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[EXEMPT FROM FILING FEES  
PURSUANT TO GOVERNMENT  
CODE SECTION 6103]

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11  
12 SUPERIOR COURT OF THE STATE OF CALIFORNIA  
13 FOR THE COUNTY OF ALAMEDA  
14

15  
16 **THE PEOPLE OF THE STATE OF CALIFORNIA,**  
17 **Plaintiff,**  
18 **v.**  
19 **ALLIANCE FOR SHARED HEALTH, INC.; CHRISTIAN**  
20 **DISCOUNT ALLIANCE, LLC D.B.A. SHARED**  
21 **HEALTH ALLIANCE; JOHN LEWIS; COREY DURBIN;**  
22 **MICHAEL HENTGES; CHRIS WHITNEY; ADELLE**  
23 **BROWN; CURTIS ANDERSON; AND B. RONNELL**  
24 **NOLAN,**  
25 **Defendants.**

Case No. \_\_\_\_\_

**COMPLAINT**

1. Violation of California's False Advertising Law, Business & Professions Code § 17500 et seq.
2. Violation of California's Unfair Competition Law, Business & Professions Code § 17200 et seq.

1 Plaintiff, the People of the State of California (“Plaintiff” or the “People”), by and through  
2 Rob Bonta, Attorney General of the State of California, allege the following on information and  
3 belief:

4 **INTRODUCTION**

5 1. Defendant Alliance for Shared Health, Inc. (ASH) created, operated, marketed and  
6 sold unauthorized health service plans and insurance to thousands of Californians, in violation of  
7 California law. It falsely marketed its health plan and insurance products as “health care sharing  
8 ministry” (HCSM) plans and did not comply with consumer protections that California law  
9 requires with the sale of insurance and health service plans.

10 2. HCSMs are nonprofit corporations historically comprised of members of a  
11 particular religious community who contribute money to a shared pool with the understanding  
12 that the money will pay for catastrophic or surprise healthcare costs pursuant to the members’  
13 shared religious tenets. To qualify as an HCSM under California and federal law, an entity must  
14 meet several requirements, including requirements that it is an IRS 501(c)(3) nonprofit that has  
15 continuously shared member healthcare costs since December 31, 1999.<sup>1</sup> ASH, which  
16 incorporated in the summer of 2017, never met these requirements.

17 3. In this action, the People seek an order permanently enjoining Defendants from  
18 engaging in these unlawful, unfair and fraudulent practices, as well as restitution for California  
19 consumers and other relief available under California law.

20 **PLAINTIFF**

21 4. Plaintiff is the People of the State of California, who bring this action by and  
22 through Attorney General Rob Bonta. The Attorney General is authorized by Business and  
23 Professions Code sections 17203, 17204, and 17206 to bring actions to enforce the Unfair  
24 Competition Law (UCL) and by Business and Professions Code sections 17535 and 17536 to  
25 bring actions to enforce the False Advertising Law (FAL).

26 //

27 <sup>1</sup> See 26 U.S.C. § 5000A(d)(2)(B) & Gov. Code, section 100705, subd. (b)(2)  
28 (incorporating the federal definition of an HCSM into California law).

**DEFENDANTS**

1  
2           5.       Defendant Alliance for Shared Health, Inc. (“ASH”) is an IRS 501(c)(3), non-  
3 profit corporation incorporated in the United States Virgin Islands in the summer of 2017 and  
4 with its principle place of business in St. Louis, Missouri. It conducted and/or contracted business  
5 through its agents, employees and representatives in counties throughout the State of California,  
6 including Alameda County.

7           6.       Defendant Christian Discount Alliance, LLC dba Shared Health Alliance (“SHA”)  
8 is and, at all times relevant, was a for-profit corporation organized under the laws of Missouri. It  
9 conducted and/or contracted business through its agents, employees and representatives in  
10 counties throughout the State of California, including Alameda County.

11          7.       Defendant John Lewis (“Lewis”) is a resident of Missouri and a co-founder of both  
12 ASH and SHA. He also acted as an officer of ASH and, at all times relevant, has been the Chief  
13 Operating Officer and one-third owner of SHA. At all times material to this Complaint, acting  
14 alone or in concert with others, Defendant Lewis formulated, directed, controlled, had the  
15 authority to control, or participated in the acts and practices set forth in this Complaint. At all  
16 material times, Defendant Lewis transacted, conducted, and/or contracted for business throughout  
17 the State of California, including Alameda County.

