14,253.24	0.00	-6,052.70	0.00	0.00	8,200.54	2,827.40
1-Sep-99 OK	73159	2,007.69	0.00	0.00	0.00	0.00	2,007.69	786.92
23-Sep-98		472.31	0.00	-197.24	0.00	0.00	275.07	0.00
31-Jan-02 TX	78024	51,211.46	0.00	-12,541.66	-14,408.87	0.00	24,260.93	0.00
1-Jan-95							0.00	0.00
1-Dec-00 FL	33710	4,370.02	0.00	0.00	0.00	0.00	4,370.02	1,593.14
31-Dec-99 TX	78237	4,234.73	0.00	0.00	0.00	-312.40	3,922.33	0.00
6-Jun-96		0.00					0.00	0.00
30-Jun-99 TX	78623	1,245.77	0.00	0.00	0.00	0.00	1,245.77	420.27
1-Feb-02 TX	78240	19,316.72	0.00	0.00	0.00	0.00	19,316.72	10,139.46
30-Jun-00 OK	74058	1,600.31	0.00	0.00	0.00	-118.06	1,482.25	0.00
22-Oct-01 OK	73049	2,445.37	0.00	0.00	0.00	0.00	2,445.37	1,367.88
17-Nov-99							0.00	0.00
28-Sep-01 TX	78028	12,861.09	0.00	-9,315.27	-824.13	0.00	2,721.69	0.00
4-Mar-97 OK	73521	3,121.37	0.00	0.00	0.00	0.00	3,121.37	997.27
26-May-00 OK	74030	1,201.43	0.00	0.00	0.00	-88.63	1,112.80	0.00
21-Aug-98							0.00	0.00
16-Aug-99 TX	78221	2,953.17	0.00	0.00	0.00	-324.70	2,628.47	0.00
26-Jul-96		0.00					0.00	0.00
26-Jul-96 TX	78133	16,713.69	0.00	0.00	0.00	0.00	16,713.69	8,152.46
1-Dec-00 OK	73013	15,091.86	0.00	0.00	0.00	0.00	15,091.86	8,505.23
12-Dec-01 FL	34683	16,003.48	0.00	-2,552.87	-4,749.34	0.00	8,701.27	0.00
2-Jan-00 TX	75081	1,333.43	0.00	0.00	0.00	0.00	1,333.43	546.80
23-Mar-01		214.32		-157.74			56.58	0.00
29-Feb-00 OK	73160	1,904.33	0.00	-1,144.49			759.84	0.00
10-Mar-00 TX	78023-3768	2,219.30	0.00	0.00	-163.71	0.00	2,055.59	0.00
17-Jan-02 OK	74825	3,962.15	0.00	0.00	-291.98	0.00	3,670.17	0.00
26-Jan-01 FL	33596	18,370.35	-4,660.85	0.00	-4,015.76	0.00	9,693.74	0.00
23-Apr-98		198.35	0.00	-88.89			109.46	0.00
10-May-00 OK	73034	14,844.76	0.00	0.00	-3,285.31	0.00	11,559.45	0.00
15-Sep-98		1,533.50					1,533.50	0.00
27-Jul-99						0.00	0.00	0.00
31-Dec-99							0.00	690.18
8-Jan-01 TX	78154	27,135.34	0.00	0.00	0.00	0.00	27,135.34	13,146.48
8-Jan-01 TX	78233	5,210.97	0.00	0.00	-2,579.84	0.00	2,631.13	0.00
20-Jul-98 OK	73160	3,825.59	0.00	0.00	-282.21	0.00	3,543.38	0.00

