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10/07/2014

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9 SUPERIOR COURT OF THE STATE OF CALIFORNIA  
10 COUNTY OF LOS ANGELES

11 RAYMOND FOREMAN, by and through his  
12 Attorney in Fact LaTonya Foreman,

13 Plaintiff,

14 vs.

15 SHLOMO RECHNITZ; BRIUS  
16 MANAGEMENT CO., INC.; BRIUS, LLC;  
17 SOL HEALTHCARE, LLC; B-EAST, LLC; B-  
18 SAN DIEGO, LLC; B-SPRING VALLEY,  
19 LLC; CNRC, LLC; POINT LOMA  
20 REHABILITATION CENTER, LLC;  
21 CENTINELA SKILLED NURSING &  
22 WELLNESS CENTRE - WEST, LLC;  
23 CENTINELA SKILLED NURSING &  
24 WELLNESS CENTRE - EAST, LLC;  
25 HIGHLAND PARK SKILLED NURSING &  
26 WELLNESS CENTRE, LLC; LAIBCO, LLC;  
27 SOUTH PASADENA REHABILITATION  
28 CENTER, LLC; LIGHTHOUSE  
HEALTHCARE CENTER, LLC; VERNON  
HEALTHCARE, LLC; NORWALK SKILLED  
NURSING & WELLNESS CENTRE, LLC;  
VERDUGO VALLEY SKILLED NURSING &  
WELLNESS CENTRE, LLC; MAYWOOD  
SKILLED NURSING & WELLNESS  
CENTRE, LLC; WISH-I-AH HEALTHCARE  
& WELLNESS CENTRE, LLC; FRESNO  
SKILLED NURSING & WELLNESS  
CENTRE, LLC; OAKHURST HEALTHCARE  
& WELLNESS CENTRE, LLC; EUREKA  
REHABILITATION & WELLNESS CENTER,  
LLC; GRANADA REHABILITATION &  
WELLNESS CENTER, LP; PACIFIC  
REHABILITATION & WELLNESS CENTER,  
LP; SEAVIEW REHABILITATION &  
WELLNESS CENTER, LP; FORTUNA  
REHABILITATION & WELLNESS CENTER,  
LP; GRANITE HILLS HEALTHCARE &

CASE NO.

BC 559909

CLASS ACTION

COMPLAINT FOR DAMAGES

1. Violation of the Consumer Legal Remedies Act (Civil Code §1750, et seq.)
2. Violation of Business and Professions Code §§17200, et seq. and 17500, et seq.
3. Fraud (*Randi W. v. Murac*, 1997 Cal.4th 1066; *McCall v. Pacificare of Cal., Inc.* (2001) 25 Cal.4th 412).
4. Violation of Resident Rights (Health & Saf. Code §1430(b))

RECEIPT #: CH445980020  
DATE PAID: 10/07/14 08:54 AM  
PAYMENT: \$435.00  
RECEIVED: 310  
CHECK: \$435.00  
CASH: \$0.00  
CHARGE: \$0.00  
CARD: \$0.00

CIT/CLERK: BC559909  
LEA/DEF#: 08/15/14 08:15 AM  
310

CIT/CLERK: BC559909  
LEA/DEF#: 08/15/14 08:15 AM  
310

WELLNESS CENTRE, LLC; CLAIREMONT  
HEALTHCARE & WELLNESS CENTRE,  
LLC; SOLNUS ONE, LLC; SOLNUS TWO,  
LLC; SOLNUS THREE, LLC; SOLNUS  
FOUR, LLC; SOLNUS FIVE, LLC; SOLNUS  
SIX, LLC; SOLNUS SEVEN, LLC; SOLNUS  
EIGHT, LLC; LAWNDALE HEALTHCARE &  
WELLNESS CENTRE, LLC; THE  
HEALTHCARE CENTER OF DOWNEY,  
LLC; SAN MARINO GARDENS WELLNESS  
CENTER, LP; NOTELLAGE  
CORPORATION; FOUR SEASONS  
HEALTHCARE & WELLNESS CENTER, LP;  
ALHAMBRA HEALTHCARE & WELLNESS  
CENTRE, LP; MESA VERDE  
CONVALESCENT HOSPITAL, INC.;  
FULLERTON HEALTHCARE & WELLNESS  
CENTRE, LP; HAWTHORNE HEALTHCARE  
& WELLNESS CENTRE, LLC; YORK  
HEALTHCARE & WELLNESS CENTRE, LP;  
NOVATO HEALTHCARE CENTER, LLC;  
OXNARD MANOR, LP; POMONA  
HEALTHCARE & WELLNESS CENTER,  
LLC; PINE GROVE HEALTHCARE &  
WELLNESS CENTRE, LP; SAN GABRIEL  
HEALTHCARE & WELLNESS CENTRE, LP;  
SAN RAFAEL HEALTHCARE & WELLNESS  
CENTRE, LP and DOES 1 through 100,  
inclusive,

Defendants.

Plaintiff RAYMOND FOREMAN, by and through his Attorney in Fact LaTonya Foreman, on  
behalf of himself and similarly situated California consumers, based on information and belief and the  
investigation of counsel, except for information based on personal knowledge, hereby alleges as  
follows:

### THE PARTIES

1. Plaintiff Class.

The class sought to be represented is defined as follows:

a. Plaintiff Subclass One: "Private Pay Residents-First, Second, and Third Causes of  
Action".

The first subclass sought to be represented in this action as it relates to the First, Second, Third  
and Fourth Causes of Action only, is defined as follows: all persons who were resided in (or continue

1 to reside in) California skilled nursing facilities owned, operated, and/or managed by the defendants  
2 named herein at any time within the three years prior to the filing of this Complaint through the date  
3 of the final disposition of this action wherein the Defendants were reimbursed for services provided to  
4 "class member" by private pay and/or privately acquired insurance and/or any HMO or PPO. The  
5 subclass does not include: (a) any officers, directors or employees of the Defendants; (b) any judge  
6 assigned to hear this case (or spouse or family member of any assigned judge); (c) any juror selected  
7 to hear this case.

8 b. Plaintiff Subclass Two: "All Residents-First, Second, and Third Causes of Action"

9 The second subclass sought to be represented in this action as it relates to the First, Second,  
10 and Third Causes of Action only, is defined as follows: all persons who were resided in (or continue  
11 to reside in) California skilled nursing facilities owned, operated, and/or managed by the defendants  
12 named herein at any time within the three years prior to the filing of this Complaint through the date  
13 of the final disposition of this action. The class does not include: (a) any officers, directors or  
14 employees of the Defendants; (b) any judge assigned to hear this case (or spouse or family member  
15 of any assigned judge); (c) any juror selected to hear this case. This subclass shall seek attorneys'  
16 fees and costs only.

17 c. Plaintiff Subclass Three "Health & Safety Code Section 1430(b) Violations"

18 The third subclass sought to be represented in this action as it relates to the Fourth Cause of  
19 Action only, is defined as follows: all persons who were resided in (or continue to reside in) California  
20 skilled nursing facilities owned, operated, and/or managed by the defendants named herein at any time  
21 within the three years prior to the filing of this Complaint through the date of the final disposition of  
22 this action regardless of the manner in which Defendants were reimbursed for services. The class does  
23 not include: (a) any officers, directors or employees of the Defendants; (b) any judge assigned to hear  
24 this case (or spouse or family member of any assigned judge); (c) any juror selected to hear this case.

25 2. Individual Plaintiff/Class Representative. The individually-named plaintiff,  
26 Raymond Foreman, is a former resident of one of the skilled nursing facilities owned, operated,  
27 managed and/or controlled by the defendants in the State of California. He was a resident of one of the  
28 Defendants' facilities which are uniformly owned, operated, managed and/or controlled by the

1 defendants SHLOMO RECHNITZ; BRIUS MANAGEMENT CO., INC.; BRIUS, LLC; SOL  
2 MANAGEMENT, LLC., and DOES 1 through 100, in the State of California who entered into a  
3 standard and uniformly utilized admission agreement with the Defendants and who reasonably and  
4 justifiably relied upon the terms and representations set forth in the standard and uniformly utilized  
5 admission agreement in entering into the admission agreement and in becoming a resident of  
6 Defendant CENTINELA SKILLED NURSING & WELLNESS CENTRE-WEST, LLC doing  
7 business as Centinela Skilled Nursing & Wellness Centre – West, one of the skilled nursing facilities  
8 uniformly owned, operated, managed and/or controlled by the Defendant SHLOMO RECHNITZ;  
9 BRIUS MANAGEMENT CO., INC.; BRIUS, LLC; SOL MANAGEMENT, LLC., and DOES 1  
10 through 100, in the State of California. Plaintiff is a “person,” a “senior citizen,” and a “consumer” as  
11 defined by *Civil Code* §1761 in that she is an individual over the age of 65 years who sought or  
12 acquired, by purchase or lease, services for personal purposes.

13         3. During the admissions process and prior to becoming a resident of CENTINELA  
14 SKILLED NURSING & WELLNESS CENTRE-WEST, LLC doing business as Centinela Skilled  
15 Nursing & Wellness Centre – West, as uniformly controlled and operated by SHLOMO RECHNITZ;  
16 BRIUS MANAGEMENT CO., INC.; BRIUS, LLC; SOL MANAGEMENT, LLC., and DOES 1  
17 through 100, the admissions coordinator of CENTINELA SKILLED NURSING & WELLNESS  
18 CENTRE-WEST, LLC presented Plaintiff Raymond Foreman with a standard admission agreement  
19 containing the resident bill of rights as an attachment to the admission agreement as mandated by  
20 *Health & Safety Code* §1599.74. Plaintiff Raymond Foreman read and understood the standard  
21 admission agreement and relied upon the material terms contained therein. In reliance on the terms of  
22 the standard admission agreement, Plaintiff Raymond Foreman decided to become a resident of  
23 CENTINELA SKILLED NURSING & WELLNESS CENTRE-WEST, LLC doing business as  
24 Centinela Skilled Nursing & Wellness Centre – West, as uniformly owned, operated, managed and/or  
25 controlled by the defendants SHLOMO RECHNITZ; BRIUS MANAGEMENT CO., INC.; BRIUS,  
26 LLC; SOL MANAGEMENT, LLC., and DOES 1 through 100, signed the admission agreement and  
27 became a resident of CENTINELA SKILLED NURSING & WELLNESS CENTRE-WEST, LLC  
28 doing business as Centinela Skilled Nursing & Wellness Centre – West. During his residency at



1 CENTINELA SKILLED NURSING & WELLNESS CENTRE-WEST, LLC doing business as  
2 Centinela Skilled Nursing & Wellness Centre – West, Plaintiff had paid for services provided by the  
3 Defendants via private pay and/or privately acquired insurance.

4       4.       Defendants. Plaintiff is informed and believes that Defendant SHLOMO RECHNITZ;  
5 BRIUS MANAGEMENT CO., INC.; BRIUS, LLC; SOL MANAGEMENT, LLC., and DOES 1  
6 through 100, inclusive (hereinafter sometimes collectively referred to as “MANAGEMENT  
7 DEFENDANTS”) regularly conduct business in the State of California, and directly or through their  
8 wholly-owned subsidiaries enumerated below owned, licensed, operated, administered, managed,  
9 directed, and/or controlled fifty-seven (57) skilled nursing facilities in the State of California.  
10 SHLOMO RECHNITZ exerts total and consistent operational control over the other MANAGEMENT  
11 DEFENDANTS, and in turn, the MANAGEMENT DEFENDANTS exert total and consistent  
12 operational control over each of the defendant facilities such that the independent facility defendants  
13 are merely alter-egos of the MANAGEMENT DEFENDANTS. The MANAGEMENT  
14 DEFENDANTS establish, implement and enforce a uniform system of advertising at the facility level  
15 predicated upon misrepresentations to the general public as to the standards and quality of services  
16 performed in the facilities. In reality the independent facilities are a sham: there is no independence;  
17 the facilities are all owned, controlled and operated by the MANAGEMENT DEFENDANTS. The  
18 fiction of independence is created by the MANAGEMENT DEFENDANTS as a legally perverted  
19 mechanism to escape liability for the uniform misbehavior mandated by the MANAGEMENT  
20 DEFENDANTS at each of the named facility defendants.

21       5.       Defendant B-EAST, LLC dba Presidio Health Care Center is the licensee, owner,  
22 and/or operator of a skilled nursing facility located at 8625 Lamar Street, Spring Valley, California  
23 92077. Defendant B-EAST, LLC dba Presidio Health Care Center is one of the facilities uniformly  
24 owned, operated, managed and/or controlled by the MANAGEMENT DEFENDANTS in the State of  
25 California. Defendant B-EAST, LLC is a “person” within the meaning of *Civil Code* §1761 in that it is  
26 a limited liability company.

27       6.       Defendant B-SAN DIEGO, LLC dba Brighton Place – San Diego is the licensee,  
28 owner, and/or operator of a skilled nursing facility located at 1350 Euclid Avenue, San Diego,

1 California 92105. Defendant B-SAN DIEGO, LLC dba Brighton Place – San Diego is one of the  
2 facilities uniformly owned, operated, managed and/or controlled by the MANAGEMENT  
3 DEFENDANTS in the State of California. Defendant B-SAN DIEGO, LLC is a “person” within the  
4 meaning of *Civil Code* §1761 in that it is a limited liability company.

5 7. Defendant B-SPRING VALLEY, LLC dba Brighton Place – Spring Valley is the  
6 licensee, owner, and/or operator of a skilled nursing facility located at 9009 Campo Road, Spring  
7 Valley, California 92077. Defendant B-SPRING VALLEY, LLC dba Brighton Place – Spring Valley  
8 is one of the facilities uniformly owned, operated, managed and/or controlled by the MANAGEMENT  
9 DEFENDANTS in the State of California. Defendant B-SPRING VALLEY, LLC is a “person” within  
10 the meaning of *Civil Code* §1761 in that it is a limited liability company.

11 8. Defendant CNRC, LLC dba California Nursing & Rehabilitation Center is the licensee,  
12 owner, and/or operator of a skilled nursing facility located at 2299 North Indian Avenue, Palm  
13 Springs, California 92262. Defendant CNRC, LLC dba California Nursing & Rehabilitation Center is  
14 one of the facilities uniformly owned, operated, managed and/or controlled by the MANAGEMENT  
15 DEFENDANTS in the State of California. Defendant CNRC, LLC is a “person” within the meaning  
16 of *Civil Code* §1761 in that it is a limited liability company.

17 9. Defendant POINT LOMA REHABILITATION CENTER, LLC dba Point Loma  
18 Convalescent Hospital is the licensee, owner, and/or operator of a skilled nursing facility located at  
19 3202 Duke Street, San Diego, California 92110. Defendant POINT LOMA REHABILITATION  
20 CENTER, LLC dba Point Loma Convalescent Hospital is one of the facilities uniformly owned,  
21 operated, managed and/or controlled by the MANAGEMENT DEFENDANTS in the State of  
22 California. Defendant POINT LOMA REHABILITATION CENTER, LLC is a “person” within the  
23 meaning of *Civil Code* §1761 in that it is a limited liability company.

24 10. Defendant CENTINELA SKILLED NURSING & WELLNESS CENTRE – WEST,  
25 LLC dba Centinela Skilled Nursing & Wellness Centre - West is the licensee, owner, and/or operator  
26 of a skilled nursing facility located at 950 South Flower Street, Inglewood, California 90301.  
27 Defendant CENTINELA SKILLED NURSING & WELLNESS CENTRE – WEST, LLC dba  
28 Centinela Skilled Nursing & Wellness Centre - West is one of the facilities uniformly owned,

1 operated, managed and/or controlled by the MANAGEMENT DEFENDANTS in the State of  
2 California. Defendant CENTINELA SKILLED NURSING & WELLNESS CENTRE – WEST, LLC  
3 is a “person” within the meaning of *Civil Code* §1761 in that it is a limited liability company.

4 11. Defendant CENTINELA SKILLED NURSING & WELLNESS CENTRE EAST dba  
5 Centinela Skilled Nursing & Wellness Centre East is the licensee, owner, and/or operator of a skilled  
6 nursing facility located at 1001 South Osage Avenue, Inglewood, California 90301. Defendant  
7 CENTINELA SKILLED NURSING & WELLNESS CENTRE EAST, LLC dba Centinela Skilled  
8 Nursing & Wellness Centre East is one of the facilities uniformly owned, operated, managed and/or  
9 controlled by the MANAGEMENT DEFENDANTS in the State of California. Defendant  
10 CENTINELA SKILLED NURSING & WELLNESS CENTRE EAST, LLC is a “person” within the  
11 meaning of *Civil Code* §1761 in that it is a limited liability company.

12 12. Defendant HIGHLAND PARK SKILLED NURSING & WELLNESS CENTRE, LLC  
13 dba Highland Park Skilled Nursing & Wellness Centre is the licensee, owner, and/or operator of a  
14 skilled nursing facility located at 5125 Monte Vista Street, Los Angeles, California 90042. Defendant  
15 HIGHLAND PARK SKILLED NURSING & WELLNESS CENTRE, LLC dba Highland Park  
16 Skilled Nursing & Wellness Centre is one of the facilities uniformly owned, operated, managed and/or  
17 controlled by the MANAGEMENT DEFENDANTS in the State of California. Defendant  
18 HIGHLAND PARK SKILLED NURSING & WELLNESS CENTRE, LLC is a “person” within the  
19 meaning of *Civil Code* §1761 in that it is a limited liability company.

20 13. Defendant LAIBCO, LLC dba Las Flores Convalescent Hospital is the licensee, owner,  
21 and/or operator of a skilled nursing facility located at 14165 Purche Avenue, Gardena, California  
22 90249. Defendant LAIBCO, LLC dba Las Flores Convalescent Hospital is one of the facilities  
23 uniformly owned, operated, managed and/or controlled by the MANAGEMENT DEFENDANTS in  
24 the State of California. Defendant LAIBCO, LLC is a “person” within the meaning of *Civil Code*  
25 §1761 in that it is a limited liability company.

26 14. Defendant SOUTH PASADENA REHABILITATION CENTER, LLC dba South  
27 Pasadena Convalescent Hospital is the licensee, owner, and/or operator of a skilled nursing facility  
28 located at 904 Mission Street, South Pasadena, California 91030. Defendant SOUTH PASADENA

1 REHABILITATION CENTER, LLC dba South Pasadena Convalescent Hospital is one of the  
2 facilities uniformly owned, operated, managed and/or controlled by the MANAGEMENT  
3 DEFENDANTS in the State of California. Defendant SOUTH PASADENA REHABILITATION  
4 CENTER, LLC is a "person" within the meaning of *Civil Code* §1761 in that it is a limited liability  
5 company.

6 15. Defendant LIGHTHOUSE HEALTHCARE CENTER, LLC dba Lighthouse  
7 Healthcare Center is the licensee, owner, and/or operator of a skilled nursing facility located at 2222  
8 Santa Ana Boulevard South, Los Angeles, California 90059. Defendant LIGHTHOUSE  
9 HEALTHCARE CENTER, LLC dba Lighthouse Healthcare Center is one of the facilities uniformly  
10 owned, operated, managed and/or controlled by the MANAGEMENT DEFENDANTS in the State of  
11 California. Defendant LIGHTHOUSE HEALTHCARE CENTER, LLC is a "person" within the  
12 meaning of *Civil Code* §1761 in that it is a limited liability company.

13 16. Defendant VERNON HEALTHCARE CENTER, LLC dba Vernon Healthcare Center  
14 is the licensee, owner, and/or operator of a skilled nursing facility located at 1037 West Vernon  
15 Avenue, Los Angeles, California 90037. Defendant VERNON HEALTHCARE CENTER, LLC dba  
16 Vernon Healthcare Center is one of the facilities uniformly owned, operated, managed and/or  
17 controlled by the MANAGEMENT DEFENDANTS in the State of California. Defendant VERNON  
18 HEALTHCARE CENTER, LLC is a "person" within the meaning of *Civil Code* §1761 in that it is a  
19 limited liability company.

20 17. Defendant NORWALK SKILLED NURSING & WELLNESS CENTRE, LLC dba  
21 Norwalk Skilled Nursing & Wellness Centre is the licensee, owner, and/or operator of a skilled  
22 nursing facility located at 11510 Imperial Highway, Norwalk, California 90650. Defendant  
23 NORWALK SKILLED NURSING & WELLNESS CENTRE, LLC dba Norwalk Skilled Nursing &  
24 Wellness Centre is one of the facilities uniformly owned, operated, managed and/or controlled by the  
25 MANAGEMENT DEFENDANTS in the State of California. Defendant NORWALK SKILLED  
26 NURSING & WELLNESS CENTRE, LLC is a "person" within the meaning of *Civil Code* §1761 in  
27 that it is a limited liability company.

28 18. Defendant VERDUGO VALLEY SKILLED NURSING & WELLNESS CENTRE,

1 LLC dba Verdugo Valley Skilled Nursing & Wellness Centre, is the licensee, owner, and/or operator  
2 of a skilled nursing facility located at 2635 Honolulu Avenue, Montrose, California 91020. Defendant  
3 VERDUGO VALLEY SKILLED NURSING & WELLNESS CENTRE, LLC dba Verdugo Valley  
4 Skilled Nursing & Wellness Centre is one of the facilities uniformly owned, operated, managed and/or  
5 controlled by the MANAGEMENT DEFENDANTS in the State of California. Defendant VERDUGO  
6 VALLEY SKILLED NURSING & WELLNESS CENTRE, LLC is a "person" within the meaning of  
7 *Civil Code* §1761 in that it is a limited liability company.

8 19. Defendant MAYWOOD SKILLED NURSING & WELLNESS CENTRE, LLC dba  
9 Maywood Skilled Nursing & Wellness Centre is the licensee, owner, and/or operator of a skilled  
10 nursing facility located at 6025 Pine Avenue, Maywood, California 90270. Defendant MAYWOOD  
11 SKILLED NURSING & WELLNESS CENTRE, LLC dba Maywood Skilled Nursing & Wellness  
12 Centre is one of the facilities uniformly owned, operated, managed and/or controlled by the  
13 MANAGEMENT DEFENDANTS in the State of California. Defendant MAYWOOD SKILLED  
14 NURSING & WELLNESS CENTRE, LLC is a "person" within the meaning of *Civil Code* §1761 in  
15 that it is a limited liability company.

16 20. Defendant WISH-I-AH HEALTHCARE & WELLNESS CENTRE, LLC dba Wish-I-  
17 Ah is the licensee, owner, and/or operator of a skilled nursing facility located at 35680 North Wish-I-  
18 Ah Road, Auberry, California 93602. Defendant WISH-I-AH HEALTHCARE & WELLNESS  
19 CENTRE, LLC dba Wish-I-Ah is one of the facilities uniformly owned, operated, managed and/or  
20 controlled by the MANAGEMENT DEFENDANTS in the State of California. Defendant WISH-I-AH  
21 HEALTHCARE & WELLNESS CENTRE, LLC is a "person" within the meaning of *Civil Code*  
22 §1761 in that it is a limited liability company.

23 21. Defendant FRESNO SKILLED NURSING & WELLNESS CENTRE, LLC dba The  
24 Rehabilitation Center of Fresno is the licensee, owner, and/or operator of a skilled nursing facility  
25 located at 1665 M Street, Fresno, California 93721. Defendant FRESNO SKILLED NURSING &  
26 WELLNESS CENTRE, LLC dba The Rehabilitation Center of Fresno is one of the facilities  
27 uniformly owned, operated, managed and/or controlled by the MANAGEMENT DEFENDANTS in  
28 the State of California. Defendant FRESNO SKILLED NURSING & WELLNESS CENTRE, LLC is

1 a "person" within the meaning of *Civil Code* §1761 in that it is a limited liability company.

2 22. Defendant OAKHURST HEALTHCARE & WELLNESS CENTRE, LLC dba  
3 Oakhurst Healthcare & Wellness Centre is the licensee, owner, and/or operator of a skilled nursing  
4 facility located at 40131 Highway 49, Oakhurst, California 93644. Defendant OAKHURST  
5 HEALTHCARE & WELLNESS CENTRE, LLC dba Oakhurst Healthcare & Wellness Centre is one  
6 of the facilities uniformly owned, operated, managed and/or controlled by the MANAGEMENT  
7 DEFENDANTS in the State of California. Defendant OAKHURST HEALTHCARE & WELLNESS  
8 CENTRE, LLC is a "person" within the meaning of *Civil Code* §1761 in that it is a limited liability  
9 company.

10 23. Defendant EUREKA REHABILITATION & WELLNESS CENTER, LP dba Eureka  
11 Rehabilitation & Wellness Center is the licensee, owner, and/or operator of a skilled nursing facility  
12 located at 2353 Twenty-Third Street, Eureka, California 95501. Defendant EUREKA  
13 REHABILITATION & WELLNESS CENTER, LP dba Eureka Rehabilitation & Wellness Center is  
14 one of the facilities uniformly owned, operated, managed and/or controlled by the MANAGEMENT  
15 DEFENDANTS in the State of California. Defendant EUREKA REHABILITATION & WELLNESS  
16 CENTER, LP is a "person" within the meaning of *Civil Code* §1761 in that it is a limited partnership.

17 24. Defendant GRANADA REHABILITATION & WELLNESS CENTER, LP dba  
18 Granada Rehabilitation & Wellness Center is the licensee, owner, and/or operator of a skilled nursing  
19 facility located at 2885 Harris Street, Eureka, California 95503. Defendant GRANADA  
20 REHABILITATION & WELLNESS CENTER, LP dba Granada Rehabilitation & Wellness Center is  
21 one of the facilities uniformly owned, operated, managed and/or controlled by the MANAGEMENT  
22 DEFENDANTS in the State of California. Defendant GRANADA REHABILITATION &  
23 WELLNESS CENTER, LP is a "person" within the meaning of *Civil Code* §1761 in that it is a limited  
24 partnership.

25 25. Defendant PACIFIC REHABILITATION & WELLNESS CENTER, LP dba Pacific  
26 Rehabilitation & Wellness Center is the licensee, owner, and/or operator of a skilled nursing facility  
27 located at 2211 Harrison Avenue, Eureka, California 95501. Defendant PACIFIC  
28 REHABILITATION & WELLNESS CENTER, LP dba Pacific Rehabilitation & Wellness Center is

1 one of the facilities uniformly owned, operated, managed and/or controlled by the MANAGEMENT  
2 DEFENDANTS in the State of California. Defendant PACIFIC REHABILITATION & WELLNESS  
3 CENTER, LP is a "person" within the meaning of *Civil Code* §1761 in that it is a limited partnership.

4 26. Defendant SEAVIEW REHABILITATION & WELLNESS CENTER, LP dba  
5 Seaview Rehabilitation & Wellness Center is the licensee, owner, and/or operator of a skilled nursing  
6 facility located at 6400 Purdue Drive, Eureka, California 95503. Defendant SEAVIEW  
7 REHABILITATION & WELLNESS CENTER, LP dba Seaview Rehabilitation & Wellness Center is  
8 one of the facilities uniformly owned, operated, managed and/or controlled by the MANAGEMENT  
9 DEFENDANTS in the State of California. Defendant SEAVIEW REHABILITATION &  
10 WELLNESS CENTER, LP is a "person" within the meaning of *Civil Code* §1761 in that it is a limited  
11 partnership.

12 27. Defendant FORTUNA REHABILITATION & WELLNESS CENTER, LP dba Fortuna  
13 Rehabilitation & Wellness Center is the licensee, owner, and/or operator of a skilled nursing facility  
14 located at 2321 Newburg Road, Fortuna, California 95540. Defendant FORTUNA  
15 REHABILITATION & WELLNESS CENTER, LP dba Fortuna Rehabilitation & Wellness Center is  
16 one of the facilities uniformly owned, operated, managed and/or controlled by the MANAGEMENT  
17 DEFENDANTS in the State of California. Defendant FORTUNA REHABILITATION &  
18 WELLNESS CENTER, LP is a "person" within the meaning of *Civil Code* §1761 in that it is a limited  
19 partnership.

20 28. Defendant GRANITE HILLS HEALTHCARE & WELLNESS CENTRE, LLC dba  
21 Granite Hills Healthcare & Wellness Centre is the licensee, owner, and/or operator of a skilled nursing  
22 facility located at 1340 E. Madison Avenue, El Cajon, California 92021. Defendant GRANITE HILLS  
23 HEALTHCARE & WELLNESS CENTRE, LLC dba Granite Hills Healthcare & Wellness Centre is  
24 one of the facilities uniformly owned, operated, managed and/or controlled by the MANAGEMENT  
25 DEFENDANTS in the State of California. Defendant GRANITE HILLS HEALTHCARE &  
26 WELLNESS CENTRE, LLC is a "person" within the meaning of *Civil Code* §1761 in that it is a  
27 limited liability company.

28 29. Defendant CLAIREMONT HEALTHCARE & WELLNESS CENTRE, LLC dba

1 Clairemont Healthcare & Wellness Centre is the licensee, owner, and/or operator of a skilled nursing  
2 facility located at 8060 Frost Street, San Diego, California 92123. Defendant CLAIREMONT  
3 HEALTHCARE & WELLNESS CENTRE, LLC dba Clairemont Healthcare & Wellness Centre is  
4 one of the facilities uniformly owned, operated, managed and/or controlled by the MANAGEMENT  
5 DEFENDANTS in the State of California. Defendant CLAIREMONT HEALTHCARE &  
6 WELLNESS CENTRE, LLC is a "person" within the meaning of *Civil Code* §1761 in that it is a  
7 limited liability company.

8 30. Defendant IMPERIAL HEIGHTS HEALTHCARE & WELLNESS CENTRE, LLC  
9 dba Imperial Heights Healthcare & Wellness Centre is the licensee, owner, and/or operator of a skilled  
10 nursing facility located at 320 West Cattle Call Drive, Brawley, California 92227. Defendant  
11 IMPERIAL HEIGHTS HEALTHCARE & WELLNESS CENTRE, LLC dba Imperial Heights  
12 Healthcare & Wellness Centre is one of the facilities uniformly owned, operated, managed and/or  
13 controlled by the MANAGEMENT DEFENDANTS in the State of California. Defendant IMPERIAL  
14 HEIGHTS HEALTHCARE & WELLNESS CENTRE, LLC is a "person" within the meaning of *Civil*  
15 *Code* §1761 in that it is a limited liability company.

16 31. Defendant RIVERSIDE HEALTHCARE & WELLNESS CENTRE, LLC dba Alta  
17 Vista Healthcare & Wellness Centre is the licensee, owner, and/or operator of a skilled nursing facility  
18 located at 9020 Garfield Avenue, Riverside, California 92503. Defendant B RIVERSIDE  
19 HEALTHCARE & WELLNESS CENTRE, LLC dba Alta Vista Healthcare & Wellness Centre is one  
20 of the facilities uniformly owned, operated, managed and/or controlled by the MANAGEMENT  
21 DEFENDANTS in the State of California. Defendant RIVERSIDE HEALTHCARE & WELLNESS  
22 CENTRE, LLC is a "person" within the meaning of *Civil Code* §1761 in that it is a limited liability  
23 company.

24 32. Defendant ORANGE HEALTHCARE & WELLNESS CENTRE, LLC dba Orange  
25 Healthcare & Wellness Centre is the licensee, owner, and/or operator of a skilled nursing facility  
26 located at 920 West La Veta Street, Orange, California 92668. Defendant ORANGE HEALTHCARE  
27 & WELLNESS CENTRE, LLC dba Orange Healthcare & Wellness Centre is one of the facilities  
28 uniformly owned, operated, managed and/or controlled by the MANAGEMENT DEFENDANTS in



1 the State of California. Defendant ORANGE HEALTHCARE & WELLNESS CENTRE, LLC is a  
2 “person” within the meaning of *Civil Code* §1761 in that it is a limited liability company.

3 33. Defendant BAKERSFIELD HEALTHCARE & WELLNESS CENTRE, LLC dba The  
4 Rehabilitation Center of Bakersfield is the licensee, owner, and/or operator of a skilled nursing facility  
5 located at 2211 Mount Vernon Avenue, Bakersfield, California 93306. Defendant BAKERSFIELD  
6 HEALTHCARE & WELLNESS CENTRE, LLC dba The Rehabilitation Center of Bakersfield is one  
7 of the facilities uniformly owned, operated, managed and/or controlled by the MANAGEMENT  
8 DEFENDANTS in the State of California. Defendant BAKERSFIELD HEALTHCARE &  
9 WELLNESS CENTRE, LLC is a “person” within the meaning of *Civil Code* §1761 in that it is a  
10 limited liability company.

11 34. Defendant GRIDLEY HEALTHCARE & WELLNESS CENTRE, LLC dba Gridley  
12 Healthcare & Wellness Centre is the licensee, owner, and/or operator of a skilled nursing facility  
13 located at 246 Spruce Street, Gridley, California 95948. Defendant GRIDLEY HEALTHCARE &  
14 WELLNESS CENTRE, LLC dba Gridley Healthcare & Wellness Centre is one of the facilities  
15 uniformly owned, operated, managed and/or controlled by the MANAGEMENT DEFENDANTS in  
16 the State of California. Defendant GRIDLEY HEALTHCARE & WELLNESS CENTRE, LLC is a  
17 “person” within the meaning of *Civil Code* §1761 in that it is a limited liability company.

18 35. Defendant INDIO HEALTHCARE & WELLNESS CENTER, LLC dba Desert Springs  
19 Healthcare & Wellness Centre is the licensee, owner, and/or operator of a skilled nursing facility  
20 located at 82262 Valencia Street, Indio, California 92201. Defendant INDIO HEALTHCARE &  
21 WELLNESS CENTER, LLC dba Desert Springs Healthcare & Wellness Centre is one of the facilities  
22 uniformly owned, operated, managed and/or controlled by the MANAGEMENT DEFENDANTS in  
23 the State of California. Defendant INDIO HEALTHCARE & WELLNESS CENTER, LLC is a  
24 “person” within the meaning of *Civil Code* §1761 in that it is a limited liability company.

25 36. Defendant SKYLINE HEALTHCARE & WELLNESS CENTER, LLC dba Skyline  
26 Healthcare & Wellness Center – Los Angeles is the licensee, owner, and/or operator of a skilled  
27 nursing facility located at 3032 Rowena Avenue, Los Angeles, California 90039. Defendant  
28 SKYLINE HEALTHCARE & WELLNESS CENTER, LLC dba Skyline Healthcare & Wellness

Center – Los Angeles is one of the facilities uniformly owned, operated, managed and/or controlled by the MANAGEMENT DEFENDANTS in the State of California. Defendant SKYLINE HEALTHCARE & WELLNESS CENTER, LLC is a “person” within the meaning of *Civil Code* §1761 in that it is a limited liability company.

37. Defendant DRIFTWOOD HEALTHCARE & WELLNESS CENTER, LLC dba Driftwood Healthcare & Wellness Center is the licensee, owner, and/or operator of a skilled nursing facility located at 4109 Emerald Avenue, Torrance, California 90503. Defendant DRIFTWOOD HEALTHCARE & WELLNESS CENTER, LLC dba Driftwood Healthcare & Wellness Center is one of the facilities uniformly owned, operated, managed and/or controlled by the MANAGEMENT DEFENDANTS in the State of California. Defendant DRIFTWOOD HEALTHCARE & WELLNESS CENTER, LLC is a “person” within the meaning of *Civil Code* §1761 in that it is a limited liability company.

38. Defendant SOLNUS ONE, LLC dba Alameda Healthcare & Wellness Center is the licensee, owner, and/or operator of a skilled nursing facility located at 430 Willow Street, Alameda, California 94501. Defendant SOLNUS ONE, LLC dba Alameda Healthcare & Wellness Center is one of the facilities uniformly owned, operated, managed and/or controlled by the MANAGEMENT DEFENDANTS in the State of California. Defendant SOLNUS ONE, LLC is a “person” within the meaning of *Civil Code* §1761 in that it is a limited liability company.

39. Defendant SOLNUS FOUR, LLC dba San Pablo Healthcare & Wellness Center is the licensee, owner, and/or operator of a skilled nursing facility located at 13328 San Pablo Avenue, San Pablo, California 94806. Defendant SOLNUS FOUR, LLC dba San Pablo Healthcare & Wellness Center is one of the facilities uniformly owned, operated, managed and/or controlled by the MANAGEMENT DEFENDANTS in the State of California. Defendant SOLNUS FOUR, LLC is a “person” within the meaning of *Civil Code* §1761 in that it is a limited liability company.

40. Defendant SOLNUS FIVE, LLC dba Hayward Healthcare & Wellness Center is the licensee, owner, and/or operator of a skilled nursing facility located at 1805 West Street, Hayward, California 94545. Defendant SOLNUS FIVE, LLC dba Hayward Healthcare & Wellness Center is one of the facilities uniformly owned, operated, managed and/or controlled by the MANAGEMENT

1 DEFENDANTS in the State of California. Defendant SOLNUS FIVE, LLC is a “person” within the  
2 meaning of *Civil Code* §1761 in that it is a limited liability company.

3 41. Defendant SOLNUS SIX, LLC dba San Jose Healthcare & Wellness Center is the  
4 licensee, owner, and/or operator of a skilled nursing facility located at 75 North Thirteenth Street, San  
5 Jose, California 95112. Defendant SOLNUS SIX, LLC dba San Jose Healthcare & Wellness Center is  
6 one of the facilities uniformly owned, operated, managed and/or controlled by the MANAGEMENT  
7 DEFENDANTS in the State of California. Defendant SOLNUS SIX, LLC is a “person” within the  
8 meaning of *Civil Code* §1761 in that it is a limited liability company.

9 42. Defendant SOLNUS TWO, LLC dba Oakland Healthcare & Wellness Center is the  
10 licensee, owner, and/or operator of a skilled nursing facility located at 3030 Webster Street, Oakland,  
11 California 94609. Defendant SOLNUS TWO, LLC dba Oakland Healthcare & Wellness Center is one  
12 of the facilities uniformly owned, operated, managed and/or controlled by the MANAGEMENT  
13 DEFENDANTS in the State of California. Defendant SOLNUS TWO, LLC is a “person” within the  
14 meaning of *Civil Code* §1761 in that it is a limited liability company.

15 43. Defendant SOLNUS SEVEN, LLC dba Cupertino Healthcare & Wellness Center is the  
16 licensee, owner, and/or operator of a skilled nursing facility located at 22590 Voss Avenue, Cupertino,  
17 California 95014. Defendant SOLNUS SEVEN, LLC dba Cupertino Healthcare & Wellness Center is  
18 one of the facilities uniformly owned, operated, managed and/or controlled by the MANAGEMENT  
19 DEFENDANTS in the State of California. Defendant SOLNUS SEVEN, LLC is a “person” within the  
20 meaning of *Civil Code* §1761 in that it is a limited liability company.

