

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA**

Case No. 18-cv-62593-GAYLES

FEDERAL TRADE COMMISSION,

Plaintiff,

v.

**SIMPLE HEALTH PLANS LLC, HEALTH
BENEFITS ONE LLC, HEALTH CENTER
MANAGEMENT LLC, INNOVATIVE
CUSTOMER CARE LLC, SIMPLE
INSURANCE LEADS LLC, SENIOR
BENEFITS ONE LLC, STEVEN J.
DORFMAN, and CANDIDA L.
GIROUARD,**

Defendants.

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**ORDER FOR PERMANENT INJUNCTION AND MONETARY RELIEF AS TO
DEFENDANTS STEVEN DORFMAN, SIMPLE HEALTH PLANS LLC, HEALTH
BENEFITS ONE LLC, HEALTH CENTER MANAGEMENT LLC, INNOVATIVE
CUSTOMER CARE LLC, SIMPLE INSURANCE LEADS LLC, AND
SENIOR BENEFITS ONE LLC**

THIS CAUSE is before the Court on its Order of February 7, 2024, in which it granted Plaintiff's, the Federal Trade Commission ("Commission" or "FTC"), Motion for Summary Judgment Against Defendants Steven Dorfman, Simple Health Plans LLC, Health Benefits One LLC, Health Center Management LLC, Innovative Customer Care LLC, Simple Insurance Leads LLC, and Senior Benefits One LLC ("Litigating Defendants"). [ECF No. 495]. Based thereon, it is

ORDERED, ADJUDGED, AND DECREED as follows:

FINDINGS

1. As set forth in Court's Order granting Summary Judgment in favor of the Commission, it is

proper to enter this Order for Permanent Injunction and Other Equitable Relief Against Defendants Steven Dorfman, Simple Health Plans LLC, Health Benefits One LLC, Health Center Management LLC, Innovative Customer Care LLC, Simple Insurance Leads LLC, and Senior Benefits One LLC (“Order”) to prevent a recurrence of Litigating Defendants’ violations of Section 5 of the FTC Act, 15 U.S.C. § 45 and Sections 16 C.F.R. § 310.3(a)(2)(iii) and 16 C.F.R. § 310.3(a)(2)(vii) of the TSR, and to enter equitable monetary relief against Litigating Defendants pursuant to Sections 13(b) and 19 of the FTC Act, 15 U.S.C. §§ 53(b) and 57b.

2. Defendants’ gross revenues, less refunds and chargebacks amount to at least \$195,466,443 from the conduct alleged in the Commission’s Complaint.

3. The Commission is therefore entitled to equitable monetary relief against Litigating Defendants in the amount of \$195,466,443, for which Litigating Defendants are jointly and severally liable.

4. This Order is in addition to, and not in lieu of, any other civil or criminal remedies that may be provided by law.

5. Entry of this Order is in the public interest.

DEFINITIONS

For the purpose of this Order, the following definitions apply:

1. “Corporate Defendants” or “Receivership Defendants” means Simple Health Plans LLC; Health Benefits One LLC, also doing business as Health Benefits Center, Simple Health, Simple Health Plans, Simple Insurance, Simple Insurance Plans, Simple Auto, Simple Home, Simple Home Plans, Simple Care, Simple Life, and National Dental Savings; Health Center Management LLC; Innovative Customer Care LLC; Simple Insurance Leads LLC, also doing business as Health

Insurance Services; and Senior Benefits One LLC, and their successors and assigns.

2. “Defendants” means the Individual Defendant and the Corporate Defendants, individually, collectively, or in any combination.

3. “Healthcare-Related Products” means any program, plan, membership, card, product, insurance policy, or other good or service, that offers, or purports to offer, insurance, discounts, savings, or benefits on healthcare, or access to such insurance, discounts, savings, or benefits.

4. “Individual Defendant” means Steven J. Dorfman and any other names for which he may be known.

5. “Litigating Defendants” means Steven J. Dorfman and the Corporate Defendants.

6. “Receiver” means Michael Goldberg, Esq., the permanent receiver appointed in the Preliminary Injunction and Order entered by the Court on May 14, 2019, [ECF No. 139], (“Preliminary Injunction”).

7. “Telemarketing” means a plan, program, or campaign which is conducted to induce the purchase of goods or services by use of one or more telephones, and which involves a telephone call, whether or not covered by the TSR.

ORDER

I. BAN ON HEALTHCARE-RELATED PRODUCTS

IT IS THEREFORE ORDERED that Litigating Defendants are permanently restrained and enjoined from advertising, marketing, promoting, offering for sale, or selling, or assisting in the advertising, marketing, promoting, offering for sale, or selling, of any Healthcare-Related Products.

