IN THE COURT OF COMMON PLEAS
FRANKLIN COUNTY

JUDITH L. FRENCH, SUPERINTENDENT, OHIO DEPARTMENT OF INSURANCE Plaintiff, v. THIN BLUE LINE BENEFITS ASSOCIATION LLC, et al. Defendants.	CASE NO. 25 CV 005302 JUDGE SHERYL K. MUNSON CATEGORY H: Other Civil

MOTION OF PLAINTIFF
FOR ISSUANCE OF A SHOW CAUSE ORDER IN CONTEMPT AGAINST DEFENDANTS AND THEIR AGENTS
AND REQUEST FOR ORAL HEARING

Plaintiff Judith L. French, Superintendent of the Ohio Department of Insurance, moves this Court for an order requiring Defendants Thin Blue Line Benefits Association LLC, Thin Blue Line Benefits Association Holdings LLC, and Thin Blue Line Benefits, Inc., and responsible corporate agents, to show cause why they should not be found in contempt of the Agreed Preliminary Injunction entered July 15, 2025, and the Order of Liquidation of Defendants' Ohio Premiums Account issued on December 15, 2025, and to make such other orders as are just and equitable. A Memorandum in Support is attached. Plaintiff requests that this motion be scheduled for oral hearing.

Respectfully submitted,

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MEMORANDUM IN SUPPORT

I. INTRODUCTION

Judith L. French, the Superintendent of the Ohio Department of Insurance (the "Superintendent" and the "Department") filed this lawsuit against Thin Blue Line Benefits Association LLC, Thin Blue Line Benefits Association Holdings LLC, and Thin Blue Line Benefits, Inc. (collectively "Thin Blue Line"). Thin Blue Line sold health insurance without a license in the state of Ohio, and its failure to pay healthcare claims devastated the lives of retired first responders. Through the actions of the Superintendent and the orders of this Court, approximately $2.9 million of premiums paid by Ohio policyholders were deposited in an account set aside to pay Ohio claims. But the Department recently discovered that Thin Blue Line drained the bank account, and the funds paid by Ohioans appear to be gone.

The parties agreed in a preliminary injunction order that Thin Blue Line would deposit the premiums paid by Ohio policyholders to a dedicated account, referred to in the agreed order as the "Ohio Premiums Account." The parties agreed, and this Court ordered, that the funds in the Ohio Premiums Account would not be transferred without the permission of the Conservator, and the funds were to be used *only* to pay claims of Ohio policyholders.

Subsequently, upon motion of the Superintendent, the Court ordered that the Ohio Premiums Account be liquidated, vesting the Superintendent with title to the account and giving her the authority to take actions to liquidate the account. The purpose of liquidation was to allow Ohio policyholders to submit unpaid healthcare claims to the liquidator, to be paid out of the Ohio Premiums Account, under the Court's supervision.

The Department recently discovered that notwithstanding the two court orders, Thin Blue Line transferred *every last dollar* out of the Ohio Premiums Account. In early January, within three weeks of the entry of the Liquidation Order, the Ohio Premiums Account containing Ohio policyholder's premium payments was completely emptied. The funds were sent to two other bank accounts, and it appears that the Ohio Premiums Account was later closed. The Department has been unable to trace where the money was transferred.

Defendants have violated this Court's orders to the detriment of the State of Ohio and Thin Blue Line's Ohio policyholders. The funds in the Ohio Premiums Account were removed in violation of this Court's two orders. Thin Blue Line and its responsible agents should be required to show cause why they should not be held in contempt of court for robbing the Ohio Premiums Account, which was designated by this Court to pay claims of Ohio first responders, and which was instead drained in its entirety.

II. FACTUAL BACKGROUND

A. Two orders of this Court prohibited Thin Blue Line from transferring funds out of the Ohio Premiums Account.

The Superintendent sued Thin Blue Line and sought a temporary restraining order, which this Court granted at a hearing the next day. (the "TRO", granted June 25, 2025). The TRO expressly prohibited Thin Blue Line from collecting any further premium payments from policyholders in Ohio. *Id.* p. 4, ¶ 5. Thin Blue Line was therefore ordered not to take possession of the Ohio policyholder premium payments for July and August of 2025. *Id.*

Due to the logistics of freezing the premium payment transactions already in process, and in a compromise with Thin Blue Line, the Department later allowed Thin Blue Line to accept Ohio premium payments from July and August of 2025 but to deposit the payments into a single, dedicated account. The parties memorialized this agreement in an Agreed Preliminary Injunction Order, which was approved by this Court. "Agreed PI" granted July 15, 2025. The Agreed PI referred to the dedicated account as "the Ohio Premiums Account." *Id.*, p. 2. Pursuant to the agreement, Thin Blue Line represented that the account was held at First Citizens Bank under the account number ending in *1957, and Thin Blue Line provided bank statements to the Department to show that the July and August premium payments were deposited and present in the Ohio Premiums Account as of September 2025. Ex. 1, p. 189-97. Bank Statements for account *1957.

