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2 STATE OF CALIFORNIA
3 BUSINESS, CONSUMER SERVICES AND HOUSING AGENCY
4 DEPARTMENT OF BUSINESS OVERSIGHT

5 **TO:** New Body MD LLC
6 Rick Frisk
7 704 228th Ave. Suite 664
8 Sammamish, WA 98704

9 Richard V. Bennett
10 16411 Scientific Way, Suite 150
11 Irvine, CA 92618

12 Joseph R. Porche
13 111 W. Ocean Blvd. 4th Floor
14 Long Beach, CA 90802

15 **DESIST AND REFRAIN ORDER**

16 **(For Violations of Sections 25110, 25210, and 25401 of the Corporations Code)**

17 The Commissioner of Business Oversight (“Commissioner”) finds that:

18 1. New Body MD LLC (“New Body MD”) was formed as a Delaware limited liability
19 company on or about January 12, 2012. New Body MD’s principal place of business was 704 228th
20 Ave., Suite 664, Sammamish, Washington.

21 2. According to Delaware Secretary of State records, Rick Frisk (“Frisk”) was an
22 “authorized person” of New Body MD. Company offering materials also list Frisk as New Body
23 MD’s manager.

24 3. Richard V. Bennett (“Bennett”) and Joseph R. Porche (“Porche”) solicited investors
25 on behalf of New Body MD and Frisk, and operated in California at all relevant times. Bennett’s last
26 known business address was 16411 Scientific Way, Suite 150, Irvine, CA 92618. Porche’s last
27 known business address, according to business cards sent to investors, was 111 W. Ocean Blvd., 4th
28 Floor, Long Beach, CA 90802.

On or about December 29, 2010, the United States District Court for the Central District of California permanently enjoined Porche from violating Section 5 and Section 17(a) of the Securities Act of 1933, in the matter captioned, *SEC v. Porche*, case number SACV 10-01165 DOC

1 (RNBx). In the accompanying United States Securities and Exchange Commission (“SEC”)
2 administrative proceeding, dated March 29, 2011, File No. 3-14197, Porche was barred from
3 associating with any broker, dealer, investment adviser, municipal securities dealer, municipal
4 advisor, transfer agent, or nationally recognized statistical ratings organization.

5 5. Beginning in or about August 2012, New Body MD, Frisk, Bennett, and Porche sold
6 securities in the form of New Body MD “Warrant Units” tied to promissory notes, labeled
7 “Promissory Note with Warrants.” Bennett and Porche cold-called potential investors, representing
8 that New Body MD was in the business of cosmetic surgery, and would use the capital raised from
9 the company’s investment offering to open more surgery clinics. Bennett and Porche purportedly
10 emphasized to investors that there was growing demand for such services and that investing in New
11 Body MD was “a good deal” with guaranteed returns of at least 12%. After Bennett and Porche
12 secured agreements from investors, Frisk would sign the promissory notes on behalf of New Body
13 MD. The promissory notes also stated that investors would be given 12% interest, with payments
14 being made on a quarterly basis, and that the investment principal would automatically be returned on
15 the third year anniversary of the note, or upon request. The investors did not receive their returns in
16 accordance with the written agreements, and were unsuccessful in obtaining the return of their
17 investment principal. Only after having reached out to New Body MD and Frisk multiple times were
18 investors able to receive some of the interest payments they were originally promised.

19 6. New Body MD, Frisk, Bennett, and Porche sold at least two New Body MD
20 Promissory Notes with Warrants to senior investors, totaling at least \$360,000.00.

