

Richard R. Best
Sanjay Wadhwa
Adam S. Grace
Todd D. Brody
Kenneth V. Byrne
Rhonda L. Jung
Attorneys for Plaintiff
SECURITIES AND EXCHANGE COMMISSION
New York Regional Office
Brookfield Place
200 Vesey Street, Suite 400
New York, New York 10281-1022
(212) 336-0080 (Brody)
brodyt@sec.gov

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

**SECURITIES AND EXCHANGE
COMMISSION,**

Plaintiff,

-against-

**THE PREMIER HEALTHCARE SOLUTION,
LLC and JOSIAH DAVID,**

Defendants,

**PROVISION CORPORATION LLC, and DENIS
JOACHIM,**

Relief Defendants.

COMPLAINT

21 Civ. 11460 ()

JURY TRIAL DEMANDED

Plaintiff Securities and Exchange Commission (“Commission”), for its Complaint against Defendants The Premier Health Care Solution, LLC (“Premier”) and Josiah David (“David”) (collectively, “Defendants”) and Relief Defendants Provision Corporation LLC (“Provision”) and Denis Joachim (“Joachim”) (collectively, “Relief Defendants”) alleges as follows:

SUMMARY

1. This matter involves the fraudulent offer and sale of membership interests in Premier (“Premier Membership Interests”), a company controlled by David and whose purported business is to operate a supplemental medical reimbursement plan.
2. David has an extensive criminal and regulatory history under his former name, Dennis Lee, which he legally changed in 2015.
3. When soliciting investors to purchase Premier Membership Interests, David and Premier failed to disclose David’s criminal and regulatory history. And when ultimately confronted by investors who discovered his past legal problems, David lied about the reasons for changing his name and told the investors that his criminal and regulatory history was irrelevant.
4. David and Premier also materially misrepresented Premier’s relationships with the banks whose participation in the program was a critical component to Premier’s success, telling prospective investors that a bank had agreed to financing terms and suggesting that there was a syndicate of banks who would also participate on those same terms. In fact, no banks were willing to participate in the program, which made Premier’s entire business plan nonviable.
5. David and Premier also falsely misrepresented that the concept underlying Premier’s business model was either patent pending or had already been patented and, as such, Premier would have no competitors to draw away potential customers. In fact, the United States Patent and Trademark Office (“USPTO”) repeatedly denied David’s attempts to patent the concept on the grounds that the Premier business process was not patentable for lack of innovation.
6. David’s and Premier’s material misrepresentations and misleading omissions induced prospective investors to purchase Premier Membership Interests, and also induced existing investors to purchase additional Premier Membership Interests themselves and to solicit their friends and family members to invest.

7. From at least July 2017 to the present, Premier has raised approximately \$3.9 million from approximately 131 investors.

VIOLATIONS

8. By virtue of the foregoing conduct and as alleged further herein, Defendants have violated Section 17(a) of the Securities Act of 1933 (“Securities Act”) [15 U.S.C. 77q(a)], and Section 10(b) of the Securities Exchange Act of 1934 (“Exchange Act”) [15 U.S.C. §§ 78j(b)], and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5].

9. Unless Defendants are restrained and enjoined, they will continue to engage in the acts, practices, transactions, and courses of business set forth in this Complaint or in acts, practices, transactions, and courses of business of similar type and object.

NATURE OF THE PROCEEDINGS AND RELIEF SOUGHT

10. The Commission brings this action pursuant to the authority conferred upon it by Securities Act Sections 20(b) and 20(d) [15 U.S.C. §§ 77t(b) and 77t(d)] and Exchange Act Section 21(d) [15 U.S.C. § 78u(d)].

11. The Commission seeks a final judgment: (a) permanently enjoining Defendants from violating the federal securities laws and rules this Complaint alleges they have violated; (b) ordering Defendants to disgorge the ill-gotten gains they received with prejudgment interest thereon pursuant to 15 U.S.C. § 78u(d)(5) and Sections 6501(a)(1) and (a)(3) of the National Defense Authorization Act for Fiscal Year 2021, Pub. L. No. 116-283, to be codified at 15 U.S.C. §§ 78u(d)(3) and 78u(d)(7); (c) ordering Defendants to pay civil money penalties pursuant to Securities Act Section 20(d) [15 U.S.C. § 77t(d)] and Exchange Act Section 21(d)(3) [15 U.S.C. § 78u(d)(3)]; (d) ordering Relief Defendants to pay, with prejudgment interest, all ill-gotten gains by which they were unjustly enriched pursuant to Exchange Act Section 21(d)(5) [15 U.S.C. § 78u(d)(5)]; and (e) ordering any other and further relief the Court may deem just and proper.

