

UNITED STATES OF AMERICA  
Before the  
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934  
Release No. 94861 / May 6, 2022

ADMINISTRATIVE PROCEEDING  
File No. 3-20847

In the Matter of

Advanzeon Solutions, Inc.,

Respondent.

ORDER INSTITUTING  
ADMINISTRATIVE  
PROCEEDINGS AND NOTICE OF  
HEARING PURSUANT TO  
SECTION 12(j) OF THE  
SECURITIES EXCHANGE ACT  
OF 1934

**RESPONDENT'S ANSWER AND DEFENSES TO ORDER INSTITUTING  
ADMINISTRATIVE PROCEEDINGS AND NOTICE OF HEARING**

Respondent Advanzeon Solutions, Inc. (“**Advanzeon**” or “**Respondent**”), by and through their undersigned counsel, hereby answers the Commission's Order Instituting Administrative Proceedings and Notice of Hearing Pursuant to Section 12(j) of the Securities Exchange Act of 1934 (the "Order") as follows.

**INTRODUCTION**

Advanzeon Solutions, Inc. (formerly Comprehensive Care Corp.), through its wholly owned subsidiary Pharmacy Value Management Solutions, Inc., (“PVMS”) and its wholly-owned subsidiaries during 2015, and partly in 2016, provided managed care services by acting as the administrator for certain administrative service agreements in the behavioral health and substance abuse fields. These services were primarily offered to

commercial, Medicare, Medicaid, Children’s Health Insurance Program (“CHIP”) health plans, as well as self-insured companies. The managed care operations consisted solely of servicing administrative service agreements. Starting in July of 2015, PVMS implemented a comprehensive sleep apnea program, called “SleepMaster Solutions”™. SleepMaster Solutions (“SMS”) utilizes an administrative system for the convenient identification/testing and therapy of Obstructive Sleep Apnea (“OSA”). SMS partnered with a national health care provider by initiating a sleep apnea wellness program whereby it screened, tested and when needed, offered treatment programs for treating this disorder. The company also contracted with a union to treat its driver members. Beginning in 2017, the only business of Advanzeon and PVMS was the SMS sleep apnea program.

In 2014, the Department of Transportation (“DOT”) overhauled its system such that regulations now require commercial drivers, that is drivers with a commercial driver’s license (“CDL”) must be specifically examined with respect to whether or not they have a respiratory dysfunction which is defined to include OSA. The Company through its wholly owned subsidiary Pharmacy Value Management Solutions, Inc. administers and operates a medically-driven sleep apnea program branded SleepMaster Solutions™ (“SMS”). Management believes that SMS is the largest provider of these combined services in the nation. SMS is in all 50 states and provides a turnkey solution designed to effectively keep drivers on the road with no down time and compliant with DOT regulations, to improve their health, and to decrease legal liability risk for the employer. SMS is vertically integrated and provides a “Program” of services that addresses all the needs of a corporate

transportation system, union or other driver-related organizations. PVMS believes it is the only company capable of providing the full range of needed services in a timely manner.

On September 7, 2020, Advanzoneon filed its voluntary petition for relief under Chapter 11 of the Bankruptcy Code, which was designated as M.D. Fla. Case No. 8:20-bk-06764-MGW. The Debtor remains in possession of its properties and continues to manage its assets as debtor in possession pursuant to Sections 1107 and 1108 of the Bankruptcy Code. During the months leading up to the filing, and continuing post-petition, the Debtor and PVMS have been significantly affected by COVID-19 (the “Pandemic”). The Pandemic affected the very heart of the Company’s focused revenue stream – interstate truck drivers holding commercial driver’s licenses (“CDL’s”). The Federal government granted a medical exam moratorium for CDL holders, meaning that commercial drivers no longer needed to appear for their otherwise required bi-annual Department of Transportation (“DOT”) medical exam as a condition of renewing their driver’s license (the “Moratorium”). The Company had contracted with clinics that reportedly performed approximately 50% of all the required DOT medical exams and had simultaneously contracted with several Teamster locals, of which a significant number of commercial drivers were members to whom services were provided as a 100% covered benefit.

By reason of the Pandemic and the Moratorium, a number of the clinics with whom the Company contracted closed completely and a significant number of clinics began operating with reduced staffs. Additionally, restrictions were placed upon marketing efforts with respect to the clinics in that field representatives were no longer permitted to visit the clinics as part of our marketing program. In all, PVMS was forced to restructure its

marketing efforts and look for other sources of revenue while simultaneously expanding its footprint on a national scope with respect to existing contractual relationships awaiting a return to commercial normalcy. The Federal Motor Carrier Safety Administration (“FMCSA”) Moratorium on the CDL driver’s medical exam requirements, that includes a screening as to whether or not they have a respiratory dysfunction (which, by definition, includes obstructive sleep apnea or “OSA”), remained in effect throughout 2020 and 2021 and was only recently lifted.

Advanzeon has submitted a plan in bankruptcy pursuant to Chapter 11, which is the principal business reorganization chapter of the Bankruptcy Code. The SEC and other creditors have opposed the plan, which matter is still pending before the Court. Moreover, the SEC has filed a motion to appoint a Chapter 11 Trustee or convert to a case under Chapter 7 (“SEC’s Motion”), which also remains pending.