Ultimately, $2,898,015.58 was segregated into the Ohio Premiums Account by Thin Blue Line. *Id.* All of this money consisted of Ohioan's premium payments. The Agreed PI stated that "Thin Blue Line shall not transfer funds out of the Ohio Premiums Account without the consent of the Conservator." Agreed PI, ¶ 5(iv). The Agreed PI also provided that, "Funds from the Ohio Premiums Account shall be used only to pay claims from Ohio members." Agreed PI, ¶ 5(v).

In November of 2025, after receiving information from dozens of policyholders that hundreds of thousands of dollars in claims still had not been paid, the Superintendent moved to liquidate the Ohio Premiums Account. The parties fully briefed the motion as well as Thin Blue Line's cross-motion to release the funds in the Ohio Premiums Account. Upon considering these motions, this Court ordered the Ohio Premiums Account into liquidation. "Liquidation Order" granted December 15, 2025.

The Liquidation Order appointed the Superintendent as Liquidator of the Ohio Premiums Account. Liquidation Order, ¶ 13. The Liquidation Order vested the Superintendent "with the title to the Ohio Premiums Account, as of the date of the entry of this Order" and authorized her "to deal with the same in her own name as Liquidator." *Id.*, ¶ 14.

Thus, two court orders—the Agreed PI from July 2025 and the Liquidation Order from December 2025—forbade Thin Blue Line from transferring any of the $2,898,015.58 in the Ohio Premiums Account. The Liquidation Order expressly applies not only to Thin Blue Line, but also to all of Thin Blue Line's agents, including:

- Its officers, managers, directors, trustees, owners, shareholders, employees, agents, and brokers; and
- Any other person, firm, association, partnership, corporation, or other entity or person with authority over or in charge of any segment or aspect of Defendants' affairs, property, or assets, including but not limited to, insurance brokers, agents, trusts, banks, savings and loan associations, financial or lending institutions, stock or mutual associations, reinsurers, third-party administrators, attorneys representing Defendants, and any person who exercises control directly or indirectly over activities of Defendants through any holding company or affiliate of any of Defendants.

Liquidation Order, ¶ 18. The Liquidation Order requires all these people to cooperate with the Liquidator in the performance of the Liquidator's duties, including refraining from obstructing or interfering with the Liquidator in the conduct of the case and proceeding. *Id.*, ¶ 18(d). The Liquidation Order permanently enjoins and restrains Thin Blue Line, its agents and defined "Other Persons" from "in any way interfering with the Liquidator in her gaining possession or control of, or in her right, title, and interest to the property, books, records, and all other assets of Defendants contemplated by" the Liquidation Order. *Id.*, ¶ 21(c).

Both the Agreed PI and the Liquidation Order were subject to Ohio Civil Rule 65, which provides that any injunction or restraining order "is binding upon the parties to the action, their officers, agents, servants, employees, attorneys and those persons in active concert or participation with them who receive actual notice of the order." Civ. R. 65(D).

B. The Department attempted to secure possession of the account and learned that it had been drained.

Within a week of the issuance of the Liquidation Order, the Department attempted to secure possession and control over the Ohio Premiums Account held at First Citizens Bank. *See* Ex. 2, p. 2-14, Email with attachments. The Department emailed correspondence to First Citizens Bank on December 22, 2025, that identified the account, advised that the account was subject to a court liquidation order, and requested that the bank identify any acts or documentation that were required to secure control of the account. *Id.* A copy of the Liquidation Order was also attached to the correspondence. *Id.*, p. 4-14. First Citizens Bank directed the Department to re-submit the correspondence by fax, which the Department did the following day. *Id.*, p. 15-17, Email and Fax. The Department sent multiple communications to the bank through email, fax, and certified mail, and also spoke to a bank representative by phone. *Id.*, p. 2-18, 35-36, Emails, Fax, and Letters.

