

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

**CASE NO. 18-CV-62593-GAYLES**

FEDERAL TRADE COMMISSION,

Plaintiff,

vs.

SIMPLE HEALTH PLANS LLC, et al,

Defendants.

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**RECEIVER’S REPLY IN SUPPORT OF MOTION FOR AUTHORITY (I) TO CANCEL  
NON-RESIDENTIAL REAL PROPERTY LEASE IN HOLLYWOOD, FLORIDA  
EFFECTIVE AS OF AUGUST 1, 2019 OR UPON COMPLETION OF AUCTION OF  
PERSONAL PROPERTY, WHICHEVER IS LATER, AND (II) TO AUCTION  
PERSONAL PROPERTY AND ABANDON REMAINING ITEMS**

Michael I. Goldberg, as court-appointed receiver (the “Receiver”) over defendants Simple Health Plans LLC (“Simple Health”), Health Benefits One LLC, Health Center Management LLC, Innovative Customer Care LLC, Simple Insurance Leads LLC, Senior Benefits One LLC, and their subsidiaries, affiliates, successors and assigns (collectively, the “Receivership Entities”) hereby files this reply in support of the above-titled motion (“Motion”) [ECF No. 178] and in response to defendant Steven Dorfman’s (“Defendant”) Response in Opposition . . . (“Opposition”) [ECF No. 187]. In support, the Receiver states as follows:

The Opposition argues that the Receivership Entities should continue to incur the significant carrying costs of the lease for the Hollywood, Florida business premises on the basis that the as-yet undecided appeal pending before the 11th Circuit may ultimately alter the landscape of this case despite well-settled 11th Circuit precedent that supports the relief sought by the Federal Trade Commission (“FTC”) in this instance. Opposition at 2. At the same time,

the Opposition completely ignores the extensive findings set forth in the Preliminary Injunction entered by this Court (“PI”) [ECF No. 139] including, among other things, that the Defendant relied on deceptive tactics to bait unwitting consumers into purchasing what they believed to be traditional health insurance policies although they were not. PI at 5-11. Similarly, but perhaps more importantly, the Opposition overlooks this Court’s findings that Simple Health’s operations victimized the general public to such an extent that it is “unlikely Simple Health can be run lawfully and/or profitably” under its current business model. *Id.* at 9-11, 24.<sup>1</sup> And the Court has already rejected Defendant’s previous request to constrain the Receiver’s ability to make decisions that are in the best interest of the victims of the Defendant’s fraud. *Id.* at 24.

The notion that the Defendant will be “deprived of assets” if the lease is cancelled (Opposition at 2-3) is simply absurd. The Receiver has taken considerable efforts to avoid waste by marshaling and conserving the assets of the receivership estate. Maintaining a lease on an empty space with significant carrying costs for the possibility that a new lawful business run by the Defendant may operate on the premises at some undetermined point in the future is the antithesis of the Receiver’s duty. The Motion should be granted.

Under the circumstances, there is absolutely no basis for the Receiver to continue to incur the carrying costs of the Hollywood, Florida business premises to the detriment of the victims and other creditors of the receivership estate. However, if the Court were inclined to deny the Motion (it should not be so inclined), the Receiver asks that the Court include language in its Order that if judgment is entered in favor of the FTC and against the Defendant at the conclusion of this case, that the Defendant should also be required to reimburse the receivership estate for

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<sup>1</sup> Before the entry of the PI, the Receiver and his professionals independently determined that Simple Health could not be operate lawfully. [ECF No. 122].

the carrying costs of this lease out of his personal assets so that the victims and creditors of the estate are not forced to bear those costs to their detriment.

WHEREFORE, the Receiver respectfully requests the entry of an Order granting the Motion or, alternately, the entry of an Order denying the Motion but also making the Defendant personally responsible for the ongoing costs of maintaining this lease should judgment be entered in favor of the FTC and against the Defendant.

Dated: July 19 2019

Respectfully submitted,

*/s Naim S. Surgeon*

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**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a true and correct copy of the foregoing was served on this July 19, 2019 via the Court's notice of electronic filing on all CM/ECF registered users entitled to notice in this case as indicated on the attached Service List.

By: /s/ Naim S. Surgeon  
Naim S. Surgeon