

1 **BEFORE THE INSURANCE COMMISSIONER**
2 **OF THE STATE OF CALIFORNIA**

3
4 In the Matter of:

File No. OC202400194

5
6 **INNOVATIVE PARTNERS LP,**
7 **ARMAN MOTIWALLA,**
8 **AMANI SHOKRY,**
9 **JIMMIE SUTTON,**
10 **OMAR KASANI,**
11 **GROUP RESOURCES,**
12 **FIRST HEALTH NETWORK,**
13 **MULTIPLAN INC.,**
14 **PHCS,**
15 **MARPAI ADMINISTRATORS LLC,**
16 **TELADOC HEALTH INC.;**

ORDER TO CEASE AND DESIST

**ORDER TO SHOW CAUSE WHY AN
ORDER IMPOSING A MONETARY
PENALTY SHOULD NOT ISSUE**

NOTICE OF RIGHT TO HEARING

(Cal. Ins. Code §§ 12921.8)

Respondents.

17 **TO: INNOVATIVE PARTNERS LP**, its officers, directors, employees, trustees, agents,
18 brokers, affiliates, successors, service representatives; and, **ARMAN MOTIWALLA**; and,
19 **AMANI SHOKRY**; and, **JIMMIE SUTTON**; and, **OMAR KASANI**; and, **GROUP**
20 **RESOURCES**, its officers, directors, employees, trustees, agents, brokers, affiliates, successors,
21 service representatives; and, **FIRST HEALTH NETWORK**, its officers, directors, employees,
22 trustees, agents, brokers, affiliates, successors, service representatives; and, **MULTIPLAN,**
23 **INC.**, its officers, directors, employees, trustees, agents, brokers, affiliates, successors, service
24 representatives; and, **PHCS**, its officers, directors, employees, trustees, agents, brokers, affiliates,
25 successors, service representatives; and, **MARPAI ADMINISTRATORS LLC.**, its officers,
26 directors, employees, trustees, agents, brokers, affiliates, successors, service representatives; and,
27 **TELADOC HEALTH, INC.**, its officers, directors, employees, trustees, agents, brokers,
28 affiliates, successors, and service representatives.

1 **JURISDICTION**

2 1. The California Department of Insurance (hereafter “Department”) brings this
3 matter before the Insurance Commissioner of the State of California (hereafter “Insurance
4 Commissioner”), pursuant to the provisions of California Insurance Code section 12921.8.

5 **FINDINGS & AUTHORITY**

6 2. California Insurance Code Section 12921.8(a)(1) authorizes the Commissioner to
7 issue a cease and desist order to a person who has acted in a capacity for which a license,
8 registration, or certificate of authority from the Commissioner was required but not possessed.

9 3. California Insurance Code Section 12921.8(a)(2) authorizes the Commissioner to
10 issue a cease and desist order to a person who has aided or abetted a person described in Section
11 12921.8(a)(1).

12 4. California Insurance Code Section 12921.8(a)(3) authorizes the Commissioner to
13 issue an order to show cause for imposition of a monetary penalty against a person described in
14 12921.8(a)(1) or 12921.8(a)(2).

15 5. California Insurance Code Section 12921.8(c) authorizes the Commissioner to
16 issue an order to show cause without holding a hearing prior to issuance.

17 6. California Insurance Code section 12921.8(a)(3) authorizes the Commissioner to
18 impose a fine on those whom have aided or abetted a person who has acted in a capacity for
19 which a license, registration, or certificate of authority from the commissioner was required but
20 not possessed in an amount the greater of the following:

21 “(A) Five times the amount of money received by the person for acting in the
22 capacity for which the license, registration, or certificate of authority was required
but not possessed.

23 (B) Five thousand dollars (\$5,000) for each day the person acted in the capacity for
24 which the license, registration, or certificate of authority was required but not
25 possessed. In the absence of contrary evidence, it shall be presumed that a person
26 continuously acted in a capacity for which a license, registration, or certificate of
authority was required on each day from the date of the earliest such act until the
date those acts were discontinued, as proven by the person at a hearing.”

27 7. California Insurance Code section 35 provides that:

28 “‘Transact’ as applied to insurance includes any of the following: (a)
Solicitation. (b) Negotiations preliminary to execution. (c) Execution of a

1 contract of insurance. (d) Transaction of matters subsequent to execution of
2 the contract and arising out of it.”

3 8. California Insurance Code section 700(a) provides that:

4 “A person shall not transact any class of insurance business in this state
5 without first being admitted for that class.”