II. BAN ON TELEMARKETING

IT IS FURTHER ORDERED that Litigating Defendants are permanently restrained and enjoined, whether acting directly or through an intermediary, from:

A. Participating in Telemarketing, including by consulting, brokering, planning, or advising; or

B. Owning or controlling, holding a managerial post in, serving as an officer in, having any revenue sharing agreement with, or holding any ownership interest share or stock (other than the stock of a publicly traded company) in any company that participates in Telemarketing.

III. PROHIBITION AGAINST MISREPRESENTATIONS

IT IS FURTHER ORDERED that Litigating Defendants, Litigating Defendants' officers, agents, employees, and attorneys, and all other persons in active concert or participation with any of them, who receive actual notice of this Order, whether acting directly or indirectly, in connection with promoting or offering for sale any good or service, are permanently restrained and enjoined from misrepresenting or assisting others in misrepresenting, expressly or by implication:

A. Any material aspect of the performance, efficacy, nature, or central characteristics of any good or service;

B. Any material restriction, limitation, or condition to purchase, receive, or use goods or services that are the subject of a sales offer;

C. Any affiliation with, or endorsement or sponsorship by, any person or government entity;

D. Any material aspect of the nature or terms of the seller's refund, cancellation, exchange, or repurchase policies; or

E. Any other fact material to consumers concerning any good or service, such as: the total costs; any material restrictions, limitations, or conditions; or any material aspect of its performance, efficacy, nature, or central characteristics.

IV. MONETARY JUDGMENT

IT IS FURTHER ORDERED that:

A. Judgment in the amount of One-Hundred Ninety-Five Million, Four Hundred Sixty-Six Thousand, and Four Hundred Forty-Three Dollars (\$195,466,443) is entered in favor of the Commission against Litigating Defendants, jointly and severally, as equitable monetary relief. Litigating Defendants are ordered to pay the Commission this amount immediately upon entry of this Order.

B. The Receiver shall liquidate all assets transferred to the Receiver pursuant to this Order. After payment to the Receiver of any expenses approved by the Court, all proceeds from the liquidation of those assets shall be paid to the Commission. The Receiver is excused from the requirements of 28 U.S.C. § 2001 and 28 U.S.C. § 2004 in connection with any pending or contemplated sale by the Receiver.

C. Any entity or person, or any financial institution, holding Litigating Defendants' assets must transfer those assets to the Commission or Receiver, in accordance with instructions provided by a representative of the Commission, within seven days of receiving notice of this Order.

D. Defendant Dorfman shall take all steps necessary to assist in the transfer of all frozen assets. If it is necessary to execute additional documents to transfer, liquidate, or assign Defendant Dorfman's assets or any other assets surrendered under this Order, Defendant Dorfman shall execute such documents within three (3) days of a request from a representative of the Commission

or the Receiver.

E. All money paid to the Commission pursuant to this Order may be deposited into a fund administered by the Commission or its designee to be used for equitable relief, including consumer redress and any attendant expenses for the administration of any redress fund. If a representative of the Commission decides that direct redress to consumers is wholly or partially impracticable or money remains after redress is completed, the Commission may apply any remaining money for such other equitable relief (including consumer information remedies) as it determines to be reasonably related to Defendants' practices alleged in the Complaint. Any money not used for such equitable relief is to be deposited to the U.S. Treasury as disgorgement. Defendants have no right to challenge any actions the Commission or its representatives may take pursuant to this Subsection.

F. The freeze against the assets of Defendant Dorfman pursuant to the October 31, 2018 Temporary Restraining Order, [ECF No. 15], the November 19, 2018, December 21, 2018, April 17, 2019, and May 1, 2019 Orders extending the TRO, [ECF Nos. 30, 55, 130, and 136], and the May 14, 2019 Preliminary Injunction, [ECF No. 139], is modified with respect to Litigating Defendants. Specifically, once all the Litigating Defendants' frozen assets are transferred in accordance with Subsections A, C, and D, the asset freeze will dissolve with respect to Litigating Defendants.

V. PROHIBITION ON COLLECTING ON ACCOUNTS

IT IS FURTHER ORDERED that Litigating Defendants, their officers, agents, employees, and attorneys, and all other persons in active concert or participation with any of them, who receive actual notice of this Order, whether acting directly or indirectly, are permanently

restrained and enjoined from charging or attempting to charge consumers for any Healthcare-Related Product marketed or sold prior to entry of this Order, and from selling, assigning, or otherwise transferring any right to charge for any Healthcare-Related Product marketed or sold prior to entry of this Order, unless the consumer has affirmatively consented to such charges pursuant to a notice process undertaken or directed by the Receiver. Any such charges collected after entry of this Order, but prior to the completion of the notice process, shall be escrowed and returned in full to any consumer who does not give consent to such charges.