JURISDICTION AND VENUE

12. This Court has jurisdiction over this action pursuant to Securities Act Section 22(a) [15 U.S.C. § 77v(a)] and Exchange Act Section 27 [15 U.S.C. § 78aa].

13. Defendants, directly and indirectly, have made use of the means or instrumentalities of interstate commerce or of the mails in connection with the transactions, acts, practices, and courses of business alleged herein.

14. Venue lies in this District under Securities Act Section 22(a) [15 U.S.C. § 77v(a)] and Exchange Act Section 27 [15 U.S.C. § 78aa]. Defendants are located in the District of New Jersey and certain of the acts, practices, transactions, and courses of business alleged in this Complaint occurred within this District, including offers and sales in this District.

DEFENDANTS

15. **The Premier Health Care Solution, LLC** is a Delaware limited liability company formed on June 8, 2017. Premier is headquartered in Vernon, New Jersey. Premier purports to offer a medical insurance reimbursement plan that covers out of pocket insurance costs not covered by health insurance.

16. **Josiah David**, age 74, resides in Vernon, New Jersey. David is an adviser to Premier's Board of Directors. He is also the managing member of Provision Corporation, LLC ("Provision"), one of the relief defendants described below. In 2015, David legally changed his name from Dennis Lee.

RELIEF DEFENDANTS

17. **Provision Corporation, LLC** is a Delaware limited liability company with its headquarters at 200 Park Ave, New York, New York. Provision is controlled by David, its managing member. Provision is a managing member of Premier's Board of Directors.

18. **Denis Joachim**, age 54, resides in Covington, Louisiana. On August 31, 2018, in *United States v. Denis J. Joachim, Donna K. Joachim, and The Total Financial Group, Inc.*, 18 Cr. 00189 (CJB) Joachim was charged by the U.S. Attorney's Office for the Eastern District of Louisiana ("USAO") with, among other things, conspiracy to commit wire fraud and money laundering in connection with a business called The Total Financial Group, Inc. ("Total Financial"), which had a similar business plan as Premier's. On June 19, 2019, Joachim pleaded guilty to conspiracy to commit money laundering. Joachim's May 30, 2019 plea agreement expressly prohibits him from being employed by, or from serving as an advisor or consultant to, any employee benefit plan.

OTHER RELEVANT PERSON

19. **Allison David**, age 71, resides with her husband David in Vernon, New Jersey. Alison David manages Premier's business and previously worked for Provision as an assistant to the Board.

FACTS

I. BACKGROUND ON HEALTH EXPENSE REIMBURSEMENT PLANS

20. Internal Revenue Code Section 105 [26 U.S.C. § 105] is the provision of the United States Tax Code that addresses the tax treatment of amounts received by an insured under accident and health plans. Section 105 allows certain qualified distributions from accident and health plans to be excluded from income.

21. Section 105 health reimbursement plans are IRS approved, employer-funded, tax-advantaged, employer health benefit plans that reimburse employees for out-of-pocket medical expenses.

22. Pursuant to such health reimbursement plans, eligible medical expense reimbursements are excluded from an individual's taxable income.

Explore Litigation Insights

Docket Alarm provides insights to develop a more informed litigation strategy and the peace of mind of knowing you're on top of things.

Real-Time Litigation Alerts



Keep your litigation team up-to-date with **real-time alerts** and advanced team management tools built for the enterprise, all while greatly reducing PACER spend.

Our comprehensive service means we can handle Federal, State, and Administrative courts across the country.

Advanced Docket Research



With over 230 million records, Docket Alarm's cloud-native docket research platform finds what other services can't. Coverage includes Federal, State, plus PTAB, TTAB, ITC and NLRB decisions, all in one place.

Identify arguments that have been successful in the past with full text, pinpoint searching. Link to case law cited within any court document via Fastcase.

Analytics At Your Fingertips



Learn what happened the last time a particular judge, opposing counsel or company faced cases similar to yours.

Advanced out-of-the-box PTAB and TTAB analytics are always at your fingertips.

API

Docket Alarm offers a powerful API (application programming interface) to developers that want to integrate case filings into their apps.

LAW FIRMS

Build custom dashboards for your attorneys and clients with live data direct from the court.

Automate many repetitive legal tasks like conflict checks, document management, and marketing.

FINANCIAL INSTITUTIONS

Litigation and bankruptcy checks for companies and debtors.

E-DISCOVERY AND LEGAL VENDORS

Sync your system to PACER to automate legal marketing.