After the Department sent additional inquiries to First Citizens Bank, the bank initially advised that the matter would be reviewed with its legal department, but on March 16, 2026, the Department received a communication stating that the bank could not locate the account. *Id.*, p. 18, 19, 34, Emails; Letter. The Department sent additional communications to the bank, but ultimately, the Department on June 3, 2026, received a mailing from the bank containing a copy of one of the Department's letters and a cashier's check in the amount of $90. *Id.*, p. 35.-37, Letters; Check. The mailing did not contain a cover letter or any other information. The cashier's check is made out to the account holder listed on the account, "EOB TPA LLC, TBL ADMIN." In the remitter line, it states "Mail in Closeoutxxxxxx1957." *Id.*, p. 37, Check. The check is dated April 17, 2026. *Id.*

Concerned that the Ohio Premiums Account had been drained and closed, the Department's legal counsel contacted First Citizens Bank. First Citizens Bank provided an affidavit stating that there is currently no account for EOB TPA LLC, TBL ADMIN. Ex. 1, p. 183, Affidavit. This corroborates the "Closeout" reference that appeared on the check for $90.00. First Citizens Bank also provided a statement for the Ohio Premiums Account for the month of January 2026. Ex. 1, 176-82, Email with attached Bank Statement. The statement shows a beginning balance of $2,898,015.58. *Id.*, p. 178. The statement then shows two transfers out of the account on January 8, 2026: one for $1,398,015.58 and one for $1,500,000, for a total of exactly $2,898,015.58. *Id.*

This left a balance of $0. *Id.* Correspondence from the bank states that these amounts were transferred to two other accounts at First Citizens Bank "owned by this client." *Id.*, p. 177, Email.

In addition, counsel for the Department emailed counsel for Thin Blue Line on June 5, 2026, requesting immediate confirmation of the balance in the Ohio Premiums Account. To date, counsel has not responded. *Id.*, p. 195, Email.

C. CEO Anna Reed admitted that she was aware of this Court's orders but that she ignored the requirement to reserve the funds in the Ohio Premiums Account for Ohio claims.

While these communications between the Department and First Citizen Bank were ongoing, the Florida Office of Insurance Regulation conducted a deposition of the owner of Thin Blue Line, Anna Reed.[1] In this deposition, Reed admitted that she knew that the Ohio court had issued orders appointing a conservator and liquidating certain Thin Blue Line accounts. Ex. 1, Reed Depo. Tr. at 107, 116.[2] She further admitted that she knew the Liquidation Order was issued in December of 2025, and that she *read the entire Liquidation Order*. *Id.* at 108, 114.

Reed also acknowledged in her deposition that Ohio requested Thin Blue Line to segregate money into "an account that would be established for Ohio claimants." *Id.* at117. She then stated:

> A: Look, we separated $2.3 million out, but I cannot call that "Ohio money," I cannot call that "Florida money." It is the plan's money, and that plan's fiduciary responsibility is the paid claims. We tried to walk through a process that we thought was going to appease Ohio, and whether it appeased them or not, we paid claims. Her claims are paid. Ohio's claims are paid. Arizona's claims are paid. I have no outstanding claims. There is not -- you don't designate money when you collect premium to what state or -- that that belongs to. The plan is the plan. The claims account is the claims account. It doesn't -- when claims come in, it doesn't recognize a claim by a state that it came from.

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[1] Reed is the CEO and sole owner of Thin Blue Line Benefits, Inc.; the manager and CEO/President of Thin Blue Line Benefits Association, LLC; and the sole member, owner, CEO/President, and manager of Thin Blue Line Benefits Association Holdings, LLC. Answer to Am. Compl. ¶ 46-52.

[2] Citations to pages numbers for the Reed deposition are to the page numbers in the court reporter's transcript, rather than the Bates stamped page numbers for Exhibit 1.

Q: And when you say, "the claims account," are you saying that this is the entire claims account for every potential consumer or member of Thin Blue Line?

A: You would have to ask the TPA. I would say yes, but I know there are accounts, holding accounts, certain things they put money in until claims are actually paid out, but I would say yes.

Q: Who has access to these accounts at the moment?

A: EOB TPA.

Q: Is there anyone else that has access to these accounts?

A: I have access to view them, but nobody else. If I was to ask them for access to the account, they would have to give it to me.

Q: How much money is in the account currently?

A: I don't know. I have not looked. I don't know that I can look into that specific account because claims have been funded and paid, and I don't know what is left outstanding as it's waiting for providers to clear checks. You could ask them that tomorrow.

Q: When was the last time you looked at the account?

A: I don't know. I mean, we fund – maybe November.

Q: And how much was in the account back then, as far as you can recollect?

A: Probably a little over maybe like 3.2 million.

Q: Again, this is just clarifying. That 3.2 million is not segregated specifically for Ohio, that's for every potential member?

A: Correct.