18          8.       Defendant Corey Durbin (“Durbin”) is a resident of Missouri and a co-founder of  
19 both ASH and SHA. He was the President of ASH and, at all times relevant, has been the  
20 President and one-third owner of SHA. At all times material to this Complaint, acting alone or in  
21 concert with others, Defendant Durbin formulated, directed, controlled, had the authority to  
22 control, or participated in the acts and practices set forth in this Complaint. At all material times,  
23 Defendant Durbin transacted, conducted, and/or contracted for business throughout the State of  
24 California, including Alameda County.

25          9.       Defendant Michael Hentges (“Hentges”) is a resident of Missouri and President of  
26 ASH. At all times material to this Complaint, acting alone or in concert with others, Defendant  
27 Hentges formulated, directed, controlled, had the authority to control, or participated in the acts  
28 and practices set forth in this Complaint. At all material times, Defendant Hentges transacted,

1 conducted, and/or contracted for business throughout the State of California, including Alameda  
2 County.

3 10. Defendant Chris Whitney (“Whitney”) is a resident of Missouri and Board  
4 Member of ASH. At all times material to this Complaint, acting alone or in concert with others,  
5 Defendant Whitney formulated, directed, controlled, had the authority to control, or participated  
6 in the acts and practices set forth in this Complaint. At all material times, Defendant Whitney  
7 transacted, conducted, and/or contracted for business throughout the State of California, including  
8 Alameda County.

9 11. Defendant Adelle Brown (“Brown”) is a resident of Missouri and Board Member  
10 of ASH. At all times material to this Complaint, acting alone or in concert with others, Defendant  
11 Brown formulated, directed, controlled, had the authority to control, or participated in the acts  
12 and practices set forth in this Complaint. At all material times, Defendant Brown transacted,  
13 conducted, and/or contracted for business throughout the State of California, including Alameda  
14 County.

15 12. Defendant Curtis Anderson (“Anderson”) is a resident of Missouri and Board  
16 Member of ASH. At all times material to this Complaint, acting alone or in concert with others,  
17 Defendant Anderson formulated, directed, controlled, had the authority to control, or participated  
18 in the acts and practices set forth in this Complaint. At all material times, Defendant Anderson  
19 transacted, conducted, and/or contracted for business throughout the State of California, including  
20 Alameda County.

21 13. Defendant B. Ronnell Nolan (“Nolan”) is a resident of Missouri and Board  
22 Member of ASH. At all times material to this Complaint, acting alone or in concert with others,  
23 Defendant Nolan formulated, directed, controlled, had the authority to control, or participated in  
24 the acts and practices set forth in this Complaint. At all material times, Defendant Nolan  
25 transacted, conducted, and/or contracted for business throughout the State of California, including  
26 Alameda County.

27 14. None of the Defendants has held a certificate of authority or other license  
28 authorizing it to sell, market, or transact insurance in the State of California, at any time relevant

1 to the Complaint. Similarly, none of the Defendants has been authorized to sell, market, or  
2 operate a managed care health plan in the State of California, at any time relevant to the  
3 Complaint.

4 15. At all relevant times, each defendant acted individually and jointly with every  
5 other named defendant in committing the acts alleged in this Complaint.

6 16. At all relevant times, each defendant acted: (a) as a principal; (b) under express or  
7 implied agency; and/or (c) with actual or ostensible authority to perform the acts alleged in this  
8 Complaint on behalf of every other named defendant.

9 17. At all relevant times, some or all defendants acted as the agent of the others, and  
10 all defendants acted within the scope of their agency if acting as an agent of another.

11 18. At all relevant times, each Defendant knew or realized, or should have known or  
12 realized that the other Defendants were engaging in or planned to engage in the violations of law  
13 alleged in this Complaint. Knowing or realizing that the other Defendants were engaging in such  
14 unlawful conduct, each Defendant nevertheless facilitated the commission of those unlawful acts.  
15 Each Defendant intended to and did encourage, facilitate, or assist in the commission of the  
16 unlawful acts, and thereby aided and abetted the other Defendants in the unlawful conduct.

17 19. Defendants have engaged in a conspiracy, common enterprise, and common  
18 course of conduct, the purpose of which is and was to engage in the violations of law alleged in  
19 this Complaint.