21 44. Defendant SOLNUS THREE, LLC dba Roseville Point Healthcare & Wellness Center  
22 is the licensee, owner, and/or operator of a skilled nursing facility located at 600 Sunrise Avenue,  
23 Roseville, California 95661. Defendant SOLNUS THREE, LLC dba Roseville Point Healthcare &  
24 Wellness Center is one of the facilities uniformly owned, operated, managed and/or controlled by the  
25 MANAGEMENT DEFENDANTS in the State of California. Defendant SOLNUS THREE, LLC is a  
26 “person” within the meaning of *Civil Code* §1761 in that it is a limited liability company.

27 45. Defendant SOLNUS EIGHT, LLC dba The Rehabilitation Center of Oakland is the  
28 licensee, owner, and/or operator of a skilled nursing facility located at 210 Fortieth Street, Oakland,

1 California 94611. Defendant SOLNUS EIGHT, LLC dba The Rehabilitation Center of Oakland is one  
2 of the facilities uniformly owned, operated, managed and/or controlled by the MANAGEMENT  
3 DEFENDANTS in the State of California. Defendant SOLNUS EIGHT, LLC is a “person” within the  
4 meaning of *Civil Code* §1761 in that it is a limited liability company.

5 46. Defendant LAWNDALE HEALTHCARE & WELLNESS CENTRE, LLC dba  
6 Lawndale Care Center is the licensee, owner, and/or operator of a skilled nursing facility located at  
7 15100 South Prairie Avenue, Lawndale, California 90260. Defendant LAWNDALE HEALTHCARE  
8 & WELLNESS CENTRE, LLC dba Lawndale Care Center is one of the facilities uniformly owned,  
9 operated, managed and/or controlled by the MANAGEMENT DEFENDANTS in the State of  
10 California. Defendant LAWNDALE HEALTHCARE & WELLNESS CENTRE, LLC is a “person”  
11 within the meaning of *Civil Code* §1761 in that it is a limited liability company.

12 47. Defendant THE HEALTHCARE CENTER OF DOWNEY, LLC dba Lakewood Park  
13 Health Center is the licensee, owner, and/or operator of a skilled nursing facility located at 12023  
14 South Lakewood Boulevard, Downey, California 90242. Defendant THE HEALTHCARE CENTER  
15 OF DOWNEY, LLC dba Lakewood Park Health Center is one of the facilities uniformly owned,  
16 operated, managed and/or controlled by the MANAGEMENT DEFENDANTS in the State of  
17 California. Defendant THE HEALTHCARE CENTER OF DOWNEY, LLC is a “person” within the  
18 meaning of *Civil Code* §1761 in that it is a limited liability company.

19 48. Defendant SAN MARINO GARDENS WELLNESS CENTER, LP dba Pasadena Park  
20 Healthcare & Wellness Center is the licensee, owner, and/or operator of a skilled nursing facility  
21 located at 2585 East Washington Boulevard, Pasadena, California 91107. Defendant SAN MARINO  
22 GARDENS WELLNESS CENTER, LP dba Pasadena Park Healthcare & Wellness Center is one of  
23 the facilities uniformly owned, operated, managed and/or controlled by the MANAGEMENT  
24 DEFENDANTS in the State of California. Defendant SAN MARINO GARDENS WELLNESS  
25 CENTER, LP is a “person” within the meaning of *Civil Code* §1761 in that it is a limited partnership.

26 49. Defendant NOTELLAGE, INC. dba College Vista Convalescent Hospital is the  
27 licensee, owner, and/or operator of a skilled nursing facility located at 4681 Eagle Rock Boulevard,  
28 Los Angeles, California 90041. Defendant NOTELLAGE, INC. dba College Vista Convalescent

1 Hospital is one of the facilities uniformly owned, operated, managed and/or controlled by the  
2 MANAGEMENT DEFENDANTS in the State of California. Defendant NOTELLAGE, INC. is a  
3 “person” within the meaning of *Civil Code* §1761 in that it is a corporation.

4 50. Defendant FOUR SEASONS HEALTHCARE & WELLNESS CENTER, LP dba Four  
5 Seasons Healthcare & Wellness Center is the licensee, owner, and/or operator of a skilled nursing  
6 facility located at 5335 Laurel Canyon Boulevard, North Hollywood, California 91607. Defendant  
7 FOUR SEASONS HEALTHCARE & WELLNESS CENTER, LP dba Four Seasons Healthcare &  
8 Wellness Center is one of the facilities uniformly owned, operated, managed and/or controlled by the  
9 MANAGEMENT DEFENDANTS in the State of California. Defendant FOUR SEASONS  
10 HEALTHCARE & WELLNESS CENTER, LP is a “person” within the meaning of *Civil Code* §1761  
11 in that it is a limited partnership.

12 51. Defendant ALHAMBRA HEALTHCARE & WELLNESS CENTRE, LP dba  
13 Alhambra Healthcare & Wellness Centre is the licensee, owner, and/or operator of a skilled nursing  
14 facility located at 415 S. Garfield Avenue, Alhambra, California 91801. Defendant ALHAMBRA  
15 HEALTHCARE & WELLNESS CENTRE, LP dba Alhambra Healthcare & Wellness Centre is one of  
16 the facilities uniformly owned, operated, managed and/or controlled by the MANAGEMENT  
17 DEFENDANTS in the State of California. Defendant ALHAMBRA HEALTHCARE & WELLNESS  
18 CENTRE, LP is a “person” within the meaning of *Civil Code* §1761 in that it is a limited partnership.

19 52. Defendant MESA VERDE CONVALESCENT HOSPITAL, INC. dba Mesa Verde  
20 Convalescent Hospital is the licensee, owner, and/or operator of a skilled nursing facility located at  
21 661 Center Street, Costa Mesa, California 92627. Defendant MESA VERDE CONVALESCENT  
22 HOSPITAL, INC. dba Mesa Verde Convalescent Hospital is one of the facilities uniformly owned,  
23 operated, managed and/or controlled by the MANAGEMENT DEFENDANTS in the State of  
24 California. Defendant MESA VERDE CONVALESCENT HOSPITAL, INC. is a “person” within the  
25 meaning of *Civil Code* §1761 in that it is a limited partnership.

26 53. Defendant FULLERTON HEALTHCARE & WELLNESS CENTRE, LP dba Fullerton  
27 Healthcare & Wellness Centre is the licensee, owner, and/or operator of a skilled nursing facility  
28 located at 2222 North Harbor Boulevard, Fullerton, California 92835. Defendant FULLERTON

1 HEALTHCARE & WELLNESS CENTRE, LP dba Fullerton Healthcare & Wellness Centre is one of  
2 the facilities uniformly owned, operated, managed and/or controlled by the MANAGEMENT  
3 DEFENDANTS in the State of California. Defendant FULLERTON HEALTHCARE & WELLNESS  
4 CENTRE, LP is a "person" within the meaning of *Civil Code* §1761 in that it is a limited partnership.

5 54. Defendant HAWTHORNE HEALTHCARE & WELLNESS CENTRE, LLC dba  
6 Hawthorne Healthcare & Wellness Centre is the licensee, owner, and/or operator of a skilled nursing  
7 facility located at 11630 Grevillea Avenue, Hawthorne, California 90250. Defendant HAWTHORNE  
8 HEALTHCARE & WELLNESS CENTRE, LLC dba Hawthorne Healthcare & Wellness Centre is one  
9 of the facilities uniformly owned, operated, managed and/or controlled by the MANAGEMENT  
10 DEFENDANTS in the State of California. Defendant HAWTHORNE HEALTHCARE &  
11 WELLNESS CENTRE, LLC, is a "person" within the meaning of *Civil Code* §1761 in that it is a  
12 limited partnership.

13 55. Defendant YORK HEALTHCARE & WELLNESS CENTRE, LP dba York Healthcare  
14 & Wellness Centre is the licensee, owner, and/or operator of a skilled nursing facility located at 6071  
15 York Boulevard, Los Angeles, California 90042. Defendant YORK HEALTHCARE & WELLNESS  
16 CENTRE, LP dba York Healthcare & Wellness Centre is one of the facilities uniformly owned,  
17 operated, managed and/or controlled by the MANAGEMENT DEFENDANTS in the State of  
18 California. Defendant YORK HEALTHCARE & WELLNESS CENTRE, LP is a "person" within the  
19 meaning of *Civil Code* §1761 in that it is a limited partnership.

20 56. Defendant NOVATO HEALTHCARE CENTER, LLC dba Novato Healthcare Center  
21 is the licensee, owner, and/or operator of a skilled nursing facility located at 1565 Hill Road, Novato,  
22 California 94947. Defendant NOVATO HEALTHCARE CENTER, LLC dba Novato Healthcare  
23 Center is one of the facilities uniformly owned, operated, managed and/or controlled by the  
24 MANAGEMENT DEFENDANTS in the State of California. Defendant NOVATO HEALTHCARE  
25 CENTER, LLC is a "person" within the meaning of *Civil Code* §1761 in that it is a limited  
26 partnership.

27 57. Defendant OXNARD MANOR, LP dba Oxnard Manor Healthcare Center is the  
28 licensee, owner, and/or operator of a skilled nursing facility located at 1400 W. Gonzales Road,

1 Oxnard, California 93030. Defendant OXNARD MANOR, LP dba Oxnard Manor Healthcare Center  
2 is one of the facilities uniformly owned, operated, managed and/or controlled by the MANAGEMENT  
3 DEFENDANTS in the State of California. Defendant OXNARD MANOR, LP is a “person” within  
4 the meaning of *Civil Code* §1761 in that it is a limited partnership.

5 58. Defendant POMONA HEALTHCARE & WELLNESS CENTER, LLC dba Park  
6 Avenue Healthcare & Wellness Center is the licensee, owner, and/or operator of a skilled nursing  
7 facility located at 1550 North Park Avenue, Pomona, California 91768. Defendant POMONA  
8 HEALTHCARE & WELLNESS CENTER, LLC dba Park Avenue Healthcare & Wellness Center is  
9 one of the facilities uniformly owned, operated, managed and/or controlled by the MANAGEMENT  
10 DEFENDANTS in the State of California. Defendant POMONA HEALTHCARE & WELLNESS  
11 CENTER, LLC is a “person” within the meaning of *Civil Code* §1761 in that it is a limited  
12 partnership.

13 59. Defendant PINE GROVE HEALTHCARE & WELLNESS CENTRE, LP dba Pine  
14 Grove Healthcare & Wellness Centre is the licensee, owner, and/or operator of a skilled nursing  
15 facility located at 126 North San Gabriel Boulevard, San Gabriel, California 91775. Defendant PINE  
16 GROVE HEALTHCARE & WELLNESS CENTRE, LP dba Pine Grove Healthcare & Wellness  
17 Centre is one of the facilities uniformly owned, operated, managed and/or controlled by the  
18 MANAGEMENT DEFENDANTS in the State of California. Defendant PINE GROVE  
19 HEALTHCARE & WELLNESS CENTRE, LP is a “person” within the meaning of *Civil Code* §1761  
20 in that it is a limited partnership.

21 60. Defendant SAN GABRIEL HEALTHCARE & WELLNESS CENTRE, LP dba Ivy  
22 Creek Healthcare & Wellness Centre is the licensee, owner, and/or operator of a skilled nursing  
23 facility located at 115 Bridge Street, San Gabriel, California 91775. Defendant SAN GABRIEL  
24 HEALTHCARE & WELLNESS CENTRE, LP dba Ivy Creek Healthcare & Wellness Centre is one of  
25 the facilities uniformly owned, operated, managed and/or controlled by the MANAGEMENT  
26 DEFENDANTS in the State of California. Defendant SAN GABRIEL HEALTHCARE &  
27 WELLNESS CENTRE, LP is a “person” within the meaning of *Civil Code* §1761 in that it is a limited  
28 partnership.

1           61. Defendant SAN RAFAEL HEALTHCARE & WELLNESS CENTRE, LP dba San  
2 Rafael Healthcare & Wellness Center is the licensee, owner, and/or operator of a skilled nursing  
3 facility located at 1601 Fifth Avenue, San Rafael, California 94901. Defendant SAN RAFAEL  
4 HEALTHCARE & WELLNESS CENTRE, LP dba San Rafael Healthcare & Wellness Center is one  
5 of the facilities uniformly owned, operated, managed and/or controlled by the MANAGEMENT  
6 DEFENDANTS in the State of California. Defendant SAN RAFAEL HEALTHCARE &  
7 WELLNESS CENTRE, LP is a "person" within the meaning of *Civil Code* §1761 in that it is a limited  
8 partnership (hereinafter the licensees of the defendant Facilities set forth hereinabove in paragraphs 5  
9 through 61 inclusive, shall sometimes be referred to collectively as the "LICENSEES" and the  
10 LICENSEES and MANAGEMENT DEFENDANTS shall be referred to collectively as the  
11 DEFENDANTS).

12           62. At all times herein mentioned, DEFENDANTS have all regularly conducted business  
13 throughout the State of California, including, but not limited to, the ownership, licensing,  
14 administration, operation, management, and/or supervision of numerous facilities providing long term  
15 and/or skilled nursing care for elderly patients. The Defendants operated at least fifty-seven (57) such  
16 facilities during the class period and/or a portion of the class period within the State of California.  
17 Each of these facilities is a "skilled nursing facility" as defined in *Health & Safety Code* §1250. The  
18 "Facilities" include, without limitation: Presidio Healthcare Center; Brighton Place – San Diego;  
19 Brighton Place – Spring Valley; California Nursing & Rehabilitation Center; Point Loma  
20 Convalescent Hospital; Centinela Skilled Nursing & Wellness Centre – West; Centinela Skilled  
21 Nursing & Wellness Centre – East; Highland Park Skilled Nursing & Wellness Centre; Las Flores  
22 Convalescent Hospital; South Pasadena Convalescent Hospital; Lighthouse Healthcare Center;  
23 Vernon Healthcare Center; Norwalk Skilled Nursing & Wellness Centre; Verdugo Valley Skilled  
24 Nursing & Wellness Centre; Maywood Skilled Nursing & Wellness Centre; Wish-I-Ah Healthcare &  
25 Wellness Center; The Rehabilitation Center of Fresno; Oakhurst Skilled Nursing & Wellness Centre;  
26 Eureka Rehabilitation & Wellness Center; Granada Rehabilitation & Wellness Center; Pacific  
27 Rehabilitation & Wellness Center; Seaview Rehabilitation & Wellness Center; Fortuna Rehabilitation  
28 & Wellness Center; Granite Hills Healthcare & Wellness Centre; Claremont Healthcare & Wellness



Centre; Imperial Heights Healthcare & Wellness Centre; Alta Vista Healthcare & Wellness Centre; Orange Healthcare & Wellness Centre; The Rehabilitation Center of Bakersfield; Gridley Healthcare & Wellness Centre; Desert Springs Healthcare & Wellness Centre; Skyline Healthcare Center – Los Angeles; Driftwood Healthcare Center; Alameda Healthcare & Wellness Center; San Pablo Healthcare & Wellness Center; Hayward Healthcare & Wellness Center; San Jose Healthcare & Wellness Center; Oakland Healthcare & Wellness Center; Cupertino Healthcare & Wellness Center; Roseville Point Healthcare & Wellness Center; The Rehabilitation Center of Oakland; Lawndale Care Center; Lakewood Park Health Center; Pasadena Park Healthcare & Wellness Center; College Vista Convalescent Hospital; Four Seasons Healthcare & Wellness Center; Alhambra Healthcare & Wellness Centre; Mesa Verde Convalescent Hospital; Fullerton Healthcare & Wellness Centre; Hawthorne Healthcare & Wellness Centre; York Healthcare & Wellness Centre; Novato Healthcare Center; Oxnard Manor Healthcare Center; Park Avenue Healthcare & Wellness Center; Pine Grove Healthcare & Wellness Centre; Ivy Creek Healthcare & Wellness Centre; and San Rafael Healthcare & Wellness Center.

63. Defendant Does 1-50. Plaintiffs are unaware of the true names and capacities of Does 1 through 50, inclusive, and therefore sue such defendants by fictitious names. Plaintiffs will amend the Complaint to show the true names and capacities of the fictitiously named defendants when they are ascertained. Plaintiffs are informed and believe, and on that basis allege, that Does 1 through 50 are individuals who are the agents, employees and/or representatives of the named defendants. Plaintiffs are informed and believe, and on that basis allege, that Does 1 through 50 are individuals who are the agents, employees, and/or representatives of the named defendants. Plaintiffs are informed and believe, and on that basis allege, that the fictitiously named defendants are liable to Plaintiff and the class members, and each of them, for the conduct and damages alleged herein.

64. Defendant Does 51-100. Plaintiff is unaware of the true names and capacities of Does 51 through 100, inclusive, and therefore sues such defendants by fictitious names. Plaintiffs will amend the Complaint to show the true names and capacities of the fictitiously named defendants when they are ascertained. Plaintiffs are informed and believe, and on that basis allege, that Does 51 through 100 are corporate entities that are the agents, joint employers, and/or representatives of the named

1 defendants. Plaintiffs are informed and believe, and on that basis allege, that the fictitiously named  
2 defendants are liable to plaintiffs and the class members, and each of them, for the conduct and  
3 damages alleged herein.

4 65. On information and belief, at all times herein mentioned, defendants, and each of  
5 them, was the agent, partner, joint venturer, representative, and/or employee of the remaining  
6 defendants, and was acting within the course and scope of such agency, partnership, joint venture,  
7 and/or employment. Furthermore, in engaging in the conduct described below, the defendants were all  
8 acting with the knowledge, consent, approval, and/or ratification of their co-defendants.

### 9 CLASS ACTION ALLEGATIONS

10 66. Ascertainable Class. The proposed class is ascertainable. The litigation of the  
11 questions of fact and law involved in this action will resolve the rights of all members of the class and  
12 hence will have binding effect on all class members. These class members can be readily identified  
13 from residency computer files of the defendants and other means readily available to the defendants,  
14 and thus the plaintiff, through minimally intrusive discovery. The class is numerous. On information  
15 and belief, those class members number more than three thousand (3000). Joinder of all class  
16 members is impracticable due to both a reluctance of class members to sue their current caregivers and  
17 the relatively small monetary recovery for each class member in comparison to the costs associated  
18 with separate litigation.

19 67. Community of Interest. The proposed class has a well defined community of interest in  
20 the questions of fact and law to be litigated. The common questions of law and fact are predominant  
21 with respect to the liability issues, relief issues and anticipated affirmative defenses. The named  
22 Plaintiff has claims typical of the class members. Without limitation, as a result of defendants'  
23 conduct alleged herein, Plaintiff was: (a) deprived of the value of services he bargained for – namely,  
24 to be cared for in a skilled nursing facility in a manner as represented by the Defendants; (b) sustained  
25 pecuniary loss in an ascertainable amount to be proven at the time of trial; and (c) has been deprived  
26 of the rights afforded to all residents of skilled nursing facilities under *Health & Safety Code*  
27 §1599.1(a) and 22 C.C.R. §72527(a)(12) and (a)(25), most specifically the right “to be treated with  
28 consideration, respect and full recognition of dignity and individuality, including privacy in treatment

1 and in care of personal needs” and to live in a facility that employs “an adequate number of qualified  
2 personnel to carry out all of the functions of the facility.” The named Plaintiff can fairly and  
3 adequately represent and protect the interests of the class in that there are no conflicts between their  
4 interests and the interests of other class members, this action is not collusive, the named Plaintiff and  
5 their counsel have the necessary resources to litigate this action, and counsel has the experience and  
6 ability required to prosecute this case as a class action.

7 68. Superiority of Class Adjudication. The certification of a class in this action is  
8 superior to the litigation of a multitude of cases by members of the putative class. Class adjudication  
9 will conserve judicial resources and will avoid the possibility of inconsistent rulings. Moreover, there  
10 are class members who are unlikely to join or bring an action due to, among other reasons, their  
11 reluctance to sue their current nursing home provider and/or their inability to afford a separate action.  
12 Finally, equity dictates that all persons who stand to benefit from the relief sought herein should be  
13 subject to the lawsuit and hence subject to an order spreading the costs of the litigation among the  
14 class members in relationship to the benefits received.

### 15 JURISDICTION AND VENUE

16 69. This Court has jurisdiction over all causes of action asserted herein. Each defendant has  
17 sufficient minimum contacts in the State of California or otherwise intentionally prevails itself of the  
18 California market through participation of skilled nursing facilities located in California and other  
19 activities, so as to render the exercise of jurisdiction over it by the California courts consistent with  
20 traditional notions of fair play and substantial justice.

21 70. Venue is proper in this county under *Code of Civil Procedure* §395 and *Civil Code*  
22 §1750, et seq. because this court is a court of competent jurisdiction as at least one of the defendants’  
23 affected facilities, CENTINELA SKILLED NURSING & WELLNESS CENTRE-WEST, LLC doing  
24 business as Centinela Skilled Nursing & Wellness Centre – West, maintains its principal place of  
25 business in this county, a portion of defendants’ liability arose in this county, and the acts upon which  
26 this action is based occurred in part in this county.

### 27 GENERAL ALLEGATIONS

28 71. DEFENDANTS have owned, licensed, operated, administered, managed, directed,

1 and/or controlled numerous skilled nursing facilities in California within the three years prior to the  
2 filing of this Complaint through the date of the final disposition of this action. In owning, operating,  
3 managing, administrating, controlling, and/or supervising various skilled nursing facilities throughout  
4 the State of California, DEFENDANTS had to comply with California statutory and regulatory law  
5 governing the operation of skilled nursing facilities. In owning, operating, managing, administrating,  
6 controlling, and/or supervising their skilled nursing facilities, DEFENDANTS were also subject to the  
7 authority of licensing and other governmental agencies, including but not limited to the California  
8 Department of Public Health ("DPH"), the California Department of Health Care Services ("DHCS"),  
9 and the federal Centers for Medicare & Medicaid Services ("CMS").

10 72. At all relevant times, Plaintiff and the class were residents of the DEFENDANTS'  
11 skilled nursing facilities who entered into uniform Admissions Agreements with attachments  
12 incorporated into said uniform Admission Agreement mandated by and pursuant to *Health & Safety*  
13 *Code* §1599.74 with the DEFENDANTS prior to becoming residents at the DEFENDANTS'  
14 facilities. And in fact the DEFENDANTS mandated as a condition of admission into their skilled  
15 nursing facilities that the Plaintiff, and the class members, execute, or have executed on their behalf,  
16 said uniform Admission Agreement, a transaction for services with the DEFENDANTS.

17 73. It is alleged that Plaintiff and each class member were each admitted to  
18 DEFENDANTS' facilities pursuant to the utilization of the "California Standard Admission  
19 Agreement"<sup>1</sup> as mandated by Title 22 of the California *Code of Regulations*, §72516. *Health & Safety*  
20 *Code* §1599.74 mandates that every California skilled nursing facility admission agreement shall  
21 contain a complete copy of the statutory and regulatory bill of rights in legible print of no less than 12-  
22 point type and that every resident shall sign a separate written acknowledgement that the resident has  
23 been informed of the Resident Bill of Rights.<sup>2</sup> California *Health & Safety Code* §1599.74 mandates in  
24

25 <sup>1</sup> A true and correct copy of an exemplar of the "California Standard Admission Agreement for  
26 Skilled Nursing Facilities and Intermediate Care Facilities" obtained from the California Department  
27 of Public Health's website at the self-authenticating link  
<http://www.cdph.ca.gov/pubsforms/forms/CtrlldForms/cdph327.pdf> is attached hereto as Exhibit 1.

28 <sup>2</sup> A true and correct copy an exemplar of the Resident Bill of Rights (Attachment F to the Standard  
(footnote continued)

1 relevant part:

2 (b) Every contract of admission shall contain a complete copy of both  
3 the statutory and regulatory Patients' Bill of Rights. Notwithstanding  
4 any other provision of law, the text of the Patients' Bill of Rights shall  
5 be in legible print of no less than 12-point type. If a translation has  
6 been provided by the department, the text given to non-English-

7 speaking residents shall be in their language.  
8 (c) The contract shall also contain a separate written  
9 acknowledgement that the resident has been informed of the Patients' Bill of Rights.

10 Written acknowledgement by the resident or the resident's  
11 representative must be made either on a separate document or in the  
12 agreement itself next to the clause informing the resident of these  
13 regulatory rights. Written acknowledgement by use of the signature  
14 on the agreement as a whole does not meet this requirement.

15 California *Health & Safety Code* §1599.74.

16 74. Pursuant to this uniform representation that the services provided by the Defendants  
17 would meet the particularized standards as set forth in the Resident Bill of Rights attached to the  
18 uniform Admission Agreement, the DEFENDANTS were to provide all residents of their skilled  
19 nursing facilities operating in California services consistent with the mandatory requirements of  
20 California *Health & Safety Code* §1599.1(a) as set forth in Title 22 C.C.R. §72527(a)(12) and (a)(25).  
21 Specifically, the services represented by the DEFENDANTS that they would provide to each resident,  
22 via the contractual Admission Agreement arrangement with each resident, was explicitly stated by the  
23 DEFENDANTS to include the obligation, and representation as to the standard of care to be provided,  
24 that each of the DEFENDANTS' skilled nursing facilities operating in California would ensure the  
25 rights afforded to all residents of skilled nursing facilities under *Health & Safety Code* §1599.1(a) and  
26 22 C.C.R. §72527(a)(12) and (a)(25), most specifically the right "to be treated with consideration,  
27 respect and full recognition of dignity and individuality, including privacy in treatment and in care of  
28 personal needs" and to live in a facility that employs "an adequate number of qualified personnel to  
carry out all of the functions of the facility." These uniform representations of the DEFENDANTS in

Admission Agreement) obtained from the California Department of Public Health's website at the  
self-authenticating link <http://www.cdph.ca.gov/pubsforms/forms/CtrlldForms/cdph327-Attachment-F.pdf> is attached hereto as Exhibit 2.

1 the Admission Agreement as to the nature of their services in this regard were false and actually  
2 known to be false when made by the DEFENDANTS when made.

3 75. The Plaintiff, and class members, read, considered and justifiably relied upon the  
4 express terms and promises as to the nature and quality of services to be provided by the  
5 DEFENDANTS as promised in the uniform Admission Agreement with the DEFENDANTS.

6 76. Before, during, and after the admissions processes of Plaintiff and each class member  
7 the DEFENDANTS actively and intentionally concealed from Plaintiff and class members that  
8 DEFENDANTS, and most specifically SHLOMO RECHNITZ, has a long history of being serial  
9 violators of skilled nursing industry laws and regulations as specifically acknowledged and merely by  
10 way of example, in court submissions from the California Attorney General and in declarations  
11 executed under penalty of perjury by representatives of both DPH and DHCS, exemplars of which are  
12 attached hereto as Exhibits 3, 4, and 5. Merely by way of example, as specifically set forth in court  
13 submissions for the purposes of preventing DEFENDANTS from purchasing additional skilled  
14 nursing facilities, the California Attorney General has stated:

- 15 • **“RECHNITZ IS A VIOLATOR OF INDUSTRY LAWS AND REGULATIONS.** The  
16 principal individual behind the Stalking Horse Parties is Schlomo Rechnitz. Rechnitz and  
17 his companies (Brius Management Company and Brius LLC) have a history of failing to  
18 comply with laws and regulations enforced by DHCS and the federal Centers for Medicare  
19 and Medicaid Services (“CMS”).” (Exhibit 3, at p. 2:8-12, bold in original.)
- 20 • “In October 2013, DHCS issued an enforcement order which has been and is continuing to  
21 cause the withholding of 100% of Medi-Cal payments to two of Rechnitz’s skilled nursing  
22 facilities. This order was imposed because Rechnitz repeatedly and continuously failed or  
23 refused to submit required audit materials to DHCS.” (Exhibit 3, at p. 2:16-20, emphasis  
24 added.)
- 25 • “Within the last week, DHCS issued a new enforcement order which threatens to withhold  
26 20% of Rechnitz’s Medi-Cal payments for the remaining 55 of his 57 skilled nursing  
27 facilities. This order is being imposed because Rechnitz has again failed or refused to  
28 submit required audit materials to DHCS.” (Exhibit 3, at p. 2:21-25.)

- 1 • “In or around April 2014, the federal CMS issued an enforcement order to one of  
2 Rechnitz’s skilled nursing facilities. This federal enforcement order seeks to (i) deny  
3 payment for new admissions; (ii) impose civil monetary penalties’ and (iii) terminate the  
4 facility’s Medicare provider agreement no later than October 2, 2014, if substantial  
5 compliance with Medicare participation requirements is not promptly achieved and  
6 maintained.” (Exhibit 3, at p. 2:25 – 3:2.)
- 7 • “Rechnitz’s continued and repeated refusals to comply with industry laws and regulations  
8 *is harming the skilled nursing industry.*” (Exhibit 3, at p. 3:3-4, emphasis added.)
- 9 • “**RECENT ENFORCEMENT ACTIONS WILL HARM RECHNITZ’S FINANCIAL**  
10 **STABILITY.** The financial impact of these enforcement orders will hurt Rechnitz’s  
11 operation revenue. *Accordingly, he will have less income with which to provide quality*  
12 *patient care.*” (Exhibit 3, at p. 3:5-8, bold in original, italics and underscoring added.)
- 13 • “**RECHNITZ PROBABLY WON’T BE ABLE TO GET REGULATORY**  
14 **APPROVAL TO OPERATE DEBTORS’ SKILLED NURSING FACILITIES.**  
15 Additionally, for Rechnitz to become licensed to operate Debtors’ 19 skilled nursing  
16 facilities, Rechnitz must meet a ‘good character’ requirement. CDPH is unlikely to grant  
17 licensure to Rechnitz because he will be unable to satisfy the ‘good character’  
18 requirement.” (Exhibit 3, at p. 3:15-20.)
- 19 • “Because (i) *Rechnitz tends to not comply with regulatory requirements*, (ii) *Rechnitz’s*  
20 *revenue is being markedly reduced and could compromise patient care*, (iii) Rechnitz is  
21 unlikely to be approved as a Medi-Cal provider for Debtors’ facilities, and (iv) Rechnitz is  
22 unlikely to be licensed to operate Debtors’ facilities this Court should not allow Rechnitz  
23 to manage Debtors’ skilled nursing facilities on an interim basis, and should not approve  
24 Rechnitz’s purchase of Debtors’ facilities or assets.” (Exhibit 3, at p. 3:23 – 4:2, emphasis  
25 added.)
- 26 • “Because of his *multiple enforcement actions and repeated violations of regulatory*  
27 *authority*, Rechnitz is not qualified to assume such an important role. During the last week,  
28 the regulatory situation involving Rechnitz suddenly became markedly worse: he was the

1 subject of a new DHCS enforcement action which threatens to hold back 20% of his Medi-  
2 Cal payments for 55 of his 57 skilled nursing facilities. This new enforcement action,  
3 when it goes into effect on September 22, 2014, will affect Rechnitz's business revenue  
4 and threaten his ability to deliver high quality patient care. The appended declarations of  
5 Jean Iacino and Bob Sands establish the background facts and circumstances which give  
6 rise to the special circumstances and the threat to patient care created by Rechnitz.  
7 (Exhibit 3, at p. 4:21 – 5:2, emphasis added.)

8 Similarly, representatives from DPH and DHCS have declared under penalty of perjury the following:

- 9 • “The repeated and ongoing failure and refusal to file the necessary cost reports for the  
10 2012 year has delayed DHCS's ability to complete its audit of the fifty-seven (57) facilities  
11 owned and controlled by Rechnitz and has impeded DHCS's ability to establish the NF B  
12 (continuous nursing care) nursing rates for the new rate year that started on August 1,  
13 2014. This is a very serious violation that creates significant harm to the State of  
14 California and the skilled nursing community.” (Exhibit 4, at p. 3:7-12, emphasis added.)
- 15 • “Rechnitz's conduct shows repeated and ongoing disregard for regulatory requirements.”  
16 (Exhibit 4, at p. 3:16-17, emphasis added.)
- 17 • “A reduction of Medi-Cal funding to Rechnitz's currently-owned group of fifty-seven (57)  
18 skilled nursing facilities could seriously jeopardize the services and compromise the care  
19 provided to residents at those facilities, as well as at any new facilities that Rechnitz may  
20 acquire.” (Exhibit 4, at p. 3:21-24, emphasis added.)
- 21 • These developments and enforcement actions by both state and federal agencies raise  
22 significant concerns as to the wisdom of the sale of additional skilled nursing facilities to  
23 Rechnitz. Chief among those concerns is the safety of placing additional residents under  
24 the care of Rechnitz and his corporate entities, even on a temporary basis, given their  
25 demonstrated record of repeated and ongoing noncompliance with state and federal  
26 regulatory requirements, and resultant enforcement actions.” (Exhibit 4, at p. 4:8-14,  
27 emphasis added.)

28 77. It is alleged that the concealments by DEFENDANTS alleged in the immediately



preceding paragraph were intended to deceive Plaintiff and members of the class into believing that DEFENDANTS' facilities were properly operated to induce Plaintiff and class members into becoming residents of DEFENDANTS' facilities. That Plaintiff and members of the class, all in infirm health, elderly, and/or in need of skilled nursing care and members of one of the most vulnerable segments of our society, were unsophisticated and unknowledgeable in the operation of skilled nursing facilities in the State of California and had no knowledge of the facts concealed by DEFENDANTS and could not have discovered those concealed facts due to, among other things, their extremely vulnerable status. Had the concealed facts been disclosed to Plaintiff and members of the class, they would not have become residents of DEFENDANTS' facilities and would not have paid, or had monies paid on their behalf, for the substandard skilled nursing care at DEFENDANTS' facilities.

78. Before, during, and after the admissions processes of Plaintiff and each class member, the DEFENDANTS actively and intentionally concealed from Plaintiff and class members that DEFENDANTS did not devote sufficient financial resources to the proper operation of their skilled nursing facilities, did not devote sufficient financial resources to protect the health and safety of residents and ensure resident rights were not violated, and instead diverted those resources to create ill-begotten profits for DEFENDANTS. It is alleged that this concealment by DEFENDANTS was intended to deceive Plaintiff and members of the class into believing that DEFENDANTS' facilities were properly operated to induce Plaintiff and class members into becoming residents of DEFENDANTS' facilities. That Plaintiff and members of the class, all in infirm health, elderly, and/or in need of skilled nursing care and members of one of the most vulnerable segments of our society, were unknowledgeable and unsophisticated in the operation of skilled nursing facilities in the State of California and had no knowledge of the facts concealed by DEFENDANTS and could not have discovered those concealed facts due to, among other things, their extremely vulnerable status. Had the concealed facts been disclosed to Plaintiff and members of the class, they would not have become residents of DEFENDANTS' facilities and would not have paid, or had monies paid on their behalf, for the substandard skilled nursing care at DEFENDANTS' facilities.

79. Before, during, and after the admissions processes of Plaintiff and each class member, the DEFENDANTS actively and intentionally concealed from Plaintiff and class members that

1 DEFENDANTS chronically understaffed their facilities with an inadequate number of staff to carry  
2 out the function of their facilities as more fully alleged herein, and in so doing and as a result thereof,  
3 the DEFENDANTS have violated the rights afforded to all residents of skilled nursing facilities under  
4 *Health & Safety Code* §1599.1(a) and 22 C.C.R. §72527(a)(12) and (a)(25), most specifically the right  
5 “to be treated with consideration, respect and full recognition of dignity and individuality, including  
6 privacy in treatment and in care of personal needs” and to live in a facility that employs “an adequate  
7 number of qualified personnel to carry out all of the functions of the facility.” It is alleged that this  
8 concealment by DEFENDANTS was intended to deceive Plaintiff and members of the class into  
9 believing that DEFENDANTS’ facilities were properly staffed to induce Plaintiff and class members  
10 into becoming residents of DEFENDANTS’ facilities. That Plaintiff and members of the class, all in  
11 infirm health, elderly, and/or in need of skilled nursing care and members of one of the most  
12 vulnerable segments of our society, were unknowledgeable and unsophisticated in the operation of  
13 skilled nursing facilities in the State of California and had no knowledge of the facts concealed by  
14 DEFENDANTS and could not have discovered those concealed facts due to, among other things, their  
15 extremely vulnerable status. Had the concealed facts been disclosed to Plaintiff and members of the  
16 class, they would not have become residents of DEFENDANTS’ facilities and would not have paid, or  
17 had monies paid on their behalf, for the substandard skilled nursing care at DEFENDANTS’ facilities.

18 80. In reality, in direct contradiction to the representation in their uniform admission  
19 agreement that their facilities would “employ an adequate number of qualified personnel to carry out  
20 all functions of the facility” and to meet the needs of their residents, the DEFENDANTS’ facilities  
21 chronically understaffed their Facilities and chronically failed to meet the particularized standards as  
22 set forth in the Resident Bill of Rights relating to the mandatory requirements of California *Health &*  
23 *Safety Code* §1599.1(a) as set forth in Title 22 C.C.R. §72527(a)(25) and Title 22 C.C.R.  
24 §72527(a)(12), as is more fully alleged in paragraphs 97 through 142 herein below. Thus,  
25 DEFENDANTS have misrepresented in their admission agreement that entering into the admission  
26 agreement with DEFENDANTS conferred or involved rights, remedies, or obligations which the  
27 transaction did not have or involve, or which was prohibited by law, in violation of *Civil Code*  
28 §1770(a)(14).

81. Plaintiff and the class members, as persons unknowledgeable and unsophisticated in the operation of skilled nursing facilities in the State of California and having no knowledge of the material concealments by DEFENDANTS alleged herein, justifiably relied on the material terms of, and the representations set forth in, the DEFENDANTS' uniform Admission Agreement in entering into the admission agreement and becoming residents of DEFENDANTS' skilled nursing facilities thereby assuming the obligation of payment to the DEFENDANTS. Most specifically, Plaintiff and the Class relied on the following material term of the California Standard Admission Agreement relating to resident rights:

**IV. Your Rights as a Resident.** Residents of this Facility keep all their basic rights and liberties as a citizen or resident of the United States when, after, they are admitted. Because these rights are so important, both federal and state laws and regulations describe them in detail, and state law requires that a comprehensive Resident Bill of Rights be attached to this Agreement.