6 9. California Insurance Code section 703 provides that:

7 “Except when performed by a surplus line broker, the following acts are
8 misdemeanors when done in this state:

9 (a) Acting as agent for a nonadmitted insurer in the transaction of insurance
10 business in this state for a home state insured as defined in subdivision (f)
11 of Section 1760.1.

12 (b) In any manner advertising a nonadmitted insurer in this state.

13 (c) In any other manner aiding a nonadmitted insurer to transact insurance
14 business in this state for a home state insured as defined in subdivision (f)
15 of Section 1760.1.

16 In addition to any penalty provided for commission of misdemeanors, a
17 person violating any provision of this section shall forfeit to this state the
18 sum of five hundred dollars (\$500), together with one hundred dollars
19 (\$100) for each month or fraction thereof during which he or she continues
20 the violation. This section shall not apply to advertising authorized by
21 Section 703.1, subdivision (h) of Section 1760.5, or Section 1773.”

22 10. California Insurance Code section 781(a) provides that:

23 “A person shall not make any statement that is known, or should have been
24 known, to be a misrepresentation (1) to any other person for the purpose of
25 inducing, or tending to induce, such other person either to take out a policy
26 of insurance, or to refuse to accept a policy issued upon an application
27 therefor and instead take out any policy in another insurer, or (2) to a
28 policyholder in any insurer for the purpose of inducing or tending to induce
him or her to lapse, forfeit or surrender his or her insurance therein.”

11. California Insurance Code section 1631 provides that:

“[u]nless exempt by the provisions of this article, a person shall not solicit,
negotiate, or effect contracts of insurance, or act in any of the capacities
defined in Article 1 (commencing with Section 1621) unless the person
holds a valid license from the commissioner authorizing the person to act
in that capacity.”

12. California Insurance Code section 1633 provides that:

“Any person who transacts insurance without a valid license so to act is
guilty of a misdemeanor punishable by a fine not exceeding fifty thousand
dollars (\$50,000) or by imprisonment in a county jail for a period not
exceeding one year, or by both that fine and imprisonment.”

1 13. Commencing on or before June 30, 2023, Respondent INNOVATIVE
2 PARTNERS LP (hereinafter “INNOVATIVE”), has unlawfully acted as an insurance company in
3 California, and has in that capacity unlawfully transacted the business of insurance in this State
4 without the requisite certificate of authority.

5 14. Part of INNOVATIVE’S scheme was to defraud victims into purchasing limited or
6 non-existent health coverage by convincing them they were purchasing comprehensive insurance
7 plans.

8 15. Further, INNOVATIVE, without disclosing their involvement, represented itself as
9 Covered California in order to convince victims that they were purchasing comprehensive Aetna
10 or Blue Shield health insurance policies through Covered California.¹ Once the victims paid for
11 INNOVATIVE’S coverage they were given plan cards with INNOVATIVE’S branding and often
12 listing PHCS and Group Resources as claim handlers. Some plan cards also listed First Health
13 Network and/or, Marpai Administrators LLC portal information. Some of the cards also included
14 Teladoc Health INC. contact information offering “\$0 co-pay”.

15 16. INNOVATIVE is a non-admitted insurer not authorized to transact insurance in
16 California.² INNOVATIVE was formed in Texas on November 28, 2021, and also operates out of
17 a 1401 N. University Drive, Suite 207, Coral Springs, Florida, 33071, address. INNOVATIVE
18 has never been licensed to transact in insurance in California. Based on information and belief,
19 INNOVATIVE is not otherwise licensed by another California governmental agency that permits
20 or qualifies it to provide insurance coverage within California as contemplated in Insurance Code
21 section 740. INNOVATIVE does not currently hold a certificate of authority to transact business
22 in the State of California, and has not held a certificate of authority during any time period
23 relevant to the matters at issue.

24 17. INNOVATIVE acted in a capacity for which a certificate of authority is required
25 but not possessed, insuring at least forty-five Californians in violation of Insurance Code section
26 700.

27
28 ¹ INNOVATIVE is not partnered with Covered California.

² California Insurance Code section 25.

1 18. INNOVATIVE has also transacted insurance in California by soliciting California
2 residents and executing contracts for insurance without being licensed as an agent or broker in
3 violation of sections 1631 and 1633 of the California Insurance Code.