TERMINATED PARTICIPANTS

11-Aug-02 NC	28409	61,564.60	0.00	-17,938.03	0.00	43,626.57	14,410.00
24-Mar-99		21.22	0.00	-3.18		18.04	0.00
31-Dec-99 FL	32621	7,748.99	0.00	0.00	0.00	7,748.99	2,825.00
5-Jan-99						0.00	0.00
7-Jan-00 FL	33710	32,240.62	-6,820.98	0.00	0.00	21,878.07	8,772.89
30-Jan-02 OK	74063	5,480.68	0.00	-187.68	-770.44	4,522.56	0.00
20-Dec-02 OK	73099	10,095.39	0.00	-3,252.29	0.00	6,843.10	22,429.55
31-May-01 MO	65721	17,973.93	-3,374.90	0.00	0.00	14,599.03	5,244.09
1-Sep-00 FL	33764	9,462.98	0.00	-6,154.30	-200.64	3,108.04	0.00
4-Aug-97		21,112.46	0.00	0.00	-3,114.94	17,997.52	0.00
21-Feb-03 TX	78247		0.00	0.00	0.00	0.00	14,315.51
3-Jul-01 TX	78025	37,006.54	0.00	-6,413.85	-10,557.19	20,035.50	0.00
30-Sep-00 OK	74010	9,679.31	0.00	0.00	0.00	9,679.31	2,534.96
23-Apr-01 NV	89130	38,865.54	-6,642.25	0.00	0.00	32,223.29	11,757.46
30-Nov-01 OK	73107	24,729.28	-2,637.47	0.00	0.00	22,091.81	8,001.39
9-Oct-00 OK	73160	1,058.23	0.00	0.00	0.00	1,058.23	577.55
23-Mar-03 FL	33773	50,838.38	0.00	-11,737.06	0.00	39,101.32	24,515.30
10-Sep-01 TX	78063	13,929.71	-5,397.00	0.00	0.00	8,122.03	3,069.10
30-Jun-00 OK	73107	13,013.95	0.00	0.00	-4,800.21	8,213.74	0.00
1-Nov-00 OK	73099	24,453.55	0.00	0.00	0.00	24,453.55	8,914.87
2-Feb-01 OK	73159	12,307.64	-3,117.06	0.00	-1,356.82	7,833.76	0.00
11-Sep-01 FL	33773	14,728.28	0.00	-12,077.89	-623.46	2,026.93	0.00
7-Sep-00 OK	74859	7,715.48	0.00	0.00	0.00	7,715.48	2,812.79
15-Dec-00		0.00	0.00	0.00	0.00	0.00	0.00
13-Aug-02 OK	73162	13,161.11	0.00	0.00	0.00	13,161.11	6,551.99
29-Sep-99 OK	73159	11,973.90	0.00	0.00	0.00	9,052.34	4,288.99
14-Jul-00 FL	33755	272.96	0.00	-63.63		209.33	0.00
1-Nov-97 FL	32505	5,506.65	0.00	0.00	-406.24	5,100.41	0.00
1-Aug-00 TX	78253	10,549.57	0.00	-3,703.47	0.00	6,846.10	2,187.85
2-Jun-95 OK	74429	164.55	0.00	0.00	0.00	164.55	59.98
2-Jun-97 OK	73118	24,237.73	0.00	0.00	0.00	24,237.73	3,534.48
16-Aug-02 OK	73135	12,727.72	0.00	-8,114.41	0.00	4,613.31	867.30
27-Jul-99						0.00	0.00
16-Jun-98 OK	73034	1,367.57	0.00	0.00	-100.88	1,266.69	0.00
9-Apr-99 TX	78130	1,298.13	0.00	0.00	-266.70	1,031.43	0.00
16-Apr-99		365.68				365.68	0.00
13-Jul-00 OK	74630	1,013.44	0.00	0.00	0.00	1,013.44	529.17
5-Mar-96		0.00				0.00	0.00
10-Mar-99						0.00	0.00
18-Nov-98 TX	79015	3,442.00	0.00	0.00	-593.49	2,848.51	0.00
14-Jul-00 TX	76370-0176	4,332.92	0.00	0.00	-2,175.03	2,157.89	0.00
5-Mar-99						0.00	0.00
26-Sep-96 OK	73162	3,547.82	0.00	0.00	-261.72	3,286.10	0.00
30-Jan-02 OK	73012	31,728.54	0.00	-11,864.78	0.00	19,863.76	6,786.64

TERMINATED PARTICIPANTS

8-Feb-99 TX	78643	2,589.71	0.00	0.00	0.00	2,589.71	1,402.47
1-Dec-00 OK	73160	21,397.85	-5,333.63	0.00	0.00	16,064.22	5,862.65
29-Feb-00 OK	73099	4,678.39	0.00	0.00	0.00	4,678.39	2,755.82
6-Oct-00 TX	78216	6,541.17	0.00	0.00	0.00	6,541.17	3,414.83
24-Jul-96		0.00				0.00	0.00
						2,315,157.25	880,868.75

Receivership Management, Inc.

P. O. Box 2307 Brentwood, TN 37024 (615) 370-0051 Fax (615) 373-4336

DATE

NAME
ADDRESS
CITY, STATE ZIP

**RE: Central Home Care Inc. and Affiliates 401(K) Plan
Plan Accounting and Distribution Determinations**

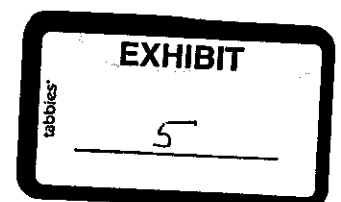
Dear Plan Participant:

On February 3, 2010, you were issued a notice regarding the amount currently allocated to your name in the Central Home Care Inc., and Affiliates. Since issuing that notice, I have received a number of objections raising concerns about how these figures were determined and how allocations will be made. This letter is to address those questions.