## 20 **JURISDICTION AND VENUE**

21 20. This court has original jurisdiction over this action pursuant to California,  
22 Constitution article VI, section 10.

23 21. The violations of law alleged in this Complaint occurred in the County of Alameda  
24 and elsewhere throughout California.

25 22. Venue is proper in this court pursuant to Code of Civil Procedure section 395.5  
26 because Defendants' marketing and sales activities included the Alameda region and therefore  
27 Defendants' liability arises in the County of Alameda.

28 23. Venue is also proper in this Court pursuant to Code of Civil Procedure section

1 393. subdivision (a), because violations of law that occurred in the County of Alameda are a “part  
2 of the cause” upon which the Plaintiff seeks the recovery of penalties imposed by statute.

3 **DEFENDANTS’ BUSINESS ACTS AND PRACTICES**

4 24. Defendant Alliance for Shared Health, Inc. incorporated in the Virgin Islands as  
5 “Island Healthcare, Inc.” on or about July 18, 2017. In April of 2018, Defendant Corey Durbin,  
6 its President, and John Lewis, its Treasurer, changed the entity’s name to Alliance for Shared  
7 Health, Inc. (“ASH”). In the late Fall of 2018, Defendant Durbin applied for and received  
8 501(c)(3) status for ASH from the Internal Revenue Service.

9 25. Christian Discount Alliance, LLC dba Shared Health Alliance (SHA) registered as  
10 a limited liability company in Missouri in October of 2015. Since 2016, Defendant Durbin has  
11 acted as its President and co-owner and Defendant Lewis has acted as its Chief Operating Office  
12 and co-owner.

13 26. In September of 2019, ASH and SHA entered into a “Vendor Consulting  
14 Agreement,” with an effective date of January 1, 2019. Per the terms of the agreement, ASH pays  
15 SHA in exchange for various services, including program design and marketing, and securing  
16 contracts with other vendors to provide ASH with customer service, re-pricing of member  
17 medical costs, discount lab programs, telemedicine, virtual primary care, pharmaceutical  
18 discounts, collection of member payments, and website development, among others.

19 27. Defendants began selling and marketing ASH and SHA branded health plans in  
20 California in 2019 and quickly enrolled thousands of members. Defendants marketed these plans  
21 as HCSM plans even though none of the Defendants met the definition of an HCSM. Instead, the  
22 plans were health service plans and insurance policies.

23 28. Defendants were able to sell their plans at lower prices than traditional insurers  
24 and health plan providers because Defendants did not comply with state laws and regulations  
25 governing the operation and sale of insurance and health plans.

26 **FIRST CAUSE OF ACTION AGAINST ALL DEFENDANTS**

27 VIOLATIONS OF BUSINESS AND PROFESSIONS CODE SECTION 17500 ET SEQ.

28 (False or Misleading Statements)

1           29.    The People reallege and incorporate by reference each of the paragraphs above as  
2 though fully set forth herein.

3           30.    Defendants violated California Business and Professions Code section 17500, et  
4 seq. (California’s False Advertising Law or FAL) by making or disseminating, or causing to be  
5 made or disseminated, before the public in this State, untrue or misleading statements in  
6 connection with the sale of goods or services, that Defendants knew or should have known were  
7 untrue or misleading, including but not limited to the following:

- 8           a.    That ASH was an HCSM;
- 9           b.    That the ASH and SHA plans were, or practically equivalent to, ACA health  
10           insurance or service plans; and
- 11           c.    That the ASH and SHA plans were not a type of insurance.

12                           **SECOND CAUSE OF ACTION AGAINST ALL DEFENDANTS**

13                           VIOLATIONS OF BUSINESS AND PROFESSIONS CODE SECTION 17200 ET SEQ.

14   (Unfair, Unlawful, and/or Fraudulent Business Practices)

15           31.    The People reallege and incorporate by reference each of the paragraphs above as  
16 though fully set forth herein.