Attachment F, entitled "Resident Bill of Rights," lists your rights as set forth in State and Federal law. For your information, the attachment also provides the location of your rights in statute. You should review the attached "Resident Bill of Rights" very carefully. To acknowledge that you have been informed of the "resident Bill of Rights," please sign here: \_\_\_\_\_.

(Exhibit 1, at p. 3-4.) In requiring their residents to specifically and separately acknowledge receipt of DEFENDANTS' representations regarding the minimum standards of care as set forth in the Resident Bill of Rights, DEFENDANTS knew, or should have known, that their residents were reasonably and justifiably relying on said representations.

82. It is alleged that Plaintiff and members of the Class suffered injury in fact and concrete harm in that they relied on the representations of the DEFENDANTS that they would be provided with minimum standards of care consistent with the requirements of Title 22 C.C.R. §72527(a)(12) and *Health & Safety Code* §1599.1(a) as incorporated into Title 22 C.C.R. §72527(a)(25), yet did not receive this promised standard of care and suffered pecuniary harm by being deprived of the value of payments made for skilled nursing services when these services were not actually rendered consistent with the DEFENDANTS' representations.

83. In addition, these class members made monetary payments to the DEFENDANTS in

1 return for skilled nursing services of the standard promised by the DEFENDANTS in the uniform  
2 Admission Agreement and its attachments which are incorporated into the Admission Agreement as  
3 alleged above. The class has suffered pecuniary harm in that the Defendants did not provide such  
4 services of the standard represented. In addition, Plaintiff and class members have suffered pecuniary  
5 harm in that DEFENDANTS misrepresented that entering into an admission agreement with  
6 DEFENDANTS conferred the statutory resident right under *Health & Safety Code* §1599.1 of Plaintiff  
7 and class members to reside in facilities that employ “an adequate number of qualified personnel to  
8 carry out all of the functions of the facility” when in fact the transaction of entering into an admission  
9 agreement with DEFENDANTS did not confer such right.

10 84. That is, simply by entering into an admission agreement with a resident, the  
11 DEFENDANTS represent in writing as an exhibit or addendum attached to the admission agreement  
12 of Plaintiff, and all others similarly situated, that the DEFENDANTS will provide services of the  
13 standard and quality consistent with the Resident Bill of Rights as set forth in Title 22 *California Code*  
14 *of Regulations* §72527(a)(25) to wit, *California Health & Safety Code* §1599.1.

15 85. That is, simply by entering into an admission agreement with a resident, the  
16 DEFENDANTS represent in writing as an exhibit or addendum attached to the admission agreement  
17 of Plaintiff, and all others similarly situated, that the transaction conferred the statutory resident rights  
18 afforded to all residents of skilled nursing facilities under *Health & Safety Code* §1599.1(a) and 22  
19 *California Code of Regulations* §72527(a)(12) and (a)(25), most specifically the right “to be treated  
20 with consideration, respect and full recognition of dignity and individuality, including privacy in  
21 treatment and in care of personal needs” and to live in a facility that employs “an adequate number of  
22 qualified personnel to carry out all of the functions of the facility” when in fact the transaction of  
23 entering into an admission agreement with DEFENDANTS did not confer such right in direct  
24 violation of *Civil Code* §1770(a)(14).

25 86. The representations of DEFENDANTS as incorporated into their admissions contracts  
26 are false and known by the DEFENDANTS to be false when made. Plaintiff and the class relied on  
27 these misrepresentations into becoming residents of the DEFENDANTS’ facilities. In reliance of these  
28 misrepresentations, the Plaintiff and the class made payments to the DEFENDANTS in return for

1 these services as promised. Plaintiff and the class suffered pecuniary harm in the form of lost  
2 payments and lost services when the DEFENDANTS actually failed to provide these promised skilled  
3 nursing services as represented.

4 87. It is alleged that DEFENDANTS' representations set forth in their uniform resident  
5 admission agreements that they would ensure their residents' right to live in adequately staffed  
6 facilities were false because, instead of providing the represented standard of care, at all times herein  
7 relevant the DEFENDANTS intentionally concealed from Plaintiff and members of the class that the  
8 MANAGEMENT DEFENDANTS conceived and implemented a plan to wrongfully increase business  
9 profits at the expense of the rights and health of residents such as Plaintiff, and others similarly  
10 situated through the chronic understaffing and under-funding of the defendant facilities which  
11 prevented the defendant facilities from ensuring their residents' statutory right to live in adequately  
12 staffed facilities that would meet the needs of the residents, rendering the representations of the  
13 DEFENDANTS as to the nature and quality of their services as false.

14 88. It is alleged that federal and California regulations require skilled nursing facilities to  
15 provide adequate, qualified staffing to meet resident needs and to carry out all functions at the facility,  
16 regardless of whether adequate staffing would require more staff than any required bare numeric  
17 ratios. Specifically, as it relates to federal law, 42 *Code of Federal Regulations* § 483.30 states that a  
18 skilled nursing facility "must have sufficient nursing staff to provide nursing and related services to  
19 attain or maintain the highest practicable physical, mental, and psychosocial well-being of each  
20 resident, as determined by resident assessments and individual plans of care." 42 *Code of Federal*  
21 *Regulations* §483.30 further states that a skilled nursing facility "must provide services by sufficient  
22 numbers of each of the following types of personnel on a 24-hour basis to provide nursing care to all  
23 residents in accordance with resident care plans: (i) Except when waived under paragraph (c) of this  
24 section, licensed nurses; and (ii) Other nursing personnel." 42 *Code of Federal Regulations* §  
25 483.30(a)(1).

26 89. It is specifically alleged that the regulations enacted pursuant to the California *Health*  
27  
28

1 *and Safety Code*<sup>3</sup> also require that a skilled nursing facility maintain staffing at levels sufficient to  
2 meet the needs of residents, even if that required staffing level is more than the bare minimum  
3 numeric ratio of 3.2 NHPPD required by *Health & Safety Code* §1276.5. "The Department may  
4 require the licensee to provide additional professional, administrative or supportive personnel  
5 whenever the Department determines through a written evaluation that additional personnel is needed  
6 *to provide for the health and safety of patients.*" Title 22 *California Code of Regulations* § 72501(g)  
7 (italics added). "Nursing service personnel shall be employed and on duty in at least the number and  
8 with the qualifications determined by the Department to provide the necessary nursing services for  
9 patients admitted for care. The Department may require a facility to provide additional staff as set  
10 forth in Section 72501(g)." Title 22 *California Code of Regulations* § 72329(a).

11 90. It is alleged that minimum staffing of personnel in DEFENDANTS' Facilities is  
12 dependent by law upon the acuity (need) level of the residents of the Facilities. As alleged more fully  
13 below, the Facilities' resident acuity levels during the class period were so high and that the  
14 "minimum" staffing ratios exceeded the numeric minimum of *Health & Safety Code* §1276.5 pursuant  
15 to the provisions of Title 22 *California Code of Regulations* §§72515(b), 72329 and 42 C.F.R.  
16 §483.30.

17 91. Thus, it is specifically alleged that DEFENDANTS, as operators of skilled nursing  
18 facilities must, pursuant to statutes and regulations with which DEFENDANTS are required to  
19 comply, know that sufficient nursing staff is required to meet the needs of residents and to ensure the  
20 health and safety of residents. Conversely, DEFENDANTS, as operators of skilled nursing facilities  
21 must also know that a failure to maintain sufficient staffing to meet the needs of residents will  
22 endanger the health and safety of FACILITY residents. The DEFENDANTS, as operators of skilled  
23 nursing facilities, cannot claim ignorance of these regulatory requirements without endangering their  
24 very licensure. Skilled nursing facilities have the "responsibility to see to it that the license is not used  
25

26 <sup>3</sup> These regulations set the standard of care with which skilled nursing facilities must comply. *See Health & Saf. Code*  
27 §1276(a) ("The building standards published in the State Building Standards Code by the Office of Statewide Health  
28 Planning and Development, and the regulations adopted by the state department shall, as applicable, prescribe standards of  
adequacy, safety, and sanitation of the physical plant, of staffing with duly qualified licensed personnel, and of services,  
based on the type of health facility and the needs of the persons served thereby.").

1 in violation of law.” (*California Assn. of Health Facilities v. Department of Health Services* (1997) 16  
2 Cal.4th 284, 295.); see also *California Code of Regulations*, §72501, subd. (a) (skilled nursing  
3 facilities “shall be responsible for compliance with the licensing requirements and for the  
4 organization, management, operation and control of the licensed facility.”).

5 92. It is alleged that at all times relevant hereto, in addition to mandating minimum  
6 staffing, the California Legislature also has specifically recognized and declared that failing to  
7 maintain sufficient staffing may result in death or serious physical harm to residents. As specifically  
8 alleged hereinabove, operators of skilled nursing facilities such as the DEFENDANTS are required to  
9 comply with (and hence have knowledge of) these statutes and regulations. *California Health and*  
10 *Safety Code* §1276.65, which requires the development of regulations setting forth staffing ratios as  
11 explained above, also provides that “[a] violation of the regulations developed pursuant to this section  
12 may constitute a class “B,” “A,” or “AA” violation pursuant to the standards set forth in Section  
13 1424.” (*Health & Saf. Code*, §1276.65, subd. (g)(2).) That is, simply understaffing a facility may  
14 constitute a class “B,” “A,” or “AA” citation. In turn, Section 1424, subdivisions (c), (d), and (e),  
15 defines the classifications of citations in relevant part as follows:

- 16 (c) Class “AA” violations are violations that meet the criteria for a class “A”  
17 violation and that the state department determines to have been a *direct*  
18 *proximate cause of death of a patient or resident* of a long-term health care  
19 facility.  
20 (d) Class “A” violations are violations which the state department determines  
21 present either (1) *imminent danger that death or serious harm* to the patients  
22 or residents of the long-term health care facility would result therefrom, or (2)  
23 *substantial probability that death or serious physical harm to patients or*  
24 *residents* of the long-term health care facility would result therefrom.  
25 (e) Except as provided in paragraph (4) of subdivision (a) of Section 1424.5,  
26 class “B” violations are violations that the state department determines have a  
27 *direct or immediate relationship to the health, safety, or security of long-term*  
28 *health care facility patients or residents*, other than class “AA” or “A”  
violations.

(*Health & Safety Code*, §1424, italics added.)

93. Thus, it is alleged that at all times relevant hereto, the DEFENDANTS were required to  
know pursuant to applicable statutes and regulations (or risk forfeiture of licensure) that understaffing  
their skilled nursing facilities creates a high risk of harm to residents of that facility. That at all times

1 relevant hereto the DEFENDANTS consciously disregarded that knowledge and continued to  
2 maintain insufficient staffing levels.

3 94. The analysis of whether a skilled nursing facility provides adequate staffing entails  
4 three basic steps: a) determining the collective acuity level of the residents at the facility; b)  
5 determining the staffing levels at the facility; and c) comparing the collective acuity and staffing levels  
6 at the facility in light of recognized minimum staffing requirements. It is alleged that a facility's acuity  
7 level is based upon the average resident acuity in the population for whom care is being provided. It is  
8 alleged that it is not necessary to determine whether all residents individually receive a certain number  
9 of hours of nursing care per day, but rather whether the facility – as a whole – is adequately staffed to  
10 account for the facility's collective acuity level. It is alleged that although a facility's acuity level can  
11 vary from day to day, the acuity rates can be determined by taking the average facility acuity over the  
12 course of several months. This process provides a reliable index of a facility's average patient nursing  
13 needs, a key for determining adequate staffing requirements.

14 95. The staffing analysis described above is done at a facility-level. Thus, it does not  
15 require any individualized inquiry into how many hours of direct nursing care any specific resident  
16 received on any given day. Rather, the proper analysis is whether the *facility as a whole* employed an  
17 adequate number of qualified staff to competently care for the collective needs of its residents. It is  
18 specifically alleged that the United States Centers for Medicare & Medicaid Services ("CMS") has  
19 already determined the level of staffing required to meet the needs of residents based on the collective  
20 acuity levels of the residents via the CMS Agency Patient-Related Characteristics Report (formerly  
21 the Case Mix Report), which is the average resident need score based on resident assessment data that  
22 CMS has already collected and calculated. A self-authenticating link to a portion of this staffing  
23 information is at [http://www.cms.gov/Medicare/Provider-Enrollment-and-](http://www.cms.gov/Medicare/Provider-Enrollment-and-Certification/CertificationandCompliance/Downloads/staffingdatafile.zip)  
24 [Certification/CertificationandCompliance/Downloads/staffingdatafile.zip](http://www.cms.gov/Medicare/Provider-Enrollment-and-Certification/CertificationandCompliance/Downloads/staffingdatafile.zip).

25 96. It is specifically alleged that if a skilled nursing facility's staffing levels are lower than  
26 the level of staffing required to meet the needs of residents as determined by their collective acuity,  
27 that facility has violated its residents' statutory, affirmative and actionable right to reside in a skilled  
28 nursing facility that employs "an adequate number of qualified personnel to carry out all of the



1 functions of the facility.” California *Health & Safety Code* §1599.1(a). Upon information and belief, it  
2 is alleged that each of DEFENDANTS’ facilities was inadequately staffed in violation of *Health &*  
3 *Safety Code* §1599.1(a).

4 97. Upon information and belief, for the time period of January 2013, Defendant B-EAST,  
5 LLC dba Presidio Healthcare Center reported to the Centers for Medicare & Medicaid Services  
6 (“CMS”) that it maintained a total of 3.67 nursing hours per patient day even though it maintained  
7 merely 3.25 adjusted nursing hours per patient day, at a time when the expected nursing hours per  
8 patient day per CMS was 4.55 given the high acuity levels of residents at the facility. Similarly, for  
9 February 2013, this Defendant reported that it maintained a total of 3.67 nursing hours per patient day  
10 even though it maintained merely 3.25 adjusted nursing hours per patient day, at a time when the  
11 expected nursing hours per patient day per CMS was 4.55. For March 2013, the reported, adjusted,  
12 and expected staffing numbers were 3.67, 3.25, and 4.55 respectively. For April 2013, these numbers  
13 were 3.67, 3.25, and 4.55 respectively. For May 2013, these numbers were 4.09, 3.73, and 4.42,  
14 respectively. For June 2013, these numbers were 4.09, 3.73, and 4.42, respectively. For July 2013,  
15 these numbers were 4.09, 3.91, 4.21, respectively. For September 2013, these numbers were 4.09,  
16 3.91, and 4.21, respectively. For November 2013, these numbers were 4.09, 3.91, and 4.21,  
17 respectively. And for December 2013, these numbers were 4.09, 3.91, and 4.21, respectively.

18 98. Upon information and belief, for the time period of January 2013, Defendant B-SAN  
19 DIEGO, LLC dba Brighton Place – San Diego reported to the Centers for Medicare & Medicaid  
20 Services (“CMS”) that it maintained a total of 3.71 nursing hours per patient day even though it  
21 maintained merely 3.50 adjusted nursing hours per patient day, at a time when the expected nursing  
22 hours per patient day per CMS was 4.27 given the high acuity levels of residents at the facility.  
23 Similarly, for February 2013, this Defendant reported that it maintained a total of 3.71 nursing hours  
24 per patient day even though it maintained merely 3.50 adjusted nursing hours per patient day, at a time  
25 when the expected nursing hours per patient day per CMS was 4.27. For March 2013, the reported,  
26 adjusted, and expected staffing numbers were 3.71, 3.50, and 4.27 respectively. For April 2013, these  
27 numbers were 3.71, 3.50, and 4.27 respectively. For May 2013, these numbers were 3.71, 3.50, and  
28 4.27, respectively. For June 2013, these numbers were 3.71, 3.50, and 4.27, respectively. For July

2013, these numbers were 3.71, 3.50, and 4.27, respectively. For September 2013, these numbers were 4.07, 3.87, and 4.23, respectively. For November 2013, these numbers were 4.07, 3.92, and 4.19, respectively. And for December 2013, these numbers were 4.07, 3.92, and 4.18, respectively.

99. Upon information and belief, for the time period of January 2013, Defendant B-SPRING VALLEY, LLC dba Brighton Place – Spring Valley reported to the Centers for Medicare & Medicaid Services (“CMS”) that it maintained a total of 3.83 nursing hours per patient day even though it maintained merely 3.69 adjusted nursing hours per patient day, at a time when the expected nursing hours per patient day per CMS was 4.17 given the high acuity levels of residents at the facility. Similarly, for February 2013, this Defendant reported that it maintained a total of 3.83 nursing hours per patient day even though it maintained merely 3.69 adjusted nursing hours per patient day, at a time when the expected nursing hours per patient day per CMS was 4.18. For March 2013, the reported, adjusted, and expected staffing numbers were 3.83, 3.70, and 4.18 respectively. For April 2013, these numbers were 3.83, 3.70, and 4.18 respectively. For May 2013, these numbers were 3.83, 3.70, and 4.18, respectively. For June 2013, these numbers were 4.25, 3.86, and 4.45, respectively. For July 2013, these numbers were 4.25, 3.84, and 4.47, respectively. For September 2013, these numbers were 4.25, 3.84, and 4.47, respectively. For November 2013, these numbers were 4.25, 3.84, and 4.47, respectively. And for December 2013, these numbers were 4.25, 3.84, and 4.47, respectively.

100. Upon information and belief, for the time period of March 2012, Defendant CNRC, LLC dba California Nursing & Rehabilitation Center maintained merely 3.87 adjusted nursing hours per patient day, at a time when the expected nursing hours per patient day per CMS was 5.37 given the high acuity levels of residents at the facility. Similarly, for May 2012, this Defendant maintained merely 4.29 adjusted nursing hours per patient day, at a time when the expected nursing hours per patient day per CMS was 5.09. For January 2013, the adjusted and expected staffing numbers were 4.90 and 4.97 respectively. For February 2013, these numbers were 4.90 and 4.97 respectively. For March 2013, these numbers were 4.90 and 4.97, respectively. For April 2013, these numbers were 4.90 and 4.97, respectively. For May 2013, these numbers were 4.90 and 4.97, respectively. For June 2013, these numbers were 4.90 and 4.97, respectively. For July 2013, these numbers were 4.90 and 4.97, respectively. For August 2013, these numbers were 4.90 and 4.97, respectively. For September

2013, these numbers were 4.15 and 5.00, respectively. For November 2013, these numbers were 44.54 and 4.58, respectively. And for December 2013, these numbers were 4.54 and 4.58, respectively.

101. Upon information and belief, for the time period of March 2012, Defendant POINT LOMA REHABILITATION CENTER, LLC dba Point Loma Convalescent Hospital maintained merely 3.78 adjusted nursing hours per patient day, at a time when the expected nursing hours per patient day per CMS was 4.77 given the high acuity levels of residents at the facility. Similarly, for March 2014, this Defendant maintained merely 3.75 adjusted nursing hours per patient day, at a time when the expected nursing hours per patient day per CMS was 4.21. For April 2014, these numbers were 3.82 and 4.14, respectively. For May 2014, these numbers were 3.82 and 4.14, respectively. For June 2014, these numbers were 3.82 and 4.14, respectively. For July 2014, these numbers were 3.82 and 4.14, respectively. For August 2014, these numbers were 3.82 and 4.14, respectively.

102. Upon information and belief, for the time period of January 2013, Defendant CENTINELA SKILLED NURSING & WELLNESS CENTRE – WEST, LLC dba Centinela Skilled Nursing & Wellness Centre - West reported to the Centers for Medicare & Medicaid Services (“CMS”) that it maintained a total of 4.01 nursing hours per patient day even though it maintained merely 3.65 adjusted nursing hours per patient day, at a time when the expected nursing hours per patient day per CMS was 4.43 given the high acuity levels of residents at the facility. Similarly, for February 2013, this Defendant reported that it maintained a total of 4.02 nursing hours per patient day even though it maintained merely 3.66 adjusted nursing hours per patient day, at a time when the expected nursing hours per patient day per CMS was 4.43. For March 2013, the reported, adjusted, and expected staffing numbers were 4.02, 3.66, and 4.43 respectively. For April 2013, these numbers were 4.02, 3.66, and 4.43 respectively. For May 2013, these numbers were 4.02, 3.66, and 4.43, respectively. For June 2013, these numbers were 4.02, 3.66, and 4.43, respectively. For July 2013, these numbers were 4.21, 3.95, and 4.29, respectively. For September 2013, these numbers were 4.21, 3.95, and 4.29, respectively. For November 2013, these numbers were 4.21, 3.88, and 4.37, respectively. And for December 2013, these numbers were 4.21, 3.88, and 4.37, respectively.

103. Upon information and belief, for the time period of January 2013, Defendant CENTINELA SKILLED NURSING & WELLNESS CENTRE EAST dba Centinela Skilled Nursing

1 & Wellness Centre East reported to the Centers for Medicare & Medicaid Services ("CMS") that it  
2 maintained a total of 3.83 nursing hours per patient day even though it maintained merely 3.65  
3 adjusted nursing hours per patient day, at a time when the expected nursing hours per patient day per  
4 CMS was 4.23 given the high acuity levels of residents at the facility. Similarly, for February 2013,  
5 this Defendant reported that it maintained a total of 3.83 nursing hours per patient day even though it  
6 maintained merely 3.65 adjusted nursing hours per patient day, at a time when the expected nursing  
7 hours per patient day per CMS was 4.23. For March 2013, the reported, adjusted, and expected  
8 staffing numbers were 3.83, 3.65, and 4.23 respectively. For April 2013, these numbers were 3.83,  
9 3.65, and 4.22 respectively. For May 2013, these numbers were 3.83, 3.65, and 4.23, respectively. For  
10 June 2013, these numbers were 4.34, 4.14, and 4.22, respectively. For July 2013, these numbers were  
11 4.34, 4.03, and 4.34, respectively. For September 2013, these numbers were 4.34, 4.03, and 4.34,  
12 respectively.

13 104. Upon information and belief, for the time period of January 2013, Defendant LAIBCO,  
14 LLC dba Las Flores Convalescent Hospital reported to the Centers for Medicare & Medicaid Services  
15 ("CMS") that it maintained a total of 4.28 nursing hours per patient day even though it maintained  
16 merely 3.87 adjusted nursing hours per patient day, at a time when the expected nursing hours per  
17 patient day per CMS was 4.46 given the high acuity levels of residents at the facility. Similarly, for  
18 February 2013, this Defendant reported that it maintained a total of 4.28 nursing hours per patient day  
19 even though it maintained merely 3.87 adjusted nursing hours per patient day, at a time when the  
20 expected nursing hours per patient day per CMS was 4.46. For March 2013, the reported, adjusted,  
21 and expected staffing numbers were 4.28, 3.87, and 4.46 respectively. For April 2013, these numbers  
22 were 4.28, 3.87, and 4.46 respectively. For May 2013, these numbers were 4.19, 3.70, and 4.57,  
23 respectively. For June 2013, these numbers were 4.19, 3.70, and 4.57, respectively. For July 2013,  
24 these numbers were 4.19, 3.71, 4.56, respectively. For September 2013, these numbers were 4.19,  
25 3.71, and 4.56, respectively. For November 2013, these numbers were 4.19, 3.70, and 4.56,  
26 respectively. And for December 2013, these numbers were 4.19, 3.71, and 4.56, respectively.

27 105. Upon information and belief, for the time period of January 2013, Defendant SOUTH  
28 PASADENA REHABILITATION CENTER, LLC dba South Pasadena Convalescent Hospital

1 reported to the Centers for Medicare & Medicaid Services ("CMS") that it maintained a total of 3.81  
2 nursing hours per patient day even though it maintained merely 3.74 adjusted nursing hours per  
3 patient day, at a time when the expected nursing hours per patient day per CMS was 4.11 given the  
4 high acuity levels of residents at the facility. Similarly, for February 2013, this Defendant reported  
5 that it maintained a total of 3.81 nursing hours per patient day even though it maintained merely 3.74  
6 adjusted nursing hours per patient day, at a time when the expected nursing hours per patient day per  
7 CMS was 4.11. For March 2013, the reported, adjusted, and expected staffing numbers were 3.81,  
8 3.74, and 4.11 respectively.

9 106. Upon information and belief, for the time period of January 2013, Defendant  
10 VERNON HEALTHCARE CENTER, LLC dba Vernon Healthcare Center reported to the Centers for  
11 Medicare & Medicaid Services ("CMS") that it maintained a total of 1.59 nursing hours per patient  
12 day even though it maintained merely 1.40 adjusted nursing hours per patient day, at a time when the  
13 expected nursing hours per patient day per CMS was 4.59 given the high acuity levels of residents at  
14 the facility. Similarly, for February 2013, this Defendant reported that it maintained a total of 1.59  
15 nursing hours per patient day even though it maintained merely 1.40 adjusted nursing hours per  
16 patient day, at a time when the expected nursing hours per patient day per CMS was 4.59. For March  
17 2013, the reported, adjusted, and expected staffing numbers were 1.59, 1.40, and 4.59 respectively.

18 107. Upon information and belief, for the time period of January 2013, Defendant  
19 NORWALK SKILLED NURSING & WELLNESS CENTRE, LLC dba Norwalk Skilled Nursing &  
20 Wellness Centre reported to the Centers for Medicare & Medicaid Services ("CMS") that it  
21 maintained a total of 3.87 nursing hours per patient day even though it maintained merely 3.49  
22 adjusted nursing hours per patient day, at a time when the expected nursing hours per patient day per  
23 CMS was 4.47 given the high acuity levels of residents at the facility. Similarly, for February 2013,  
24 this Defendant reported that it maintained a total of 3.87 nursing hours per patient day even though it  
25 maintained merely 3.49 adjusted nursing hours per patient day, at a time when the expected nursing  
26 hours per patient day per CMS was 4.47. For March 2013, the reported, adjusted, and expected  
27 staffing numbers were 3.87, 3.49, and 4.47 respectively. For May 2013, these numbers were 3.87,  
28 3.49, and 4.47, respectively. For June 2013, these numbers were 3.87, 3.49, and 4.47, respectively. For

1 July 2013, these numbers were 4.26, 3.87, 4.44, respectively. For September 2013, these numbers  
2 were 4.26, 3.87, and 4.44, respectively. For November 2013, these numbers were 4.26, 4.06, and 4.23,  
3 respectively. And for December 2013, these numbers were 4.26, 4.06, and 4.23, respectively.

4 108. Upon information and belief, for the time period of January 2013, Defendant  
5 MAYWOOD SKILLED NURSING & WELLNESS CENTRE, LLC dba Maywood Skilled Nursing  
6 & Wellness Centre reported to the Centers for Medicare & Medicaid Services ("CMS") that it  
7 maintained a total of 3.79 nursing hours per patient day even though it maintained merely 3.52  
8 adjusted nursing hours per patient day, at a time when the expected nursing hours per patient day per  
9 CMS was 4.33 given the high acuity levels of residents at the facility. Similarly, for February 2013,  
10 this Defendant reported that it maintained a total of 3.79 nursing hours per patient day even though it  
11 maintained merely 3.52 adjusted nursing hours per patient day, at a time when the expected nursing  
12 hours per patient day per CMS was 4.33. For March 2013, the reported, adjusted, and expected  
13 staffing numbers were 3.79, 3.52, and 4.33 respectively. For April 2013, these numbers were 3.79,  
14 3.52, and 4.33 respectively. For May 2013, these numbers were 3.79, 3.52, and 4.33, respectively. For  
15 June 2013, these numbers were 3.79, 3.52, and 4.33, respectively. For July 2013, these numbers were  
16 3.79, 3.52, 4.33, respectively. For September 2013, these numbers were 4.11, 3.82, and 4.34,  
17 respectively. For November 2013, these numbers were 4.11, 3.88, and 4.27, respectively. And for  
18 December 2013, these numbers were 4.11, 3.88, and 4.27, respectively.

19 109. Upon information and belief, for the time period of January 2013, Defendant  
20 OAKHURST HEALTHCARE & WELLNESS CENTRE, LLC dba Oakhurst Healthcare & Wellness  
21 Centre reported to the Centers for Medicare & Medicaid Services ("CMS") that it maintained a total  
22 of 3.69 nursing hours per patient day even though it maintained merely 3.49 adjusted nursing hours  
23 per patient day, at a time when the expected nursing hours per patient day per CMS was 4.27 given the  
24 high acuity levels of residents at the facility. Similarly, for February 2013, this Defendant reported  
25 that it maintained a total of 3.69 nursing hours per patient day even though it maintained merely 3.49  
26 adjusted nursing hours per patient day, at a time when the expected nursing hours per patient day per  
27 CMS was 4.27. For March 2013, the reported, adjusted, and expected staffing numbers were 3.69,  
28 3.49, and 4.27 respectively. For April 2013, these numbers were 3.69, 3.49, and 4.27 respectively. For

1 May 2013, these numbers were 3.69, 3.49, and 4.27, respectively. For June 2013, these numbers were  
2 3.69, 3.49, and 4.27, respectively. For July 2013, these numbers were 3.69, 3.49, 4.27, respectively.

3 110. Upon information and belief, for the time period of January 2013, Defendant EUREKA  
4 REHABILITATION & WELLNESS CENTER, LP dba Eureka Rehabilitation & Wellness Center  
5 reported to the Centers for Medicare & Medicaid Services ("CMS") that it maintained a total of 3.80  
6 nursing hours per patient day even though it maintained merely 3.69 adjusted nursing hours per  
7 patient day, at a time when the expected nursing hours per patient day per CMS was 4.15 given the  
8 high acuity levels of residents at the facility. Similarly, for February 2013, this Defendant reported  
9 that it maintained a total of 3.80 nursing hours per patient day even though it maintained merely 3.69  
10 adjusted nursing hours per patient day, at a time when the expected nursing hours per patient day per  
11 CMS was 4.15. For March 2013, the reported, adjusted, and expected staffing numbers were 3.80,  
12 3.69, and 4.15 respectively. For April 2013, these numbers were 3.80, 3.69, and 4.15 respectively. For  
13 May 2013, these numbers were 3.80, 3.69, and 4.15, respectively. For June 2013, these numbers were  
14 3.80, 3.69, and 4.15, respectively. For July 2013, these numbers were 3.80, 3.91, 4.21, respectively.  
15 For September 2013, these numbers were 4.09, 3.91, and 4.21, respectively. For November 2013,  
16 these numbers were 4.09, 3.91, and 4.21, respectively. And for December 2013, these numbers were  
17 4.09, 3.91, and 4.21, respectively.

18 111. Upon information and belief, for the time period of January 2013, Defendant  
19 GRANADA REHABILITATION & WELLNESS CENTER, LP dba Granada Rehabilitation &  
20 Wellness Center reported to the Centers for Medicare & Medicaid Services ("CMS") that it  
21 maintained a total of 3.72 nursing hours per patient day when the expected nursing hours per patient  
22 day per CMS was 3.95 given the high acuity levels of residents at the facility. Similarly, for February  
23 2013, this Defendant reported that it maintained a total of 3.73 nursing hours per patient day at a time  
24 when the expected nursing hours per patient day per CMS was 3.95. For March 2013, the reported and  
25 expected staffing numbers were 3.73 and 3.95 respectively. For April 2013, these numbers were 3.73  
26 and 3.95 respectively. For May 2013, these numbers were 3.73 and 3.95, respectively. For June 2013,  
27 these numbers were 3.73 and 3.95, respectively. For July 2013, these numbers were 3.73 and 3.95,  
28 respectively. For September 2013, these numbers were 3.91 and 3.93, respectively. For November

2013, these numbers were 3.91 and 3.98, respectively. For December 2013, these numbers were 3.91 and 3.98, respectively.

112. Upon information and belief, for the time period of January 2013, Defendant PACIFIC REHABILITATION & WELLNESS CENTER, LP dba Pacific Rehabilitation & Wellness Center reported to the Centers for Medicare & Medicaid Services ("CMS") that it maintained a total of 3.37 nursing hours per patient day at a time when the expected nursing hours per patient day per CMS was 4.07 given the high acuity levels of residents at the facility. Similarly, for February 2013, this Defendant reported that it maintained a total of 3.37 nursing hours per patient day at a time when the expected nursing hours per patient day per CMS was 4.07. For March 2013, the reported and expected staffing numbers were 3.37 and 4.07, respectively. For April 2013, these numbers were 3.37 and 4.07 respectively. For May 2013, these numbers were 3.37 and 4.07, respectively. For June 2013, these numbers were 3.37 and 4.07, respectively. For July 2013, these numbers were 3.37 and 4.07, respectively. For September 2013, these numbers were 3.97 and 4.00, respectively. For December 2013, these numbers were 3.97 and 3.92, respectively.

113. Upon information and belief, for the time period of March 2013, Defendant SEAVIEW REHABILITATION & WELLNESS CENTER, LP dba Seaview Rehabilitation & Wellness Center reported to the Centers for Medicare & Medicaid Services ("CMS") that it maintained a total of 3.65 nursing hours per patient day at a time when the expected nursing hours per patient day per CMS was 3.96 given the high acuity levels of residents at the facility. Similarly, for April 2013, this Defendant reported that it maintained a total of 3.65 nursing hours per patient day at a time when the expected nursing hours per patient day per CMS was 3.71. For May 2013, the reported and expected staffing numbers were 3.65 and 3.71, respectively. For June 2013, these numbers were 3.65 and 3.71, respectively. For July 2013, these numbers were 3.65 and 3.71, respectively. For September 2013, these numbers were 3.65 and 3.71, respectively. For November 2013, these numbers were 3.65 and 3.71, respectively. For December 2013, these numbers were 3.65 and 3.71, respectively.

114. Upon information and belief, for the time period of January 2013, Defendant FORTUNA REHABILITATION & WELLNESS CENTER, LP dba Fortuna Rehabilitation & Wellness Center reported to the Centers for Medicare & Medicaid Services ("CMS") that it



maintained a total of 3.48 nursing hours per patient day at a time when the expected nursing hours per patient day per CMS was 3.71 given the high acuity levels of residents at the facility. Similarly, for February 2013, this Defendant reported that it maintained a total of 3.48 nursing hours per patient day at a time when the expected nursing hours per patient day per CMS was 3.71. For March 2013, the reported and expected staffing numbers were 3.48 and 3.71 respectively. For April 2013, these numbers were 3.48 and 3.71 respectively. For May 2013, these numbers were 3.48 and 3.71, respectively. For June 2013, these numbers were 3.48 and 3.71, respectively. For July 2013, these numbers were 3.48 and 3.71 respectively.

115. Upon information and belief, for the time period of December 2012 Defendant IMPERIAL HEIGHTS HEALTHCARE & WELLNESS CENTRE, LLC dba Imperial Heights Healthcare & Wellness Centre, LLC reported to the Centers for Medicare & Medicaid Services (“CMS”) that it maintained a total of 3.93 nursing hours per patient day at a time when the expected nursing hours per patient day per CMS was 4.31 given the high acuity levels of residents at the facility. Similarly, for January 2013, this Defendant reported that it maintained a total of 3.93 nursing hours per patient day at a time when the expected nursing hours per patient day per CMS was 4.31. For February 2013, the reported and expected staffing numbers were 3.93 and 4.31 respectively. For March 2013, these numbers were 4.36 and 4.79 respectively. For April 2013, these numbers were 4.36 and 4.73, respectively. For May 2013, these numbers were 4.36, and 4.73, respectively. For June 2013, these numbers were 4.36 and 4.72, respectively. For July 2013, these numbers were 4.36 and 4.73, respectively. For September 2013, these numbers were 4.36 and 4.73, respectively. For November 2013, these numbers were 4.36 and 4.73, respectively. And for December 2013, these numbers were 4.36 and 4.73, respectively.

116. Upon information and belief, for the time period of December 2012 Defendant RIVERSIDE HEALTHCARE & WELLNESS CENTRE, LLC dba Alta Vista Healthcare & Wellness Centre reported to the Centers for Medicare & Medicaid Services (“CMS”) that it maintained a total of 3.68 nursing hours per patient day at a time when the expected nursing hours per patient day per CMS was 4.51 given the high acuity levels of residents at the facility. Similarly, for January 2013, this Defendant reported that it maintained a total of 4.46 nursing hours per patient day at a time when the

1 expected nursing hours per patient day per CMS was 4.77. For February 2013, the reported and  
2 expected staffing numbers were 4.46 and 4.77 respectively. For March 2013, these numbers were 4.36  
3 and 4.79 respectively. For April 2013, these numbers were 4.36 and 4.73, respectively. For May  
4 2013, these numbers were 4.36, and 4.73, respectively. For June 2013, these numbers were 4.36 and  
5 4.72, respectively. For July 2013, these numbers were 4.36 and 4.73, respectively. For September  
6 2013, these numbers were 4.36 and 4.73, respectively. For November 2013, these numbers were 4.36  
7 and 4.73, respectively. And for December 2013, these numbers were 4.36 and 4.73, respectively.

8 117. Upon information and belief, for the time period of December 2012 Defendant  
9 ORANGE HEALTHCARE & WELLNESS CENTRE, LLC dba Orange Healthcare & Wellness  
10 Centre reported to the Centers for Medicare & Medicaid Services ("CMS") that it maintained a total  
11 of 4.01 nursing hours per patient day at a time when the expected nursing hours per patient day per  
12 CMS was 4.71 given the high acuity levels of residents at the facility. Similarly, for January 2013, this  
13 Defendant reported that it maintained a total of 4.01 nursing hours per patient day at a time when the  
14 expected nursing hours per patient day per CMS was 4.71. For February 2013, the reported and  
15 expected staffing numbers were 4.01 and 4.71 respectively. For March 2013, these numbers were 4.36  
16 and 4.79 respectively. For April 2013, these numbers were 4.36 and 4.73, respectively. For May 2013,  
17 these numbers were 4.36, and 4.73, respectively. For June 2013, these numbers were 4.36 and 4.72,  
18 respectively. For July 2013, these numbers were 4.36 and 4.73, respectively. For September 2013,  
19 these numbers were 4.36 and 4.73, respectively. For November 2013, these numbers were 4.36 and  
20 4.73, respectively. And for December 2013, these numbers were 4.36 and 4.73, respectively.

21 118. Upon information and belief, for the time period of December 2012 Defendant  
22 BAKERSFIELD HEALTHCARE & WELLNESS CENTRE, LLC dba The Rehabilitation Center of  
23 Bakersfield reported to the Centers for Medicare & Medicaid Services ("CMS") that it maintained a  
24 total of 4.25 nursing hours per patient day at a time when the expected nursing hours per patient day  
25 per CMS was 4.32 given the high acuity levels of residents at the facility. Similarly, for January 2013,  
26 this Defendant reported that it maintained a total of 4.25 nursing hours per patient day at a time when  
27 the expected nursing hours per patient day per CMS was 4.32. For February 2013, the reported and  
28 expected staffing numbers were 4.25 and 4.32 respectively. For March 2013, these numbers were 4.36

1 and 4.79 respectively. For April 2013, these numbers were 4.36 and 4.73, respectively. For May 2013,  
2 these numbers were 4.36, and 4.73, respectively. For June 2013, these numbers were 4.36 and 4.72,  
3 respectively. For July 2013, these numbers were 4.36 and 4.73, respectively. For September 2013,  
4 these numbers were 4.36 and 4.73, respectively. For November 2013, these numbers were 4.36 and  
5 4.73, respectively. And for December 2013, these numbers were 4.36 and 4.73, respectively.