VI. CUSTOMER INFORMATION

IT IS FURTHER ORDERED that Litigating Defendants, their officers, agents, employees, and attorneys, and all other persons in active concert or participation with any of them, who receive actual notice of this Order, are permanently restrained and enjoined from directly or indirectly:

A. Failing to provide sufficient customer information to enable the Commission to efficiently administer consumer redress. If a representative of the Commission requests in writing any information related to redress, Litigating Defendants must provide it, in the form prescribed by the Commission, within 14 days.

B. Disclosing, using, or benefitting from customer information, including the name, address, telephone number, email address, social security number, other identifying information, or any data that enables access to a customer's account (including a credit card, bank account, or other financial account), that any Litigating Defendant obtained prior to entry of this Order in connection with the advertising, marketing, promoting, offering for sale, or sale of Healthcare-Related Product; and

C. Failing to destroy such customer information in all forms in their possession, custody, or control within 30 days after receipt of written direction to do so from a representative of the Commission.

Provided, however, that customer information need not be disposed of, and may be disclosed, to the extent requested by a government agency or required by law, regulation, or court order.

VII. COMPLETION OF RECEIVERSHIP

IT IS FURTHER ORDERED that the appointment of the Receiver pursuant to the Preliminary Injunction is hereby continued in full force and effect as modified by this Section.

A. The Receiver is directed and authorized to accomplish the following within 120 days after entry of this Order, but any party or the Receiver may request that the Court extend the Receiver's term for good cause:

1. Take any and all steps that the Receiver concludes are appropriate to wind down the affairs of the Receivership Defendants;
2. Complete the process of taking custody, control, and possession of all assets of the Receivership Defendants, including without limitation any funds in bank accounts or payment processing reserve accounts;
3. Undertake or direct a process to notify each consumer still enrolled in any Healthcare-Related Products sold by Defendants that such enrollment will be cancelled unless the consumer affirmatively consents to ongoing enrollment and the associated fees, and work in cooperation with the third parties who manage the ongoing enrollments to ensure that only consumers who affirmatively consent will continue to be charged;

4. Complete, as necessary, the liquidation of all assets of the Receivership Defendants;

5. Prepare and submit a report describing the Receiver's activities pursuant to this Order, and a final application for compensation and expenses; and

6. Distribute to the Commission all remaining liquid assets at the conclusion of the Receiver's duties, in partial satisfaction of the monetary judgment set forth in this Order.

B. Upon completion of the above tasks, the duties of the Receiver shall terminate, and the Receiver shall be discharged.

VIII. ORDER ACKNOWLEDGMENTS

IT IS FURTHER ORDERED that Litigating Defendants obtain acknowledgments of receipt of this Order:

A. Each Litigating Defendant, within seven (7) days of entry of this Order, must submit to the Commission an acknowledgment of receipt of this Order sworn under penalty of perjury.

B. For five (5) years after entry of this Order, each Litigating Defendant, for any business that such Defendant, individually or collectively with any other Defendant, is the majority owner or controls directly or indirectly, must deliver a copy of this Order to: (1) all principals, officers, directors, and LLC managers and members; (2) all employees having managerial responsibilities for conduct related to the subject matter of the Order, and all agents and representatives who participate in conduct related to the subject matter of the Order; and (3) any business entity resulting from any change in structure as set forth in the Section titled Compliance Reporting. Delivery must occur within seven (7) days of entry of this Order for current personnel. For all others, delivery must occur before they assume their responsibilities.

C. From each individual or entity to which a Litigating Defendant delivered a copy of this Order, that Defendant must obtain, within 30 days, a signed and dated acknowledgment of receipt of this Order.

IX. COMPLIANCE REPORTING

IT IS FURTHER ORDERED that Litigating Defendants make timely submissions to the Commission:

A. Sixty (60) days after entry of this Order, Litigating Defendants must submit a compliance report, sworn under penalty of perjury.

1. Each Litigating Defendant must: (a) identify the primary physical, postal, and email address and telephone number, as designated points of contact, which representatives of the Commission may use to communicate with that Defendant; (b) identify all of that Defendant's businesses by all of their names, telephone numbers, and physical, postal, email, and Internet addresses; (c) describe the activities of each business, including the goods and services offered, the means of advertising, marketing, and sales, and the involvement of any other Defendant (which Litigating Defendant must describe if he knows or should know due to his own involvement); (d) describe in detail whether and how that Defendant is in compliance with each Section of this Order; and (e) provide a copy of each Order Acknowledgment obtained pursuant to this Order, unless previously submitted to the Commission.