Id. at 117-19. Anna Reed spoke as if she could spend the money paid by Ohio policyholders however she pleases, despite signing a court order to the contrary. She knew that the Liquidation Order was issued in December of 2025, and testified that she read the entire order. *Id.* at 108-14. Yet less than a month later, the Ohio Premiums Account was completely empty. Reed testified that that Ohio has "not confiscated" the account, that she did not consider the money to be reserved for

Ohio claims, and she indicated that the account was used to pay for claims from other states. *Id.* at 108, 117-19.

Moreover, contrary to Ms. Reed's claims that "Ohio's claims are paid," the Department provided evidence to this Court of over $1 million of unpaid claims for just six Ohioans. Exs. 1-6 to Pl. Nov. 12 2025 Mot. for Liquidation. The liquidation process is ongoing, and Ohio policyholders can present their claims information to the liquidator until the claims bar date of August 31, 2026. https://dam.assets.ohio.gov/image/upload/insurance.ohio.gov/Legal/Documents/Notice_of_Bar_Date_and_Claims_Filing_Deadline.pdf (accessed June 10, 2026).

III. LAW AND ARGUMENT

A. This Court has authority to find a party in contempt.

Contempt is "conduct which brings the administration of justice into disrespect, or which tends to embarrass, impede or obstruct a court in the performance of its functions." *Windham Bank v. Tomaszczyk*, 27 Ohio St.2d 55, 55, (1971), paragraph one of the syllabus. Ohio law provides that a person may be found in contempt of court for "[d]isobedience of, or resistance to, a lawful writ, process, order, rule, judgment, or command of a court or officer." R.C. 2705.02(A). In addition, the Court has inherent power of contempt. *See Denovchek v. Bd. of Trumbull Cty. Commrs.*, 36 Ohio St.3d 14, 15 (1988) ("The power of contempt is inherent in a court, such power being necessary to the exercise of judicial functions.").

Contempt can be either direct or indirect. *See State v. Anderson*, 2013-Ohio-2454, ¶ 10 (10th Dist.). "Direct contempt occurs in the presence of the court and obstructs the administration of justice." *Id.*; *see also* R.C. 2705.01 ("A court, or judge at chambers, may summarily punish a person guilty of misbehavior in the presence of or so near the court or judge as to obstruct the administration of justice."). "Indirect contempt involves behavior which occurs outside the presence of the court and demonstrates a lack of respect for the court or its lawful orders." *Id.*; *see also* R.C. 2705.02. The contempt at issue here is indirect, as it involves conduct outside the presence of the court that demonstrates a lack of respect for this Court's orders. This Court has authority to find Thin Blue Line and its agents in contempt.

Contempt proceedings are regarded as *sui generis,* "neither wholly civil nor wholly criminal actions." *Brown v. Executive 200, Inc.*, 64 Ohio St.2d 250, 253 (1980). Contempt sanctions can be either civil or criminal. "Civil contempt sanctions are designed for remedial or coercive purposes and are often employed to compel obedience to a court order." *State ex rel. Corn v. Russo*, 90 Ohio St.3d 551, 555 (2001). For a civil sanction, the contemnor can purge themselves of the contempt by complying with the order. *See Ohio Org. Collaborative v. Ohio Redistricting Comm'n,* 2022-Ohio-1750, ¶ 14. Criminal contempt sanctions, however, are "punitive in nature and are designed to vindicate the authority of the court." *Corn*, 90 Ohio St.3d at 555. Criminal sanctions are not conditional, and they cannot be purged by obeying the court. *Id.* This Court has authority to impose civil or criminal contempt sanctions, or a combination of the two. *See, e.g., Brown*, 64 Ohio St.2d at 255 (seven days of ten-day-sentence could be purged with compliance and therefore constituted a civil penalty; the three days that could not be purged were criminal sanctions).

B. Corporate agents may be held in contempt for causing a corporation to violate a court order.

Over 100 years ago, the United States Supreme Court held that corporate agents could be held in contempt when a corporation violates a court order. *See Wilson v. United States*, 221 U.S. 361, 376-77 (1911). The Court in *Wilson* held that, because a corporation can act only through its agents, "[a] command to the corporation is in effect a command to those who are officially responsible for the conduct of its affairs." *Id.* Accordingly, if a corporation fails to comply with a court order, the responsible officers, "no less than the corporation itself, are guilty of disobedience and may be punished for contempt." *Id.* The Supreme Court of Ohio has adopted this same holding in contempt proceedings. *See State v. Pussycat Cinex,* 36 Ohio St. 2d 108, 113 (1973) (corporate manager who failed to produce evidence as ordered by the court can be held in contempt).