6 119. Upon information and belief, for the time period of March 2013, Defendant GRIDLEY  
7 HEALTHCARE & WELLNESS CENTRE, LLC dba Gridley Healthcare & Wellness Centre reported  
8 to the Centers for Medicare & Medicaid Services ("CMS") that it maintained a total of 4.17 nursing  
9 hours per patient day at a time when the expected nursing hours per patient day per CMS was 4.80  
10 given the high acuity levels of residents at the facility. For April 2013, these numbers were 4.36 and  
11 4.73, respectively. For May 2013, these numbers were 4.36, and 4.73, respectively. For June 2013,  
12 these numbers were 4.36 and 4.72, respectively. For July 2013, these numbers were 4.36 and 4.73,  
13 respectively. For September 2013, these numbers were 4.36 and 4.73, respectively. For November  
14 2013, these numbers were 4.36 and 4.73, respectively. And for December 2013, these numbers were  
15 4.36 and 4.73, respectively.

16 120. Upon information and belief, for the time period of February 2013, Defendant INDIO  
17 HEALTHCARE & WELLNESS CENTRE dba Desert Springs Healthcare & Wellness Centre  
18 reported to the Centers for Medicare & Medicaid Services ("CMS") that it maintained a total of 4.17  
19 nursing hours per patient day at a time when the expected nursing hours per patient day per CMS was  
20 4.80 given the high acuity levels of residents at the facility. For March 2013, these numbers were 4.36  
21 and 4.79 respectively. For April 2013, these numbers were 4.36 and 4.73, respectively. For May 2013,  
22 these numbers were 4.36, and 4.73, respectively. For June 2013, these numbers were 4.36 and 4.72,  
23 respectively. For July 2013, these numbers were 4.36 and 4.73, respectively. For September 2013,  
24 these numbers were 4.36 and 4.73, respectively. For November 2013, these numbers were 4.36 and  
25 4.73, respectively. And for December 2013, these numbers were 4.36 and 4.73, respectively.

26 121. Upon information and belief, for the time period of December 2012 Defendant  
27 SKYLINE HEALTHCARE & WELLNESS CENTRE dba Skyline Healthcare Center – Los Angeles  
28 reported to the Centers for Medicare & Medicaid Services ("CMS") that it maintained a total of 4.02

1 nursing hours per patient day at a time when the expected nursing hours per patient day per CMS was  
2 4.23 given the high acuity levels of residents at the facility. Similarly, for January 2013, this  
3 Defendant reported that it maintained a total of 4.17 nursing hours per patient day at a time when the  
4 expected nursing hours per patient day per CMS was 4.80. For February 2013, the reported and  
5 expected staffing numbers were 4.36 and 4.79 respectively. For March 2013, these numbers were 4.36  
6 and 4.79 respectively. For April 2013, these numbers were 4.36 and 4.73, respectively. For May 2013,  
7 these numbers were 4.36, and 4.73, respectively. For June 2013, these numbers were 4.36 and 4.72,  
8 respectively. For July 2013, these numbers were 4.36 and 4.73, respectively. For September 2013,  
9 these numbers were 4.36 and 4.73, respectively. For November 2013, these numbers were 4.36 and  
10 4.73, respectively. And for December 2013, these numbers were 4.36 and 4.73, respectively.

11 122. Upon information and belief, for the time period of December 2012 Defendant  
12 DRIFTWOOD HEALTHCARE & WELLNESS CENTRE, LLC dba Driftwood Healthcare Center  
13 reported to the Centers for Medicare & Medicaid Services ("CMS") that it maintained a total of 3.73  
14 nursing hours per patient day at a time when the expected nursing hours per patient day per CMS was  
15 4.05 given the high acuity levels of residents at the facility. Similarly, for January 2013, this  
16 Defendant reported that it maintained a total of 4.17 nursing hours per patient day at a time when the  
17 expected nursing hours per patient day per CMS was 4.80. For February 2013, the reported and  
18 expected staffing numbers were 4.36 and 4.79 respectively. For March 2013, these numbers were 4.36  
19 and 4.79 respectively. For April 2013, these numbers were 4.36 and 4.73, respectively. For May 2013,  
20 these numbers were 4.36, and 4.73, respectively. For June 2013, these numbers were 4.36 and 4.72,  
21 respectively. For July 2013, these numbers were 4.36 and 4.73, respectively. For September 2013,  
22 these numbers were 4.36 and 4.73, respectively. For November 2013, these numbers were 4.36 and  
23 4.73, respectively. And for December 2013, these numbers were 4.36 and 4.73, respectively.

24 123. Upon information and belief, for the time period of June 2013, Defendant SOLNUS  
25 ONE, LLC dba Alameda Healthcare & Wellness Center maintained merely 4.26 adjusted nursing  
26 hours per patient day, at a time when the expected nursing hours per patient day per CMS was 4.27  
27 given the high acuity levels of residents at the facility. Similarly, for July 2013, this Defendant  
28 maintained merely 4.23 adjusted nursing hours per patient day, at a time when the expected nursing

1 hours per patient day per CMS was 4.31. For August 2013, the adjusted and expected staffing  
2 numbers were 4.23 and 4.31 respectively. For September 2013, these numbers were 4.23 and 4.31  
3 respectively. For November 2013, these numbers were 4.23 and 4.31, respectively. For December  
4 2013, these numbers were 4.23 and 4.31, respectively. For January 2014, these numbers were 4.23 and  
5 4.31, respectively. For February 2014, these numbers were 4.23 and 4.31, respectively. For March  
6 2014, these numbers were 4.23 and 4.31, respectively. For April 2014, these numbers were 4.23 and  
7 4.31, respectively. For May 2014, these numbers were 4.23 and 4.31, respectively. For June 2014,  
8 these numbers were 4.23 and 4.31, respectively. And for July 2014, these numbers were 4.29 and  
9 4.44, respectively.

10 124. Upon information and belief, for the time period of January 2013, Defendant SOLNUS  
11 FOUR, LLC dba San Pablo Healthcare & Wellness Center maintained merely 3.80 adjusted nursing  
12 hours per patient day, at a time when the expected nursing hours per patient day per CMS was 4.06  
13 given the high acuity levels of residents at the facility. Similarly, for February 2013, this Defendant  
14 maintained merely 3.80 adjusted nursing hours per patient day, at a time when the expected nursing  
15 hours per patient day per CMS was 4.06. For March 2013, the adjusted and expected staffing numbers  
16 were 3.80 and 4.06 respectively. For April 2013, these numbers were 3.80 and 4.06 respectively. For  
17 May 2013, these numbers were 3.80 and 4.06, respectively. For June 2013, these numbers were 3.80  
18 and 4.06, respectively. For July 2013, these numbers were 3.80 and 4.06, respectively. For August  
19 2013, these numbers were 3.80 and 4.06, respectively. For September 2013, these numbers were 3.80  
20 and 4.06, respectively. For November 2013, these numbers were 3.56 and 4.16, respectively. For  
21 December 2013, these numbers were 3.56 and 4.16, respectively. For January 2014, these numbers  
22 were 3.56 and 4.16, respectively. For February 2014, these numbers were 3.56 and 4.16, respectively.  
23 For March 2014, these numbers were 3.56 and 4.16, respectively.

24 125. Upon information and belief, for the time period of January 2013, Defendant SOLNUS  
25 FIVE, LLC dba Hayward Healthcare & Wellness Center maintained merely 3.20 adjusted nursing  
26 hours per patient day, at a time when the expected nursing hours per patient day per CMS was 4.21  
27 given the high acuity levels of residents at the facility. Similarly, for February 2013, this Defendant  
28 maintained merely 3.20 adjusted nursing hours per patient day, at a time when the expected nursing

1 hours per patient day per CMS was 4.21. For March 2013, the adjusted and expected staffing numbers  
2 were 3.20 and 4.21 respectively. For April 2013, these numbers were 3.20 and 4.21 respectively. For  
3 May 2013, these numbers were 3.20 and 4.21, respectively. For June 2013, these numbers were 3.59  
4 and 4.20, respectively. For July 2013, these numbers were 3.58 and 4.21, respectively. For August  
5 2013, these numbers were 3.58 and 4.21, respectively. For September 2013, these numbers were 3.58  
6 and 4.21, respectively. For November 2013, these numbers were 3.51 and 4.30, respectively. For  
7 December 2013, these numbers were 3.58 and 4.21, respectively. For January 2014, these numbers  
8 were 3.58 and 4.21, respectively. And for February 2014, these numbers were 3.58 and 4.21,  
9 respectively.

10 126. Upon information and belief, for the time period of January 2013, Defendant SOLNUS  
11 SIX, LLC dba San Jose Healthcare & Wellness Center maintained merely 3.29 adjusted nursing hours  
12 per patient day, at a time when the expected nursing hours per patient day per CMS was 4.21 given the  
13 high acuity levels of residents at the facility. Similarly, for February 2013, this Defendant maintained  
14 merely 3.29 adjusted nursing hours per patient day, at a time when the expected nursing hours per  
15 patient day per CMS was 4.21. For March 2013, the adjusted and expected staffing numbers were 3.29  
16 and 4.21 respectively. For April 2013, these numbers were 3.29 and 4.21 respectively. For May 2013,  
17 these numbers were 3.29 and 4.21, respectively. For June 2013, these numbers were 3.29 and 4.21,  
18 respectively. For July 2013, these numbers were 3.29 and 4.21, respectively. For August 2013, these  
19 numbers were 3.59 and 4.10, respectively. For September 2013, these numbers were 3.59 and 4.10,  
20 respectively. For November 2013, these numbers were 3.46 and 4.25, respectively. For December  
21 2013, these numbers were 3.46 and 4.25, respectively. For January 2014, these numbers were 3.46 and  
22 4.25, respectively. And for February 2014, these numbers were 3.46 and 4.25, respectively.

23 127. Upon information and belief, for the time period of January 2013, Defendant SOLNUS  
24 TWO, LLC dba Oakland Healthcare & Wellness Center maintained merely 3.98 adjusted nursing  
25 hours per patient day, at a time when the expected nursing hours per patient day per CMS was 4.09  
26 given the high acuity levels of residents at the facility. Similarly, for February 2013, this Defendant  
27 maintained merely 3.51 adjusted nursing hours per patient day, at a time when the expected nursing  
28 hours per patient day per CMS was 4.10. For March 2013, the adjusted and expected staffing numbers

1 were 3.51 and 4.10 respectively. For April 2013, these numbers were 3.44 and 4.18 respectively. For  
2 May 2013, these numbers were 3.44 and 4.18, respectively. For June 2013, these numbers were 3.44  
3 and 4.18, respectively. For July 2013, these numbers were 3.44 and 4.18, respectively. For August  
4 2013, these numbers were 3.44 and 4.18, respectively. For September 2013, these numbers were 3.44  
5 and 4.18, respectively. For November 2013, these numbers were 3.44 and 4.18, respectively. For  
6 December 2013, these numbers were 3.44 and 4.18, respectively. For January 2014, these numbers  
7 were 3.44 and 4.18, respectively.

8 128. Upon information and belief, for the time period of January 2013, Defendant SOLNUS  
9 SEVEN, LLC dba Cupertino Healthcare & Wellness Center maintained merely 3.54 adjusted nursing  
10 hours per patient day, at a time when the expected nursing hours per patient day per CMS was 3.92  
11 given the high acuity levels of residents at the facility. Similarly, for February 2013, this Defendant  
12 maintained merely 3.86 adjusted nursing hours per patient day, at a time when the expected nursing  
13 hours per patient day per CMS was 4.04. For March 2013, the adjusted and expected staffing numbers  
14 were 3.86 and 4.03 respectively.

15 129. Upon information and belief, for the time period of January 2013, Defendant SOLNUS  
16 THREE, LLC dba Roseville Point Healthcare & Wellness Center maintained merely 3.97 adjusted  
17 nursing hours per patient day, at a time when the expected nursing hours per patient day per CMS was  
18 4.09 given the high acuity levels of residents at the facility. Similarly, for February 2013, this  
19 Defendant maintained merely 3.97 adjusted nursing hours per patient day, at a time when the expected  
20 nursing hours per patient day per CMS was 4.09. For March 2013, the adjusted and expected staffing  
21 numbers were 3.97 and 4.09 respectively. For April 2013, these numbers were 3.97 and 4.09  
22 respectively. For May 2013, these numbers were 3.97 and 4.09, respectively. For June 2013, these  
23 numbers were 3.62 and 4.01, respectively. For July 2013, these numbers were 3.36 and 4.32,  
24 respectively. For August 2013, these numbers were 3.36 and 4.32, respectively. For September 2013,  
25 these numbers were 3.36 and 4.32, respectively. For October 2013, these numbers were 3.36 and 4.32,  
26 respectively. For November 2013, these numbers were 3.40 and 4.28, respectively. For December  
27 2013, these numbers were 3.40 and 4.28, respectively.

28 130. Upon information and belief, for the time period of January 2013, Defendant SOLNUS

1 EIGHT, LLC dba The Rehabilitation Center of Oakland maintained merely 3.40 adjusted nursing  
2 hours per patient day, at a time when the expected nursing hours per patient day per CMS was 4.50  
3 given the high acuity levels of residents at the facility. Similarly, for February 2013, this Defendant  
4 maintained merely 3.40 adjusted nursing hours per patient day, at a time when the expected nursing  
5 hours per patient day per CMS was 4.50. For March 2013, the adjusted and expected staffing numbers  
6 were 3.45 and 4.54 respectively. For April 2013, these numbers were 3.43 and 4.56 respectively. For  
7 May 2013, these numbers were 3.43 and 4.56, respectively. For June 2013, these numbers were 3.43  
8 and 4.56, respectively. For July 2013, these numbers were 3.18 and 4.91, respectively. For August  
9 2013, these numbers were 3.18 and 4.91, respectively. For September 2013, these numbers were 3.19  
10 and 4.91, respectively. And for November 2013, these numbers were 3.19 and 4.91, respectively.

11 131. Upon information and belief, for the time period of January 2013, Defendant  
12 LAWNDALÉ HEALTHCARE & WELLNESS CENTRE, LLC dba Lawndale Care Center  
13 maintained merely 3.65 adjusted nursing hours per patient day, at a time when the expected nursing  
14 hours per patient day per CMS was 4.34 given the high acuity levels of residents at the facility.  
15 Similarly, for February 2013, this Defendant maintained merely 3.65 adjusted nursing hours per  
16 patient day, at a time when the expected nursing hours per patient day per CMS was 4.34. For March  
17 2013, the adjusted and expected staffing numbers were 3.65 and 4.34 respectively. For April 2013,  
18 these numbers were 3.50 and 4.14 respectively. For May 2013, these numbers were 3.50 and 4.14,  
19 respectively. For June 2013, these numbers were 3.50 and 4.14, respectively. For July 2013, these  
20 numbers were 3.39 and 4.28, respectively. For August 2013, these numbers were 3.39 and 4.28,  
21 respectively. For September 2013, these numbers were 3.39 and 4.28, respectively. For November  
22 2013, these numbers were 3.50 and 4.15, respectively.

23 132. Upon information and belief, for the time period of January 2013, Defendant THE  
24 HEALTHCARE CENTER OF DOWNEY, LLC dba Lakewood Park Health Center maintained  
25 merely 3.38 adjusted nursing hours per patient day, at a time when the expected nursing hours per  
26 patient day per CMS was 4.23 given the high acuity levels of residents at the facility. Similarly, for  
27 February 2013, this Defendant maintained merely 3.38 adjusted nursing hours per patient day, at a  
28 time when the expected nursing hours per patient day per CMS was 4.23. For March 2013, the



1 adjusted and expected staffing numbers were 3.38 and 4.23 respectively. For April 2013, these  
2 numbers were 3.38 and 4.23 respectively. For May 2013, these numbers were 3.38 and 4.23,  
3 respectively. For June 2013, these numbers were 3.38 and 4.23, respectively. For July 2013, these  
4 numbers were 3.38 and 4.23, respectively. For August 2013, these numbers were 3.38 and 4.23,  
5 respectively. For September 2013, these numbers were 3.38 and 4.23, respectively. For November  
6 2013, these numbers were 3.38 and 4.23, respectively. For December 2013, these numbers were 3.38  
7 and 4.23, respectively. For January 2014, these numbers were 3.38 and 4.23, respectively. And for  
8 February 2014, these numbers were 3.38 and 4.23, respectively.

9 133. Upon information and belief, for the time period of January 2013, NOTELLAGE, INC.  
10 dba College Vista Convalescent Hospital dba Pasadena Park Healthcare & Wellness Center  
11 maintained merely 3.30 adjusted nursing hours per patient day, at a time when the expected nursing  
12 hours per patient day per CMS was 4.25 given the high acuity levels of residents at the facility.  
13 Similarly, for February 2013, this Defendant maintained merely 3.30 adjusted nursing hours per  
14 patient day, at a time when the expected nursing hours per patient day per CMS was 4.25. For March  
15 2013, the adjusted and expected staffing numbers were 3.30 and 4.25 respectively. For April 2013,  
16 these numbers were 3.30 and 4.24 respectively. For May 2013, these numbers were 3.30 and 4.25,  
17 respectively. For June 2013, these numbers were 3.30 and 4.24, respectively. For July 2013, these  
18 numbers were 3.30 and 4.24, respectively. For August 2013, these numbers were 3.30 and 4.24,  
19 respectively. For September 2013, these numbers were 3.30 and 4.24, respectively. For November  
20 2013, these numbers were 3.30 and 4.24, respectively. And for December 2013, these numbers were  
21 3.30 and 4.24, respectively.

22 134. Upon information and belief, for the time period of July 2013, Defendant FOUR  
23 SEASONS HEALTHCARE & WELLNESS CENTER, LP dba Four Seasons Healthcare & Wellness  
24 Center maintained merely 3.63 adjusted nursing hours per patient day, at a time when the expected  
25 nursing hours per patient day per CMS was 4.20 given the high acuity levels of residents at the  
26 facility. Similarly, for August 2013, this Defendant maintained merely 3.63 adjusted nursing hours per  
27 patient day, at a time when the expected nursing hours per patient day per CMS was 4.20. For  
28 September 2013, the adjusted and expected staffing numbers were 3.63 and 4.20 respectively. For

1 November 2013, these numbers were 3.61 and 4.23 respectively. For December 2013, these numbers  
2 were 3.61 and 4.22, respectively. For January 2014, these numbers were 3.61 and 4.22, respectively.  
3 For February 2014, these numbers were 3.61 and 4.22, respectively. And for March 2014, these  
4 numbers were 3.61 and 4.22, respectively.

5 135. Upon information and belief, for the time period of January 2013, Defendant  
6 ALHAMBRA HEALTHCARE & WELLNESS CENTRE, LP dba Alhambra Healthcare & Wellness  
7 Centre maintained merely 3.77 adjusted nursing hours per patient day, at a time when the expected  
8 nursing hours per patient day per CMS was 3.90 given the high acuity levels of residents at the  
9 facility. Similarly, for February 2013, this Defendant maintained merely 3.77 adjusted nursing hours  
10 per patient day, at a time when the expected nursing hours per patient day per CMS was 3.91. For  
11 March 2013, the adjusted and expected staffing numbers were 3.77 and 3.90 respectively. For April  
12 2013, these numbers were 3.74 and 3.93 respectively. For May 2013, these numbers were 3.74 and  
13 3.93, respectively. For June 2013, these numbers were 3.74 and 3.93, respectively. For July 2013,  
14 these numbers were 3.74 and 3.93, respectively. For August 2013, these numbers were 3.74 and 3.93,  
15 respectively. For September 2013, these numbers were 3.74 and 3.93, respectively. For November  
16 2013, these numbers were 3.74 and 3.93, respectively. For December 2013, these numbers were 3.74  
17 and 3.93, respectively. For January 2014, these numbers were 3.74 and 3.93, respectively. And for  
18 February 2014, these numbers were 3.74 and 3.93, respectively.

19 136. Upon information and belief, for the time period of January 2013, Defendant MESA  
20 VERDE CONVALESCENT HOSPITAL, INC. dba Mesa Verde Convalescent Hospital maintained  
21 merely 4.17 adjusted nursing hours per patient day, at a time when the expected nursing hours per  
22 patient day per CMS was 4.57 given the high acuity levels of residents at the facility. Similarly, for  
23 February 2013, this Defendant maintained merely 4.17 adjusted nursing hours per patient day, at a  
24 time when the expected nursing hours per patient day per CMS was 4.57. For March 2013, the  
25 adjusted and expected staffing numbers were 4.17 and 4.57 respectively. For April 2013, these  
26 numbers were 4.17 and 4.57 respectively. For May 2013, these numbers were 3.35 and 4.65,  
27 respectively. For June 2013, these numbers were 3.35 and 4.65, respectively. For July 2013, these  
28 numbers were 3.32 and 4.68, respectively. For August 2013, these numbers were 3.32 and 4.68,

1 respectively. For September 2013, these numbers were 3.32 and 4.68, respectively. For November  
2 2013, these numbers were 3.32 and 4.68, respectively. For December 2013, these numbers were 3.32  
3 and 4.68, respectively. For January 2014, these numbers were 3.32 and 4.68, respectively. And for  
4 February 2014, these numbers were 3.32 and 4.68, respectively.

5 137. Upon information and belief, for the time period of January 2013, Defendant  
6 HAWTHORNE HEALTHCARE & WELLNESS CENTRE, LLC dba Hawthorne Healthcare &  
7 Wellness Centre maintained merely 3.38 adjusted nursing hours per patient day, at a time when the  
8 expected nursing hours per patient day per CMS was 4.27 given the high acuity levels of residents at  
9 the facility. Similarly, for February 2013, this Defendant maintained merely 3.38 adjusted nursing  
10 hours per patient day, at a time when the expected nursing hours per patient day per CMS was 4.27.  
11 For March 2013, the adjusted and expected staffing numbers were 3.38 and 4.27 respectively. For  
12 April 2013, these numbers were 3.38 and 4.27 respectively. For May 2013, these numbers were 3.38  
13 and 4.27, respectively. For June 2013, these numbers were 3.38 and 4.27, respectively. For July 2013,  
14 these numbers were 3.38 and 4.27, respectively. For August 2013, these numbers were 43.38 and 4.27,  
15 respectively. For September 2013, these numbers were 3.22 and 4.19, respectively. For November  
16 2013, these numbers were 3.00 and 4.49, respectively. For December 2013, these numbers were 3.00  
17 and 4.49, respectively. And for January 2014, these numbers were 3.16 and 4.26, respectively.

18 138. Upon information and belief, for the time period of November 2013, Defendant YORK  
19 HEALTHCARE & WELLNESS CENTRE, LP dba York Healthcare & Wellness Centre maintained  
20 merely 3.61 adjusted nursing hours per patient day, at a time when the expected nursing hours per  
21 patient day per CMS was 4.08 given the high acuity levels of residents at the facility. Similarly, for  
22 December 2013, this Defendant maintained merely 3.61 adjusted nursing hours per patient day, at a  
23 time when the expected nursing hours per patient day per CMS was 4.08. For January 2014, the  
24 adjusted and expected staffing numbers were 3.66 and 4.02 respectively. For February 2014, these  
25 numbers were 3.66 and 4.02 respectively. And for March 2014, these numbers were 3.66 and 4.02,  
26 respectively.

27 139. Upon information and belief, for the time period of May 2013, Defendant NOVATO  
28 HEALTHCARE CENTER, LLC dba Novato Healthcare Center maintained merely 3.86 adjusted

1 nursing hours per patient day, at a time when the expected nursing hours per patient day per CMS was  
2 3.92 given the high acuity levels of residents at the facility. Similarly, for June 2013, this Defendant  
3 maintained merely 3.86 adjusted nursing hours per patient day, at a time when the expected nursing  
4 hours per patient day per CMS was 3.92. For July 2013, the adjusted and expected staffing numbers  
5 were 3.80 and 3.98 respectively. For August 2013, these numbers were 3.80 and 3.98 respectively. For  
6 September 2013, these numbers were 3.80 and 3.98, respectively. For November 2013, these numbers  
7 were 3.80 and 3.98, respectively. For December 2013, these numbers were 3.80 and 3.98,  
8 respectively. For January 2014, these numbers were 3.80 and 3.98, respectively. For February 2014,  
9 these numbers were 3.80 and 3.98, respectively. And for March 2014, these numbers were 3.80 and  
10 3.98, respectively.

11 140. Upon information and belief, for the time period of January 2013, Defendant  
12 OXNARD MANOR, LP dba Oxnard Manor Healthcare Center maintained merely 3.56 adjusted  
13 nursing hours per patient day, at a time when the expected nursing hours per patient day per CMS was  
14 4.16 given the high acuity levels of residents at the facility. Similarly, for February 2013, this  
15 Defendant maintained merely 3.56 adjusted nursing hours per patient day, at a time when the expected  
16 nursing hours per patient day per CMS was 4.16. For March 2013, the adjusted and expected staffing  
17 numbers were 3.56 and 4.16 respectively. For April 2013, these numbers were 3.56 and 4.16,  
18 respectively. For May 2013, these numbers were 3.56 and 4.16, respectively. For June 2013, these  
19 numbers were 3.56 and 4.16, respectively. For July 2013, these numbers were 3.56 and 4.16,  
20 respectively. For August 2013, these numbers were 3.56 and 4.16, respectively. And for September  
21 2013, these numbers were 3.56 and 4.16, respectively.

22 141. Upon information and belief, for the time period of June 2013, PINE GROVE  
23 HEALTHCARE & WELLNESS CENTRE, LP dba Pine Grove Healthcare & Wellness Centre  
24 maintained merely 2.87 adjusted nursing hours per patient day, at a time when the expected nursing  
25 hours per patient day per CMS was 4.23 given the high acuity levels of residents at the facility.  
26 Similarly, for July 2013, this Defendant maintained merely 3.94 adjusted nursing hours per patient  
27 day, at a time when the expected nursing hours per patient day per CMS was 4.32. For August 2013,  
28 the adjusted and expected staffing numbers were 2.87 and 4.23 respectively. For September 2013,

1 these numbers were 3.94 and 4.32 respectively. For November 2013, these numbers were 2.65 and  
2 4.53, respectively. For December 2013, these numbers were 3.94 and 4.32, respectively. For January  
3 2014, these numbers were 3.94 and 4.32, respectively. And for February 2014, these numbers were  
4 43.94 and 4.32, respectively.

5 142. Upon information and belief, for the time period of April 2013, Defendant SAN  
6 GABRIEL HEALTHCARE & WELLNESS CENTRE, LP dba Ivy Creek Healthcare & Wellness  
7 Centre maintained merely 3.90 adjusted nursing hours per patient day, at a time when the expected  
8 nursing hours per patient day per CMS was 4.00 given the high acuity levels of residents at the  
9 facility. Similarly, for May 2013, this Defendant maintained merely 3.90 adjusted nursing hours per  
10 patient day, at a time when the expected nursing hours per patient day per CMS was 4.00. For June  
11 2013, the adjusted and expected staffing numbers were 3.90 and 4.00, respectively. And for July 2013,  
12 these numbers were 3.90 and 4.00 respectively.

13 143. At all times relevant hereto, DEFENDANTS actively and intentionally concealed from  
14 Plaintiff and members of the class the material facts relating to the chronic understaffing alleged  
15 hereinabove in paragraphs 97 through 142. It is alleged that this concealment by DEFENDANTS was  
16 intended to deceive Plaintiff and members of the class into believing that DEFENDANTS' facilities  
17 were properly staffed to induce Plaintiff and class members into becoming residents of  
18 DEFENDANTS' facilities. That Plaintiff and members of the class, all in infirm health, elderly, and/or  
19 in need of skilled nursing care and members of one of the most vulnerable segments of our society,  
20 were unsophisticated in the operation of skilled nursing facilities in the State of California and had no  
21 knowledge of the facts concealed by DEFENDANTS and could not have discovered those concealed  
22 facts due to, among other things, their extremely vulnerable status. Had the concealed facts been  
23 disclosed to Plaintiff and members of the class, they would not have become residents of  
24 DEFENDANTS' facilities and would not have paid, or had monies paid on their behalf, for the  
25 substandard skilled nursing care at DEFENDANTS' facilities.

26 144. Indeed, rather than providing care and services consistent with the aforementioned  
27 representations and which protected the rights of their residents, and as a result at least in part of the  
28 chronic understaffing alleged hereinabove, the DEFENDANTS consistently provided substandard

1 care to their residents as evidenced by the defendant facilities repeatedly receiving citations of  
2 deficiencies from the California Department of Public Health which found that the defendant facilities  
3 consistently violated the rights of their residents and provided substandard care to their residents. The  
4 DEFENDANTS concealed these facts from prospective residents, Plaintiff and the class and instead  
5 made the material misrepresentations set forth above.

6 145. For instance, B-EAST, LLC dba Presidio Healthcare Center was found by the  
7 California Department of Public Health to be in chronic violation of applicable rules, laws and  
8 regulations via state surveys and complaint investigations including a long and lengthy history of  
9 violating resident rights and providing substandard care to residents throughout the class period. For  
10 example, in 2013, B-EAST, LLC dba Presidio Healthcare Center received *forty-three* notices of  
11 deficiencies from the California Department of Public Health for providing substandard care to their  
12 residents and violating resident rights. Unfortunately, the issuance of deficiencies for substandard care  
13 was not new for this facility. In 2012, B-EAST, LLC dba Presidio Healthcare Center received *thirty-*  
14 *five* notices of deficiencies for providing substandard care to its residents. In 2011, it received  
15 *eighteen* notices of deficiencies for providing substandard care to its residents, and in 2010, it received  
16 a mind-boggling *seventy-one* notices of deficiencies for providing substandard care to its residents and  
17 violating applicable regulations.

18 146. B-SAN DIEGO, LLC dba Brighton Place – San Diego was found by the California  
19 Department of Public Health to be in chronic violation of applicable rules, laws and regulations via  
20 state surveys and complaint investigations including a long and lengthy history of violating resident  
21 rights and providing substandard care to residents throughout the class period. For example, in 2013,  
22 B-SAN DIEGO, LLC dba Brighton Place – San Diego received *thirty-six* notices of deficiencies from  
23 the California Department of Public Health for providing substandard care to their residents and  
24 violating resident rights. Unfortunately, the issuance of deficiencies for substandard care was not new  
25 for this facility. In 2012, B-SAN DIEGO, LLC dba Brighton Place – San Diego received *twelve*  
26 notices of deficiencies for providing substandard care to its residents. In 2011, it received a mind-  
27 boggling *twenty-six* notices of deficiencies for providing substandard care to its residents, and in  
28 2010, it received *twenty-six* notices of deficiencies for providing substandard care to its residents and

1 violating resident rights.

2 147. B – SPRING VALLEY, LLC dba Brighton Place – Spring Valley was found by the  
3 California Department of Public Health to be in chronic violation of applicable rules, laws and  
4 regulations via state surveys and complaint investigations including a long and lengthy history of  
5 violating resident rights and providing substandard care to residents throughout the class period. For  
6 example, in 2013, B-SPRING VALLEY, LLC dba Brighton Place – Spring Valley received *thirty-*  
7 *three* notices of deficiencies from the California Department of Public Health for providing  
8 substandard care to their residents and violating resident rights. Unfortunately, the issuance of  
9 deficiencies for substandard care was not new for this facility. In 2012, B – SPRING VALLEY, LLC  
10 dba Brighton Place – Spring Valley received *thirty* notices of deficiencies for providing substandard  
11 care to its residents. In 2011, it received *thirty-two* notices of deficiencies for providing substandard  
12 care to its residents, and in 2010 it received *thirty-two* notices of deficiencies for providing  
13 substandard care to its residents and violating applicable regulations.

14 148. CNRC, LLC dba California Nursing & Rehabilitation Center was found by the  
15 California Department of Public Health to be in chronic violation of applicable rules, laws and  
16 regulations via state surveys and complaint investigations including a long and lengthy history of  
17 violating resident rights and providing substandard care to residents throughout the class period. For  
18 example, in 2013, CNRC, LLC dba California Nursing & Rehabilitation Center received *eleven*  
19 notices of deficiencies from the California Department of Public Health for providing substandard  
20 care to their residents and violating resident rights. Unfortunately, the issuance of deficiencies for  
21 substandard care was not new for this facility. In 2012, CNRC, LLC dba California Nursing &  
22 Rehabilitation Center received *eight* notices of deficiencies for providing substandard care to its  
23 residents. In 2011, it received *twenty-four* notices of deficiencies for providing substandard care to its  
24 residents, and in 2010 it received *six* notices of deficiencies for providing substandard care to its  
25 residents and violating applicable regulations.

26 149. POINT LOMA REHABILITATION CENTER, LLC dba Point Loma Convalescent  
27 Hospital was found by the California Department of Public Health to be in chronic violation of  
28 applicable rules, laws and regulations via state surveys and complaint investigations including a long

1 and lengthy history of violating resident rights and providing substandard care to residents throughout  
2 the class period. For example, in 2013, POINT LOMA REHABILITATION CENTER, LLC dba Point  
3 Loma Convalescent Hospital received *thirty-one* notices of deficiencies from the California  
4 Department of Public Health for providing substandard care to their residents and violating resident  
5 rights. In 2012, POINT LOMA REHABILITATION CENTER, LLC dba Point Loma Convalescent  
6 Hospital received *twenty-six* notices of deficiencies from the California Department of Public Health  
7 for providing substandard care to their residents and violating resident rights. Unfortunately, the  
8 issuance of deficiencies for substandard care was not new for this facility. In 2011, POINT LOMA  
9 REHABILITATION CENTER, LLC dba Point Loma Convalescent Hospital received *twenty-five*  
10 notices of deficiencies for providing substandard care to its residents. In 2010, it received *twenty-five*  
11 notices of deficiencies for providing substandard care to its residents, and in 2009, it received *eighteen*  
12 notices of deficiencies for providing substandard care to its residents and violating applicable  
13 regulations.

14 150. CENTINELA SKILLED NURSING & WELLNESS CENTRE – WEST, LLC dba  
15 Centinela Skilled Nursing & Wellness Centre - West was found by the California Department of  
16 Public Health to be in chronic violation of applicable rules, laws and regulations via state surveys and  
17 complaint investigations including a long and lengthy history of violating resident rights and  
18 providing substandard care to residents throughout the class period. For example, in 2013,  
19 CENTINELA SKILLED NURSING & WELLNESS CENTRE – WEST LLC dba Centinela Skilled  
20 Nursing & Wellness Centre - West received *twenty-two* notices of deficiencies from the California  
21 Department of Public Health for providing substandard care to their residents and violating resident  
22 rights. Unfortunately, the issuance of deficiencies for substandard care was not new for this facility. In  
23 2012, CENTINELA SKILLED NURSING & WELLNESS CENTRE – WEST, LLC dba Centinela  
24 Skilled Nursing & Wellness Centre –West received *fourteen* notices of deficiencies for providing  
25 substandard care to its residents. In 2011, it received *eighteen* notices of deficiencies for providing  
26 substandard care to its residents, and in 2010 it received *twenty-eight* notices of deficiencies for  
27 providing substandard care to its residents and violating applicable regulations.

28 151. CENTINELA SKILLED NURSING & WELLNESS CENTRE – EAST, LLC dba



Centinela Skilled Nursing & Wellness Centre - East was found by the California Department of Public Health to be in chronic violation of applicable rules, laws and regulations via state surveys and complaint investigations including a long and lengthy history of violating resident rights and providing substandard care to residents throughout the class period. For example, in 2013, CENTINELA SKILLED NURSING & WELLNESS CENTRE – EAST, LLC dba Centinela Skilled Nursing & Wellness Centre - East received *twenty-two* notices of deficiencies from the California Department of Public Health for providing substandard care to their residents and violating resident rights. Unfortunately, the issuance of deficiencies for substandard care was not new for this facility. In 2012, CENTINELA SKILLED NURSING & WELLNESS CENTRE – EAST, LLC dba Centinela Skilled Nursing & Wellness Centre – East received *twenty-two* notices of deficiencies for providing substandard care to its residents. In 2011, it received *fifteen* notices of deficiencies for providing substandard care to its residents, and in 2010 it received *twenty-two* notices of deficiencies for providing substandard care to its residents and violating applicable regulations.

152. HIGHLAND PARK SKILLED NURSING & WELLNESS CENTRE, LLC dba Highland Park Skilled Nursing & Wellness Centre was found by the California Department of Public Health to be in chronic violation of applicable rules, laws and regulations via state surveys and complaint investigations including a long and lengthy history of violating resident rights and providing substandard care to residents throughout the class period. For example, in 2013, HIGHLAND PARK SKILLED NURSING & WELLNESS CENTRE, LLC dba Highland Park Skilled Nursing & Wellness Centre received *nine* notices of deficiencies from the California Department of Public Health for providing substandard care to their residents and violating resident rights. Unfortunately, the issuance of deficiencies for substandard care was not new for this facility. In 2010, HIGHLAND PARK SKILLED NURSING & WELLNESS CENTRE, LLC dba Highland Park Skilled Nursing & Wellness Centre received *eighteen* notices of deficiencies for providing substandard care to its residents.

153. LAIBCO, LLC dba Las Flores Convalescent Hospital was found by the California Department of Public Health to be in chronic violation of applicable rules, laws and regulations via state surveys and complaint investigations including a long and lengthy history of violating resident

1 rights and providing substandard care to residents throughout the class period. For example, in 2013,  
2 LAIBCO, LLC dba Las Flores Convalescent Hospital received *sixteen* notices of deficiencies from  
3 the California Department of Public Health for providing substandard care to their residents and  
4 violating resident rights. In 2011, LAIBCO, LLC dba Las Flores Convalescent Hospital received  
5 *seventeen* notices of deficiencies from the California Department of Public Health for providing  
6 substandard care to their residents and violating resident rights. Unfortunately, the issuance of  
7 deficiencies for substandard care was not new for this facility. In 2009, LAIBCO, LLC dba Las Flores  
8 Convalescent Hospital received *thirty-one* notices of deficiencies for providing substandard care to its  
9 residents.