4 19. Part of INNOVATIVE'S scheme was to disguise their activities as a single-
5 employer health insurance plan under sections 104 and 4065 of the Employee Retirement Income
6 Security Act of 1974. This was in aid of masking the sale and selling INNOVATIVE health
7 insurance as a "Small Employee Benefit Plan", excluded from State of California oversight. None
8 of the individual victims who filed complaints with the Department of Insurance were aware of
9 this scheme at the time they contracted with INNOVATIVE. None of the victims claimed to be
10 employees of or partnered with INNOVATIVE.

11 20. INNOVATIVE also misrepresented insurance benefits to California residents in
12 violation of sections 780(a), 781(a), and 790.03(b) of the California Insurance Code.

13 21. Additional violations include, but are not limited to:

14 a. Misrepresentation of insurance benefits in violation of sections 780(a),
15 781, and 790.03(b) of the California Insurance Code.

16 b. Soliciting, negotiating, and/or effecting contracts of insurance without a
17 valid license in violation of Insurance Code section 1631 of the
18 California Insurance Code.

19 **Individuals Aiding and Abetting INNOVATIVE**

20 **Omar Kasani**

21 22. Omar Kasani (hereinafter "Respondent Kasani") aided and abetted INNOVATIVE,
22 acting as "plan administrator," for the fake INNOVATIVE single-employer health insurance plan,
23 and signing as such on the 2023 Short Form Annual Return/Report of the Small Employee
24 Benefit Plan filed with the United States Department of the Treasury. Respondent Kasani holds a
25 Public Accountancy license with the Texas State Board of Public Accountancy.

26 23. The phony INNOVATIVE single-employer health insurance plan lists zero
27 participants at the beginning of 2023, and over fourteen thousand participants by year's end.

28 ///

1 Amani Shokry

2 24. INNOVATIVE’S Chief Technical Officer was, at all relevant times, Amani
3 Shokry (hereinafter “Respondent Shokry”).

4 Arman Motiwalla

5 25. Arman Motiwalla (hereinafter “Respondent Motiwalla”) served, at all relevant
6 times, as INNOVATIVE’S Chief Operating Officer.

7 26. Respondent Motiwalla was also named as the primary contact at INNOVATIVE
8 by GROUP RESOURCES and MARPAI ADMINISTRATORS LLC representatives.

9 27. Respondent Motiwalla was first licensed in California as an out of state Insurance
10 Producer on August 23, 2021. Their license is set to expire on August 31, 2025.

11 Jimmie Sutton

12 28. Jimmie Sutton (hereinafter “Respondent Sutton”) was the signatory for
13 INNOVATIVE in their contract to access the MULTIPLAN primary and complementary
14 networks for limited benefit plans on a per enrollee, per month basis. Respondent is listed as a
15 debtor for the organization of INNOVATIVE. Jimmie Sutton is also listed as INNOVATIVE’S
16 General Partner on their Certificate of Formation of Limited Partnership filed with the Texas
17 Secretary of State.

18 Group Resources

19 29. Group Resources acted as a third-party administrator for Innovative Partners from
20 at least May 1, 2023, through April 30, 2024.

21 30. Group Resources contact information was displayed on INNOVATIVE plan cards
22 issued to California consumers, adding legitimacy to INNOVATIVE’S scheme.

23 31. Group Resources facilitated INNOVATIVE’S scheme by providing administrative
24 services and providing Explanation of Benefits on behalf of INNOVATIVE’S California
25 consumers.

26 First Health Network

27 32. First Health Network acted as a third-party administrator for INNOVATIVE.

28 33. On November 22, 2024, an investigator from the Department contacted First

1 Health Network representatives.

2 34. During the phone call the investigator was told that First Health Network was
3 contracted with INNOVATIVE to act as a provider directory for INNOVATIVE customers,
4 provide pricing based on whether the provider is in-network, and that INNOVATIVE was a
5 legitimate health care provider.

6 35. First Health Network contact information was displayed on INNOVATIVE plan
7 cards issued to California consumers, adding legitimacy to INNOVATIVE'S scheme.

8 36. First Health Network facilitated INNOVATIVE'S scheme by providing
9 administrative services on behalf of INNOVATIVE'S California consumers.

10 37. In a more recent communication with the Department, First Health Network
11 claimed to have ceased working with INNOVATIVE as of April 30, 2024.

12 38. First Health Network was previously ordered by the Department to CEASE AND
13 DESIST similar activities on February 22, 2022, in Department case number LA202100084.

14 Marpai Administrators LLC

15 39. Marpai Administrators LLC acted as a third-party administrator for
16 INNOVATIVE beginning on March 1, 2024, through at least December 12, 2024.