21 7. In connection with the offer and sale of these securities, the above described New
22 Body Promissory Notes with Warrants, New Body MD, Frisk, Bennett, and Porche misrepresented
23 and/or failed to disclose to investors the following material facts:

- 24 a. the risks associated with investing in New Body MD;
- 25 b. that the investment in New Body MD would provide guaranteed returns and was risk-
26 free;
- 27 c. that the “Promissory Note[s] with Warrants” would provide 12% returns, paid on a
28 quarterly basis, and that the principal could be redeemed by following the outlined
timetable and procedures in the agreement document; and

1 d. that Porche had been the subject of civil and administrative proceedings brought by
2 the SEC — which resulted in permanent injunctions against future violations of
3 federal securities laws and barred Porche from associating with any brokers, dealers,
4 and investment advisers.

5 8. These securities, the above described Promissory Notes with Warrants, were sold in
6 this state in issuer transactions. The Department of Business Oversight has not issued a permit or
7 other form of qualification authorizing any person to offer or sell New Body MD LLC’s Promissory
8 Notes with Warrants in this state.

9 9. Bennett and Porche are conducting business as broker-dealers by soliciting potential
10 investors and inducing them to invest in New Body MD’s Promissory Notes with Warrants and their
11 activities come within the meaning of Corporations Code section 25004. Under Corporations Code
12 section 25210, Bennett and Porche were required to obtain certificates from the Commissioner to
13 conduct business as broker-dealers in the State of California.

14 Based on the foregoing findings, the Commissioner of Business Oversight is of the opinion
15 that the Promissory Notes with Warrants offered by New Body MD are securities subject to
16 qualification under the Corporate Securities Law of 1968 and are being or have been offered or sold
17 without first being qualified in violation of Corporations Code section 25110 of the Corporate
18 Securities Law of 1968. Under section 25532 of the Corporations Code, New Body MD LLC, Rick
19 Frisk, Richard V. Bennett, and Joseph R. Porche are ordered to desist and refrain from the further
20 offer and sale of securities in California, including but not limited to promissory notes in the form of
21 New Body MD LLC Promissory Notes with Warrants, unless such sale has been qualified under
22 Corporations Code section 25111, 25112, or 25113 or unless such security or transaction is exempted
23 or not subject to qualification.

24 Furthermore, the Commissioner of Business Oversight is of the opinion that the securities
25 New Body MD, Rick Frisk, Richard V. Bennett, and Joseph R. Porche offered or sold in this state
26 were offered or sold by means of written or oral communications which included an untrue statement
27 of a material fact or omitted to state a material fact necessary in order to make the statements made,
28 in light of the circumstances under which they were made, not misleading, in violation of section
25401 of the Corporations Code. Under section 25532 of the Corporations Code, New Body MD
LLC, Rick Frisk, Richard V. Bennett, and Joseph R. Porche made, or caused to be made,

1 misrepresentations or omissions of material fact in connection with the offer or sale of securities and
2 are hereby ordered to desist and refrain from offering or selling or buying or offering to buy any
3 security in the State of California by means of any written or oral communication which includes an
4 untrue statement of material fact or omits to state material fact necessary in order to make the
5 statements made, in light of the circumstances under which they were made, not misleading.

6 Finally, the Commissioner of Business Oversight is of the opinion that Richard V. Bennett
7 and Joseph R. Porche have conducted business as broker-dealers in this state by reaching out to
8 potential investors and inducing them to purchase New Body's Promissory Notes with Warrants
9 without first having applied for and secured from the Commissioner a certificate authorizing them to
10 act in that capacity, in violation of section 25210 of the Corporations Code. Under Corporations Code
11 section 25532, Richard V. Bennett and Joseph R. Porche are further ordered to desist and refrain from
12 conducting business as broker-dealers in this state unless and until they have applied for and secured
13 from the Commissioner a certificate, then in effect, authorizing them to act in that capacity.

14 This order is necessary, in the public interest, for the protection of investors and consistent
15 with the purposes, policies, and provisions of the Corporate Securities Law of 1968.

16 Dated: July 17, 2015
17 Los Angeles, California

18 JAN LYNN OWEN
19 Commissioner of Business Oversight

20 By _____
21 MARY ANN SMITH
22 Deputy Commissioner
23 Enforcement Division
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