10 154. SOUTH PASADENA REHABILITATION CENTER, LLC dba South Pasadena  
11 Convalescent Hospital was found by the California Department of Public Health to be in chronic  
12 violation of applicable rules, laws and regulations via state surveys and complaint investigations  
13 including a long and lengthy history of violating resident rights and providing substandard care to  
14 residents throughout the class period. For example, in 2013, SOUTH PASADENA  
15 REHABILITATION CENTER, LLC dba South Pasadena Convalescent Hospital received *twenty-four*  
16 notices of deficiencies from the California Department of Public Health for providing substandard  
17 care to their residents and violating resident rights. Unfortunately, the issuance of deficiencies for  
18 substandard care was not new for this facility. In 2011, SOUTH PASADENA REHABILITATION  
19 CENTER, LLC dba South Pasadena Convalescent Hospital received *fifteen* notices of deficiencies for  
20 providing substandard care to its residents.

21 155. LIGHTHOUSE HEALTHCARE CENTER, LLC dba Lighthouse Healthcare Center  
22 was found by the California Department of Public Health to be in chronic violation of applicable rules,  
23 laws and regulations via state surveys and complaint investigations including a long and lengthy  
24 history of violating resident rights and providing substandard care to residents throughout the class  
25 period. For example, in 2012, LIGHTHOUSE HEALTHCARE CENTER, LLC dba Lighthouse  
26 Healthcare Center received *eleven* notices of deficiencies from the California Department of Public  
27 Health for providing substandard care to their residents and violating resident rights. Unfortunately,  
28 the issuance of deficiencies for substandard care was not new for this facility. In 2011,

1 LIGHTHOUSE HEALTHCARE CENTER, LLC dba Lighthouse Healthcare Center received *twenty-*  
2 *four* notices of deficiencies for providing substandard care to its residents. In 2010, it received  
3 *seventeen* notices of deficiencies for providing substandard care to its residents, and in 2009 it  
4 received *twenty* notices of deficiencies for providing substandard care to its residents and violating  
5 applicable regulations.

6 156. VERNON HEALTHCARE CENTER, LLC dba Vernon Healthcare Center was found  
7 by the California Department of Public Health to be in chronic violation of applicable rules, laws and  
8 regulations via state surveys and complaint investigations including a long and lengthy history of  
9 violating resident rights and providing substandard care to residents throughout the class period. For  
10 example, in 2013, VERNON HEALTHCARE CENTER, LLC dba Vernon Healthcare Center received  
11 *nine* notices of deficiencies from the California Department of Public Health for providing  
12 substandard care to their residents and violating resident rights. Unfortunately, the issuance of  
13 deficiencies for substandard care was not new for this facility. In 2011, VERNON HEALTHCARE  
14 CENTER, LLC dba Vernon Healthcare Center received *ten* notices of deficiencies for providing  
15 substandard care to its residents. In 2010, it received *twenty-nine* notices of deficiencies for providing  
16 substandard care to its residents. And in 2009, it received *twenty-three* notices of deficiencies for  
17 providing substandard care to its residents.

18 157. NORWALK SKILLED NURSING & WELLNESS CENTER, LLC dba Norwalk  
19 Skilled Nursing & Wellness Centre was found by the California Department of Public Health to be in  
20 chronic violation of applicable rules, laws and regulations via state surveys and complaint  
21 investigations including a long and lengthy history of violating resident rights and providing  
22 substandard care to residents throughout the class period. For example, in 2013, NORWALK  
23 SKILLED NURSING & WELLNESS CENTER, LLC dba Norwalk Skilled Nursing & Wellness  
24 Centre received *ten* notices of deficiencies from the California Department of Public Health for  
25 providing substandard care to their residents and violating resident rights. Unfortunately, the issuance  
26 of deficiencies for substandard care was not new for this facility. In 2012, NORWALK SKILLED  
27 NURSING & WELLNESS CENTER, LLC dba Norwalk Skilled Nursing & Wellness Centre received  
28 *eleven* notices of deficiencies for providing substandard care to its residents.

1           158. VERDUGO VALLEY SKILLED NURSING & WELLNESS CENTRE, LLC dba  
2 Verdugo Valley Skilled Nursing & Wellness Centre was found by the California Department of Public  
3 Health to be in chronic violation of applicable rules, laws and regulations via state surveys and  
4 complaint investigations including a long and lengthy history of violating resident rights and  
5 providing substandard care to residents throughout the class period. For example, in 2013,  
6 VERDUGO VALLEY SKILLED NURSING & WELLNESS CENTRE, LLC dba Verdugo Valley  
7 Skilled Nursing & Wellness Centre received *twenty* notices of deficiencies from the California  
8 Department of Public Health for providing substandard care to their residents and violating resident  
9 rights. In 2012, VERDUGO VALLEY SKILLED NURSING & WELLNESS CENTRE, LLC dba  
10 Verdugo Valley Skilled Nursing & Wellness Centre received *twenty-eight* notices of deficiencies  
11 from the California Department of Public Health for providing substandard care to their residents and  
12 violating resident rights. Unfortunately, the issuance of deficiencies for substandard care was not new  
13 for this facility. In 2011, VERDUGO VALLEY SKILLED NURSING & WELLNESS CENTRE,  
14 LLC dba Verdugo Valley Skilled Nursing & Wellness Centre received *forty-eight* notices of  
15 deficiencies for providing substandard care to its residents. In 2010, it received *forty-nine* notices of  
16 deficiencies for providing substandard care to its residents.

17           159. For instance, MAYWOOD SKILLED NURSING & WELLNESS CENTRE, LLC dba  
18 Maywood Skilled Nursing & Wellness Centre was found by the California Department of Public  
19 Health to be in chronic violation of applicable rules, laws and regulations via state surveys and  
20 complaint investigations including a long and lengthy history of violating resident rights and  
21 providing substandard care to residents throughout the class period. For example, in 2013,  
22 MAYWOOD SKILLED NURSING & WELLNESS CENTRE, LLC dba Maywood Skilled Nursing  
23 & Wellness Centre received *ten* notices of deficiencies from the California Department of Public  
24 Health for providing substandard care to their residents and violating resident rights. Unfortunately,  
25 the issuance of deficiencies for substandard care was not new for this facility. In 2012, MAYWOOD  
26 SKILLED NURSING & WELLNESS CENTRE, LLC dba Maywood Skilled Nursing & Wellness  
27 Centre received *twenty-one* notices of deficiencies for providing substandard care to its residents. In  
28 2010, it received *twenty-one* notices of deficiencies for providing substandard care to its residents.

1           160. WISH-I-AH HEALTHCARE & WELLNESS CENTRE, LLC dba Wish-I-Ah  
2 Healthcare & Wellness Centre was found by the California Department of Public Health to be in  
3 chronic violation of applicable rules, laws and regulations via state surveys and complaint  
4 investigations including a long and lengthy history of violating resident rights and providing  
5 substandard care to residents throughout the class period. For example, in 2013, WISH-I-AH  
6 HEALTHCARE & WELLNESS CENTRE, LLC dba Wish-I-Ah Healthcare & Wellness Centre  
7 received *twenty-three* notices of deficiencies from the California Department of Public Health for  
8 providing substandard care to their residents and violating resident rights. Unfortunately, the issuance  
9 of deficiencies for substandard care was not new for this facility. In 2012, WISH-I-AH  
10 HEALTHCARE & WELLNESS CENTRE, LLC dba Wish-I-Ah Healthcare & Wellness Centre  
11 received *nineteen* notices of deficiencies for providing substandard care to its residents. In 2011, it  
12 received *forty-one* notices of deficiencies for providing substandard care to its residents, and in 2010  
13 it received *eighteen* notices of deficiencies for providing substandard care to its residents and  
14 violating applicable regulations.

15           161. FRESNO SKILLED NURSING & WELLNESS CENTRE, LLC dba The  
16 Rehabilitation Center of Fresno was found by the California Department of Public Health to be in  
17 chronic violation of applicable rules, laws and regulations via state surveys and complaint  
18 investigations including a long and lengthy history of violating resident rights and providing  
19 substandard care to residents throughout the class period. For example, in 2013, FRESNO SKILLED  
20 NURSING & WELLNESS CENTRE, LLC dba The Rehabilitation Center of Fresno received  
21 *fourteen* notices of deficiencies from the California Department of Public Health for providing  
22 substandard care to their residents and violating resident rights. Unfortunately, the issuance of  
23 deficiencies for substandard care was not new for this facility. In 2012, FRESNO SKILLED  
24 NURSING & WELLNESS CENTRE, LLC dba The Rehabilitation Center of Fresno received  
25 *seventeen* notices of deficiencies for providing substandard care to its residents. In 2011, it received  
26 *forty* notices of deficiencies for providing substandard care to its residents, and in 2010 it received  
27 *twenty-one* notices of deficiencies for providing substandard care to its residents and violating  
28 applicable regulations.

1           162. OAKHURST HEALTHCARE & WELLNESS CENTRE, LLC dba Oakhurst  
2 Healthcare & Wellness Centre was found by the California Department of Public Health to be in  
3 chronic violation of applicable rules, laws and regulations via state surveys and complaint  
4 investigations including a long and lengthy history of violating resident rights and providing  
5 substandard care to residents throughout the class period. For example, in 2013, OAKHURST  
6 HEALTHCARE & WELLNESS CENTRE, LLC dba Oakhurst Healthcare & Wellness Centre  
7 received *eleven* notices of deficiencies from the California Department of Public Health for providing  
8 substandard care to their residents and violating resident rights. Unfortunately, the issuance of  
9 deficiencies for substandard care was not new for this facility. In 2012, OAKHURST HEALTHCARE  
10 & WELLNESS CENTRE, LLC dba Oakhurst Healthcare & Wellness Centre received *twenty-two*  
11 notices of deficiencies for providing substandard care to its residents. In 2011, it received *seventeen*  
12 notices of deficiencies for providing substandard care to its residents, and in 2010 it received *eleven*  
13 notices of deficiencies for providing substandard care to its residents and violating applicable  
14 regulations.

15           163. EUREKA REHABILITATION & WELLNESS CENTER, LP dba Eureka  
16 Rehabilitation & Wellness Center was found by the California Department of Public Health to be in  
17 chronic violation of applicable rules, laws and regulations via state surveys and complaint  
18 investigations including a long and lengthy history of violating resident rights and providing  
19 substandard care to residents throughout the class period. For example, in 2013, EUREKA  
20 REHABILITATION & WELLNESS CENTER, LP dba Eureka Rehabilitation & Wellness Center  
21 received *twenty* notices of deficiencies from the California Department of Public Health for providing  
22 substandard care to their residents and violating resident rights. Unfortunately, the issuance of  
23 deficiencies for substandard care was not new for this facility. In 2012, EUREKA  
24 REHABILITATION & WELLNESS CENTER, LP dba Eureka Rehabilitation & Wellness Center  
25 received *twenty-three* notices of deficiencies for providing substandard care to its residents. In 2011, it  
26 received *forty-two* notices of deficiencies for providing substandard care to its residents, and in 2010 it  
27 received *twenty-six* notices of deficiencies for providing substandard care to its residents and violating  
28 applicable regulations.

1           164. GRANADA REHABILITATION & WELLNESS CENTER, LP dba Granada  
2 Rehabilitation & Wellness Center was found by the California Department of Public Health to be in  
3 chronic violation of applicable rules, laws and regulations via state surveys and complaint  
4 investigations including a long and lengthy history of violating resident rights and providing  
5 substandard care to residents throughout the class period. For example, in 2013, GRANADA  
6 REHABILITATION & WELLNESS CENTER, LP dba Granada Rehabilitation & Wellness Center  
7 received *seventeen* notices of deficiencies from the California Department of Public Health for  
8 providing substandard care to their residents and violating resident rights. Unfortunately, the issuance  
9 of deficiencies for substandard care was not new for this facility. In 2012, GRANADA  
10 REHABILITATION & WELLNESS CENTER, LP dba Granada Rehabilitation & Wellness Center  
11 received *twenty-five* notices of deficiencies for providing substandard care to its residents. In 2011, it  
12 received *thirty-five* notices of deficiencies for providing substandard care to its residents, and in 2010  
13 it received *forty-one* notices of deficiencies for providing substandard care to its residents and  
14 violating applicable regulations.

15           165. PACIFIC REHABILITATION & WELLNESS CENTER, LP dba Pacific  
16 Rehabilitation & Wellness Center was found by the California Department of Public Health to be in  
17 chronic violation of applicable rules, laws and regulations via state surveys and complaint  
18 investigations including a long and lengthy history of violating resident rights and providing  
19 substandard care to residents throughout the class period. For example, in 2012, PACIFIC  
20 REHABILITATION & WELLNESS CENTER, LP dba Pacific Rehabilitation & Wellness Center  
21 received *twenty-two* notices of deficiencies from the California Department of Public Health for  
22 providing substandard care to their residents and violating resident rights. Unfortunately, the issuance  
23 of deficiencies for substandard care was not new for this facility. In 2011, PACIFIC  
24 REHABILITATION & WELLNESS CENTER, LP dba Pacific Rehabilitation & Wellness Center  
25 received *fifteen* notices of deficiencies for providing substandard care to its residents. In 2010, it  
26 received *sixteen* notices of deficiencies for providing substandard care to its residents, and in 2009 it  
27 received *twenty-two* notices of deficiencies for providing substandard care to its residents and  
28 violating applicable regulations.

166. SEAVIEW REHABILITATION & WELLNESS CENTER, LP dba Seaview Rehabilitation & Wellness Center was found by the California Department of Public Health to be in chronic violation of applicable rules, laws and regulations via state surveys and complaint investigations including a long and lengthy history of violating resident rights and providing substandard care to residents throughout the class period. For example, in 2013, SEAVIEW REHABILITATION & WELLNESS CENTER, LP dba Seaview Rehabilitation & Wellness Center received *twelve* notices of deficiencies from the California Department of Public Health for providing substandard care to their residents and violating resident rights. Unfortunately, the issuance of deficiencies for substandard care was not new for this facility. In 2012, SEAVIEW REHABILITATION & WELLNESS CENTER, LP dba Seaview Rehabilitation & Wellness Center received *twenty-six* notices of deficiencies for providing substandard care to its residents. In 2011, it received *sixteen* notices of deficiencies for providing substandard care to its residents, and in 2010 it received a horrendous *seventy-five* notices of deficiencies for providing substandard care to its residents and violating applicable regulations.

167. FORTUNA REHABILITATION & WELLNESS CENTER, LP dba Fortuna Rehabilitation & Wellness Center was found by the California Department of Public Health to be in chronic violation of applicable rules, laws and regulations via state surveys and complaint investigations including a long and lengthy history of violating resident rights and providing substandard care to residents throughout the class period. For example, in 2012, FORTUNA REHABILITATION & WELLNESS CENTER, LP dba Fortuna Rehabilitation & Wellness Center received *thirty* notices of deficiencies from the California Department of Public Health for providing substandard care to their residents and violating resident rights. Unfortunately, the issuance of deficiencies for substandard care was not new for this facility. In 2011, FORTUNA REHABILITATION & WELLNESS CENTER, LP dba Fortuna Rehabilitation & Wellness Center received *twenty-four* notices of deficiencies for providing substandard care to its residents. In 2010, it received *twenty-four* notices of deficiencies for providing substandard care to its residents, and in 2009 it received *twenty-five* notices of deficiencies for providing substandard care to its residents and violating applicable regulations.



1 168. GRANITE HILLS HEALTHCARE & WELLNESS CENTRE, LLC dba Granite Hills  
2 Healthcare & Wellness Centre was found by the California Department of Public Health to be in  
3 chronic violation of applicable rules, laws and regulations via state surveys and complaint  
4 investigations including a long and lengthy history of violating resident rights and providing  
5 substandard care to residents throughout the class period. For example, in 2013, GRANITE HILLS  
6 HEALTHCARE & WELLNESS CENTRE, LLC dba Granite Hills Healthcare & Wellness Centre  
7 received *twenty-six* notices of deficiencies from the California Department of Public Health for  
8 providing substandard care to their residents and violating resident rights. For example, in 2012,  
9 GRANITE HILLS HEALTHCARE & WELLNESS CENTRE, LLC dba Granite Hills Healthcare &  
10 Wellness Centre received *thirty* notices of deficiencies from the California Department of Public  
11 Health for providing substandard care to their residents and violating resident rights. Unfortunately,  
12 the issuance of deficiencies for substandard care was not new for this facility. In 2011, GRANITE  
13 HILLS HEALTHCARE & WELLNESS CENTRE, LLC dba Granite Hills Healthcare & Wellness  
14 Centre received a mind-boggling *seventy-four* notices of deficiencies for providing substandard care  
15 to its residents. In 2010, it received *thirty-nine* notices of deficiencies for providing substandard care  
16 to its residents.

17 169. CLAIREMONT HEALTHCARE & WELLNESS CENTRE, LLC dba Clairemont  
18 Healthcare & Wellness Centre was found by the California Department of Public Health to be in  
19 chronic violation of applicable rules, laws and regulations via state surveys and complaint  
20 investigations including a long and lengthy history of violating resident rights and providing  
21 substandard care to residents throughout the class period. For example, in 2013, CLAIREMONT  
22 HEALTHCARE & WELLNESS CENTRE, LLC dba Clairemont Healthcare & Wellness Centre  
23 received *twelve* notices of deficiencies from the California Department of Public Health for providing  
24 substandard care to their residents and violating resident rights. Unfortunately, the issuance of  
25 deficiencies for substandard care was not new for this facility. In 2012, CLAIREMONT  
26 HEALTHCARE & WELLNESS CENTRE, LLC dba Clairemont Healthcare & Wellness Centre  
27 received *forty-six* notices of deficiencies for providing substandard care to its residents. In 2011, it  
28 received *fifty-eight* notices of deficiencies for providing substandard care to its residents, and in 2010

1 it received *forty-four* notices of deficiencies for providing substandard care to its residents and  
2 violating applicable regulations.

3 170. IMPERIAL HEIGHTS HEALTHCARE & WELLNESS CENTRE, LLC dba Imperial  
4 Heights Healthcare & Wellness Centre was found by the California Department of Public Health to be  
5 in chronic violation of applicable rules, laws and regulations via state surveys and complaint  
6 investigations including a long and lengthy history of violating resident rights and providing  
7 substandard care to residents throughout the class period. For example, in 2013, IMPERIAL  
8 HEIGHTS HEALTHCARE & WELLNESS CENTRE, LLC dba Imperial Heights Healthcare &  
9 Wellness Centre received *twenty-four* notices of deficiencies from the California Department of  
10 Public Health for providing substandard care to their residents and violating resident rights.  
11 Unfortunately, the issuance of deficiencies for substandard care was not new for this facility. In 2012,  
12 IMPERIAL HEIGHTS HEALTHCARE & WELLNESS CENTRE, LLC dba Imperial Heights  
13 Healthcare & Wellness Centre received *thirty-four* notices of deficiencies for providing substandard  
14 care to its residents. In 2011, it received *thirty-seven* notices of deficiencies for providing substandard  
15 care to its residents, and in 2010 it received *twenty-four* notices of deficiencies for providing  
16 substandard care to its residents and violating applicable regulations.

17 171. RIVERSIDE HEALTHCARE & WELLNESS CENTRE, LLC dba Alta Vista  
18 Healthcare & Wellness Centre was found by the California Department of Public Health to be in  
19 chronic violation of applicable rules, laws and regulations via state surveys and complaint  
20 investigations including a long and lengthy history of violating resident rights and providing  
21 substandard care to residents throughout the class period. For example, in 2013, RIVERSIDE  
22 HEALTHCARE & WELLNESS CENTRE, LLC dba Alta Vista Healthcare & Wellness Centre  
23 received twenty-six deficiencies from the California Department of Public Health for violating  
24 resident rights and providing substandard care to its residents. Unfortunately, the issuance of  
25 deficiencies for violating resident rights was not new for this facility. In 2012, RIVERSIDE  
26 HEALTHCARE & WELLNESS CENTRE, LLC dba Alta Vista Healthcare & Wellness Centre  
27 received *sixteen* notices of deficiencies for providing substandard care to their residents and violating  
28 resident rights. In 2011, RIVERSIDE HEALTHCARE & WELLNESS CENTRE, LLC dba Alta Vista

1 Healthcare & Wellness Centre received *nineteen* notices of deficiencies for providing substandard  
2 care to its residents. In 2010, it received *seventeen* notices of deficiencies for providing substandard  
3 care to its residents.

4 172. ORANGE HEALTHCARE & WELLNESS CENTRE, LLC dba Orange Healthcare &  
5 Wellness Centre was found by the California Department of Public Health to be in chronic violation  
6 of applicable rules, laws and regulations via state surveys and complaint investigations including a  
7 long and lengthy history of violating resident rights and providing substandard care to residents  
8 throughout the class period. For example, in 2013, ORANGE HEALTHCARE & WELLNESS  
9 CENTRE, LLC dba Orange Healthcare & Wellness Centre received *forty-one* notices of deficiencies  
10 from the California Department of Public Health for providing substandard care to their residents and  
11 violating resident rights. Unfortunately, the issuance of deficiencies for substandard care was not new  
12 for this facility. In 2012, ORANGE HEALTHCARE & WELLNESS CENTRE, LLC dba Orange  
13 Healthcare & Wellness Centre received *fifteen* notices of deficiencies for providing substandard care  
14 to its residents. In 2011, it received *forty* notices of deficiencies for providing substandard care to its  
15 residents.

16 173. BAKERSFIELD HEALTHCARE & WELLNESS CENTRE, LLC dba The  
17 Rehabilitation Center of Bakersfield was found by the California Department of Public Health to be in  
18 chronic violation of applicable rules, laws and regulations via state surveys and complaint  
19 investigations including a long and lengthy history of violating resident rights and providing  
20 substandard care to residents throughout the class period. For example, in 2013, BAKERSFIELD  
21 HEALTHCARE & WELLNESS CENTRE, LLC dba The Rehabilitation Center of Bakersfield  
22 received *forty-one* notices of deficiencies from the California Department of Public Health for  
23 providing substandard care to their residents and violating resident rights. Unfortunately, the issuance  
24 of deficiencies for substandard care was not new for this facility. In 2012, BAKERSFIELD  
25 HEALTHCARE & WELLNESS CENTRE, LLC dba The Rehabilitation Center of Bakersfield  
26 received *thirty-three* notices of deficiencies for providing substandard care to its residents. In 2010, it  
27 received *thirty-five* notices of deficiencies for providing substandard care to its residents, and in 2009  
28 it received *twenty-seven* notices of deficiencies for providing substandard care to its residents and

1 violating applicable regulations.

2           174. GRIDLEY HEALTHCARE & WELLNESS CENTRE, LLC dba Gridley Healthcare &  
3 Wellness Centre was found by the California Department of Public Health to be in chronic violation  
4 of applicable rules, laws and regulations via state surveys and complaint investigations including a  
5 long and lengthy history of violating resident rights and providing substandard care to residents  
6 throughout the class period. For example, in 2013, GRIDLEY HEALTHCARE & WELLNESS  
7 Centre, LLC dba Gridley Healthcare & Wellness Centre received *thirty-one* notices of deficiencies  
8 from the California Department of Public Health for providing substandard care to their residents and  
9 violating resident rights. Unfortunately, the issuance of deficiencies for substandard care was not new  
10 for this facility. In 2012, GRIDLEY HEALTHCARE & WELLNESS Centre, LLC dba Gridley  
11 Healthcare & Wellness Centre received *sixteen* notices of deficiencies for providing substandard care  
12 to its residents. In 2011, it received *twenty-one* notices of deficiencies for providing substandard care  
13 to its residents, and in 2010 it received *forty-four* notices of deficiencies for providing substandard  
14 care to its residents and violating applicable regulations.

15           175. INDIO HEALTHCARE & WELLNESS CENTER, LLC dba Desert Springs  
16 Healthcare & Wellness Centre was found by the California Department of Public Health to be in  
17 chronic violation of applicable rules, laws and regulations via state surveys and complaint  
18 investigations including a long and lengthy history of violating resident rights and providing  
19 substandard care to residents throughout the class period. For example, in 2013, INDIO  
20 HEALTHCARE & WELLNESS CENTER, LLC dba Desert Springs Healthcare & Wellness Centre  
21 received *twenty-one* notices of deficiencies from the California Department of Public Health for  
22 providing substandard care to their residents and violating resident rights. Unfortunately, the issuance  
23 of deficiencies for substandard care was not new for this facility. In 2012, INDIO HEALTHCARE &  
24 WELLNESS CENTER, LLC dba Desert Springs Healthcare & Wellness Centre received *twenty-*  
25 *seven* notices of deficiencies for providing substandard care to its residents. In 2011, it received  
26 *twenty-eight* notices of deficiencies for providing substandard care to its residents, and in 2010 it  
27 received *thirty-one* notices of deficiencies for providing substandard care to its residents and violating  
28 applicable regulations.

176. SKYLINE HEALTHCARE & WELLNESS CENTER, LLC dba Skyline Healthcare & Wellness Center – Los Angeles was found by the California Department of Public Health to be in chronic violation of applicable rules, laws and regulations via state surveys and complaint investigations including a long and lengthy history of violating resident rights and providing substandard care to residents throughout the class period. For example, in 2013, SKYLINE HEALTHCARE & WELLNESS CENTER, LLC dba Skyline Healthcare & Wellness Center – Los Angeles received *fifteen* notices of deficiencies from the California Department of Public Health for providing substandard care to their residents and violating resident rights. Unfortunately, the issuance of deficiencies for substandard care was not new for this facility. In 2012, SKYLINE HEALTHCARE & WELLNESS CENTER, LLC dba Skyline Healthcare & Wellness Center – Los Angeles received *twenty-two* notices of deficiencies for providing substandard care to its residents. In 2011, it received *thirty-one* notices of deficiencies for providing substandard care to its residents.

177. DRIFTWOOD HEALTHCARE & WELLNESS CENTER, LLC dba Driftwood Healthcare & Wellness Center was found by the California Department of Public Health to be in chronic violation of applicable rules, laws and regulations via state surveys and complaint investigations including a long and lengthy history of violating resident rights and providing substandard care to residents throughout the class period. For example, in 2013, DRIFTWOOD HEALTHCARE & WELLNESS CENTER, LLC dba Driftwood Healthcare & Wellness Center received *sixteen* notices of deficiencies from the California Department of Public Health for providing substandard care to their residents and violating resident rights. Unfortunately, the issuance of deficiencies for substandard care was not new for this facility. In 2011, DRIFTWOOD HEALTHCARE & WELLNESS CENTER, LLC dba Driftwood Healthcare & Wellness Center received *thirteen* notices of deficiencies for providing substandard care to its residents. In 2010, it received *twenty* notices of deficiencies for providing substandard care to its residents, and in 2009 it received *twenty-one* notices of deficiencies for providing substandard care to its residents and violating applicable regulations.

178. SOLNUS ONE, LLC dba Alameda Healthcare & Wellness Center was found by the California Department of Public Health to be in chronic violation of applicable rules, laws and

1 regulations via state surveys and complaint investigations including a long and lengthy history of  
2 violating resident rights and providing substandard care to residents throughout the class period. For  
3 example, in 2013, SOLNUS ONE, LLC dba Alameda Healthcare & Wellness Center received *thirty-*  
4 *three* notices of deficiencies from the California Department of Public Health for providing  
5 substandard care to their residents and violating resident rights. Unfortunately, the issuance of  
6 deficiencies for substandard care was not new for this facility. In 2012, SOLNUS ONE, LLC dba  
7 Alameda Healthcare & Wellness Center received *nine* notices of deficiencies for providing  
8 substandard care to its residents. In 2009, it received *eighteen* notices of deficiencies for providing  
9 substandard care to its residents.

10 179. SOLNUS FOUR, LLC dba San Pablo Healthcare & Wellness Center was found by the  
11 California Department of Public Health to be in chronic violation of applicable rules, laws and  
12 regulations via state surveys and complaint investigations including a long and lengthy history of  
13 violating resident rights and providing substandard care to residents throughout the class period. For  
14 example, in 2013, SOLNUS FOUR, LLC dba San Pablo Healthcare & Wellness Center received  
15 *thirty-seven* notices of deficiencies from the California Department of Public Health for providing  
16 substandard care to their residents and violating resident rights. Unfortunately, the issuance of  
17 deficiencies for substandard care was not new for this facility. In 2012, SOLNUS FOUR, LLC dba  
18 San Pablo Healthcare & Wellness Center received *twenty-two* notices of deficiencies for providing  
19 substandard care to its residents. In 2011, it received *thirty-four* notices of deficiencies for providing  
20 substandard care to its residents.

21 180. SOLNUS FIVE, LLC dba Hayward Healthcare & Wellness Center was found by the  
22 California Department of Public Health to be in chronic violation of applicable rules, laws and  
23 regulations via state surveys and complaint investigations including a long and lengthy history of  
24 violating resident rights and providing substandard care to residents throughout the class period. For  
25 example, in 2013, SOLNUS FIVE, LLC dba Hayward Healthcare & Wellness Center received *twelve*  
26 notices of deficiencies from the California Department of Public Health for providing substandard  
27 care to their residents and violating resident rights. Unfortunately, the issuance of deficiencies for  
28 substandard care was not new for this facility. In 2012, SOLNUS FIVE, LLC dba Hayward

1 Healthcare & Wellness Center received *nineteen* notices of deficiencies for providing substandard  
2 care to its residents. In 2010, it received *twenty-one* notices of deficiencies for providing substandard  
3 care to its residents.

4 181. SOLNUS SIX, LLC dba San Jose Healthcare & Wellness Center was found by the  
5 California Department of Public Health to be in chronic violation of applicable rules, laws and  
6 regulations via state surveys and complaint investigations including a long and lengthy history of  
7 violating resident rights and providing substandard care to residents throughout the class period. For  
8 example, in 2013, SOLNUS SIX, LLC dba San Jose Healthcare & Wellness Center received *twenty-*  
9 *seven* notices of deficiencies from the California Department of Public Health for providing  
10 substandard care to their residents and violating resident rights. Unfortunately, the issuance of  
11 deficiencies for substandard care was not new for this facility. In 2012, SOLNUS SIX, LLC dba San  
12 Jose Healthcare & Wellness Center received *twenty* notices of deficiencies for providing substandard  
13 care to its residents. In 2011, it received *twenty-one* notices of deficiencies for providing substandard  
14 care to its residents, and in 2010 it received *twenty-three* notices of deficiencies for providing  
15 substandard care to its residents and violating applicable regulations.

16 182. SOLNUS TWO, LLC dba Oakland Healthcare & Wellness Center was found by the  
17 California Department of Public Health to be in chronic violation of applicable rules, laws and  
18 regulations via state surveys and complaint investigations including a long and lengthy history of  
19 violating resident rights and providing substandard care to residents throughout the class period. For  
20 example, in 2012, SOLNUS TWO, LLC dba Oakland Healthcare & Wellness Center received  
21 *seventeen* notices of deficiencies from the California Department of Public Health for providing  
22 substandard care to their residents and violating resident rights. Unfortunately, the issuance of  
23 deficiencies for substandard care was not new for this facility. In 2011, SOLNUS TWO, LLC dba  
24 Oakland Healthcare & Wellness Center received *twenty-one* notices of deficiencies for providing  
25 substandard care to its residents. In 2009, it received *thirty-one* notices of deficiencies for providing  
26 substandard care to its residents.

27 183. SOLNUS SEVEN, LLC dba Cupertino Healthcare & Wellness Center was found by  
28 the California Department of Public Health to be in chronic violation of applicable rules, laws and

1 regulations via state surveys and complaint investigations including a long and lengthy history of  
2 violating resident rights and providing substandard care to residents throughout the class period. For  
3 example, in 2012, SOLNUS SEVEN, LLC dba Cupertino Healthcare & Wellness Center received  
4 *thirty-six* notices of deficiencies from the California Department of Public Health for providing  
5 substandard care to their residents and violating resident rights. Unfortunately, the issuance of  
6 deficiencies for substandard care was not new for this facility. In 2011, SOLNUS SEVEN, LLC dba  
7 Cupertino Healthcare & Wellness Center received *twenty* notices of deficiencies for providing  
8 substandard care to its residents. In 2010, it received *twenty-two* notices of deficiencies for providing  
9 substandard care to its residents.

10 184. SOLNUS THREE, LLC dba Roseville Point Healthcare & Wellness Center was found  
11 by the California Department of Public Health to be in chronic violation of applicable rules, laws and  
12 regulations via state surveys and complaint investigations including a long and lengthy history of  
13 violating resident rights and providing substandard care to residents throughout the class period. For  
14 example, in 2013, SOLNUS THREE, LLC dba Roseville Point Healthcare & Wellness Center  
15 received *eleven* notices of deficiencies from the California Department of Public Health for providing  
16 substandard care to their residents and violating resident rights. Unfortunately, the issuance of  
17 deficiencies for substandard care was not new for this facility. In 2012, SOLNUS THREE, LLC dba  
18 Roseville Point Healthcare & Wellness Center received *eighteen* notices of deficiencies for providing  
19 substandard care to its residents. In 2011, it received *forty-one* notices of deficiencies for providing  
20 substandard care to its residents, and in 2010 it received *twenty-two* notices of deficiencies for  
21 providing substandard care to its residents and violating applicable regulations.

22 185. SOLNUS EIGHT, LLC dba The Rehabilitation Center of Oakland was found by the  
23 California Department of Public Health to be in chronic violation of applicable rules, laws and  
24 regulations via state surveys and complaint investigations including a long and lengthy history of  
25 violating resident rights and providing substandard care to residents throughout the class period. For  
26 example, in 2013, SOLNUS EIGHT, LLC dba The Rehabilitation Center of Oakland received *sixteen*  
27 notices of deficiencies from the California Department of Public Health for providing substandard  
28 care to their residents and violating resident rights. Unfortunately, the issuance of deficiencies for



1 substandard care was not new for this facility. In 2011, SOLNUS EIGHT, LLC dba The  
2 Rehabilitation Center of Oakland received *thirty-one* notices of deficiencies for providing substandard  
3 care to its residents. In 2010, it received *eighteen* notices of deficiencies for providing substandard  
4 care to its residents.

5 186. LAWNDALE HEALTHCARE & WELLNESS CENTRE, LLC dba Lawndale Care  
6 Center was found by the California Department of Public Health to be in chronic violation of  
7 applicable rules, laws and regulations via state surveys and complaint investigations including a long  
8 and lengthy history of violating resident rights and providing substandard care to residents throughout  
9 the class period. For example, in 2013, LAWNDALE HEALTHCARE & WELLNESS CENTRE,  
10 LLC dba Lawndale Care Center received *thirty* notices of deficiencies from the California Department  
11 of Public Health for providing substandard care to their residents and violating resident rights.  
12 Unfortunately, the issuance of deficiencies for substandard care was not new for this facility. In 2012,  
13 LAWNDALE HEALTHCARE & WELLNESS CENTRE, LLC dba Lawndale Care Center received  
14 *thirty-four* notices of deficiencies for providing substandard care to its residents. In 2011, it received  
15 *twenty-one* notices of deficiencies for providing substandard care to its residents, and in 2010 it  
16 received a horrendous *fifty* notices of deficiencies for providing substandard care to its residents and  
17 violating applicable regulations.

18 187. THE HEALTHCARE CENTER OF DOWNEY, LLC dba Lakewood Park Health  
19 Center was found by the California Department of Public Health to be in chronic violation of  
20 applicable rules, laws and regulations via state surveys and complaint investigations including a long  
21 and lengthy history of violating resident rights and providing substandard care to residents throughout  
22 the class period. For example, in 2012, THE HEALTHCARE CENTER OF DOWNEY, LLC dba  
23 Lakewood Park Health Center received *twenty-nine* notices of deficiencies from the California  
24 Department of Public Health for providing substandard care to their residents and violating resident  
25 rights. Unfortunately, the issuance of deficiencies for substandard care was not new for this facility. In  
26 2011, THE HEALTHCARE CENTER OF DOWNEY, LLC dba Lakewood Park Health Center  
27 received *fiteen* notices of deficiencies for providing substandard care to its residents. In 2010, it  
28 received *eighteen* notices of deficiencies for providing substandard care to its residents.

188. SAN MARINO GARDENS WELLNESS CENTER, LP dba Pasadena Park Healthcare & Wellness Center was found by the California Department of Public Health to be in chronic violation of applicable rules, laws and regulations via state surveys and complaint investigations including a long and lengthy history of violating resident rights and providing substandard care to residents throughout the class period. For example, in 2013, SAN MARINO GARDENS WELLNESS CENTER, LP dba Pasadena Park Healthcare & Wellness Center received *seventeen* notices of deficiencies from the California Department of Public Health for providing substandard care to their residents and violating resident rights. Unfortunately, the issuance of deficiencies for substandard care was not new for this facility. In 2012, SAN MARINO GARDENS WELLNESS CENTER, LP dba Pasadena Park Healthcare & Wellness Center received *twenty-four* notices of deficiencies for providing substandard care to its residents. In 2011, it received *eighteen* notices of deficiencies for providing substandard care to its residents, and in 2010 it received *thirteen* notices of deficiencies for providing substandard care to its residents and violating applicable regulations.

189. NOTELLAGE CORPORATION dba College Vista Convalescent Hospital was found by the California Department of Public Health to be in chronic violation of applicable rules, laws and regulations via state surveys and complaint investigations including a long and lengthy history of violating resident rights and providing substandard care to residents throughout the class period. For example, in 2012, NOTELLAGE CORPORATION dba College Vista Convalescent Hospital received *nineteen* notices of deficiencies from the California Department of Public Health for providing substandard care to their residents and violating resident rights. Unfortunately, the issuance of deficiencies for substandard care was not new for this facility. In 2011, NOTELLAGE CORPORATION dba College Vista Convalescent Hospital received *twenty* notices of deficiencies for providing substandard care to its residents.

190. FOUR SEASONS HEALTHCARE & WELLNESS CENTER dba Four Seasons Healthcare & Wellness Center was found by the California Department of Public Health to be in chronic violation of applicable rules, laws and regulations via state surveys and complaint investigations including a long and lengthy history of violating resident rights and providing substandard care to residents throughout the class period. For example, in 2013, FOUR SEASONS

1 HEALTHCARE & WELLNESS CENTER dba Four Seasons Healthcare & Wellness Center received  
2 *thirteen* notices of deficiencies from the California Department of Public Health for providing  
3 substandard care to their residents and violating resident rights. Unfortunately, the issuance of  
4 deficiencies for substandard care was not new for this facility. In 2012, FOUR SEASONS  
5 HEALTHCARE & WELLNESS CENTER dba Four Seasons Healthcare & Wellness Center received  
6 *twenty-four* notices of deficiencies for providing substandard care to its residents.