17 40. Marpai Administrators LLC's role was to process claims for INNOVATIVE'S
18 customers including issuing claim payments.

19 41. Marpai Administrators LLC facilitated INNOVATIVE'S scheme by providing
20 administrative services to INNOVATIVE'S California consumers on behalf of INNOVATIVE.

21 Multiplan Inc. & PHCS

22 42. Multiplan Inc. creates and maintains a national network of providers through
23 agreements with practitioners and facilities.

24 43. Multiplan Inc. contracted with INNOVATIVE to provide INNOVATIVE access to
25 those services for INNOVATIVE'S California consumers, adding legitimacy to INNOVATIVE'S
26 activities.

27 44. Multiplan Inc. branding was displayed on INNOVATIVE plan cards issued to
28 California consumers, adding further legitimacy to INNOVATIVE'S scheme.

1 45. PHCS is a wholly owned subsidiary of Multiplan Inc.

2 46. PHCS provides a primary preferred provider organization (“PPO”) network to
3 clients on a national or regional basis.

4 47. PHCS contracted with INNOVATIVE to provide INNOVATIVE access to those
5 services for INNOVATIVE’S California consumers, adding legitimacy to INNOVATIVE’S
6 activities.

7 48. First Health Network contact information was displayed on INNOVATIVE plan
8 cards issued to California consumers, adding further legitimacy to INNOVATIVE’S scheme.

9 Teledoc Health Inc.

10 49. Teladoc Health Inc. claims to offer comprehensive care including talk therapy,
11 diagnosis and medication support.

12 50. Teledoc Health Inc. confirmed to Department investigators that they contracted
13 with INNOVATIVE, allowing INNOVATIVE’S customers access to Teladoc Health Inc.’s
14 services since at least March 1, 2023.

15 51. Teledoc Health Inc.’s contact information was displayed on INNOVATIVE plan
16 cards issued to California consumers, adding legitimacy to INNOVATIVE’S scheme.

17 52. Teledoc Health Inc. facilitated INNOVATIVE’S scheme by providing health
18 services to INNOVATIVE’S California consumers on behalf of INNOVATIVE.

19 **ACCOUNTS FROM VICTIMS**

20 **Summary of Complaints**

21 53. On February 9, 2024, the Department received the first complaint.

22 54. The majority of the complaints allege that INNOVATIVE is defrauding victims
23 into purchasing either limited or non-existent health coverage by convincing them they are
24 purchasing comprehensive insurance plans.

25 55. Many of the complaints allege that INNOVATIVE, without disclosing their
26 involvement, is representing itself as Covered California in order to convince victims that they are
27 purchasing comprehensive Aetna or Blue Shield health insurance policies.

28 56. INNOVATIVE is not partnered with Covered California.

1 57. Once the victims pay for, and then try and use the coverage, they find it is either
2 much more limited or non-existent.

3 58. This has led many victims to experience delays in necessary medical treatment
4 and/or unexpected bills.

5 59. None of the victims ever represented that they were the employees of
6 INNOVATIVE. Instead, oftentimes they were seeking insurance because of recent
7 unemployment.

8 **Individual Accounts**

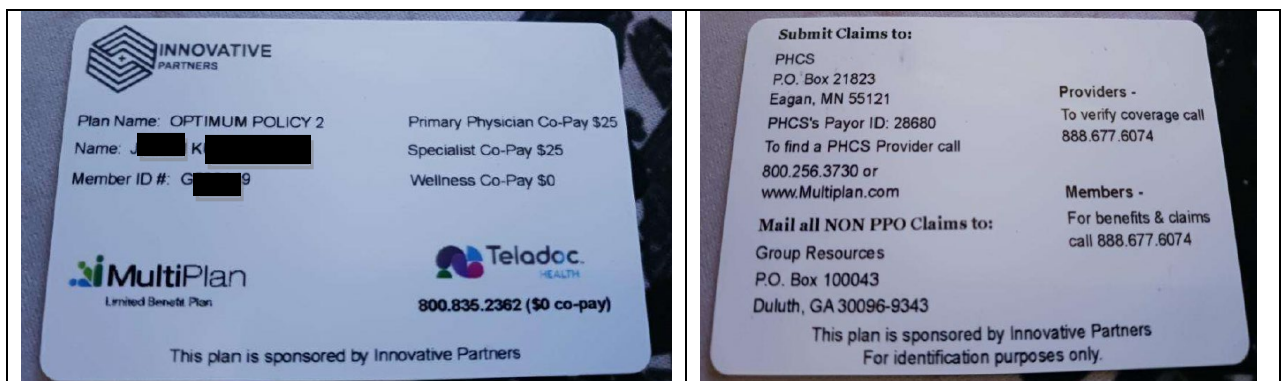
9 Victim K.K.