As many of you know, the Central Home Care Inc. and Affiliates 401(K) Plan (CHC Plan) consisted of 2 components. The First Component was a traditional 401(K) Plan, with an employer match, whose funds were invested as directed by the participant (employee). The Second Component was a profit-sharing plan whose funds were invested solely at the direction of the CHC Plan Trustee, Floyd Siebert.

The funds represented in the First Component (participant-directed) consisted of employee contributed salary deferrals and a 3% match contributed by the employer, CHC. The Second Component consisted of funds contributed by CHC on a discretionary basis computed on the amount of the employee's salary. No employee funds were to be contributed to the Second Component (trustee-directed). Once funds were contributed by CHC to this Second Component, those funds became assets of the CHC Plan, and the participant, but only if the participant fulfilled the service requirement (term of employment). At the point the service requirement was fulfilled, the participant had a "vested" balance amount. With each service requirement fulfilled, an additional percentage of the balance amount would vest, until the participant's balance was 100% vested.

The U.S. Department of Labor conducted an investigation of the CHC Plan and Mr. Siebert's operation of the CHC Plan. It is my understanding from that investigation that all funds representing the First Component of the CHC Plan were fully accounted for and had been fully distributed, except to those 23 participants that still had funds on deposit with ManuLife/John Hancock. As of this date, all of the funds in the First Component of



the CHC Plan have been distributed except Mr. Siebert's account and the accounts of 8 participants who have not been located.

The U.S. Department of Labor's investigation of the CHC Plan's Second Component allegedly determined that Mr. Siebert, through an elaborate scheme took the funds in the second component and through this scheme allegedly defrauded the CHC Plan. The U.S. Department of Labor, along with a member of my staff, reviewed a database of information developed by CHC to track participant accounts in the Second Component of the CHC Plan and to verify those accountings. Based on this review, it is my understanding that contributions by CHC and the CHC Plan's balance could not be verified after December 31, 2001.

Utilizing the 12-31-2001 balance and the reported earnings of the CHC Plan in plan years 2003 and 2004, our office created what was believed to be an accurate accounting of the Second Component. However, after receiving objections to amounts determined payable, an additional review was made. This additional review raised the following issues which now call into question allocations determined payable post December 31, 2001:

1. It appears Mr. Siebert began changing vesting schedules possibly in an attempt to reduce the number of participants the CHC Plan (and CHC) was obligated to pay. By reducing the number of participants and using their forfeited balances, he could reduce his obligation to return funds he had allegedly already taken. This action would have also reduced CHC's obligation to contribute funds to the CHC Plan.

2. It appears forfeiture amounts were inappropriately created and were inappropriately allocated to current employee accounts.

3. It appears the Independent Audit for Plan Year 2002 was actually a created document possibly by Mr. Siebert. It was not done by an independent accountant.

4. It appears investment returns (gains or losses) were created, possibly by Mr. Siebert, and not the result of market value of the investments. Therefore the earnings cannot be verified.

5. It appears forfeiture amounts were used in such a way as to reduce or eliminate CHC's obligation to make additional contributions to its employees in 2002, 2003, and 2004. Employer bank records are not available so as to verify employee compensation and thus, accurate contribution amounts cannot be verified.

For these reasons, I am recommending to the U.S. District Court that the 12-31-2001 verified balances of all participants be vested 100% as of 12-31-2001, net of any distributions or un-repaid loans received by the participant. I am recommending to the Court that the resulting amount be used as the basis of computing a participant's pro-rata distribution amount of funds currently held by me. The result of this position would be:

1. Alleged gains and losses in years 2002, 2003, and 2004 would not be credited to or deducted from participants.
2. Alleged contributions by CHC in years 2002, 2003, and 2004 would not be credited to participants.
3. Vesting schedules would not be followed for plan years after 2001.

To illustrate the difference between the amounts Mr. Siebert calculated versus the amounts I am recommending, below are listed the two amounts:

Siebert Amount	Bryant Recommended Amount
#####	#####

For most participants, my recommended amount will be more than what Mr. Siebert recommended. In fact, I believe the total amount of plan assets should total \$3,038,234.16. Mr. Siebert's recommended amount of total plan assets is \$1,565,454.50.

For those who worked during the period of 2002-2004, even though Mr. Seibert indicated funds were being contributed to the Plan, in essence no verified contributions were made to participant accounts. Therefore your account was not accurately represented by the statements you received which appear to have been generated by Mr. Siebert. I am sure these statements created a belief there were more funds in the accounts of those who were employed during the period of 2002-2004. These statements do not appear accurate.

You will receive a notice of my filing with the Court which will contain my recommendation for your account balance. Should you have any questions, please contact either me or Rob Moore with Receivership Management Inc. at 615-370-0051.

Sincerely,

Jeanne B. Bryant
Successor Fiduciary
Central Home Care Inc. and Affiliates 401(K) Plan