7 191. At all times relevant hereto, DEFENDANTS actively and intentionally concealed from  
8 Plaintiff and members of the class the material facts alleged hereinabove in paragraphs 97 to 190. It is  
9 alleged that this concealment by DEFENDANTS was intended to deceive Plaintiff and members of  
10 the class into believing that DEFENDANTS' facilities were properly staffed to induce Plaintiff and  
11 class members into becoming residents of DEFENDANTS' facilities. That Plaintiff and members of  
12 the class, all in infirm health, elderly, and/or in need of skilled nursing care and members of one of the  
13 most vulnerable segments of our society, were unsophisticated in the operation of skilled nursing  
14 facilities in the State of California and had no knowledge of the facts concealed by DEFENDANTS  
15 and could not have discovered those concealed facts due to, among other things, their extremely  
16 vulnerable status. Had the concealed facts been disclosed to Plaintiff and members of the class, they  
17 would not have become residents of DEFENDANTS' facilities and would not have paid, or had  
18 monies paid on their behalf, for the substandard skilled nursing care at DEFENDANTS' facilities.

19 192. That at all times relevant hereto there was a such a unity of interest and ownership  
20 between the LICENSEES and the MANAGEMENT DEFENDANTS such that the individual  
21 distinctions between them had ceased and that the facts as alleged herein are such that an adherence to  
22 the fiction of the separate existence of the MANAGEMENT DEFENDANTS from that of the  
23 LICENSEES (hereinafter the MANAGEMENT DEFENDANTS and the LICENSEES shall be  
24 referred to collectively as the "DEFENDANTS") set forth hereinabove in paragraphs 5 through 61  
25 would, under the particular circumstances alleged herein, sanction a fraud and/or promote injustice.

26 193. As to every one of the co-defendant subsidiaries set forth above in paragraphs 5  
27 through 61, and based upon information and belief, there exists management and/or consulting  
28 agreements which define the terms and conditions of the MANAGEMENT DEFENDANTS' total and

1 complete control of the operations of each of the co-defendant skilled nursing facility subsidiaries, and  
2 most specifically, misrepresentations made by the facilities as to the standard and quality of the  
3 services provided. Pursuant to these management agreements with each of the skilled nursing  
4 facilities, and other mechanisms presently unknown to Plaintiff and according to proof at time of trial,  
5 the MANAGEMENT DEFENDANTS have total operational control of the facilities.

6 194. In addition to management and consulting agreements between the MANAGEMENT  
7 DEFENDANTS and the LICENSEES, it is alleged upon information and belief that the managerial  
8 and operational control that the MANAGEMENT DEFENDANTS exert over the LICENSEES is also  
9 achieved through the implementation of uniform policies and procedures that the MANAGEMENT  
10 DEFENDANTS disseminate to the LICENSEES and with which the LICENSEES and their  
11 employees and agents are mandated to comply. That these policies and procedures are uniform on a  
12 corporate-wide basis and do not differ from one defendant Facility to the next.

13 195. It is alleged upon information and belief that the managerial and operational control  
14 that the MANAGEMENT DEFENDANTS exert over the LICENSEES is further achieved through the  
15 creation and implementation of a uniform, corporate-wide employee handbook with which all  
16 employees of the LICENSEES must comply. This uniform, corporate-wide employee handbook was  
17 generated by the MANAGEMENT DEFENDANTS for mandatory use by each employee of each of  
18 the LICENSEES regardless of the location of the LICENSEE employee; that is, the employee  
19 handbook disseminated to employees is identical regardless of the employee's location and does not  
20 differ from one Defendant Facility to the next.

21 196. It is alleged upon information and belief that the managerial and operational control  
22 that the MANAGEMENT DEFENDANTS exert over the LICENSEES is further achieved through the  
23 creation and implementation of a uniform, corporate-wide employee job descriptions which uniformly  
24 set forth the job responsibilities of employees of the Defendant Facilities. These uniform, corporate-  
25 wide employee job descriptions were generated by the MANAGEMENT DEFENDANTS for  
26 mandatory use by each LICENSEE and describe the job duties of each employee regardless of the  
27 location of the employee; that is, the employee job descriptions are identical and do not differ from  
28 one Defendant Facility to the next.

1           197. While the MANAGEMENT DEFENDANTS exert complete operational control over  
2 the LICENSEES as set forth in the immediately preceding paragraphs, pursuant to applicable state law  
3 the LICENSEES also remain responsible to their licensing authority (the Department of Public  
4 Health) for their conduct in the exercise of their licenses and each has the “responsibility to see to it  
5 that the license is not used in violation of law.” *California Assn. of Health Facilities v. Department of*  
6 *Health Services* (1997) 16 Cal.4th 284, 295. In fact, Title 22 C.C.R. §72501 mandates that each  
7 LICENSEE “shall be responsible for compliance with the licensing requirements and for the  
8 organization, management, operation and control of the licensed facility. The delegation of any  
9 authority by a licensee shall not diminish the responsibilities of such licensee.” Title 22 C.C.R.  
10 §72501.

11           198. To be so responsible to the licensing authority, each of the LICENSEES must comply  
12 with applicable statutes and Title 22 regulations, which the Legislature has explicitly mandated  
13 prescribe standards of care relating to the adequacy of staffing and services to be provided.  
14 Specifically, *Health & Safety Code* §1276 states in relevant part that “the regulations adopted by the  
15 state department shall, as applicable, prescribe standards of adequacy, safety, and sanitation of the  
16 physical plant, of staffing with duly qualified licensed personnel, and of services, based on the type of  
17 health facility and the needs of the persons served thereby.” *Health & Safety Code* §1276.

18           199. Thus, DEFENDANTS’ violations of resident rights and false misrepresentations and  
19 concealments that their services are of a particular standard or quality when in fact they are not as  
20 fully alleged herein is the joint responsibility of the MANAGEMENT DEFENDANTS and the  
21 LICENSEES pursuant to the mechanisms described hereinabove and applicable provisions of the  
22 *Health & Safety Code* and Title 22 regulations. In addition, as a result of entering into management  
23 and consulting agreements, the MANAGEMENT DEFENDANTS and LICENSEES have  
24 fraudulently and unlawfully agreed and conspired together to institute and implement operational and  
25 managerial protocols and procedures that led directly to the violations of resident rights and false  
26 misrepresentations that the services to be provided are of a particular standard or quality when in fact  
27 they are not. Because the MANAGEMENT DEFENDANTS and LICENSEES are jointly responsible  
28 for the injuries suffered by Plaintiff and the class as fully alleged herein and the injuries were the

1 result of an unlawful conspiracy between the MANAGEMENT DEFENDANTS and LICENSEES,  
2 Plaintiff has standing to sue each of the named DEFENDANTS herein.

3 **FIRST CAUSE OF ACTION**  
4 **VIOLATIONS OF THE CONSUMER LEGAL REMEDIES ACT (Civil Code §1750, et seq.)**  
5 **[By PLAINTIFF Against All DEFENDANTS]**

6 200. Plaintiff refers to, and incorporates herein by this reference, paragraphs 1 through 199  
7 above, as though fully set forth herein.

8 201. The DEFENDANTS make representations to prospective residents and their families,  
9 and others similarly situated via their uniform admission agreements as set forth more fully in  
10 paragraphs 73 through 96 inclusive of this Complaint

11 202. These representations by DEFENDANTS were intended to induce and lure elderly  
12 residents (and their representatives) into agreeing to be admitted to their skilled nursing facilities  
13 based on false and misleading representations without disclosing that DEFENDANTS cannot and do  
14 not provide the represented level and quality of care to residents.

15 203. The representations DEFENDANTS made in their uniform admission agreement were  
16 false and known to be false when made as set forth more fully in paragraphs 80 through 96 inclusive  
17 of this Complaint.

18 204. Plaintiff and the class relied on these misrepresentations into becoming residents of the  
19 DEFENDANTS' facilities. In reliance of these misrepresentations, the Plaintiff and the class made  
20 payments to the DEFENDANTS in return for these services as promised. Plaintiff and the class  
21 suffered pecuniary harm in the form of lost payments and lost services when the DEFENDANTS  
22 actually failed to provide these promised skilled nursing services as represented.

23 205. As a result, Defendants have violated and continue to violate the Consumer Legal  
24 Remedies Act, *Civil Code* §1770 et seq. ("CLRA") in at least the following respects:

- 25 a. In violation of section 1770(a)(5), the defendants' acts and practices  
26 constitute misrepresentations that the skilled nursing care that they purport  
27 to provide had characteristics, standards, performance and level of quality  
28 which it did not have; and

b. In violation of section 1770(a)(7), the defendants have misrepresented that the skilled nursing care that they purport to provide is of a particular standard, quality and/or grade, when it is not.

c. In violation of section 1770(a)(9), the defendants have misrepresented the nature of their skilled nursing services with the intent not to sell them as represented.

c. In violation of section 1770(a)(14), the defendants have misrepresented that the transaction of entering into admission agreement with Defendants conferred or involved rights, remedies, or obligations which the transaction did not have or involve, or which was prohibited by law.

206. Pursuant to Section 1782, in conjunction with the filing of this complaint, Plaintiff will notify DEFENDANTS in writing of the asserted violations of Section 1770 and demanded that DEFENDANTS rectify the conduct described above.

207. If DEFENDANTS have failed to take appropriate corrective or remedial action or failed to agree to take such action within 30 days after receipt of the notice, PLAINTIFF will amend this complaint to request actual damages, plus punitive damages, interest and attorneys' fees. Pursuant to Section 1782(2), plaintiff seeks an order enjoining the above-described wrongful acts and practices of DEFENDANTS, plus costs and attorneys' fees, and any other relief which the Court deems proper.

208. Plaintiff and members of the class are "senior citizens" as defined by Section 1761(f) and meet the requirements of Section 1780(b) to each be entitled to an award of \$5,000 in addition to the other remedies available under the CLRA.

209. The Defendants' conduct as alleged in this cause of action was, and is, malicious, oppressive and/or fraudulent.

**SECOND CAUSE OF ACTION**  
**VIOLATION OF THE BUSINESS & PROFESSIONS CODE §§17200 AND 17500**  
**AGAINST ALL DEFENDANTS**

210. PLAINTIFF refers to, and incorporates herein by this reference, paragraphs 1 through 209 above, as though fully set forth herein.

211. The conduct of the DEFENDANTS, as alleged, is part of a general business practice of the DEFENDANTS, and all facilities owned, managed and/or operated by these DEFENDANTS, in the State of California, conceived and implemented by DEFENDANTS. This practice exists in part because the Defendants unreasonably expect few adverse consequences will flow from the mistreatment of their elderly and vulnerable clientele, and DEFENDANTS made a considered decision to promote profit at the expense of their statutory and regulatory obligations, as well as their moral, legal and ethical obligations to their residents. This practice exists so as to maximize profit by retaining monies that were paid to the DEFENDANTS for the care and services to be provided to residents of DEFENDANTS' facilities. That is, DEFENDANTS, for a period of four years preceding the filing of the complaint in this matter, received payment from, and/or on behalf of, Plaintiff and class members for services which were not rendered as represented, granting DEFENDANTS a windfall of profit derived from violation of law.

212. It has been expressly acknowledged by the California State Legislature that elder and infirm adults are a disadvantaged class of citizens. That it serves an important and vital State interest to protect these elders from financial abuse and pecuniary as defined in California law.

213. That in their entering into admission agreements with Plaintiff and members of the class, the DEFENDANTS violated, without limitation to that adduced through the discovery process, Health & Safety Code §§1430(b), and 1599.1(a), Civil Code §1750, et seq., and Title 22 C.C.R. §72527(a)(12) and (a)(25). The DEFENDANTS failed to meet these duties to Plaintiff and class members, in violation of law.

214. These practices constitute unfair, unlawful and fraudulent business practices within the meaning of *Business and Professions Code* §§17200, et seq.

215. That in misrepresenting and making "false claims" as to the services to be provided to their residents, the DEFENDANTS have engaged in deceptive and fraudulent business practices within the meaning of *Business and Professions Code* §§17500, et seq.

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**THIRD CAUSE OF ACTION****FRAUD****(Randi W. v. Muroc (1997) 14 Cal.4th 1066; McCall c. Pacifcare of Cal. Inc.****(2001) 25 Cal.4th. 412)****[By Plaintiff Against All Defendants]**

216. Plaintiff hereby incorporates the allegations asserted in paragraphs 1 through 215 above as though set forth below.

217. DEFENDANTS make representations to the DPH, DHCS, and CMS to secure their annual "renewal license" and to secure funding to operate DEFENDANTS' facilities.

218. To renew their licenses DEFENDANTS affirm that they "accept responsibility to comply with health and safety codes and regulations concerning licensing..." under penalty of perjury.

219. The assertions and representations DEFENDANTS make under penalty of perjury that they "accept responsibility to comply with health and safety codes and regulations concerning licensing..." were, and are, false and knowingly false when made.

220. The truth of the matter is that DEFENDANTS were and are, in chronic violation of applicable rules, laws and regulations, and have chronically underfunded and understaffed their facilities, and yet routinely failed to report these violations to licensing and other governmental agencies as required. The DEFENDANTS engaged in a systemic effort to fraudulently conceal their abject and continuing violation of applicable, rules, laws and regulations in the operation of their facilities by:

- Repeatedly failing to file "home office cost reports" with DHCS, part of an intentional effort to conceal DEFENDANTS' financial malfeasance in the operation of their facilities. (See Exhibit 3.)
- Intentionally disclosing information to DHCS, including cost reports, which are incomplete and inconsistent with information previously disclosed and which are contrary to records maintained by the California Secretary of State. (See Exhibit 3.)
- Concealing from DHCS the facilities in which the DEFENDANTS had ownership interests, in order to evade regulatory oversight of those facilities. (See Exhibit 3.)

- Fraudulently misrepresenting to DHCS that Defendants Brius Management Co., Inc. and Brius, LLC have no assets, no liabilities, no income, and no expenses. (See Exhibit 3.)
- Intentionally concealing from DHCS the DEFENDANTS' business relationships with, control of, and ownership interests in, related administrative companies including but not limited to Rockport Healthcare Services. (See Exhibit 3.)

221. That the DPH relied upon the accuracy of DEFENDANTS' representations in granting licensure to DEFENDANTS, and DHCS and CMS relied on the accuracy of DEFENDANTS' representations in authorizing Medicaid and Medicare payments to DEFENDANTS' facilities.

222. Had the DPH, DHCS and CMS in fact known that these representations by the DEFENDANTS were false they would not have granted and renewed licensure, or approved payments for DEFENDANTS' facilities and accordingly, the DEFENDANTS facilities would not have then been able to admit and injure Plaintiff and class members as alleged above.

223. When making these representations to DPH, DHCS, and CMS, the DEFENDANTS knew and could reasonably foresee that persons seeking care and services at a skilled nursing facility, such as Plaintiff and members of the class, would rely on the fact that the skilled nursing facility was licensed and sufficiently funded in choosing a facility in which to reside.

224. The DEFENDANTS, as care custodians for Plaintiff and class members, owed a duty of care to Plaintiff and class members not to intentionally misrepresent and conceal the Facilities' regulatory violations and inadequate funding of the facilities to DPH, DHCS, and CMS in licensing and licensing applications, cost reports, and other submissions to these governmental entities.

225. The DEFENDANTS made the misrepresentations to, and concealed material facts from, the DPH, DHCS, and CMS as alleged herein with the intent to induce Plaintiff and class members to be admitted to or remain in DEFENDANTS' facilities in that DEFENDANTS knew and could reasonably foresee that potential residents of their facilities such as Plaintiff and class members would not have paid, or had paid on their behalf, monies to reside at an unlicensed, underfunded, and/or understaffed skilled nursing facility.

226. Plaintiff and class members did rely on the fact that DEFENDANTS' facilities were licensed, in regulatory compliance, and adequately funded in being placed as residents at the

1 DEFENDANTS' facilities. Plaintiff and class members would not have agreed to become residents at  
2 DEFENDANTS' facilities if the true facts had been known, nor would any reasonable person.

3 227. That the reliance by Plaintiff and class members was justified. Further, a reasonable  
4 person would have relied upon the alleged misrepresentations regarding the licensure status,  
5 regulatory compliance, and funding of the DEFENDANTS' facilities such that justifiable reliance by  
6 Plaintiff and class members can also be inferred.

7 228. As the direct result of said breaches by the DEFENDANTS, Plaintiff and class  
8 members suffered injury in an amount and manner more specifically alleged above and according to  
9 proof at time of trial.

10 229. That in doing the acts alleged of herein, DEFENDANTS acted in a malicious,  
11 oppressive and /or fraudulent manner.

12 **FOURTH CAUSE OF ACTION**  
13 **VIOLATION OF RESIDENT RIGHTS (Health & Saf. Code §1430(b))**  
14 **BY PLAINTIFF AGAINST ALL DEFENDANTS**

15 230. Plaintiff refers to, and incorporates herein by this reference, paragraphs 1 through 229  
16 above, as though fully set forth herein.

17 231. *Health & Safety Code* §1430(b) creates a private right of action for any resident or  
18 patient of a skilled nursing facility against the licensee of the facility that violates any rights of the  
19 resident or patient as set forth in the Patients Bill of Rights. As reflected in *Health & Safety Code*  
20 §1599.1 and 22 CCR. §72527, the defendants have systematically violated resident rights in each of  
21 their facilities throughout the State of California.

22 232. *Health & Safety Code* §1430(b) also provides that "a current or former resident or  
23 patient of a skilled nursing facility as defined in subdivision (c) of section 1250 may bring a civil  
24 action against the licensee of a facility who violates any rights of the resident or patient as set forth in  
25 the Patients Bill of Rights in §72527 of Title 22 of the California Code of Regulations (which  
26 incorporates *Health & Safety Code* §1599.1) or any other right provided for by federal or state law or  
27 regulation."

28 233. The defendants' skilled nursing facilities systematically and systemically violated

1 myriad regulations governing the operation of skilled nursing facilities in the State of California as  
2 evidenced by citations of deficiencies issued to the defendants' facilities by the State of California  
3 Department of Public Health for the provision of substandard care to residents and the violation of  
4 regulations by these defendants as more fully set forth in this Complaint. The violations of these  
5 regulations also amount to violations of *Health & Safety Code* §1430(b).

6 234. Among other remedies, *Health & Safety Code* §1430(b) authorizes the recovery of  
7 statutory damages up to \$500.00 per violation, attorneys' fees and costs. *Health & Safety Code*  
8 §1430(b). These remedies are cumulative to any other remedies provided by law. *Health & Safety*  
9 *Code* §1430(c). Given that the violation involves elderly residents, the statutory damage award is  
10 subject to trebling under *Civil Code* §3345.

11 **WHEREFORE**, plaintiff prays for judgment as follows:

- 12 1. For a Court order certifying that the action may be maintained as a class and/or  
13 representative action;
- 14 2. For an Order permanently enjoining defendants, and each of them, from violating  
15 residents' rights pursuant to *Health & Safety Code* §1430(b). For an injunction,  
16 requiring that:
  - 17 a. the Defendants report to DPH all incidents of actual or suspected abuse or  
18 neglect (as defined by law) of which it has learned in the last three (3) years at  
19 each of their facilities, which were not reported to DPH, Adult Protective  
20 Services and/or Law Enforcement;
  - 21 b. the Defendants provide proof to the Court of compliance with the reporting  
22 requirements over the last three (3) years for any and all such incidents in the  
23 form of a copy of the report submitted to DPH;
  - 24 c. the Defendants facilities each conduct quarterly, confidential surveys of *all*  
25 residents and residents' representatives inquiring whether any conduct which  
26 may be deemed suspected abuse and/or neglect, and/or a violation of residents'  
27 rights has occurred (with a clear, court approved definition of these terms  
28 included, with examples), and requiring that the responses to these surveys be

turned over to the Long Term Care Ombudsman assigned to the pertinent facility for review. Further, after providing confidential surveys in unredacted form to the Ombudsman, the facilities shall than redact only the name of the individual residents who completed the survey (or on whose behalf the survey was completed) from the surveys, and maintain copies of those surveys for a period of five (5) years, and that the surveys be made available (with names redacted) to any prospective resident, or their representative, any current resident, or their representative, or any past resident, or their representative, within 24 hours of a request;

- d. the Defendants' facilities each notify all current residents of this injunction by providing a copy of the injunction to them and their power of attorney/responsible party and/or personal representative, if any;
- e. the Defendants' facilities each notify all future residents (at the time the admission agreement is signed) by providing a copy of this injunction during the period for which this injunction is in force to any new resident and to his or her power of attorney/responsible party and/or personal representative, if any;
- f. That this injunction shall remain in full force and effect until the earlier of either of the following; (1) ten years from the date of entry of judgment, or (2) five years if no other violations of the injunction have been found by this or any other Court of competent jurisdiction regarding Defendants' facilities. The burden of proof to obtain the shorter period shall be on the Defendants;
- g. This injunction shall be enforced by the Court upon motion of any interested party (i.e., plaintiffs or any other current or former resident (and/or their power of attorney/responsible party and/or personal representative, if any, or any employee of the Defendants' facilities) and/or the filing of a new action of any such interested party. Each separately identifiable violation of this injunction shall be punishable by a \$5,000 fine payable to the person filing the motion or bringing the action and a payment of all reasonable attorney's fees and costs

incurred by the person bringing the motion or action against the Facility for violation of the injunction. A separate, identifiable violation includes for example, each giving of a dose of medication that is not prescribed is a separate violation that each resident may demand, separately;

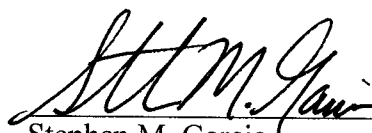
- h. the Defendants' facilities shall each draft a policy and procedure to the satisfaction of the Court covering the handling of suspected abuse and neglect reporting as well as the obligation to assess and document patients' needs *immediately* upon arrival and when an emergency occurs; and on staffing; and
- i. the Defendants' facilities shall each prepare a training program to the satisfaction of the Court to train its staff on the new policies and procedures; and shall submit verification, under oath, of compliance with that training program by all employees of each of the facilities within 12 months, and then repeated annually during the term of this judgment;

- 3. For attorneys fees and costs as allowed by law according to proof at the time of trial, including, but not limited to attorneys' fees pursuant to *Code of Civil Procedure* §1021.5 and *Health & Safety Code* §1430(b);
- 4. For punitive damages as allowed by law;
- 5. For statutory damages and penalties pursuant to *Health & Safety Code* §1430(b) (as it relates to the Fourth Cause of Action only);
- 6. For treble damages pursuant to *Civil Code* §3345 (as it relates to the Second Cause of Action only);
- 7. For such other and further relief as the Court may deem just and proper.

DATED: October 6, 2014

GARCIA, ARTIGLIERE & MEDBY

By:



Stephen M. Garcia

David M. Medby

Attorneys for Plaintiff

EXHIBIT

1

**CALIFORNIA STANDARD ADMISSION AGREEMENT  
FOR SKILLED NURSING FACILITIES  
AND INTERMEDIATE CARE FACILITIES**

**State of California  
Health and Human Services Agency  
California Department of Public Health**





# **CALIFORNIA STANDARD ADMISSION AGREEMENT FOR SKILLED NURSING FACILITIES AND INTERMEDIATE CARE FACILITIES**

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# **CALIFORNIA STANDARD ADMISSION AGREEMENT FOR SKILLED NURSING FACILITIES AND INTERMEDIATE CARE FACILITIES**

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Resident Name: \_\_\_\_\_

Admission Date: \_\_\_\_\_ Resident Number: \_\_\_\_\_

Facility Name: \_\_\_\_\_

**CALIFORNIA STANDARD ADMISSION AGREEMENT**  
**FOR SKILLED NURSING FACILITIES AND INTERMEDIATE CARE FACILITIES**

**I. Preamble**

The California Standard Admission Agreement is an admission contract that this Facility is required by state law and regulation to use. It is a legally binding agreement that defines the rights and obligations of each person (or party) signing the contract. Please read this Agreement carefully before you sign it. If you have any questions, please discuss them with Facility staff before you sign the agreement. You are encouraged to have this contract reviewed by your legal representative, or by any other advisor of your choice, before you sign it.

You may also call the Office of the State Long Term Care Ombudsman at 1-800-231-4024, for more information about this Facility. The report of the most recent state licensing visit to our facility is posted at the entrance to the unit, and a copy of it or of reports of prior inspections may be obtained from the local office of the California Department of Public Health (CDPH), Licensing and Certification Division  
850 Marina Bay Pkwy. Building P Richmond, CA 94804  
*(Location of District Office)*

If our facility participates in the Medi-Cal or Medicare programs, we will keep survey, certification and complaint investigation reports for the past three years and will make these reports available for anyone to review upon request.

If you are able to do so, you are required to sign this Agreement in order to be admitted to this Facility. If you are not able to sign this Agreement, your representative may sign it for you. You shall not be required to sign any other document at the time of, or as a condition of, admission to this Facility.

**II. Identification of Parties to this Agreement**

**DEFINITIONS**

In order to make this Agreement more easily understood, references to “we,” “our,” “us,” “the Facility,” or “our Facility” are references to:

Home for Jewish Parents

\_\_\_\_\_  
*(Insert the Name of the Facility as it appears on its License)*

Attachment A provides you with the name of the owner and licensee of this facility, and the name and contact information of a single entity responsible for all aspects of patient care and operation at this facility.

References to “you,” “your,” “Patient,” or “Resident” are references to \_\_\_\_\_, the person who will be receiving care in this Facility. For purposes of this Agreement, “Resident” has the same meaning as “Patient.”

The parties to this agreement are the Resident, the Facility, and the Resident’s Representative. References to the “Resident’s Representative” are references to: \_\_\_\_\_, the person who will sign on your behalf to admit you to this Facility, and/or who is authorized to make decisions for you in the event that you are unable to. To the extent permitted by law, you may designate a person as your Representative at any time.

Note: the person indicated as your “**Resident’s Representative**” may be a family member, or by law, any of the following: a conservator, a person designated under the Resident’s Advance Health Care Directive or Power of Attorney for Health Care, the Resident’s next of kin, any other person designated by the Resident consistent with State law, a person authorized by a court, or, if the Resident is a minor, a person authorized by law to represent the minor.

Signing this Agreement as a Resident’s Representative does not, in and of itself, make the Resident’s Representative liable for the Resident’s debts. However, a Resident’s Representative acting as the Resident’s financial conservator or otherwise responsible for distribution of the Resident’s monies shall provide reimbursements from the Resident’s assets to the Facility in compliance with Section V. of the agreement.

**IF OUR FACILITY PARTICIPATES IN THE MEDI-CAL OR MEDICARE PROGRAM, OUR FACILITY DOES NOT REQUIRE THAT YOU HAVE ANYONE GUARANTEE PAYMENT FOR YOUR CARE BY SIGNING OR COSIGNING THIS ADMISSION AGREEMENT AS A CONDITION OF ADMISSION.**

The Parties to this Agreement are:

Resident: \_\_\_\_\_  
(Type or Print Resident’s Name Here)

Resident’s Representative: \_\_\_\_\_  
(Type or Print Representative’s Name Here)

Relationship: \_\_\_\_\_

Facility: Home for Jewish Parents  
(Type or Print the Facility’s Name as it appears on the License)

### **III. Consent to Treatment**

The Resident hereby consents to routine nursing care provided by this Facility, as well as emergency care that may be required.

However, you have the right, to the extent permitted by law, to refuse any treatment and the right to be informed of potential medical consequences should you refuse treatment. We will keep you informed about the routine nursing and emergency care we provide to you, and we will answer your questions about the care and services we provide you.

If you are, or become, incapable of making your own medical decisions, we will follow the direction of a person with legal authority to make medical treatment decisions on your behalf, such as a guardian, conservator, next of kin, or a person designated in an Advance Health Care Directive or Power of Attorney for Health Care.

Following admission, we encourage you to provide us with an Advance Health Care Directive specifying your wishes as to the care and services you want to receive in certain circumstances. However, you are not required to prepare one, or to provide us a copy of one, as a condition of admission to our Facility. If you already have an Advance Health Care Directive, it is important that you provide us with a copy so that we may inform our staff.

If you do not know how to prepare an Advance Health Care Directive and wish to prepare one, we will help you find someone to assist you in doing so.

### **IV. Your Rights as a Resident**

Residents of this Facility keep all their basic rights and liberties as a citizen or resident of the United States when, and after, they are admitted. Because these rights are so important, both federal and state laws and regulations describe them in detail, and state law requires that a comprehensive Resident Bill of Rights be attached to this Agreement.

Attachment F, entitled "Resident Bill of Rights," lists your rights, as set forth in State and Federal law. For your information, the attachment also provides the location of your rights in statute.

Violations of state laws and regulations identified above may subject our Facility and our staff to civil or criminal proceedings. You have the right to voice grievances to us without fear of any reprisal, and you may submit complaints or any questions or concerns you may have about our services or your rights to the local office of the California Department of Public Health, Licensing and Certification District Office \_\_\_\_\_, or to the State Long-Term Care Ombudsman (see page 1 for contact information).

You should review the attached "Resident Bill of Rights" very carefully. To acknowledge that you have been informed of the "Resident Bill of Rights," please sign here:

\_\_\_\_\_

**V. Financial Arrangements**

Beginning on \_\_\_\_\_(date), we will provide routine nursing and emergency care and other services to you in exchange for payment.

Our Facility has been approved to receive payment from the following government insurance programs: \_\_\_\_\_**Medi-Cal** \_\_\_\_\_**Medicare**

At the time of admission, payment for the care we provide to you will be made by:

\_\_\_\_\_ **Resident (Private Pay)**

\_\_\_\_\_ **Medi-Cal**

\_\_\_\_\_ **Medicare Part A**

**Medicare Part B:** \_\_\_\_\_

\_\_\_\_\_ **Private Insurance:** \_\_\_\_\_  
(Enter Insurance Company Name and Policy Number)

\_\_\_\_\_ **Managed Care Organization:** \_\_\_\_\_

\_\_\_\_\_ **Other:** \_\_\_\_\_

**Resident's Share of Cost.** Medi-Cal, Medicare, or a private payor may require that the Resident pay a co-payment, co-insurance, or a deductible, all of which the Facility considers to be the Resident's share of cost. Failure by the Resident to pay his or her share of cost is grounds for involuntary discharge of the Resident.

If you do not know whether your care in our Facility can be covered by Medi-Cal or Medicare, we will help you get the information you need. You should note that, if our Facility does not participate in Medi-Cal or Medicare and you later want these programs to cover the cost of your care, you may be required to leave our Facility.

**[APPLICABLE ONLY IF DATE IS ENTERED:]** On \_\_\_\_\_(date) our Facility notified the California Department of Health Care Services of our intent to withdraw from the Medi-Cal Program. If you are admitted after that date, we cannot accept Medi-Cal reimbursement on your behalf, and we will not be required to retain you as a Resident if you convert to Medi-Cal reimbursement during your stay here. If, on the other hand, you were a Resident here on that date, we are required to accept Medi-Cal reimbursement on your behalf, even if you become eligible for Medi-Cal reimbursement after that date.

**YOU SHOULD BE AWARE THAT NO FACILITY THAT PARTICIPATES IN THE MEDI-CAL PROGRAM MAY REQUIRE ANY RESIDENT TO REMAIN IN PRIVATE PAY STATUS FOR ANY PERIOD OF TIME BEFORE CONVERTING TO MEDI-CAL COVERAGE. NOR, AS A CONDITION OF ADMISSION OR CONTINUED STAY IN SUCH A FACILITY, MAY THE FACILITY REQUIRE ORAL OR WRITTEN ASSURANCE FROM A RESIDENT THAT HE OR SHE IS NOT ELIGIBLE FOR, OR WILL NOT APPLY FOR, MEDICARE OR MEDI-CAL BENEFITS.**

**A. Charges for Private Pay Residents**

Our Facility charges the following basic daily rates:

\$ \_\_\_\_\_ for a private, single bed room

\$ \_\_\_\_\_ for a room with two beds

\$ \_\_\_\_\_ for a room with three beds

\$ \_\_\_\_\_ for \_\_\_\_\_  
(Specify any other accommodation here)

The basic daily rate for private pay and privately insured Residents includes payment for the services and supplies described in **Attachment B-1**.

The basic daily rate will be charged for the day of admission, but not for any day beyond the day of discharge or death. However, if you are voluntarily discharged from the Facility less than 3 days after the date of admission, we may charge you for a maximum of 3 days at the basic daily rate.

We will provide you with a 30-day written notice before increasing the basic daily rate, unless the increase is required because the State increases the Medi-Cal rate to a level higher than our regular rate. In this case, state law waives the 30-day notification.

**Attachment B-2** lists for private pay and privately insured Residents optional supplies and services not included in our basic daily rate, and our charges for those supplies and services. We will only charge you for optional supplies and services that you specifically request, unless the supply or service was required in an emergency. We will provide you a 30-day written notice before any increase in charges for optional supplies and services.

If you become eligible for Medi-Cal at any time after your admission, the services and supplies included in the daily rate may change, and also the list of optional supplies and services. At the time Medi-Cal confirms it will pay for your stay in this Facility, we will review and explain any changes in coverage.

**B. Security Deposits**

If you are a private pay or privately insured Resident, we require a security deposit of \$\_\_\_\_\_.

We will return the security deposit to you, with no deduction for administration or handling charges, within 14 days after you close your private account or we receive payment from Medi-Cal, whichever is later.

If your care in our Facility is covered by Medi-Cal or Medicare, no security deposit is required.

**C. Charges for Medi-Cal, Medicare, or Insured Residents**

**IF YOU ARE APPROVED FOR MEDI-CAL COVERAGE AFTER YOU ARE ADMITTED TO OUR FACILITY, YOU MAY BE ENTITLED TO A REFUND. WE WILL REFUND TO YOU ANY PAYMENTS YOU MADE FOR SERVICES AND SUPPLIES THAT ARE LATER PAID FOR BY MEDI-CAL, LESS ANY DEDUCTIBLE OR SHARE OF COST. WHEN OUR FACILITY RECEIVES PAYMENT FROM THE MEDI-CAL PROGRAM, WE WILL ISSUE A REFUND TO YOU.**

If you are entitled to benefits under Medi-Cal, Medicare, or private insurance, and if we are a participating Provider, we agree to accept payment from them for our basic daily rate. **NEITHER YOU NOR YOUR REPRESENTATIVE SHALL BE REQUIRED TO PAY PRIVATELY FOR ANY MEDI-CAL COVERED SERVICES PROVIDED TO YOU DURING THE TIME YOUR STAY HAS BEEN APPROVED FOR PAYMENT BY MEDI-CAL. UPON PRESENTATION OF THE MEDI-CAL CARD OR OTHER PROOF OF ELIGIBILITY, THE FACILITY SHALL SUBMIT A MEDI-CAL CLAIM FOR REIMBURSEMENT.** However, you are still responsible for paying all deductibles, copayments, coinsurance, and charges for services and supplies that are not covered by Medi-Cal, Medicare, or your insurance. Please note that our Facility does not determine the amount of any deductible, copayment, or coinsurance you may be required to pay; rather, Medi-Cal, Medicare, or your insurance carrier determines these amounts.

**Attachments C-1, C-2, and C-3** describe the services covered by the Medi-Cal daily rate, services that are covered by Medi-Cal but are not included in the daily rate, and services that are not covered by Medi-Cal but are available if you wish to pay for them.

**Attachments D-1 and D-2** describe the services covered by Medicare, and services that are not covered by Medicare but are available if you wish to pay for them.

You should note that Medi-Cal will only pay for covered supplies and services if they are medically necessary. If Medi-Cal determines that a supply or service is not medically necessary, we will ask whether you still want that supply or service and if you are willing to pay for it yourself.



We will only charge you for optional supplies and services that you specifically request, unless the supply or service was required in an emergency. We will provide you a 30-day written notice before any increase in charges for optional supplies and services.

#### **D. Billing and Payment**

We will provide to you an itemized statement of charges that you must pay every month. You agree to pay the account monthly on the 1<sup>st</sup> of each month (enter day of month).

Payment is overdue 10 days after the due date. A late charge at an interest rate of 12 % is charged on past due accounts and is calculated as follows:

Annually if account is more than 30 days past due

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#### **E. Payment of Other Refunds Due To You**

As indicated in **Section C.** above, refunds may be due to you as a result of Medi-Cal paying for services and supplies you had purchased before your eligibility for Medi-Cal was approved or for any security deposit you may have made. At the time of your discharge, you may also be due other refunds, such as unused advance payments you may have made for optional services not covered by the daily rate. We will refund any money due to you within 14 days of your leaving our Facility. We will not deduct any administration or handling charges from any refund due to you.

#### **VI. Transfers and Discharges**

We will help arrange for your voluntary discharge or transfer to another facility.

Except in an emergency, we will not transfer you to another room within our Facility against your wishes, unless we give prior reasonable written notice to you, determined on a case by case basis, in accord with applicable state and federal requirements. For example, you have a right to refuse the transfer if the purpose of the transfer is to move you to or from a Medicare-certified bed.

Our written notice of transfer to another facility or discharge against your wishes will be provided 30 days in advance. However, we may provide less than 30 days notice if the reason for the transfer or discharge is to protect your health and safety or the health and safety of other individuals, if your improved health allows for a shorter notice, or if you have been in our Facility for less than 30 days. Our written notice will include the effective date, the location to which you will be transferred or discharged, and the reason the action is necessary.

The only reasons that we can transfer you to another facility or discharge you against your wishes are:

- 1) It is required to protect your well-being, because your needs cannot be met in our Facility;
- 2) It is appropriate because your health has improved enough that you no longer need the services of our Facility;
- 3) Your presence in our Facility endangers the health and safety of other individuals;
- 4) You have not paid for your stay in our Facility or have not arranged to have payment made under Medicare, Medi-Cal, or private insurance;
- 5) Our Facility ceases to operate.
- 6) Material or fraudulent misrepresentation of your finances to us.

If we participate in Medi-Cal or Medicare, we will not transfer you from the Facility or discharge you solely because you change from private pay or Medicare to Medi-Cal payment.

In our written notice, we will advise you that you have the right to appeal the transfer or discharge to the California Department of Health Care Services and we will also provide the name, address, and telephone number of the State Long-Term Care Ombudsman.

If you are transferred or discharged against your wishes, we will provide transfer and discharge planning as required by law.