10 60. On February 9, 2024, the Department received the first complaint against
11 INNOVATIVE from K.K., who claimed that she purchased insurance from INNOVATIVE for
12 her son. When she attempted to use the insurance, her claims were improperly denied.

13 61. INNOVATIVE also improperly charged her credit card multiple times.

14 62. According to K.K. she also tried for days, unsuccessfully, to cancel the policy.

15 63. As part of the Department's investigation, K.K. provided photos of the card she
16 received from INNOVATIVE. The cards list PHCS and Group Resources as the claims handlers
17 and included MultiPlan and Teledoc logos and information:



25 Victim M.S.

26 64. On September 24, 2024, Department Investigator Lauren Wyckoff interviewed
27 M.S.

28 65. M.S. contacted an INNOVATIVE representative, on or around July 10, 2024, to

1 replace Anthem Blue Shield Coverage, using a phone number his father gave him.

2 66. M.S. told the representative that he needed a new health care policy that included
3 mental health coverage to cover his bi-weekly therapist appointments.



4 67. During the phone-call, it was represented to M.S. that he was purchasing an Aetna
5 Gold PPO plan through INNOVATIVE which would cover his appointments, and could start
6 immediately without a waiting period.

7 68. Based on these representations, M.S. purchased the plan, paying an initial
8 premium of \$462 which included a \$50 activation fee, and \$412 monthly thereafter.

9 69. It was represented to M.S. that while he was purchasing the insurance through
10 INNOVATIVE, the plan would be an Aetna Gold PPO plan.

11 70. Subsequent to the purchase of the policy, M.S. received an ID card which included
12 First Health Network and Marpal Health portal information:

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 Innovative Partners, LP Partner Services: 866-949-3581	Eligibility Providers: To confirm eligibility, verify benefits, or check the status of a claim: Electronic Eligibility through Availity - Payer ID: 35245 Marpai Portal: www.myparpai.com Innovative Partners Customer Service: 866-949-3581 Limited Benefit Plan Partners: To confirm eligibility, verify benefits, or check the status of a claim, please call Innovative Partners at 866-949-3581. To find a First Health provider, please call 800-226-5118 or visit www.firsthealthlp.com
Name: M [REDACTED] S [REDACTED] Member ID: G [REDACTED] 6 Group #: [REDACTED] Elite MD 2	Member Out of Pocket PCP: \$25 Specialist: \$50 Urgent Care: \$50 ER: \$50
Provider Network 	Claims Submission Please submit Medical Electronic Claims Directly to Marpai Payer ID# 35245 Or mail claims to: Marpai Health P.O. Box 21112 Eagan, MN 55121
	<small>For identification purposes only. Not a guarantee of coverage or payment. Benefit Plans are not sold or insured by First Health or its associates.</small>

PRINT VIEW FRONT OF CARD

21 71. Thereafter, M.S. visited his therapist twice.

22 72. Subsequently, he was told that the insurance was not covering the care.

23 73. Upset, M.S. contacted both of the numbers on the back of the card³ he was given
24 and, upon reaching a representative, was told that he did have coverage for mental health.

25 74. M.S. continued to go to therapist appointments, believing that he did have mental
26 health coverage.

27 75. INNOVATIVE never paid for the mental health care and M.S. was left with
28

³ INNOVATIVES' Member Services at 844-689-4584 and Partner Services at 866-949-3581

1 \$1,709.24 in unpaid medical bills.

2 Victim A.S.

3 76. On November 21, 2024, Department Investigator Wyckoff interviewed A.S.

4 77. A.S. told investigator Wyckoff that he purchased health insurance in, or around,
5 June of 2023, through INNOVATIVE who promised coverage which was not provided.

6 78. A.S. was a small business owner who was looking to purchase new health
7 insurance after his business slowed causing him to become ineligible for his prior coverage.

8 79. A.S. stated that the issue began after he tried to purchase a policy through Covered
9 California and gave up due to cost.

10 80. Thereafter, he received a call from INNOVATIVE who claimed that A.S. qualified
11 for an INNOVATIVE plan due to his low income.

