

**UNITED STATES OF AMERICA**  
**Before the**  
**SECURITIES AND EXCHANGE COMMISSION**

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 98493 / September 25, 2023**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-20932**

---

**In the Matter of**

**Health Insurance Innovations, Inc.,  
now named Benefytt Technologies,  
Inc., and Gavin D. Southwell,**

**Respondents.**

**NOTICE OF PROPOSED PLAN OF  
DISTRIBUTION AND  
OPPORTUNITY FOR COMMENT**

Notice is hereby given, pursuant to Rule 1103 of the United States Securities and Exchange Commission’s (the “Commission”) Rules on Fair Fund and Disgorgement Plans (the “Commission’s Rules”), 17 C.F.R. § 201.1103, that the Division of Enforcement has submitted to the Commission a proposed plan of distribution (the “Proposed Plan”) for the distribution of monies paid in the above-captioned matter.

On July 20, 2022, the Commission issued an Order Instituting Cease-and-Desist Proceedings, Pursuant to Section 8A of the Securities Act of 1933 and Section 21C of the Securities Exchange Act of 1934, Making Findings, and Imposing a Cease-and-Desist Order (the “Order”)<sup>1</sup> against Health Insurance Innovations, Inc., now named Benefytt Technologies, Inc., (“HII”) and Gavin D. Southwell (“Southwell”) (collectively, the “Respondents”). In the Order, the Commission found that from March 2017 through March 2020, HII, a technology platform, billing administrator and distributor of short-term and limited health insurance products, and its CEO Southwell made a series of false and misleading statements to investors, which concealed extensive consumer complaints about products being sold through misrepresentations. Respondents falsely told investors that HII held its insurance distributors to high compliance standards, which prohibited insurance agents from making misrepresentations to consumers. Respondents falsely stated that HII had 99.99% consumer satisfaction and misleadingly stated that state departments of insurance received very few consumer complaints regarding HII. Respondents understated the amount of business that had been generated by its most productive distributor, Simple Health Plans LLC, which amassed the most consumer complaints. Respondents misrepresented that HII had terminated its relationship with a different distributor in 2016 for compliance failures, when in fact, HII re-hired this distributor despite continuing compliance problems. These statements were made in reports filed with the SEC, press releases,

---

<sup>1</sup> Securities Act Rel. No. 11084 (July 20, 2022).

earnings calls and other communications with investors. Southwell also disseminated misleading information about HII's compliance to research analysts and a subscription news service, which included the information in research reports and a news article that were distributed to investors. In total, the Commission ordered the Respondents to pay \$320,000.00 in disgorgement, \$41,511.00 in prejudgment interest, and \$11,750,000.00 in civil money penalties, for a collective total of \$12,111,511.00, to the Commission. The Commission also created a Fair Fund, pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002, so the penalties paid, along with the disgorgement and interest paid, can be distributed to harmed investors (the "Fair Fund").

The Fair Fund consists of the \$12,111,511.00 paid by the Respondents. The assets of the Fair Fund are subject to the continuing jurisdiction and control of the Commission. The Fair Fund has been deposited in a Commission-designated account at the U.S. Department of the Treasury, and any accrued interest will be added to the Fair Fund.

## **OPPORTUNITY FOR COMMENT**

Pursuant to this Notice, all interested persons are advised that they may obtain a copy of the Plan from the Commission's public website at <http://www.sec.gov/litigation/fairfundlist.htm>. Interested persons may also obtain a written copy of the Proposed Plan by submitting a written request to Sondra Panahi, United States Securities and Exchange Commission, 801 Brickell Avenue, Miami, Florida 33131. All persons who desire to comment on the Proposed Plan may submit their comments, in writing, no later than thirty (30) days from the date of this Notice:

1. to the Office of the Secretary, United States Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090;
2. by using the Commission's Internet comment form (<http://www.sec.gov/litigation/admin.shtml>); or
3. by sending an e-mail to [rule-comments@sec.gov](mailto:rule-comments@sec.gov).

Comments submitted by email or via the Commission's website should include "Administrative Proceeding File No. 3-20932" in the subject line. Comments received will be publicly available. Persons should submit only information they wish to make publicly available.

## **THE PROPOSED PLAN**

The Net Available Fair Fund<sup>2</sup> is comprised of the \$12,111,511.00 in disgorgement, prejudgment interest, and civil money penalties paid by the Respondents, plus any interest and income earned thereon, less taxes, fees, and expenses. The Proposed Plan provides for the distribution of the Net Available Fair Fund as calculated by the methodology used in the Plan of Allocation to investors based on their losses on shares of Health Insurance Innovations, Inc. common stock registered with the Commission and traded under the symbol HIIQ purchased or acquired during the period when the stock price was inflated by the company's false and

---

<sup>2</sup> All capitalized terms used herein but not defined shall have the same meanings ascribed to them in the Proposed Plan.

misleading statements, from March 2, 2017 through March 12, 2019, inclusive, due to the misconduct of the Respondents. For the Commission, by the Division of Enforcement, pursuant to delegated authority.<sup>3</sup>

Vanessa A. Countryman  
Secretary

---

<sup>3</sup> 17 C.F.R. § 200.30-4(a)(21)(iii).