## **VII. Bed Holds and Readmission**

If you must be transferred to an acute hospital for seven days or less, we will notify you or your representative that we are willing to hold your bed. You or your representative have 24 hours after receiving this notice to let us know whether you want us to hold your bed for you.

If Medi-Cal is paying for your care, then Medi-Cal will pay for up to seven days for us to hold the bed for you. If you are not eligible for Medi-Cal and the daily rate is not covered by your insurance, then you are responsible for paying \$\_\_\_\_\_ for each day we hold the bed for you. You should be aware that Medicare does not cover costs related to holding a bed for you in these situations.

If we do not follow the notification procedure described above, we are required by law (Title 22 California Code of Regulations Sections 72520(c) and 73504(c)) to offer you the next available appropriate bed in our Facility.

You should also note that, if our Facility participates in Medi-Cal and you are eligible for Medi-Cal, if you are away from our Facility for more than seven days due to hospitalization or other medical treatment, we will readmit you to the first available bed in a semi-private room if you need the care provided by our Facility and wish to be readmitted.

#### **VIII. Personal Property and Funds**

Our Facility has a theft and loss prevention program as required by state law. At the time you are admitted, we will give you a copy of our policies and procedures regarding protection of your personal property, as well as copies of the state laws that require us to have these policies and procedures.

If our Facility participates in Medi-Cal or Medicare and you give us your written authorization, we will agree to hold personal funds for you in a manner consistent with all federal and state laws and regulations. If we are not certified for Medi-Cal or Medicare, we may offer these services but are not required to. You are not required to allow us to hold your personal funds for you as a condition of admission to our Facility. At your request, we will provide you with our policies, procedures, and authorization forms related to our holding your personal funds for you.

#### **IX. Photographs**

You agree that we may take photographs of you for identification and health care purposes. We will not take a photograph of you for any other purpose, unless you give us your prior written permission to do so.

#### **X. Confidentiality of Your Medical Information**

You have a right to confidential treatment of your medical information. You may authorize us to disclose medical information about you to a family member or other person by completing the "Authorization for Disclosure of Medical Information" form in **Attachment E**.

#### **XI. Facility Rules and Grievance Procedure**

You agree to comply with reasonable rules, policies and procedures that we establish. When you are admitted, we will give you a copy of those rules, policies, and procedures, including a procedure for you to suggest changes to them.

A copy of the Facility grievance procedure, for resolution of resident complaints about Facility practices, is available; we will also give you a copy of our grievance procedure for resolution of any complaints you may have about our Facility. You may also contact the following agencies about any grievance or complaint you may have:

**California Department of Public Health**  
**\_\_\_\_\_ Licensing and Certification District Office**

**Phone number: 510-620-3900**

**(OR)**

**State Long-Term Care Ombudsman Program**

**Phone number: 510-685-2070**

**XII. Entire Agreement**

This Agreement and the Attachments to it constitute the entire Agreement between you and us for the purposes of your admission to our Facility. There are no other agreements, understandings, restrictions, warranties, or representations between you and us as a condition of your admission to our Facility. This Agreement supersedes any prior agreements or understandings regarding your admission to our Facility.

All captions and headings are for convenience purposes only, and have no independent meaning.

If any provision of this Agreement becomes invalid, the remaining provisions shall remain in full force and effect.

The Facility's acceptance of a partial payment on any occasion does not constitute a continuing waiver of the payment requirements of the Agreement, or otherwise limit the Facility's rights under the Agreement.

This Agreement shall be construed according to the laws of the State of California.

Other than as noted for a duly authorized Resident's Representative, the Resident may not assign or otherwise transfer his or her interests in this Agreement.

Upon your request, we shall provide you or your legal representative with a copy of the signed agreement, all attachments and any other documents you sign at admission and shall provide you with a receipt for any payments you make at admission.

**By signing below, the Resident and the Facility agree to the terms of this Admission Agreement:**

\_\_\_\_\_  
Representative of the Facility

\_\_\_\_\_  
Date

\_\_\_\_\_  
Resident

\_\_\_\_\_  
Date

\_\_\_\_\_  
Resident's Representative – if applicable

\_\_\_\_\_  
Date

EXHIBIT

2

## **ATTACHMENT F**

### **RESIDENT BILL OF RIGHTS**

**The State of California Department of Public Health (CDPH) has prepared this comprehensive Resident Bill of Rights for people who are receiving care in skilled nursing or intermediate care facilities.**

**If you have any questions about what the statements in this Resident Bill of Rights mean, you may look them up in the laws or regulations. The rights are found in state laws and regulations under California Health and Safety Code Section 1599; Title 22 of the California Code of Regulations, Section 72527 for Skilled Nursing Facilities, and Section 73523 for Intermediate Care Facilities; and Chapter 42 of the Code of Federal Regulations, Chapter IV, Part 483.10 et seq. The California Health and Safety Code is abbreviated as “HSC,” Title 22 of the California Code of Regulations is abbreviated as “22CCR,” and Title 42 of the Code of Federal Regulations is abbreviated as “42CFR.”**

**You may also contact the Office of the State Long-Term Care Ombudsman at 1-800-231- 4024, or the local District Office of the CDPH Licensing and Certification Division 510-620-3900 if you have any questions about the meaning of these rights.**

### **RESIDENT BILL OF RIGHTS**

## **California Code of Regulations Title 22**

### **Section 72527. Skilled Nursing Facilities**

(a) Patients have the rights enumerated in this section and the facility shall ensure that these rights are not violated. The facility shall establish and implement written policies and procedures which include these rights and shall make a copy of these policies available to the patient and to any representative of the patient. The policies shall be accessible to the public upon request. Patients shall have the right:

- (1) To be fully informed, as evidenced by the patient's written acknowledgement prior to or at the time of admission and during stay, of these rights and of all rules and regulations governing patient conduct.
- (2) To be fully informed, prior to or at the time of admission and during stay, of services available in the facility and of related charges, including any charges for services not covered by the facility's basic per diem rate or not covered under Titles XVIII or XIX of the Social Security Act.
- (3) To be fully informed by a physician of his or her total health status and to be afforded the opportunity to participate on an immediate and ongoing basis in the total plan of care including the identification of medical, nursing and psychosocial needs and the planning of related services.
- (4) To consent to or to refuse any treatment or procedure or participation in experimental research.
- (5) To receive all information that is material to an individual patient's decision concerning whether to accept or refuse any proposed treatment or procedure. The disclosure of material information for administration of psychotherapeutic drugs or physical restraints or the prolonged use of a device that may lead to the inability to regain



use of a normal bodily function shall include the disclosure of information listed in Section 72528(b) .

- (6) To be transferred or discharged only for medical reasons, or the patient's welfare or that of other patients or for nonpayment for his or her stay and to be given reasonable advance notice to ensure orderly transfer or discharge. Such actions shall be documented in the patient's health record.
- (7) To be encouraged and assisted throughout the period of stay to exercise rights as a patient and as a citizen, and to this end to voice grievances and recommend changes in policies and services to facility staff and/or outside representatives of the patient's choice, free from restraint, interference, coercion, discrimination or reprisal.
- (8) To be free from discrimination based on sex, race, color, religion, ancestry, national origin, sexual orientation, disability, medical condition, marital status, or registered domestic partner status.
- (9) To manage personal financial affairs, or to be given at least a quarterly accounting of financial transactions made on the patient's behalf should the facility accept written delegation of this responsibility subject to the provisions of Section 72529.
- (10) To be free from mental and physical abuse.
- (11) To be assured confidential treatment of financial and health records and to approve or refuse their release, except as authorized by law.
- (12) To be treated with consideration, respect and full recognition of dignity and individuality, including privacy in treatment and in care of personal needs.
- (13) Not to be required to perform services for the facility that are not included for therapeutic purposes in the patient's plan of care.
- (14) To associate and communicate privately with persons of the patient's choice, and to send and receive personal mail unopened.

- (15) To meet with others and participate in activities of social, religious and community groups.
- (16) To retain and use personal clothing and possessions as space permits, unless to do so would infringe upon the health, safety or rights of the patient or other patients.
- (17) If married or registered as a domestic partner, to be assured privacy for visits by the patient's spouse or registered domestic partner and if both are patients in the facility, to be permitted to share a room.
- (18) To have daily visiting hours established.
- (19) To have visits from members of the clergy at any time at the request of the patient or the patient's representative.
- (20) To have visits from persons of the patient's choosing at any time if the patient is critically ill, unless medically contraindicated.
- (21) To be allowed privacy for visits with family, friends, clergy, social workers or for professional or business purposes.
- (22) To have reasonable access to telephones and to make and receive confidential calls.
- (23) To be free from any requirement to purchase drugs or rent or purchase medical supplies or equipment from any particular source in accordance with the provisions of Section 1320 of the Health and Safety Code.
- (24) To be free from psychotherapeutic drugs and physical restraints used for the purpose of patient discipline or staff convenience and to be free from psychotherapeutic drugs used as a chemical restraint as defined in Section 72018, except in an emergency which threatens to bring immediate injury to the patient or others. If a chemical restraint is administered during an emergency, such medication shall be only that which is required to treat the emergency condition and shall be provided in ways that are least restrictive of the personal liberty of the patient and used only for a specified and limited period of time.

- (25) Other rights as specified in Health and Safety Code, Section 1599.1.
- (26) Other rights as specified in Welfare and Institutions Code, Sections 5325 and 5325.1, for persons admitted for psychiatric evaluations or treatment.
- (27) Other rights as specified in Welfare and Institutions Code Sections 4502, 4503 and 4505 for patients who are developmentally disabled as defined in Section 4512 of the Welfare and Institutions Code.
- (b) A patient's rights, as set forth above, may only be denied or limited if such denial or limitation is otherwise authorized by law. Reasons for denial or limitation of such rights shall be documented in the patient's health record.
- (c) If a patient lacks the ability to understand these rights and the nature and consequences of proposed treatment, the patient's representative shall have the rights specified in this section to the extent the right may devolve to another, unless the representative's authority is otherwise limited. The patient's incapacity shall be determined by a court in accordance with state law or by the patient's physician unless the physician's determination is disputed by the patient or patient's representative.
- (d) Persons who may act as the patient's representative include a conservator, as authorized by Parts 3 and 4 of Division 4 of the Probate Code (commencing with Section 1800), a person designated as attorney in fact in the patient's valid Durable Power of Attorney for Health Care, patient's next of kin, other appropriate surrogate decisionmaker designated consistent with statutory and case law, a person appointed by a court authorizing treatment pursuant to Part 7 (commencing with Section 3200) of Division 4 of the Probate Code, or, if the patient is a minor, a person lawfully authorized to represent the minor.
- (e) Patients' rights policies and procedures established under this section concerning consent, informed consent and refusal of treatments or procedures shall include, but not be limited to the following:

- (1) How the facility will verify that informed consent was obtained or a treatment or procedure was refused pertaining to the administration of psychotherapeutic drugs or physical restraints or the prolonged use of a device that may lead to the inability of the patient to regain the use of a normal bodily function.
- (2) How the facility, in consultation with the patient's physician, will identify consistent with current statutory case law, who may serve as a patient's representative when an incapacitated patient has no conservator or attorney in fact under a valid Durable Power of Attorney for Health Care.

### **Section 73523. Intermediate Care Facilities**

(a) Patients have the rights enumerated in this section and the facility shall ensure that these rights are not violated. The facility shall establish and implement written policies and procedures which include these rights and shall make a copy of these policies available to the patient and to any representative of the patient. The policies shall be accessible to the public upon request. Patients shall have the right:

- (1) To be fully informed, as evidenced by the patient's written acknowledgment prior to or at the time of admission and during stay, of these rights and of all rules and regulations governing patient conduct.
- (2) To be fully informed, prior to or at the time of admission and during stay, of services available in the facility and of related charges, including any charges for services not covered by the facilities' basic per diem rate or not covered under Title XVIII or XIX of the Social Security Act.
- (3) To be fully informed by a physician of his or her total health status and to be afforded the opportunity to participate on an immediate and ongoing basis in the total plan of care including the identification of medical, nursing, and psychosocial needs and the planning of related services.

- (4) To consent to or to refuse any treatment or procedure or participation in experimental research.
- (5) To receive all information that is material to an individual patient's decision concerning whether to accept or refuse any proposed treatment or procedure. The disclosure of material information for administration of psychotherapeutic drugs or physical restraints, or the prolonged use of a device that may lead to the inability to regain use of a normal bodily function shall include the disclosure of information listed in Section 73524(c).
- (6) To be transferred or discharged only for medical reasons, or the patient's welfare or that of other patients or for nonpayment for his or her stay and to be given reasonable advance notice to ensure orderly transfer or discharge. Such actions shall be documented in the patient's health record.
- (7) To be encouraged and assisted throughout the period of stay to exercise rights as a patient and as a citizen, and to this end to voice grievances and recommend changes in policies and services to facility staff and/or outside representatives of the patient's choice, free from restraint, interference, coercion, discrimination or reprisal.
- (8) To manage personal financial affairs, or to be given at least a quarterly accounting of financial transactions made on the patient's behalf should the facility accept his or her written delegation of this responsibility subject to the provisions of Section 73557.
- (9) To be free from mental and physical abuse.
- (10) To be assured confidential treatment of financial and health records and to approve or refuse their release, except as authorized by law.
- (11) To be treated with consideration, respect and full recognition of dignity and individuality, including privacy in treatment and in care for personal needs.
- (12) To be free from discrimination based on sex, race, color, religion, ancestry, national origin, sexual orientation, disability, medical condition, marital status, or registered domestic partner status.

- (13) Not to be required to perform services for the facility that are not included for therapeutic purposes in the patient's plan of care.
- (14) To associate and communicate privately with persons of the patient's choice, and to send and receive his or her personal mail unopened.
- (15) To meet with and participate in activities of social, religious and community groups at the patient's discretion.
- (16) To retain and use his or her personal clothing and possessions as space permits, unless to do so would infringe upon the health, safety or rights of the patient or other patients.
- (17) If married or registered as a domestic partner, to be assured privacy for visits by the patient's spouse or registered domestic partner and if both are patients in the facility, to be permitted to share a room.
- (18) To have daily visiting hours established.
- (19) To have visits from members of the clergy at the request of the patient or the patient's representative.
- (20) To have visits from persons of the patient's choosing at any time if the patient is critically ill, unless medically contraindicated.
- (21) To be allowed privacy for visits with family, friends, clergy, social workers or for professional or business purposes.
- (22) To have reasonable access to telephones both to make and receive confidential calls.
- (23) To be free from any requirement to purchase drugs or rent or purchase medical supplies or equipment from any particular source in accordance with the provisions of Section 1320 of the Health and Safety Code.
- (24) To be free from psychotherapeutic and/or physical restraints used for the purpose of patient discipline or staff convenience and to be

free from psychotherapeutic drugs used as a chemical restraint as defined in Section 73012, except in an emergency which threatens to bring immediate injury to the patient or others. If a chemical restraint is administered during an emergency, such medication shall be only that which is required to treat the emergency condition and shall be provided in ways that are least restrictive of the personal liberty of the patient and used only for a specified and limited period of time.

(25) Other rights as specified in Health and Safety Code Section 1599.1.

(26) Other rights as specified in Welfare and Institutions Code Sections 5325 and 5325.1 for persons admitted for psychiatric evaluations or treatment.

(27) Other rights as specified in Welfare and Institutions Code, Sections 4502, 4503 and 4505 for patients who are developmentally disabled as defined in Section 4512 of the Welfare and Institutions Code.

(b) A patient's rights as set forth above may only be denied or limited if such denial or limitation is otherwise authorized by law. Reasons for denial or limitation of such rights shall be documented in the patient's health record.

(c) If a patient lacks the ability to understand these rights and the nature and consequences of proposed treatment, the patient's representative shall have the rights specified in this section to the extent the right may devolve to another, unless the representative's authority is otherwise limited. The patient's incapacity shall be determined by a court in accordance with state law or by the patient's licensed healthcare practitioner acting within the scope of his or her professional licensure unless the determination of the licensed healthcare practitioner acting within the scope of his or her professional licensure is disputed by the patient or patient's representative.

(d) Persons who may act as the patient's representative include a conservator, as authorized by Parts 3 and 4 of Division 4 of the Probate Code (commencing with Section 1800), a person designated as attorney in fact in the patient's valid Durable Power of Attorney for Health Care, patient's next of kin, other appropriate surrogate decisionmaker, designated consistent with statutory and case law, a person appointed by a court

authorizing treatment pursuant to Part 7 (commencing with Section 3200) of Division 4 of the Probate Code, or, if the patient is a minor, informed consent must be obtained from a person lawfully authorized to represent the minor.

(e) Patients' rights policies and procedures established under this section concerning consent, informed consent and refusal of treatments or procedures shall include, but not be limited to the following:

- (1) How the facility will verify that informed consent was obtained pertaining to the administration of psychotherapeutic drugs or physical restraints or the prolonged use of a device that may lead to the inability of the patient to regain the use of a normal bodily function.
- (2) How the facility, in consultation with the patient's licensed healthcare practitioner acting within the scope of his or her professional licensure, will identify, consistent with current statutory and case law, who may serve as a patient's representative when an incapacitated patient has no conservator or attorney in fact under a valid Durable Power of Attorney for Health Care.

## **California Health & Safety Code Section 1599**

### **1599.1. Written policies; rights of patients and facility obligations**

Written policies regarding the rights of patients shall be established and shall be made available to the patient, to any guardian, next of kin, sponsoring agency or representative payee, and to the public. Those policies and procedures shall ensure that each patient admitted to the facility has the following rights and is notified of the following facility obligations, in addition to those specified by regulation:

- (a) The facility shall employ an adequate number of qualified personnel to carry out all of the functions of the facility.



- (b) Each patient shall show evidence of good personal hygiene, be given care to prevent bedsores, and measures shall be used to prevent and reduce incontinence for each patient.
- (c) The facility shall provide food of the quality and quantity to meet the patients' needs in accordance with physicians' orders.
- (d) The facility shall provide an activity program staffed and equipped to meet the needs and interests of each patient and to encourage self-care and resumption of normal activities. Patients shall be encouraged to participate in activities suited to their individual needs.
- (e) The facility shall be clean, sanitary, and in good repair at all times.
- (f) A nurses' call system shall be maintained in operating order in all nursing units and provide visible and audible signal communication between nursing personnel and patients. Extension cords to each patient's bed shall be readily accessible to patients at all times.
- (g)(1) If a facility has a significant beneficial interest in an ancillary health service provider or if a facility knows that an ancillary health service provider has a significant beneficial interest in the facility, as provided by subdivision (a) of Section 1323 (see below), or if the facility has a significant beneficial interest in another facility, as provided by subdivision (c) of Section 1323 (see below), the facility shall disclose that interest in writing to the patient, or his or her representative, and advise the patient, or his or her representative, that the patient may choose to have another ancillary health service provider, or facility, as the case may be, provide any supplies or services ordered by a member of the medical staff of the facility.  
  
(2) A facility is not required to make any disclosures required by this subdivision to any patient, or his or her representative, if the patient is enrolled in an organization or entity which provides or arranges for the provision of health care services in exchange for a prepaid capitation payment or premium.
- (h)(1) If a resident of a long-term health care facility has been hospitalized in an acute care hospital and asserts his or her rights to readmission pursuant to bed hold provisions or readmission rights of either state or

federal law and the facility refuses to readmit him or her, the resident may appeal the facility's refusal.

(2) The refusal of the facility as described in this subdivision shall be treated as if it were an involuntary transfer under federal law and the rights and procedures that apply to appeals of transfers and discharges of nursing facility residents shall apply to the resident's appeal under this subdivision.

(3) If the resident appeals pursuant to this subdivision, and the resident is eligible under the Medi-Cal program, the resident shall remain in the hospital and the hospital may be reimbursed at the administrative day rate, pending the final determination of the hearing officer, unless the resident agrees to placement in another facility.

(4) If the resident appeals pursuant to this subdivision, and the resident is not eligible under the Medi-Cal program, the resident shall remain in the hospital if other payment is available, pending the final determination of the hearing officer, unless the resident agrees to placement in another facility.

(5) If the resident is not eligible for participation in the Medi-Cal program and has no other source of payment, the hearing and final determination shall be made within 48 hours.

(i) Effective July 1, 2007, Sections 483.10, 483.12, 483.13, and 483.15 of Title 42 of the Code of Federal Regulations in effect on July 1, 2006, shall apply to each skilled nursing facility and intermediate care facility, regardless of a resident's payment source or the Medi-Cal or Medicare certification status of the skilled nursing facility or intermediate care facility in which the resident resides, except that a noncertified facility is not obligated to provide notice of Medicaid or Medicare benefits, covered services, or eligibility procedures.

## **1599.2. Preamble or preliminary statement; form**

Written information informing patients of their rights shall include a preamble or preliminary statement in substantial form as follows:

(a) Further facility requirements are set forth in the Health and Safety Code, and in Title 22 of the California Administrative Code [California Code of Regulations].

(b) Willful or repeated violations of either code may subject a facility and its personnel to civil or criminal proceedings.

(c) Patients have the right to voice grievances to facility personnel free from reprisal and can submit complaints to the State [Department of Public Health] or its representative.

### **1599.3. Representative of patient; devolution of rights**

Any rights under this chapter of a patient judicially determined to be incompetent, or who is found by his physician to be medically incapable of understanding such information, or who exhibits a communication barrier, shall devolve to such patient's guardian, conservator, next of kin, sponsoring agency, or representative payer, except when the facility itself is the representative payer.

### **1599.4. Construction and application of chapter**

In no event shall this chapter be construed or applied in a manner which imposes new or additional obligations or standards on skilled nursing or intermediate care facilities or their personnel, other than in regard to the notification and explanation of patient's rights or unreasonable costs.

## **California Welfare and Institutions Code Sections 4502-4505, 4512**

4502. Persons with developmental disabilities have the same legal rights and responsibilities guaranteed all other individuals by the United States Constitution and laws and the Constitution and laws of the State of California. No otherwise qualified person by reason of having a developmental disability shall be excluded from participation in, be denied

the benefits of, or be subjected to discrimination under any program or activity, which receives public funds.

It is the intent of the Legislature that persons with developmental disabilities shall have rights including, but not limited to, the following:

- (a) A right to treatment and habilitation services and supports in the least restrictive environment. Treatment and habilitation services and supports should foster the developmental potential of the person and be directed toward the achievement of the most independent, productive, and normal lives possible. Such services shall protect the personal liberty of the individual and shall be provided with the least restrictive conditions necessary to achieve the purposes of the treatment, services, or supports.
- (b) A right to dignity, privacy, and humane care. To the maximum extent possible, treatment, services, and supports shall be provided in natural community settings.
- (c) A right to participate in an appropriate program of publicly supported education, regardless of degree of disability.
- (d) A right to prompt medical care and treatment.
- (e) A right to religious freedom and practice.
- (f) A right to social interaction and participation in community activities.
- (g) A right to physical exercise and recreational opportunities.
- (h) A right to be free from harm, including unnecessary physical restraint, or isolation, excessive medication, abuse, or neglect.
- (i) A right to be free from hazardous procedures.
- (j) A right to make choices in their own lives, including, but not limited to, where and with whom they live, their relationships with people in their community, the way they spend their time, including education, employment, and leisure, the pursuit of their personal future, and program planning and implementation.

4502.1. The right of individuals with developmental disabilities to make choices in their own lives requires that all public or private agencies receiving state funds for the purpose of serving persons with developmental disabilities, including, but not limited to, regional centers, shall respect the choices made by consumers or, where appropriate, their parents, legal guardian, or conservator. Those public or private agencies shall provide consumers with opportunities to exercise decision-making skills in any aspect of day-to-day living and shall provide consumers with relevant information in an understandable form to aid the consumer in making his or her choice.

4503. Each person with developmental disabilities who has been admitted or committed to a state hospital, community care facility as defined in Section 1502 of the Health and Safety Code, or a health facility as defined in Section 1250 of the Health and Safety Code shall have the following rights, a list of which shall be prominently posted in English, Spanish, and other appropriate languages, in all facilities providing those services and otherwise brought to his or her attention by any additional means as the Director of Developmental Services may designate by regulation:

- (a) To wear his or her own clothes, to keep and use his or her own personal possessions including his or her toilet articles, and to keep and be allowed to spend a reasonable sum of his or her own money for canteen expenses and small purchases.
- (b) To have access to individual storage space for his or her private use.
- (c) To see visitors each day.
- (d) To have reasonable access to telephones, both to make and receive confidential calls.
- (e) To have ready access to letter writing materials, including stamps, and to mail and receive unopened correspondence.
- (f) To refuse electroconvulsive therapy.
- (g) To refuse behavior modification techniques which cause pain or trauma.

(h) To refuse psychosurgery notwithstanding the provisions of Sections 5325, 5326, and 5326.3. Psychosurgery means those operations currently referred to as lobotomy, psychiatric surgery, and behavioral surgery and all other forms of brain surgery if the surgery is performed for any of the following purposes:

- (1) Modification or control of thoughts, feelings, actions, or behavior rather than the treatment of a known and diagnosed physical disease of the brain.
- (2) Modification of normal brain function or normal brain tissue in order to control thoughts, feelings, action, or behavior.
- (3) Treatment of abnormal brain function or abnormal brain tissue in order to modify thoughts, feelings, actions, or behavior when the abnormality is not an established cause for those thoughts, feelings, actions, or behavior.

(i) To make choices in areas including, but not limited to, his or her daily living routines, choice of companions, leisure and social activities, and program planning and implementation.

(j) Other rights, as specified by regulation.

4505. For the purposes of subdivisions (f) and (g) of Section 4503, if the patient is a minor age 15 years or over, the right to refuse may be exercised either by the minor or his parent, guardian, conservator, or other person entitled to his custody.

If the patient or his parent, guardian, conservator, or other person responsible for his custody do not refuse the forms of treatment or behavior modification described in subdivisions (f) and (g) of Section 4503, such treatment and behavior modification may be provided only after review and approval by a peer review committee. The Director of Developmental Services shall, by March 1, 1977, adopt regulations establishing peer review procedures for this purpose.

**California Welfare and Institutions Code Sections 5325-5326**

5325. Each person involuntarily detained for evaluation or treatment under provisions of this part, each person admitted as a voluntary patient for psychiatric evaluation or treatment to any health facility, as defined in Section 1250 of the Health and Safety Code, in which psychiatric evaluation or treatment is offered, and each mentally retarded person committed to a state hospital pursuant to Article 5 (commencing with Section 6500) of Chapter 2 of Part 2 of Division 6 shall have the following rights, a list of which shall be prominently posted in the predominant languages of the community and explained in a language or modality accessible to the patient in all facilities providing such services and otherwise brought to his or her attention by such additional means as the Director of Mental Health may designate by regulation:

- (a) To wear his or her own clothes; to keep and use his or her own personal possessions including his or her toilet articles; and to keep and be allowed to spend a reasonable sum of his or her own money for canteen expenses and small purchases.
- (b) To have access to individual storage space for his or her private use.
- (c) To see visitors each day.
- (d) To have reasonable access to telephones, both to make and receive confidential calls or to have such calls made for them.
- (e) To have ready access to letter writing materials, including stamps, and to mail and receive unopened correspondence.
- (f) To refuse convulsive treatment including, but not limited to, any electroconvulsive treatment, any treatment of the mental condition which depends on the induction of a convulsion by any means, and insulin coma treatment.
- (g) To refuse psychosurgery. Psychosurgery is defined as those operations currently referred to as lobotomy, psychiatric surgery, and behavioral surgery and all other forms of brain surgery if the surgery is performed for the purpose of any of the following:

(1) Modification or control of thoughts, feelings, actions, or behavior rather than the treatment of a known and diagnosed physical disease of the brain.

(2) Modification of normal brain function or normal brain tissue in order to control thoughts, feelings, actions, or behavior.

(3) Treatment of abnormal brain function or abnormal brain tissue in order to modify thoughts, feelings, actions or behavior when the abnormality is not an established cause for those thoughts, feelings, actions, or behavior. Psychosurgery does not include prefrontal sonic treatment wherein there is no destruction of brain tissue. The Director of Mental Health shall promulgate appropriate regulations to assure adequate protection of patients' rights in such treatment.

(h) To see and receive the services of a patient advocate who has no direct or indirect clinical or administrative responsibility for the person receiving mental health services.

(i) Other rights, as specified by regulation.

Each patient shall also be given notification in a language or modality accessible to the patient of other constitutional and statutory rights which are found by the State Department of Mental Health to be frequently misunderstood, ignored, or denied.

Upon admission to a facility each patient shall immediately be given a copy of a State Department of Mental Health prepared patients' rights handbook. The State Department of Mental Health shall prepare and provide the forms specified in this section and in Section 5157.

The rights specified in this section may not be waived by the person's parent, guardian, or conservator.

5325.1. Persons with mental illness have the same legal rights and responsibilities guaranteed all other persons by the Federal Constitution and laws and the Constitution and laws of the State of California, unless specifically limited by federal or state law or regulations. No otherwise qualified person by reason of having been involuntarily detained for evaluation or treatment under provisions of this part or having been admitted as a voluntary patient to any health facility, as defined in Section 1250 of the Health and Safety Code, in which psychiatric evaluation or treatment is offered shall be excluded from participation in, be denied the



benefits of, or be subjected to discrimination under any program or activity, which receives public funds.

It is the intent of the legislature that persons with mental illness shall have rights including, but not limited to, the following:

- (a) A right to treatment services which promote the potential of the person to function independently. Treatment should be provided in ways that are least restrictive of the personal liberty of the individual.
- (b) A right to dignity, privacy, and humane care.
- (c) A right to be free from harm, including unnecessary or excessive physical restraint, isolation, medication, abuse, or neglect. Medication shall not be used as punishment, for the convenience of staff, as a substitute for program, or in quantities that interfere with the treatment program.
- (d) A right to prompt medical care and treatment.
- (e) A right to religious freedom and practice.
- (f) A right to participate in appropriate programs of publicly supported education.
- (g) A right to social interaction and participation in community activities.
- (h) A right to physical exercise and recreational opportunities.
- (i) A right to be free from hazardous procedures.

5325.2. Any person who is subject to detention pursuant to Section 5150, 5250, 5260, or 5270.15 shall have the right to refuse treatment with antipsychotic medication subject to provisions set forth in this chapter.

5326. The professional person in charge of the facility or his or her designee may, for good cause, deny a person any of the rights under Section 5325, except under subdivisions (g) and (h) and the rights under subdivision (f) may be denied only under the conditions specified in Section 5326.7. To ensure that these rights are denied only for good cause, the

Director of Mental Health shall adopt regulations specifying the conditions under which they may be denied.

Denial of a person's rights shall in all cases be entered into the person's treatment record.

## **Code of Federal Regulations—Title 42—Public Health**

### **Chapter IV--Centers For Medicare & Medicaid Services, Department Of Health And Human Services**

#### **Part 483--Requirements For States And Long Term Care Facilities Subpart B--Requirements for Long Term Care Facilities**

##### **Sec. 483.10 Resident rights.**

The resident has a right to a dignified existence, self-determination, and communication with and access to persons and services inside and outside the facility. A facility must protect and promote the rights of each resident, including each of the following rights:

**(a) Exercise of rights.**

(1) The resident has the right to exercise his or her rights as a resident of the facility and as a citizen or resident of the United States.

(2) The resident has the right to be free of interference, coercion, discrimination, and reprisal from the facility in exercising his or her rights.

(3) In the case of a resident adjudged incompetent under the laws of a State by a court of competent jurisdiction, the rights of the resident are exercised by the person appointed under State law to act on the resident's behalf.

(4) In the case of a resident who has not been adjudged incompetent by the State court, any legal -surrogate designated in accordance with State law may exercise the resident's rights to the extent provided by State law.

(b) Notice of rights and services.

(1) The facility must inform the resident both orally and in writing in a language that the resident understands of his or her rights and all rules and regulations governing resident conduct and responsibilities during the stay in the facility. The facility must also provide the resident with the notice (if any) of the State developed under section 1919(e)(6) of the Act. Such notification must be made prior to or upon admission and during the resident's stay. Receipt of such information, and any amendments to it, must be acknowledged in writing;

(2) The resident or his or her legal representative has the right--

(i) Upon an oral or written request, to access all records pertaining to himself or herself including current clinical records within 24 hours (excluding weekends and holidays); and

(ii) After receipt of his or her records for inspection, to purchase at a cost not to exceed the community standard photocopies of the records or any portions of them upon request and 2 working days advance notice to the facility.

(3) The resident has the right to be fully informed in language that he or she can understand of his or her total health status, including but not limited to, his or her medical condition;

(4) The resident has the right to refuse treatment, to refuse to participate in experimental research, and to formulate an advance directive as specified in paragraph (8) of this section; and

(5) The facility must--

(i) Inform each resident who is entitled to Medicaid benefits, in writing, at the time of admission to the nursing facility or, when the resident becomes eligible for Medicaid of--

(A) The items and services that are included in nursing facility services under the State plan and for which the resident may not be charged;

(B) Those other items and services that the facility offers and for which the resident may be charged, and the amount of charges for those services; and

(ii) Inform each resident when changes are made to the items and services specified in paragraphs (5)(i)(A) and (B) of this section.

(6) The facility must inform each resident before, or at the time of admission, and periodically during the resident's stay, of services available in the facility and of charges for those services, including any charges for services not covered under Medicare or by the facility's per diem rate.

(7) The facility must furnish a written description of legal rights which includes--

(i) A description of the manner of protecting personal funds, under paragraph (c) of this section;

(ii) A description of the requirements and procedures for establishing eligibility for Medicaid, including the right to request an assessment under section 1924(c) which determines the extent of a couple's non-exempt resources at the time of institutionalization and attributes to the community spouse an equitable share of resources which cannot be considered available for payment toward the cost of the institutionalized spouse's medical care in his or her process of spending down to Medicaid eligibility levels;

(iii) A posting of names, addresses, and telephone numbers of all pertinent State client advocacy groups such as the State survey and certification agency, the State licensure office, the State ombudsman program, the protection and advocacy network, and the Medicaid fraud control unit; and

(iv) A statement that the resident may file a complaint with the State survey and certification agency concerning resident abuse, neglect, misappropriation of resident property in the facility, and non-compliance with the advance directives requirements.

(8) The facility must comply with the requirements specified in subpart I of part 489 of this chapter relating to maintaining written policies and procedures regarding advance directives. These requirements include provisions to inform and provide written information to all adult residents concerning the right to accept or refuse medical or surgical treatment and, at the individual's option, formulate an advance directive. This includes a written description of the facility's policies to implement advance directives and applicable State law. Facilities are permitted to contract with other entities to furnish this information but are still legally responsible for ensuring that the requirements of this section are met. If an adult individual is incapacitated at the time of admission and is unable to receive information (due to the incapacitating condition or a mental disorder) or articulate whether or not he or she has executed an advance directive, the facility may give advance directive information to the individual's family or surrogate in the same manner that it issues other materials about policies and procedures to the family of the incapacitated individual or to a surrogate or other concerned persons in accordance with State law. The facility is not relieved of its obligation to provide this information to the individual once he or she is no longer incapacitated or unable to receive such information. Follow-up procedures must be in place to provide the information to the individual directly at the appropriate time.

(9) The facility must inform each resident of the name, specialty, and way of contacting the physician responsible for his or her care.

(10) The facility must prominently display in the facility written information, and provide to residents and applicants for admission oral and written information about how to apply for and use Medicare and Medicaid benefits, and how to receive refunds for previous payments covered by such benefits.

(11) Notification of changes.

(i) A facility must immediately inform the resident; consult with the resident's physician; and if known, notify the resident's legal representative or an interested family member when there is--

(A) An accident involving the resident which results in injury and has the potential for requiring physician intervention;

(B) A significant change in the resident's physical, mental, or psychosocial status (i.e., a deterioration in health, mental, or psychosocial status in either life-threatening conditions or clinical complications);

(C) A need to alter treatment significantly (i.e., a need to discontinue an existing form of treatment due to adverse consequences, or to commence a new form of treatment); or

(D) A decision to transfer or discharge the resident from the facility as specified in Sec. 483.12(a).

(ii) The facility must also promptly notify the resident and, if known, the resident's legal representative or interested family member when there is--

(A) A change in room or roommate assignment as specified in Sec. 483.15(e)(2); or

(B) A change in resident rights under Federal or State law or regulations as specified in paragraph (b)(1) of this section.

(iii) The facility must record and periodically update the address and phone number of the resident's legal representative or interested family member.

(12) Admission to a composite distinct part. A facility that is a composite distinct part (as defined in Sec. 483.5(c) of this subpart) must disclose in its admission agreement its physical configuration, including the various locations that comprise the composite distinct part, and must specify the policies that apply to room changes between its different locations under Sec. 483.12(a)(8).

(c) Protection of resident funds.

(1) The resident has the right to manage his or her financial affairs, and the facility may not require residents to deposit their personal funds with the facility.

(2) Management of personal funds. Upon written authorization of a resident, the facility must hold, safeguard, manage, and account for the personal funds of the resident deposited with the facility, as specified in paragraphs (c)(3)-(8) of this section.

(3) Deposit of funds.

(i) Funds in excess of \$50. The facility must deposit any residents' personal funds in excess of \$50 in an interest bearing account (or accounts) that is separate from any of the facility's operating accounts, and that credits all interest earned on resident's funds to that account. (In pooled accounts, there must be a separate accounting for each resident's share.)

(ii) Funds less than \$50. The facility must maintain a resident's personal funds that do not exceed \$50 in a non-interest bearing account, interest-bearing account, or petty cash fund.

(4) Accounting and records. The facility must establish and maintain a system that assures a full and complete and separate accounting, according to generally accepted accounting principles, of each resident's personal funds entrusted to the facility on the resident's behalf.

(i) The system must preclude any commingling of resident funds with facility funds or with the funds of any person other than another resident.

(ii) The individual financial record must be available through quarterly statements and on request to the resident or his or her legal representative.

(5) Notice of certain balances. The facility must notify each resident that receives Medicaid benefits—

(i) When the amount in the resident's account reaches \$200 less than the SSI resource limit for one person, specified in section 1611(a)(3)(B) of the Act; and

(ii) That, if the amount in the account, in addition to the value of the resident's other nonexempt resources, reaches the SSI resource limit for one person, the resident may lose eligibility for Medicaid or SSI.

(6) Conveyance upon death. Upon the death of a resident with a personal fund deposited with the facility, the facility must convey within 30 days the resident's funds, and a final accounting of those funds, to the individual or probate jurisdiction administering the resident's estate.