12 81. INNOVATIVE told A.S. that the plan included full coverage and so A.S. signed
13 up for \$400 per month.

14 82. A.S. specifically asked about E.R. visits and was told that the plan covered up to
15 two visits, per year, with a \$50 co-pay.

16 83. Shortly thereafter, A.S. received a card which included First Health Network PPO
17 and Group Resources information.

18 84. A.S. was also told that there would be a \$25 co-pay for primary care physician
19 visits and that the policy would cover lab work and prescriptions.

20 85. In early 2024, A.S. confirmed coverage with two separate INNOVATIVE
21 representatives and thereafter visited the E.R. using his INNOVATIVE policy.

22 86. A.S. also had several regular primary care doctor visits in early 2024.

23 87. A.S. discovered that the represented coverage did not exist when he started
24 receiving calls from collections agencies.

25 88. All told, A.S. paid between \$500 and \$600 out-of-pocket for services which were
26 represented to him as being covered by INNOVATIVE and was left with around \$11,000 in debt.

27 Victims D.C. and Family

28 89. In late June or July of 2024, D. C. called an 800 number which he believed was

1 associated with Covered California in order to purchase insurance for himself, his wife, and son.

2 90. An agent for INNOVATIVE told D.C. that INNOVATIVE was a division of
3 Aetna and sold D.C. an INNOVATIVE First Health PPO policy for \$1,142 which was supposed
4 to cover him, his wife, and son.

5 91. Thereafter, in fall of 2024, D.C. became concerned when his wife tried to use the
6 policy multiple times and was unsuccessful, despite the claim that it provided full coverage.

7 92. D.C.'s concerns increased when he tried to contact the INNOVATIVE
8 representative whom he had worked with and his number was disconnected.

9 93. D.C. tried to cancel the INNOVATIVE policy, through the phone number they
10 provided, but was left on indefinite hold.

11 94. Ultimately, D.C. canceled his credit card in order to cease payments to
12 INNOVATIVE.

13 Victim D.P.

14 95. On January 13, 2025, Investigator Wyckoff interviewed D.P.

15 96. During the interview, D.P. stated that in March of 2024, she called whom she
16 thought was a representative of Covered California to enroll in a Blue Shield policy.

17 97. During the phone call, she was sold what she believed to be a Blue Shield Gold 80
18 PPO policy.

19 98. Instead, she was actually sold an INNOVATIVE policy.

20 99. D.P. was also told to download a "MedTrust" application which would help her
21 select providers.

22 100. D.P. paid \$638.59 for the first month of the INNOVATIVE plan which started on
23 March 29, 2024.

24 101. Thereafter, D.P. started getting emails from INNOVATIVE.

25 102. She was concerned by the emails from INNOVATIVE because she was unaware
26 of their involvement up unto that point.

27 103. D.P. emailed INNOVATIVE to cancel the policy on April 19, 2024, believing she
28 was defrauded.

1 104. INNOVATIVE did not respond until June 24, 2024.

2 105. Prior to INNOVATIVE'S response, D.P. contacted her bank to reverse the charges
3 and filed a police report with the San Dimas Police Department.

4 Victim E.B.

5 106. On August 19, 2024, E.B. called whom she thought was Covered California in
6 order to obtain a policy of PPO health insurance.

7 107. During the call she was sold a policy by INNOVATIVE representatives who
8 claimed to be with Covered California.

9 108. Shortly thereafter, E.B. realized she was being scammed and tried to cancel the
10 policy.

11 109. When E.B. attempted to cancel her policy through INNOVATIVE she was
12 provided various excuses for why her cancelation could not immediately occur.

13 110. Thereafter, E.B. contacted the Department to report INNOVATIVE conduct.

14 Victim J.B.

15 111. On or around July 9, 2024, J.B. called a number he believed to be Covered
16 California, after searching for the Covered California website.

17 112. During the phone call, J.B. was led to believe he was speaking with Covered
18 California and being sold an Aetna PPO policy.

19 113. J.B. gave the representative his personal information and the name of his doctor,
20 whom he was told was covered under the policy.

21 114. J.B. purchased the policy for \$622.87 based on the representations made by
22 INNOVATIVE.

23 115. In reality, J.B. was sold an INNOVATIVE limited policy of insurance.

24 116. Shortly after the phone call, J.B. became aware of INNOVATIVE'S involvement
25 and attempted to cancel the policy over the phone.

26 117. J.B. was told by an INNOVATIVE "supervisor" that they would cancel his policy.