17           32.    Defendants have engaged, and continue to engage, in acts or practices that are  
18 unlawful, unfair, or fraudulent, and which constitute unfair competition within the meaning of  
19 Section 17200 of the Business and Professions Code. These acts or practices include, but are not  
20 limited to, the following:

- 21           a.    Defendants have violated Business and Professions Code section 17500 et seq. as  
22           alleged in the First Cause of Action;
- 23           b.    Defendants have violated the California Insurance Code by:
  - 24           i.    Issuing, offering, transacting and operating insurance without a Certificate  
25           of Authority by the California Department of Insurance;
  - 26           ii.   Issuing, offering, transacting and operating insurance without providing  
27           required documentation, training materials, or fees to the California  
28           Department of Insurance;

- 1                   iii. Issuing, offering, transacting and operating insurance without satisfying
- 2                   capital and surplus, financial stability, competency/integrity of
- 3                   management, fairness and honesty in doing business, and prompt and fair
- 4                   claims adjustment policy requirements;
- 5                   iv. Issuing, offering, transacting and operating individual and small group
- 6                   insurance without providing minimum essential coverage, including
- 7                   coverage for essential health benefits and pre-existing conditions;
- 8                   v. Issuing, offering, transacting and operating insurance without sending
- 9                   premium rebates to members when the ratio of the amount of premium
- 10                  revenue expended on the costs for reimbursement of medical care to the
- 11                  total amount of premium revenue is less than 80% (the medical loss ratio
- 12                  rule); and
- 13                  vi. Selling and offering to sell insurance policies without providing required
- 14                  documentation, training materials, or fees to the California Department of
- 15                  Insurance;

16           c. Defendants have violated the California Health & Safety Code by:

- 17                  i. Issuing, offering, transacting and operating a health service plan without
- 18                  a license from the California Department of Managed Health Care;
- 19                  ii. Issuing, offering, transacting and operating a health service plan without
- 20                  providing required documentation, training materials, or fees to the
- 21                  California Department of Managed Care;
- 22                  iii. Issuing, offering, transacting and operating individual and small group
- 23                  health plans without providing minimum essential coverage, including
- 24                  coverage for essential health benefits and pre-existing conditions;
- 25                  iv. Issuing, offering, transacting and operating insurance without satisfying
- 26                  capital and surplus, financial stability, competency/integrity of
- 27                  management, timely access, and utilization review policy requirements;
- 28                  v. Issuing, offering, transacting and operating a health service plan without



1 sending premium rebates to members when the ratio of the amount of  
2 premium revenue expended on the costs for reimbursement of medical  
3 care to the total amount of premium revenue is less than 80% (the  
4 medical loss ratio rule); and

5 vi. Selling and offering to sell health service plans without providing  
6 required documentation, training materials, or fees to the California  
7 Department of Managed Health Care;

8 **PRAYER FOR RELIEF**

9 WHEREFORE, Plaintiff prays for judgment as follows:

10 1. Pursuant to Business and Professions Code section 17535, that Defendants, along  
11 with Defendants' successors, agents, representatives, employees, and all persons who act in  
12 concert with Defendants, be permanently enjoined from making any false or misleading  
13 statements in violation of Business and Professions Code section 17500, as alleged in this  
14 Complaint;

15 2. Pursuant to Business and Professions Code section 17203, that the court enter all  
16 orders necessary to prevent Defendants, as well as Defendants' successors, agents,  
17 representatives, employees, and all persons who act in concert with Defendants from engaging in  
18 any act or practice that constitutes unfair competition in violation of Business and Professions  
19 Code section 17200;

20 3. Pursuant to Business and Professions Code section 17203, that the court enter all  
21 orders or judgments, including but not limited to restitution, as may be necessary to restore to any  
22 person in interest any money or other property that Defendants may have acquired by violations  
23 of Business and Professions Code section 17200, as proved at trial;

24 4. Pursuant to Business and Professions Code section 17535, that the court enter all  
25 orders or judgments, including but not limited to restitution, as may be necessary to restore to any  
26 person in interest any money or other property that Defendants may have acquired by violations  
27 of Business and Professions Code section 17500, as proved at trial;

28 5. Pursuant to Business and Professions Code section 17536, that the court assess a

1 civil penalty of two thousand five hundred dollars (\$2,500) against each Defendant for each  
2 violation of Business and Professions Code section 17500, as proved at trial;

3 6. Pursuant to Business and Professions Code section 17206, that the court assess a  
4 civil penalty of two thousand five hundred dollars (\$2,500) against each Defendant for each  
5 violation of Business and Professions Code section 17200, as proved at trial;

6 7. That Plaintiff recover its costs of suit; and

7 8. For such other and further relief that the court deems just and proper.

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Dated: March 13, 2023

Respectfully Submitted,

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