2. Additionally, Defendant Dorfman must: (a) identify all telephone numbers and all physical, postal, email and Internet addresses, including all residences; (b) identify all business activities, including any business for which Defendant Dorfman performs services whether as an employee or otherwise and any entity in which Defendant Dorfman has any ownership

interest; and (c) describe in detail Defendant Dorfman's involvement in each such business, including title, role, responsibilities, participation, authority, control, and any ownership;

B. For 20 years after entry of this Order, Defendant Dorfman must submit a compliance notice, sworn under penalty of perjury, within 14 days of any change in the following:

1. Defendant Dorfman must report any change in: (a) any designated point of contact; or (b) the structure of Corporate Defendants or any entity that Defendant Dorfman has any ownership interest in or controls directly or indirectly that may affect compliance obligations arising under this Order, including: creation, merger, sale, or dissolution of the entity or any subsidiary, parent, or affiliate that engages in any acts or practices subject to this Order.

2. Additionally, Defendant Dorfman must report any change in: (a) name, including aliases or fictitious name, or residence address; or (b) title or role in any business activity, including any business for which Defendant Dorfman performs services whether as an employee or otherwise and any entity in which Defendant Dorfman has any ownership interest, and identify the name, physical address, and any Internet address of the business or entity.

C. Defendant Dorfman must submit to the Commission notice of the filing of any bankruptcy petition, insolvency proceeding, or similar proceeding by or against Defendant Dorfman within 14 days of its filing.

D. Any submission to the Commission required by this Order to be sworn under penalty of perjury must be true and accurate and comply with 28 U.S.C. § 1746, such as by concluding: "I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct. Executed on: " and supplying the date, signatory's full name, title (if applicable), and signature.

E. Unless otherwise directed by a Commission representative in writing, all submissions to the Commission pursuant to this Order must be emailed to DEbrief@ftc.gov or sent by overnight courier (not the U.S. Postal Service) to: Associate Director for Enforcement, Bureau of Consumer Protection, Federal Trade Commission, 600 Pennsylvania Avenue NW, Washington, DC 20580. The subject line must begin: FTC v. Simple Health Plans LLC, et al., FTC Matter No. X190009.

X. RECORDKEEPING

IT IS FURTHER ORDERED that Litigating Defendants must create certain records for 20 years after entry of the Order and retain each such record for 5 years. Specifically, Litigating Defendants, for any business that Defendant Dorfman, individually or collectively with any other Defendant, is a majority owner or controls directly or indirectly, must create and retain the following records:

- A. Accounting records showing the revenues from all goods or services sold;
- B. Personnel records showing, for each person providing services, whether as an employee or otherwise, that person's: name; addresses; telephone numbers; job title or position; dates of service; and (if applicable) the reason for termination;
- C. Records of all consumer complaints and refund requests, whether received directly or indirectly, such as through a third party, and any response;
- D. All records necessary to demonstrate full compliance with each provision of this Order, including all submissions to the Commission; and
- E. A copy of each unique advertisement or other marketing material.

XI. COMPLIANCE MONITORING

IT IS FURTHER ORDERED that, for the purpose of monitoring Litigating Defendants' compliance with this Order, including any failure to transfer any assets as required by this Order:

A. Within 14 days of receipt of a written request from a representative of the Commission, each Litigating Defendant must: submit additional compliance reports or other requested information, which must be sworn under penalty of perjury; appear for depositions; and produce documents for inspection and copying. The Commission is also authorized to obtain discovery, without further leave of court, using any of the procedures prescribed by Federal Rules of Civil Procedure 29, 30 (including telephonic depositions), 31, 33, 34, 36, 45, and 69.

B. For matters concerning this Order, the Commission is authorized to communicate directly with each Litigating Defendant. Litigating Defendant must permit representatives of the Commission to interview any employee or other person affiliated with any Defendant who has agreed to such an interview. The person interviewed may have counsel present.

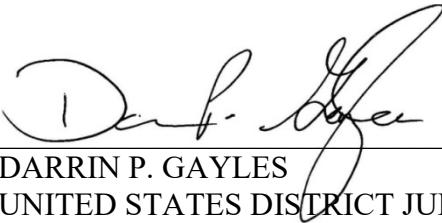
C. The Commission may use all other lawful means, including posing, through its representatives as consumers, suppliers, or other individuals or entities, to Litigating Defendants or any individual or entity affiliated with Litigating Defendants, without the necessity of identification or prior notice. Nothing in this Order limits the Commission's lawful use of compulsory process, pursuant to Sections 9 and 20 of the FTC Act, 15 U.S.C. §§ 49, 57b-1.

D. Upon written request from a representative of the Commission, any consumer reporting agency must furnish consumer reports concerning Defendant Dorfman, pursuant to Section 604(1) of the Fair Credit Reporting Act, 15 U.S.C. § 1681b(a)(1).

XII. RETENTION OF JURISDICTION

IT IS FURTHER ORDERED that this Court retains jurisdiction of this matter for purposes of construction, modification, and enforcement of this Order.

DONE AND ORDERED in Chambers at Miami, Florida, this 8th day of February, 2024.



DARRIN P. GAYLES
UNITED STATES DISTRICT JUDGE