27 118. J.B. became concerned when the cancelation was not reflected on his statement
28 within a reasonable period of time leading him to cancel his credit card, dispute the charges, and

1 report INNOVATIVE to the Department.

2 Victims J.F. and K.B.

3 119. On or around December 3, 2024, J.F. called a number he believed to be Covered
4 California, after searching for the Covered California website, to purchase health insurance for
5 himself and his wife.

6 120. While on the phone, J.B. spoke to a representative and explained that he wished to
7 purchase basic health insurance for himself and his wife K.B.

8 121. At no time during the phone call did the representative identify themselves as
9 working for INNOVATIVE, instead presenting themselves as a representative of Covered
10 California.

11 122. During the call, J.B. was quoted \$670, per month, for an Aetna PPO health
12 insurance plan which the representative stated would cover him and his wife.

13 123. He was told that the plan did not have deductibles and that a regular appointment
14 with his doctor would be \$25.

15 124. J.B. gave the representative his credit card information based on the above
16 representations.

17 125. J.B. stated that he did not sign any documents and was not given any policy
18 documents prior to enrolling in the policy.

19 126. J.B. received an email from admin_noreply@Innovativepartnerslp.com
20 immediately after getting off the phone.

21 127. The email did not mention Aetna, or the policy he thought he had purchased.

22 128. Instead, the email was the first time J.B. learned about INNOVATIVE'S
23 involvement.

24 129. J.B. became increasingly concerned over the next couple of days and attempted to
25 cancel his policy on December 9, 2024.

26 130. INNOVATIVE gave J.B. the runaround and so J.B. contacted his bank directly
27 and made a fraud dispute.

28 ///

1 Victim C.A.

2 131. On February 13, 2024, victim C.A. submitted the following summary of their
3 problem in their Request for Assistance to the Department:

4 “[I] was sold health insurance through an agent at a covered [C]alifornia
5 location to Innovative partners on 12/26. since then, [I] have yet to receive ID
6 cards, find doctors in network, use insurance for prescriptions. for the entire month
7 of [J]anuary multiple calls made to "customer service" phone number [I] was
8 provided. however, never an answer. called covered [C]alifornia as [I] was unable
9 to reach the insurance they brokered me and was told covered [C]alifornia had no
10 history of this nor do they associate with this company. it was suggested [I] file
11 through the fraud department. the fraud department referred me to this.”

12 Victim N.S. and C.M.

13 132. On May 30, 2024, victim C.M. submitted the following Request for Assistance to
14 the Department:

15 “My mother purchased Me health insurance on her credit card. We went
16 through the covered California site. Immediately we begin receiving fraudulent
17 charges. My mother is elderly and did not check her account over the last five
18 months of reoccurring charges. Covered California has contacted us and said
19 they're having a problem with this fraudulent company illegally claiming to be
20 covered California.”

21 Victim R.P.

22 133. On June 6, 2024, R.P. contacted the Department to request assistance after his wife
23 was turned away from multiple urgent care facilities.

24 134. R.P. stated that he purchased a policy of insurance from Innovative on January 26,
25 2024, for himself and his wife.

26 135. He was given the following card as part of their enrollment:

27 136. R.P. was also directed to a site which purported to list in-network providers,
28 including Concentra Urgent Care located at 16420 Perris Blvd. Suite Q, Moreno Valley, CA,
92551.

 137. When his wife had an emergency medical situation R.P. attempted to take her to
the Concentra Urgent care.

 138. When they arrived, R.P. was told INNOVATIVE was not in their network.

 139. Subsequently, R.P. learned that other providers listed as in-network were not.

///

1 Victim W.J.

2 140. On July 15, 2024, victim W.J. submitted the following problem description as part
3 of her Request for Assistance to the Department:

4 “Innovative Partners has been unreliable in telling both myself and my
5 physicians office what is covered as part of my policy. Every time we have called
6 we have received different answers and when I ask politely to speak with a
7 supervisor my request has been ignored. The scheduler at my surgeon's office said
8 she has never experienced anything like this and agreed that I should file a
9 complaint with the Department of Insurance. My surgery schedule for 6/27/24 had
10 to be cancelled because I had no coverage for the surgery although told previously
11 it would be partially covered. I then increased my coverage paying \$1,118.76 a
12 month. They told both myself and the surgery scheduler I would be covered up to
13 70%, but ultimately they said the max coverage for a partial thyroid lobectomy
14 would be \$3,000.00 for a \$43K procedure. As another example of Innovative
15 Partners poor business practices, I have uploaded a Quest Diagnosis invoice I
16 recently received in which it states that PHCS Innovative has not responded to
17 their insurance billing requests...”