In light of the difficulties imposed on Advanzeon by the Pandemic and other related reasons, including: a need to seek a new accounting firm to prepare and finalize their periodic reports for filing with the SEC, issues with prior accounting firms, decrease in revenue, and reduced staff, Respondent has not yet filed its Form 10-K for 2020, although a draft form has been prepared and will be filed promptly once the new accounting firm is able to complete the process. The same process will occur for the other periodic reports that remain outstanding as soon as possible. Advanzeon has never intended to avoid filing any required periodic reports with the SEC and continues to make substantial progress towards the goal of bringing Respondent’s filings current.

In response to the allegations in the separately numbered paragraphs of the Order, Advanzeon responds as follows:

#### **A. RESPONDENT**

1. Advanzeon Solutions, Inc. ("Advanzeon") (CIK No. 0000022872) is an active Delaware corporation located in Tampa, Florida with a class of securities registered with the Commission pursuant to Exchange Act Section 12(g). Advanzeon is delinquent in its periodic filings with the Commission, having not filed any periodic reports since it filed a Form 10-Q for the period ended September 30, 2020, which reported a net loss of \$3,157,577 for the prior nine months. As of April 27, 2022, unsolicited quotations for the common stock of Advanzeon were quoted on OTC Link operated by OTC Markets Group, Inc.

**RESPONSE:** Respondent lacks sufficient information to admit or deny whether there is an agreement with OTC Markets Group to list or quote its stock, therefore denied. Admitted as to the remaining allegations.

#### **B. DELINQUENT PERIODIC FILINGS**

2. As discussed in more detail above, the Respondent is delinquent in its periodic filings with the Commission, has repeatedly failed to meet its obligation to file timely periodic reports, and failed to heed a delinquency letter sent to it on March 4, 2022, which it received, by the Commission's Division of Corporation Finance requesting compliance with its periodic filing obligation.

**RESPONSE:** Respondent denies that it has repeatedly failed to meet its obligation to file timely periodic reports and failed to heed a delinquency letter. Admitted that it is delinquent in its periodic filings referenced in paragraph 1 for the reasons more fully explained in the "Introduction" section above.

3. Exchange Act Section 13(a) and the rules promulgated thereunder require issuers of securities registered pursuant to Exchange Act Section 12 to file with the Commission current and accurate information in periodic reports, even if the registration is voluntary under Section 12(g). Specifically, Rule 13a-1 requires issuers to file annual reports, and Rule 13a-13 requires domestic issuers to file quarterly reports.

**RESPONSE:** Respondent denies that it has repeatedly failed to meet its obligation to file timely periodic reports and failed to heed a delinquency letter. Admitted that it is delinquent in its periodic filings for the periods referenced in paragraph 1 for the reasons more fully explained in the "Introduction" section above.

4. As a result of the foregoing, the Respondent failed to comply with Exchange Act Section 13(a) and Rules 13a-1 and 13a- I 3 thereunder.

**RESPONSE:** Respondent admits that it is delinquent in its periodic filings for the periods referenced in paragraph 1 for the reasons more fully explained in the “Introduction” section above.

### **III.**

In view of the allegations made by the Division of Enforcement, the Commission deems it necessary or appropriate for the protection of investors that public administrative proceedings be instituted to determine:

A. Whether the allegations contained in Section II hereof are true and, in connection therewith, to afford the Respondent an opportunity to establish any defenses to such allegations; and,

**RESPONSE:** Respondent admits in part and denies in part the allegations contained in Section II.

B. Whether it is necessary or appropriate for the protection of investors to suspend for a period not exceeding twelve months, or revoke the registration of each class of securities registered pursuant to Section 12 of the Exchange Act of the Respondent, and any successor under Exchange Act Rules 12b-2 or 12g-3, and any new corporate names of the Respondent.

**RESPONSE:** Respondent denies that it is necessary or appropriate for the protection of investors to suspend or revoke registration as articulated in Section III(B).

### **DEFENSES**

The foregoing allegations do not support the relief sought by the Commission against Respondent. In addition, the following affirmative defenses nullify any potential liability.

### **FIRST DEFENSE**

The Commission’s claims for relief claims are barred in whole or in part by the

doctrine of estoppel because Respondent's ability to file timely reports has been hindered in part by the Commission's role as an adversary in the bankruptcy litigation discussed more fully in the "Introduction" section above.

### **SECOND DEFENSE**

The Commission's claims for relief are arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with law and therefore unlawful pursuant to 5 U.S.C. § 706(2)(A) of the Administrative Procedure Act.

### **THIRD DEFENSE**

The Commission's claims for relief are barred in whole or in part because Congress unconstitutionally delegated legislative power to the SEC by failing to provide an intelligible principle by which the SEC would exercise the delegated power, in violation of Article I's vesting of "all" legislative power in Congress.

### **FOURTH DEFENSE**

To the extent that certain claims or relief sought may be barred based upon the application of Statutes of Limitation or the doctrine of laches, these defenses are asserted in an abundance of caution to preserve any defenses as discovery is received and reviewed.

Dated: May 20, 2022

Respectfully submitted,

**s/ Matthew J. Mueller**

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*Attorney for Respondent*

**CERTIFICATE OF SERVICE**

I **HEREBY CERTIFY** that on May 20, 2022, I electronically filed a true and correct copy of the foregoing with the SEC’s “eFAP” E-Filing Portal and served counsel for the Commission by email as follows:

Teresa Verges, Esq.  
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Respectfully submitted,

**s/ Matthew J. Mueller**  
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