A corporate agent can be held in contempt even if the agent is not a named party in the proceeding, as long as the agent receives notice. *See State ex rel. DeWine v. C&D Disposal Techs,* 2016-Ohio-476, ¶ 21 (7th Dist.); *State ex rel. Petro v. Pure Tech. Sys.,* 2015-Ohio-1639, ¶ 71 (8th Dist.); *Advantage Bank v. Waldo Pub., LLC,* 2009-Ohio-2816, ¶ 32, 46-47 (3rd Dist.). The courts in *DeWine* and *Petro* noted that under Ohio Civil Rule 65, court-ordered injunctions and restraining orders are "binding upon the parties to the action, their officers, agents, servants, employees, attorneys, and those persons acting in active concert or participation with them who receive actual notice of the order." *See DeWine,* 2016-Ohio-476, at ¶ 13; *Petro,* 2015-Ohio-1638, at ¶ 71 (internal quotations omitted). Accordingly, this Court's orders enjoining and restraining the actions of Thin Blue Line were binding upon Thin Blue Line as well as the agents who had knowledge of the orders. For these reasons, this Court has authority to find Thin Blue Line and its agents to be in contempt.

C. The Department has obtained evidence that Thin Blue Line violated this Court's orders.

There are three elements to establishing contempt for failing to comply with an order: (1) a valid court order, (2) the contemnor knew about the order, and (3) the contemnor violated the order. *See McCall v. Kranz*, 2016-Ohio-214, ¶ 9 (10th Dist.); *see also RRL Holding Co. of Ohio, LLC v. Stewart*, 2020-Ohio-199, ¶ 34 (10th Dist.). For civil contempt, the moving party must prove these elements by clear and convincing evidence. *See Ryan v. Ryan*, 2014-Ohio-3049, ¶ 12 (10th Dist.). For criminal contempt, the party must establish guilt beyond a reasonable doubt. *Brown v. Executive 200, Inc.*, 64 Ohio St. 2d 250, 252 (1980).

This Court's Agreed PI prohibited Thin Blue Line from transferring funds in the Ohio Premiums Account without the approval of the appointed conservator. Agreed PI, p. 2. And this Court's Liquidation Order vested the Liquidator with ownership of the Ohio Premiums Account and prohibited Thin Blue Line from accessing the funds at all. Liquidation Order, p. 4. Despite these two orders, all of the approximately $2.9 million paid by Ohio policyholders was removed from the Ohio Premiums Account, and the account was closed without the approval or knowledge of the conservator or liquidator. Moreover, Anna Reed admitted in her deposition that she has "100% ownership" of each of the Thin Blue Line entities, and that she is "the decision-maker" for each entity. Ex. 1, Reed Depo. Tr. at 5. Her deposition testimony shows that she was aware of this Court's orders, that she knew the Ohio premiums were required to be reserved for Ohio claims, but she did not reserve the funds for payment of Ohio claims as required.[3]

This Court must address this blatant violation of its orders. Thin Blue Line's conduct shows an utter lack of respect for the Court and for the Ohio policyholders whose claims *still* remain unpaid. Moreover, if the funds are not recovered, the consequences will be devastating for the first responders who paid premiums to Thin Blue Line but were left with thousands, and even hundreds of thousands, of dollars of unpaid medical bills.

[3]Although this testimony indicates that Thin Blue Line's violations may have been intentional, the Supreme Court of Ohio has held that proof of an intentional violation of a court order is not a prerequisite for a finding of civil contempt. *Pugh v. Pugh*, 15 Ohio St. 3d 136, 140 (1984).

Ohio law requires courts to hold a hearing in all contempt proceedings. *See* R.C. 2705.05(A). Accordingly, the Department requests that this Court set a hearing for Thin Blue Line, Ms. Reed, and Thin Blue Line's agents or affiliates to show cause why they should not be held in contempt for the violation of this Court's orders.

IV. CONCLUSION

For the reasons stated, the Department moves this Court to issue a show cause order and to schedule a hearing in this matter.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I certify that on June 17, 2026, I electronically filed the foregoing with the Clerk of Court pursuant to Civ.R. 5(B)(2)(f), and all parties filing an appearance were served through the Clerk's electronic filing system. In addition, I certify that I emailed a courtesy copy of the foregoing to Defendants' counsel at mweitz@weitzmorgan.com, and that a copy of the foregoing was also sent via certified mail to:

Guineth Ann Reed Haralambous, AKA Anna Reed
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/s/ *Katherine Bockbrader*
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