18 **LEGAL CAUSE FOR DISCIPLINE**

19 141. WHEREAS, INNOVATIVE PARTNERS LP acted in a capacity for which a
20 certificate of authority is required but not possessed and misrepresented the terms of an insurance
21 policy, in violation of California Insurance Code sections 700, 780(a), 781, and 790.03(b).

22 142. WHEREAS, ARMAN MOTIVALLA has aided and abetted INNOVATIVE, an
23 entity not licensed to transact the business of insurance in California, to transact insurance with
24 California residents, in violation of California Insurance Code section 703; and,

25 143. WHEREAS, AMANI SHOKRY has aided and abetted INNOVATIVE, an entity
26 not licensed to transact the business of insurance in California, to transact insurance with
27 California residents, in violation of California Insurance Code section 703; and,

28 144. WHEREAS, JIMMIE SUTTON has aided and abetted INNOVATIVE, an entity
not licensed to transact the business of insurance in California, to transact insurance with
California residents, in violation of California Insurance Code section 703; and,

 145. WHEREAS, OMAR KASANI has aided and abetted INNOVATIVE, an entity not
licensed to transact the business of insurance in California, to transact insurance with California
residents, in violation of California Insurance Code section 703; and,

1 monetary penalty pursuant to Insurance Code section 12921.8 of five times the amount of money
2 received by INNOVATIVE PARTNERS LP while acting in the capacity for which a license,
3 registration or certificate of authority was required but not possessed, or five thousand dollars
4 (\$5,000) for each day INNOVATIVE PARTNERS LP acted in the capacity for which a license,
5 registration or certificate of authority was required but not possessed, whichever is greater.
6 Absent contrary evidence, it shall be presumed that a person continuously acted in a capacity for
7 which a license, registration, or certificate of authority was required on each day from the date of
8 the earliest such act until the date those acts were discontinued, as proven by the person at a
9 hearing; and,

10 NOW THEREFORE, ARMAN MOTIVALLA, AMANI SHOKRY, OMAR KASANI,
11 GROUP RESOURCES, FIRST HEALTH NETWORK, MULTIPLAN INC., JIMMIE SUTTON,
12 PHCS, MARPAI ADMINISTRATORS LLC and TELADOC HEALTH INC. are HEREBY
13 ORDERED to SHOW CAUSE why the facts recited above do not establish grounds for the
14 Commissioner to impose a monetary penalty pursuant to Insurance Code section 12921.8 of five
15 times the amount of money received by any of said Respondents while aiding and abetting
16 INNOVATIVE PARTNERS LP to act in a capacity for which a license, registration or certificate
17 of authority was required but not possessed, or five thousand dollars (\$5,000) for each day any of
18 said Respondents have aided or abetted INNOVATIVE PARTNERS LP to act in a capacity for
19 which a license, registration or certificate of authority was required but not possessed, whichever
20 is greater.

21 **NOTICE OF RIGHT TO HEARING**

22 California Insurance Code section 12921.8(c) provides in part, as follows:

23 “A person to whom a cease and desist order is
24 issued, may, within seven days after service of the
25 order, request a hearing by filing a request for a
hearing with the commissioner.”

26 If you desire a hearing in this matter, your written request for a hearing must be received within
27 seven days after you are personally served with this Order. The seven days begins to run on the
28 day after the day you are served, and if the seventh day falls on a weekend, the period in which

1 your request must be filed is extended to Monday or the next business day, if Monday is a
2 holiday.

3 Your written request for a hearing must be directed to:

4 Jason S. Y. Gatchalian
5 Assistant Chief Counsel
6 California Department of Insurance
7 Legal Division
8 300 Capitol Mall, 17th Floor
9 Sacramento, California 95814

10 A copy of the request for a hearing shall be sent to:

11 Brennain J. Garber
12 Senior Attorney
13 Enforcement Bureau I
14 Legal Division
15 California Department of Insurance
16 1901 Harrison Street, 4th Floor
17 Oakland, California 94612

18 IN WITNESS WHEREOF, I have hereunto set my hand and affixed by official seal, this
19 30th day of June, 2025.

20 RICARDO LARA
21 Insurance Commissioner

22 By _____
23 JASON S. Y. GATCHALIAN
24 Assistant Chief Counsel
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