(7) Assurance of financial security. The facility must purchase a surety bond, or otherwise provide assurance satisfactory to the Secretary, to assure the security of all personal funds of residents deposited with the facility.

(8) Limitation on charges to personal funds. The facility may not impose a charge against the personal funds of a resident for any item or service for which payment is made under Medicaid or Medicare (except for applicable deductible and coinsurance amounts). The facility may charge the resident for requested services that are more expensive than or in excess of covered services in accordance with Sec. 489.32 of this chapter. (This does not affect the prohibition on facility charges for items and services for which Medicaid has paid. See Sec. 447.15, which limits participation in the Medicaid program to providers who accept, as payment in full, Medicaid payment plus any deductible, coinsurance, or copayment required by the plan to be paid by the individual.)

(i) Services included in Medicare or Medicaid payment. During the course of a covered Medicare or Medicaid stay, facilities may not charge a resident for the following categories of items and services:

(A) Nursing services as required at Sec. 483.30 of this subpart.

(B) Dietary services as required at Sec. 483.35 of this subpart.

(C) An activities program as required at Sec. 483.15(f) of this subpart.

(D) Room/bed maintenance services.



(E) Routine personal hygiene items and services as required to meet the needs of residents, including, but not limited to, hair hygiene supplies, comb, brush, bath soap, disinfecting soaps or specialized cleansing agents when indicated to treat special skin problems or to fight infection, razor, shaving cream, toothbrush, toothpaste, denture adhesive, denture cleaner, dental floss, moisturizing lotion, tissues, cotton balls, cotton swabs, deodorant, incontinence care and supplies, sanitary napkins and related supplies, towels, washcloths, hospital gowns, over the counter drugs, hair and nail hygiene services, bathing, and basic personal laundry.

(F) Medically-related social services as required at Sec. 483.15(g) of this subpart.

(ii) Items and services that may be charged to residents' funds. Listed below are general categories and examples of items and services that the facility may charge to residents' funds if they are requested by a resident, if the facility informs the resident that there will be a charge, and if payment is not made by Medicare or Medicaid:

(A) Telephone.

(B) Television/radio for personal use.

(C) Personal comfort items, including smoking materials, notions and novelties, and confections.

(D) Cosmetic and grooming items and services in excess of those for which payment is made under Medicaid or Medicare.

(E) Personal clothing.

(F) Personal reading matter.

(G) Gifts purchased on behalf of a resident.

(H) Flowers and plants.

(I) Social events and entertainment offered outside the scope of the activities program, provided under Sec. 483.15(f) of this subpart.

(J) Noncovered special care services such as privately hired nurses or aides.

(K) Private room, except when therapeutically required (for example, isolation for infection control).

(L) Specially prepared or alternative food requested instead of the food generally prepared by the facility, as required by Sec. 483.35 of this subpart.

(iii) Requests for items and services.

(A) The facility must not charge a resident (or his or her representative) for any item or service not requested by the resident.

(B) The facility must not require a resident (or his or her representative) to request any item or service as a condition of admission or continued stay.

(C) The facility must inform the resident (or his or her representative) requesting an item or service for which a charge will be made that there will be a charge for the item or service and what the charge will be.

(d) Free choice. The resident has the right to—

(1) Choose a personal attending physician;

(2) Be fully informed in advance about care and treatment and of any changes in that care or treatment that may affect the resident's well-being; and

(3) Unless adjudged incompetent or otherwise found to be incapacitated under the laws of the State, participate in planning care and treatment or changes in care and treatment.

(e) Privacy and confidentiality. The resident has the right to personal privacy and confidentiality of his or her personal and clinical records.

(1) Personal privacy includes accommodations, medical treatment, written and telephone communications, personal care, visits, and meetings of family and resident groups, but this does not require the facility to provide a private room for each resident;

(2) Except as provided in paragraph (e)(3) of this section, the resident may approve or refuse the release of personal and clinical records to any individual outside the facility;

(3) The resident's right to refuse release of personal and clinical records does not apply when--

(i) The resident is transferred to another health care institution; or

(ii) Record release is required by law.

(f) Grievances. A resident has the right to--

(1) Voice grievances without discrimination or reprisal. Such grievances include those with respect to treatment which has been furnished as well as that which has not been furnished; and

(2) Prompt efforts by the facility to resolve grievances the resident may have, including those with respect to the behavior of other residents.

(g) Examination of survey results. A resident has the right to--

(1) Examine the results of the most recent survey of the facility conducted by Federal or State surveyors and any plan of correction in effect with respect to the facility. The facility must make the results available for examination in a place readily accessible to residents, and must post a notice of their availability; and

- (2) Receive information from agencies acting as client advocates, and be afforded the opportunity to contact these agencies.

(h) Work. The resident has the right to--

- (1) Refuse to perform services for the facility;
- (2) Perform services for the facility, if he or she chooses, when--
  - (i) The facility has documented the need or desire for work in the plan of care;
  - (ii) The plan specifies the nature of the services performed and whether the services are voluntary or paid;
  - (iii) Compensation for paid services is at or above prevailing rates; and
  - (iv) The resident agrees to the work arrangement described in the plan of care.

(i) Mail. The resident has the right to privacy in written communications, including the right to--

- (1) Send and promptly receive mail that is unopened; and
- (2) Have access to stationery, postage, and writing implements at the resident's own expense.

(j) Access and visitation rights. (1) The resident has the right and the facility must provide immediate access to any resident by the following:

- (i) Any representative of the Secretary;
- (ii) Any representative of the State;
- (iii) The resident's individual physician;
- (iv) The State long term care ombudsman (established under section 307(a)(12) of the Older Americans Act of 1965);

- (v) The agency responsible for the protection and advocacy system for developmentally disabled individuals (established under part C of the Developmental Disabilities Assistance and Bill of Rights Act);
  - (vi) The agency responsible for the protection and advocacy system for mentally ill individuals (established under the Protection and Advocacy for Mentally Ill Individuals Act);
  - (vii) Subject to the resident's right to deny or withdraw consent at any time, immediate family or other relatives of the resident; and
  - (viii) Subject to reasonable restrictions and the resident's right to deny or withdraw consent at any time, others who are visiting with the consent of the resident.
- (2) The facility must provide reasonable access to any resident by any entity or individual that provides health, social, legal, or other services to the resident, subject to the resident's right to deny or withdraw consent at anytime.
- (3) The facility must allow representatives of the State Ombudsman, described in paragraph (j)(1)(iv) of this section, to examine a resident's clinical records with the permission of the resident or the resident's legal representative, and consistent with State law.
- (k) Telephone. The resident has the right to have reasonable access to the use of a telephone where calls can be made without being overheard.
- (l) Personal property. The resident has the right to retain and use personal possessions, including some furnishings, and appropriate clothing, as space permits, unless to do so would infringe upon the rights or health and safety of other residents.
- (m) Married couples. The resident has the right to share a room with his or her spouse when married residents live in the same facility and both spouses consent to the arrangement.

(n) Self-Administration of Drugs. An individual resident may self-administer drugs if the interdisciplinary team, as defined by Sec. 483.20(d)(2)(ii), has determined that this practice is safe.

(o) Refusal of certain transfers.

(1) An individual has the right to refuse a transfer to another room within the institution, if the purpose of the transfer is to relocate --

(i) A resident of a SNF from the distinct part of the institution that is a SNF to a part of the institution that is not a SNF, or

(ii) A resident of a NF from the distinct part of the institution that is a NF to a distinct part of the institution that is a SNF.

(2) A resident's exercise of the right to refuse transfer under paragraph (o)(1) of this section does not affect the individual's eligibility or entitlement to Medicare or Medicaid benefits.

## **PART 483 REQUIREMENTS FOR STATES AND LONG TERM CARE FACILITIES**

### **Subpart B -- Requirements for Long Term Care Facilities Sec. 483.12 Admission, transfer and discharge rights.**

(a) Transfer and discharge—

(1) Definition: Transfer and discharge includes movement of a resident to a bed outside of the certified facility whether that bed is in the same physical plant or not. Transfer and discharge does not refer to movement of a resident to a bed within the same certified facility.

(2) Transfer and discharge requirements. The facility must permit each resident to remain in the facility, and not transfer or discharge the resident from the facility unless--

(i) The transfer or discharge is necessary for the resident's welfare and the resident's needs cannot be met in the facility;

(ii) The transfer or discharge is appropriate because the resident's health has improved sufficiently so the resident no longer needs the services provided by the facility;

(iii) The safety of individuals in the facility is endangered;

(iv) The health of individuals in the facility would otherwise be endangered;

(v) The resident has failed, after reasonable and appropriate notice, to pay for (or to have paid under Medicare or Medicaid) a stay at the facility. For a resident who becomes eligible for Medicaid after admission to a facility, the facility may charge a resident only allowable charges under Medicaid; or

(vi) The facility ceases to operate.

(3) Documentation. When the facility transfers or discharges a resident under any of the circumstances specified in paragraphs (a)(2)(i) through (v) of this section, the resident's clinical record must be documented. The documentation must be made by--

(i) The resident's physician when transfer or discharge is necessary under paragraph (a)(2)(i) or paragraph (a)(2)(ii) of this section; and

(ii) A physician when transfer or discharge is necessary under paragraph (a)(2)(iv) of this section.

(4) Notice before transfer. Before a facility transfers or discharges a resident, the facility must--

(i) Notify the resident and, if known, a family member or legal representative of the resident of the transfer or discharge and the reasons for the move in writing and in a language and manner they understand.

(ii) Record the reasons in the resident's clinical record; and

(iii) Include in the notice the items described in paragraph (a)(6) of this section.

(5) Timing of the notice. (i) Except when specified in paragraph (a)(5)(ii) of this section, the notice of transfer or discharge required under paragraph (a)(4) of this section must be made by the facility at least 30 days before the resident is transferred or discharged.

(ii) Notice may be made as soon as practicable before transfer or discharge when--

(A) The safety of individuals in the facility would be endangered under paragraph (a)(2)(iii) of this section;

(B) The health of individuals in the facility would be endangered, under paragraph (a)(2)(iv) of this section;

(C) The resident's health improves sufficiently to allow a more immediate transfer or discharge, under paragraph (a)(2)(ii) of this section;

(D) An immediate transfer or discharge is required by the resident's urgent medical needs, under paragraph (a)(2)(i) of this section; or

(E) A resident has not resided in the facility for 30 days.

(6) Contents of the notice. The written notice specified in paragraph (a)(4) of this section must include the following:

(i) The reason for transfer or discharge;

(ii) The effective date of transfer or discharge;

(iii) The location to which the resident is transferred or discharged;

(iv) A statement that the resident has the right to appeal the action to the State;



(v) The name, address and telephone number of the State long term care ombudsman;

(vi) For nursing facility residents with developmental disabilities, the mailing address and telephone number of the agency responsible for the protection and advocacy of developmentally disabled individuals established under Part C of the Developmental Disabilities Assistance and Bill of Rights Act; and

(vii) For nursing facility residents who are mentally ill, the mailing address and telephone number of the agency responsible for the protection and advocacy of mentally ill individuals established under the Protection and Advocacy for Mentally Ill Individuals Act.

(7) Orientation for transfer or discharge. A facility must provide sufficient preparation and orientation to residents to ensure safe and orderly transfer or discharge from the facility.

(8) Room changes in a composite distinct part. Room changes in a facility that is a composite distinct part (as defined in Sec.483.5(c)) must be limited to moves within the particular building in which the resident resides, unless the resident voluntarily agrees to move to another of the composite distinct part's locations.

(b) Notice of bed-hold policy and readmission—

(1) Notice before transfer. Before a nursing facility transfers a resident to a hospital or allows a resident to go on therapeutic leave, the nursing facility must provide written information to the resident and a family member or legal representative that specifies—

(i) The duration of the bed-hold policy under the State plan, if any, during which the resident is permitted to return and resume residence in the nursing facility; and

(ii) The nursing facility's policies regarding bed-hold periods, which must be consistent with paragraph (b)(3) of this section, permitting a resident to return.

(2) Bed-hold notice upon transfer. At the time of transfer of a resident for hospitalization or therapeutic leave, a nursing facility must provide to the resident and a family member or legal representative written notice which specifies the duration of the bed-hold policy described in paragraph (b)(1) of this section.

(3) Permitting resident to return to facility. A nursing facility must establish and follow a written policy under which a resident, whose hospitalization or therapeutic leave exceeds the bed-hold period under the State plan, is readmitted to the facility immediately upon the first availability of a bed in a semi-private room if the resident-

(i) Requires the services provided by the facility; and

(ii) Is eligible for Medicaid nursing facility services.

(4) Readmission to a composite distinct part. When the nursing facility to which a resident is readmitted is a composite distinct part as defined in Sec. 483.5(c) of this subpart), the resident must be permitted to return to an available bed in the particular location of the composite distinct part in which he or she resided previously. If a bed is not available in that location at the time of readmission, the resident must be given the option to return to that location upon the first availability of a bed there.

(c) Equal access to quality care.

(1) A facility must establish and maintain identical policies and practices regarding transfer, discharge, and the provision of services under the State plan for all individuals regardless of source of payment;

(2) The facility may charge any amount for services furnished to non-Medicaid residents consistent with the notice requirement in Sec. 483.10(b)(5)(i) and (b)(6) describing the charges; and

(3) The State is not required to offer additional services on behalf of a resident other than services provided in the State plan.

(d) Admissions policy.

(1) The facility must--

- (i) Not require residents or potential residents to waive their rights to Medicare or Medicaid; and
- (ii) Not require oral or written assurance that residents or potential residents are not eligible for, or will not apply for, Medicare or Medicaid benefits.

(2) The facility must not require a third party guarantee of payment to the facility as a condition of admission or expedited admission, or continued stay in the facility. However, the facility may require an individual who has legal access to a resident's income or resources available to pay for facility care to sign a contract, without incurring personal financial liability, to provide facility payment from the resident's income or resources.

(3) In the case of a person eligible for Medicaid, a nursing facility must not charge, solicit, accept, or receive, in addition to any amount otherwise required to be paid under the State plan, any gift, money, donation, or other consideration as a precondition of admission, expedited admission or continued stay in the facility. However,--

- (i) A nursing facility may charge a resident who is eligible for Medicaid for items and services the resident has requested and received, and that are not specified in the State plan as included in the term "nursing facility services" so long as the facility gives proper notice of the availability and cost of these services to residents and does not condition the resident's admission or continued stay on the request for and receipt of such additional services; and
- (ii) A nursing facility may solicit, accept, or receive a charitable, religious, or philanthropic contribution from an organization or from a person unrelated to a Medicaid eligible resident or potential resident, but only to the extent that the contribution is not a condition of admission, expedited admission, or continued stay in the facility for a Medicaid eligible resident.

(4) States or political subdivisions may apply stricter admissions standards under State or local laws than are specified in this section, to prohibit discrimination against individuals entitled to Medicaid.

## **PART 483 REQUIREMENTS FOR STATES AND LONG TERM CARE FACILITIES**

### **Subpart B -- Requirements for Long Term Care Facilities Sec. 483.13 -- Resident behavior and facility practices.**

(a) Restraints. The resident has the right to be free from any physical or chemical restraints imposed for purposes of discipline or convenience, and not required to treat the resident's medical symptoms.

(b) Abuse. The resident has the right to be free from verbal, sexual, physical, and mental abuse, corporal punishment, and involuntary seclusion.

## **PART 483 REQUIREMENTS FOR STATES AND LONG TERM CARE FACILITIES**

### **Subpart B -- Requirements for Long Term Care Facilities Sec. 483.15 Quality of life.**

A facility must care for its residents in a manner and in an environment that promotes maintenance or enhancement of each resident's quality of life.

(a) Dignity. The facility must promote care for residents in a manner and in an environment that maintains or enhances each resident's dignity and respect in full recognition of his or her individuality.

(b) Self-determination and participation. The resident has the right to--

(1) Choose activities, schedules, and health care consistent with his or her interests, assessments, and plans of care;

(2) Interact with members of the community both inside and outside the facility; and

(3) Make choices about aspects of his or her life in the facility that are significant to the resident.

(c) Participation in resident and family groups.

(1) A resident has the right to organize and participate in resident groups in the facility;

(2) A resident's family has the right to meet in the facility with the families of other residents in the facility;

(3) The facility must provide a resident or family group, if one exists, with private space;

(4) Staff or visitors may attend meetings at the group's invitation;

(5) The facility must provide a designated staff person responsible for providing assistance and responding to written requests that result from group meetings;

(6) When a resident or family group exists, the facility must listen to the views and act upon the grievances and recommendations of residents and families concerning proposed policy and operational decisions affecting resident care and life in the facility.

(d) Participation in other activities. A resident has the right to participate in social, religious, and community activities that do not interfere with the rights of other residents in the facility.

(e) Accommodation of needs. A resident has the right to--

(1) Reside and receive services in the facility with reasonable accommodation of individual needs and preferences, except when the health or safety of the individual or other residents would be endangered; and

(2) Receive notice before the resident's room or roommate in the facility is changed.

EXHIBIT  
3

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**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE CENTRAL DISTRICT OF CALIFORNIA  
SANTA ANA DIVISION**

**In re:**

**PLAZA HEALTHCARE  
CENTER LLC,**

**Debtor and Debtor-in-  
Possession.**

/x/ Affects all Debtors.

Case No. 8:14-bk-11335-CB  
Jointly administered with  
Case No. 8:14-bk-11337-CB  
Case No. 8:14-bk-11358-CB  
Case No. 8:14-bk-11359-CB  
Case No. 8:14-bk-11360-CB  
Case No. 8:14-bk-11361-CB  
Case No. 8:14-bk-11362-CB  
Case No. 8:14-bk-11363-CB  
Case No. 8:14-bk-11364-CB  
Case No. 8:14-bk-11365-CB  
Case No. 8:14-bk-11366-CB  
Case No. 8:14-bk-11367-CB  
Case No. 8:14-bk-11368-CB  
Case No. 8:14-bk-11370-CB  
Case No. 8:14-bk-11371-CB  
Case No. 8:14-bk-11372-CB  
Case No. 8:14-bk-11373-CB  
Case No. 8:14-bk-11375-CB  
Case No. 8:14-bk-11376-CB

**EMERGENCY MOTION TO DISQUALIFY  
STALKING HORSE PARTIES FROM  
(1) INTERIM MANAGEMENT OF DEBTORS'  
FACILITIES, AND (2) PURCHASING  
DEBTORS' FACILITIES OR ASSETS**

Courtroom: 5-D  
Judge Hon. Catherine Bauer

Pursuant to Local Bankruptcy Rules 2081-1(a)(12) and 9075-1, the California Department of Health Care Services ("DHCS") and the California Department of Public Health ("CDPH") hereby move on an emergency basis for an order disqualifying the Stalking Horse Parties from (1) the interim management of any of the Debtors' skilled nursing facilities, and (2) purchasing any of the Debtors' skilled nursing facilities or assets.

There are five grounds for this motion:

1. **RECHNITZ IS A VIOLATOR OF INDUSTRY LAWS AND REGULATIONS.** The principal individual behind the Stalking Horse Parties is Shlomo Rechnitz. Rechnitz and his companies (Brius Management Company and Brius LLC) have a history of failing to comply with laws and regulations enforced by DHCS and the federal Centers for Medicare and Medicaid Services ("CMS"). Specifically - -

A: Rechnitz and his companies currently own 57 skilled nursing facilities.

B: In October 2013, DHCS issued an enforcement order which has been and is continuing to cause the withholding of 100% of Medi-Cal payments to two of Rechnitz's skilled nursing facilities. This order was imposed because Rechnitz repeatedly and continuously failed or refused to submit required audit materials to DHCS.

C: Within the last week, DHCS issued a new enforcement order which threatens to withhold 20% of Rechnitz's Medi-Cal payments for the remaining 55 of his 57 skilled nursing facilities. This order is being imposed because Rechnitz has again failed or refused to submit required audit materials to DHCS.

D: In or around April 2014, the federal CMS issued an enforcement order to one of Rechnitz's skilled nursing facilities. This federal enforcement order seeks to (i) deny payment for new admissions; (ii) impose civil monetary penalties; and (iii) terminate the facility's Medicare provider agreement no later than October



2, 2014, if substantial compliance with Medicare participation requirements is not promptly achieved and maintained.

E: Rechnitz's continued and repeated refusals to comply with industry laws and regulations is harming the skilled nursing industry.

**2. RECENT ENFORCEMENT ACTIONS WILL HARM**

**RECHNITZ'S FINANCIAL STABILITY.** The financial impact of these enforcement orders will hurt Rechnitz's operational revenue. Accordingly, he will have less income with which to provide quality patient care.

**3. RECHNITZ PROBABLY WON'T BE ABLE TO GET**

**REGULATORY APPROVAL TO BE A MEDI-CAL PROVIDER.** The pending sale promises to entrust Rechnitz with another 19 skilled nursing facilities. However, because of Rechnitz's history of enforcement activity with DHCS, DHCS is unlikely to approve a transfer of Medi-Cal provider contracts from Debtors to Rechnitz.

**4. RECHNITZ PROBABLY WON'T BE ABLE TO GET**

**REGULATORY APPROVAL TO OPERATE DEBTORS' SKILLED**

**NURSING FACILITIES.** Additionally, for Rechnitz to become licensed to operate Debtors' 19 skilled nursing facilities, Rechnitz must meet a "good character" requirement. CDPH is unlikely to grant licensure to Rechnitz because he will be unable to satisfy the "good character" requirement.

**5. THIS COURT SHOULD NOT PERMIT AN UNQUALIFIED**

**BUYER TO TAKE OVER DEBTORS' 19 SKILLED NURSING**

**FACILITIES.** Because (i) Rechnitz tends to not comply with regulatory requirements, (ii) Rechnitz's revenue is being markedly reduced and could compromise patient care, (iii) Rechnitz is unlikely to be approved as a Medi-Cal provider for Debtors' facilities, and (iv) Rechnitz is unlikely to be licensed to operate Debtors' facilities, this Court should not allow Rechnitz to manage

1 Debtors' skilled nursing facilities on an interim basis, and should not approve  
2 Rechnitz's purchase of Debtors' facilities or assets.

3  
4 The grounds for this motion are supported by the appended declarations from  
5 the following individuals:

6 1. Jean Iacino, Interim Deputy Director for the Center for Health Care  
7 Quality at the California Department of Public Health.

8 2. Bob Sands, Assistant Deputy Director of Audits and Investigations  
9 ("A&I") at the California Department of Health Care Services.

10  
11 A separate declaration re notice and service of process will be provided at the  
12 time of hearing.

13  
14 **MEMORANDUM OF POINTS AND AUTHORITIES**

15 Local Bankruptcy Rule 2081-1(a)(12) provides that a movant may request  
16 emergency or expedited relief where special circumstances exist. Moreover, "The  
17 motion must be supported by evidence that exigent circumstances exist justifying  
18 an expedited hearing." Here, the special circumstances are that Shlomo Rechnitz, a  
19 serial violator of rules within the skilled nursing industry, is slated to take over  
20 interim management of Debtors' 19 skilled nursing facilities on September 1, 2014,  
21 i.e., in four days. Because of his multiple enforcement actions and repeated  
22 violations of regulatory authority, Rechnitz is not qualified to assume such an  
23 important role. During the last week, the regulatory situation involving Rechnitz  
24 suddenly became markedly worse: he was the subject of a new DHCS enforcement  
25 action which threatens to hold back 20% of his Medi-Cal payments for 55 of his 57  
26 skilled nursing facilities. This new enforcement action, when it goes into effect on  
27 September 22, 2014, will affect Rechnitz's business revenue and threaten his ability  
28 to deliver high quality patient care. The appended declarations of Jean Iacino and

1 Bob Sands establish the background facts and circumstances which give rise to the  
2 special circumstances and the threat to patient care created by Rechnitz.

3 Local Bankruptcy Rule 9075-1, subdivision (a), sets forth the requirement for  
4 bringing an emergency motion. The moving parties have met, or are in the process  
5 of meeting these requirements.

6  
7 Wherefore, the California Department of Health Care Services and the  
8 California Department of Public Health urge this Honorable Court to (i) allow the  
9 instant motion to be heard on an emergency basis, (ii) disqualify the Stalking Horse  
10 Parties/ Bidder from taking over the interim management of Debtors' 19 skilled  
11 nursing facilities, and (iii) disqualify the Stalking Horse Parties/ Bidder from  
12 purchasing Debtors' 19 skilled nursing facilities or the assets thereof.

13  
14 Dated: August 28, 2014

Respectfully submitted,

15 KAMALA D. HARRIS  
16 Attorney General of California  
17 JENNIFER KIM  
DIANE S. SHAW  
Supervising Deputy Attorneys General

18  
19 */s/ Elisa B. Wolfe-Donato*  
20 ELISA B. WOLFE-DONATO  
21 Deputy Attorney General  
22 *Attorneys for California Department*  
*of Health Care Services and*  
*California Department of Public*  
*Health*

EXHIBIT 4

EXHIBIT  
4

**DECLARATION OF JEAN IACINO  
IN SUPPORT OF EMERGENCY MOTION TO  
DISQUALIFY STALKING HORSE PARTIES FROM (1) INTERIM  
MANAGEMENT OF DEBTORS' FACILITIES, AND (2) PURCHASING  
DEBTORS' FACILITIES OR ASSETS**

I, Jean Iacino, declare as follows:

1. I have personal knowledge of the following facts, and I am competent to testify to their truth, under oath, if called as a witness.

2. I am the Interim Deputy Director for the Center for Health Care Quality at the California Department of Public Health (CDPH).

3. CDPH is responsible for overseeing and regulating skilled nursing facilities for the protection of the health and safety of the residents. As the Interim Deputy Director for the Center for Health Care Quality, I am responsible for developing, implementing, and enforcing programs to protect patient health and safety; ensuring quality health care for patients, clients and residents in health facilities; and ensuring the quality of healthcare staff and professionals who work in health facilities through licensing, examination, inspection, education, and proficiency testing.

4. I am familiar with Shlomo Rechnitz (Rechnitz) and his corporate entities, Brius Management Company and Brius LLC (collectively as Brius). Rechnitz currently owns and controls fifty-seven (57) skilled nursing facilities licensed by CDPH.

5. On Tuesday, August 26, 2014, the Department of Health Care Services (DHCS) notified me that (i) Rechnitz and Brius have refused to provide necessary audit documentation to DHCS after being given many opportunities to do so, and that (ii) on August 22, 2014, DHCS notified Rechnitz's counsel, Mark Johnson of Hooper, Lundy, and Bookman, P.C., that DHCS will commence withholds of twenty percent (20%) of Medi-Cal funding from fifty-five (55) skilled nursing facilities owned and controlled by Rechnitz, if the requested documentation is not provided to DHCS by September 22, 2104. In my experience and observation, this

1 near across-the-board 20% withholding of Medi-Cal payments is a significant,  
2 serious enforcement action by DHCS.

3 6. Also on August 26, 2014, I learned that in October 2013, DHCS  
4 imposed a one hundred percent (100%) withhold of Medi-Cal funding upon the two  
5 other skilled nursing facilities controlled and owned by Rechnitz for their repeated  
6 and ongoing refusal and failure to file a cost report for the 2012 cost reporting year.  
7 The repeated and ongoing failure and refusal to file the necessary cost reports for  
8 the 2012 year has delayed DHCS's ability to complete its audit of the fifty-seven  
9 (57) facilities owned and controlled by Rechnitz and has impeded DHCS's ability  
10 to establish the NF B (continuous nursing care) nursing rates for the new rate year  
11 that started on August 1, 2014. This is a very serious violation that creates  
12 significant harm to the State of California and the skilled nursing community.

13 7. I have reviewed the events leading to the imposition of the current one  
14 hundred percent (100%) withhold of Medi-Cal funding to two facilities, and the  
15 pending twenty percent (20%) withhold of that funding from fifty-five facilities.  
16 Rechnitz's conduct shows repeated and ongoing disregard for regulatory  
17 requirements.

18 8. Given the significant number and portion of the current and future  
19 Medi-Cal funding withhold, CDPH has grave concerns, in the instant case, about  
20 the pending sale of additional facilities to Rechnitz.

21 9. A reduction of Medi-Cal funding to Rechnitz's currently-owned group  
22 of fifty-seven (57) skilled nursing facilities could seriously jeopardize the services  
23 and compromise the care provided to residents at those facilities, as well as at any  
24 new facilities that Rechnitz may acquire.

25 10. I recently became aware that the federal Centers for Medicare &  
26 Medicaid Services (CMS) has taken several enforcement actions against a facility  
27 owned and controlled by Rechnitz – Gridley Healthcare & Wellness Centre LLC –  
28 for substantial noncompliance with federal requirements for participation in the

1 Medicare and/or Medicaid programs. The CMS enforcement actions include:

- 2       • denial of payment for new admissions;
- 3       • civil monetary penalties; and
- 4       • termination of the facility's Medicare provider agreement no later than
- 5       October 2, 2014, if substantial compliance with Medicare participation
- 6       requirements is not promptly achieved and maintained.

7

8       11. These developments and enforcement actions by both state and federal

9       agencies raise significant concerns as to the wisdom of the sale of additional skilled

10       nursing facilities to Rechnitz. Chief among those concerns is the safety of placing

11       additional residents under the care of Rechnitz and his corporate entities, even on a

12       temporary basis, given their demonstrated record of repeated and ongoing

13       noncompliance with state and federal regulatory requirements, and resultant

14       enforcement actions.

15       12. Furthermore, as the state licensing agency for skilled nursing facilities,

16       CDPH is required by section 1265 of the California Health and Safety Code (West

17       2006) to consider several factors in making its decisions to grant or deny licensure.

18       One of those factors is the demonstration by the applicant of reputable and

19       responsible character. Rechnitz's failure to cooperate fully with DHCS and CMS

20       creates great doubt as to whether Rechnitz can satisfy this "good character"

21       requirement.

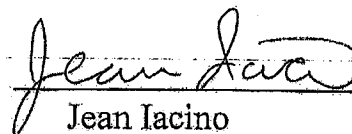
22       13. I make this declaration in my official capacity.

23       I declare under penalty of perjury of the laws of the State of California that

24       the foregoing is true and correct.

25       Executed on August 28, 2014, at Sacramento, California.

26

27       

28       Jean Iacino  
Declarant

EXHIBIT  
5



**DECLARATION OF BOB SANDS  
IN SUPPORT OF EMERGENCY MOTION TO  
DISQUALIFY STALKING HORSE PARTIES FROM (1) INTERIM  
MANAGEMENT OF DEBTORS' FACILITIES, AND (2) PURCHASING  
DEBTORS' FACILITIES OR ASSETS**

I, Robert Sands, declare as follows:

1. I have personal knowledge of the following facts, and I am competent to testify to their truth, under oath, if called as a witness.

2. I am employed as the Assistant Deputy Director of Audits and Investigations (A&I), California Department of Health Care Services (DHCS). As the Assistant Deputy Director of A&I, I am responsible for directing and overseeing the audit and investigations operations of A&I.

3. On September 4, 2013, DHCS sent the first letter to Brius Management Company (Brius) regarding the placement of Highland Park and Brighton Place Spring Valley (Brighton) on twenty percent withhold for failure to file a home office cost report.

4. On October 10, 2013, DHCS sent the second letter to Brius Management Company regarding the placement of Highland Park and Brighton on one hundred percent withhold for failure to file a home office cost report.

5. On October 30, 2013, DHCS and Axiom Healthcare (Axiom - cost report preparer) exchanged e-mails regarding the filing of a home office cost report for Brius Management Company.

6. On December 20, 2013, DHCS sent a letter to Mr. Mike Lesnick of Axiom, which stated that Highland Park and Brighton will remain on withhold pending the filing of a home office cost report as required under Title 42, Code of Federal Regulations, Section 413.24 and CMS Pub. 15-1, Section 2413, for Brius. The letter listed five specific items for Axiom to submit along with the home office cost report. Among the items requested was a full disclosure of all facilities owned

1 by Shlomo Rechnitz (Rechnitz). In prior years, Axiom had not disclosed to the  
2 audit staff all of the facilities owned by Mr. Rechnitz.

3 7. On January 29, 2014, DHCS held a telephone conference with Mr.  
4 Rechnitz's representative, Mike Lesnick of Axiom (Lesnick) and Mark Johnson of  
5 Hooper, Lundy, and Bookman (Johnson) to discuss the facilities on withhold. Both  
6 parties agreed that Mr. Rechnitz's operations need to be reviewed on a global basis  
7 which would a home office cost report that incorporated all of the various regional  
8 offices such as Boardwalk West Financial Services LLC (Boardwalk), Citrus  
9 Wellness LLC (Citrus), Core Healthcare Centers LLC (Core), and all the related  
10 party transactions such as Twin Med and JI Medical. Mr. Lesnick stated that he  
11 would give DHCS a proposal for a global home office cost report. To date, Mr.  
12 Lesnick has not submitted a proposal for a global home office cost report.

13 8. On February 6, 2014, DHCS received a home office cost report for  
14 Brius and a home office cost report for Brius LLC. The two home office cost  
15 reports disclose no assets, no liabilities, no income, and no expense for either Brius  
16 or Brius LLC.

17 9. On February 7, 2014, DHCS informed Mr. Johnson that the auditors  
18 found fees for Rockport Healthcare Services (Rockport) during the review of the  
19 2012 cost report and inquired if a home office cost report would be filed for  
20 Rockport.

21 10. On February 7, 2014, Mr. Johnson stated that Rockport is an  
22 administrative service company that provides various consulting and administrative  
23 services to facilities in which Mr. Rechnitz had an ownership interest. Neither Mr.  
24 Rechnitz nor anyone related to Mr. Rechnitz had any ownership interest in  
25 Rockport.

26 11. On February 14, 2014, DHCS asked Mr. Johnson if a home office cost  
27 report for Rockport would be filed and if not, why not. DHCS also asked if  
28

1 Rockport is a related party and that the issue of related party through control must  
2 be addressed. Mr. Johnson did not believe Rockport was a related party.

3 12. On February 18, 2014, DHCS sent Mr. Johnson a request for nine  
4 specific items to document the relationship between Rockport and Mr. Rechnitz.  
5 There was no response.

6 13. On February 24, 2014, DHCS e-mailed Mr. Johnson regarding the  
7 status of the home office documentation. Again, there was no response.

8 14. On March 7, 2014, DHCS again e-mailed Mr. Johnson regarding the  
9 status of the home office documentation, for which it did not receive a response

10 15. On March 17, 2014, DHCS, once again, e-mailed Mr. Johnson  
11 regarding the status of home office documentation, again, DHCS did no receive a  
12 response.

13 16. On March 24, 2014, DHCS formally requested from Mr. Johnson that  
14 a home office cost report be filed for Rockport.

15 17. On March 31, 2014, Mr. Johnson wrote to respond to DHCS's  
16 December 20, 2013 letter. The response included a list of fifty-eight facilities in  
17 which Mr. Rechnitz had an ownership interest and a list of business entities in  
18 which Mr. Rechnitz had an ownership interest. This is the first time the number of  
19 facilities owned by Mr. Rechnitz was disclosed to DHCS's Financial Audits  
20 Branch.

21 18. Mr. Johnson's March 31, 2014 letter claimed that Rockport was not a  
22 related party and directed DHCS to contact Foley Hoag (Hoag), the attorney for  
23 Rockport for any questions related to Rockport. The letter stated, "We are  
24 informed that Rockport Healthcare Services, LLC ("Rockport") is owned by Steven  
25 Stroll and Marsha Stroll, each as individuals." The letter also disclosed that Steven  
26 Stroll was Mr. Rechnitz's certified public account and had been providing tax  
27 services to Mr. Rechnitz since 1998.  
28

1       19.     On April 8, 2014, DHCS contacted Mr. Hoag and requested  
2     documentation regarding the relationship between Rockport and Mr. Rechnitz.  
3     DHCS also requested an explanation on why Rockport was not a related party to  
4     Mr. Rechnitz and to specifically address the issue of relationship through control.

5       20.     On April 9, 2014, DHCS e-mailed Mr. Johnson regarding his March  
6     31, 2014 letter. DHCS inquired about the relationship of Rechnitz to Boardwalk  
7     and Citrus and if a home office cost report should be filed for the two entities.  
8     DHCS also inquired if the related party profit had been removed from the filed cost  
9     reports at the facilities. DHCS asked some additional questions regarding the  
10    relationship of Mr. Rechnitz to Rockport and requested documentation of the  
11    related party costs for facility lease expense.

12       21.     On April 22, 2014, DHCS inquired on the status of its April 9, 2014  
13    request.

14       22.     On the same day, DHCS also inquired with Mr. Hoag regarding the  
15    status of its April 8, 2014 request for the documentation related to Rockport.

16       23.     On April 23, 2014, Mr. Johnson requested clarification on the  
17    outstanding documentation requests and inquired about removing the withholds  
18    from the two facilities.

19       24.     On April 29, 2014, DHCS inquired with Mr. Hoag regarding the status  
20    of its April 8, 2014 request for the documentation related to Rockport.

21       25.     On April 30, 2014, DHCS reminded Mr. Johnson that, on January 29,  
22    2014, he and Mr. Lesnick agreed that the review of Mr. Rechnitz's operations  
23    should be done on a global basis and that Mr. Lesnick was going to present a  
24    proposal for a global home office cost report that incorporated all the regional  
25    offices and the related party transactions. DHCS informed Mr. Johnson that the  
26    two Brius home office cost reports were incomplete and inconsistent with other  
27    information previously disclosed. Specifically, the two home office cost reports  
28    failed to disclose any assets, liabilities, equity, income, or expense. Mr. Johnson

1 was informed that the two Brius home office cost reports did not constitute proper  
2 home office cost reports and the Highland Park and Brighton facilities would  
3 remain on a one hundred percent withhold.

4 26. On May 15, 2014, DHCS held a telephonic conference with Mr.  
5 Johnson to clarify the outstanding document requests and the need to file home  
6 office cost reports.

7 27. On May 15, 2014, DHCS inquired with Mr. Hoag regarding its April  
8 8, 2014 request for the Rockport documentation.

9 28. On May 22, 2014, DHCS again inquired with Mr. Hoag regarding its  
10 April 8, 2014 request for the Rockport documentation.

11 29. On May 28, 2014, Mr. Johnson wrote to DHCS, stating that  
12 Boardwalk and Citrus are related parties and that home office cost reports should  
13 have been filed but were not. Mr. Johnson's letter also stated that the related party  
14 profit for Boardwalk and Citrus were not eliminated on the filed facilities' cost  
15 reports. The same letter also stated that Mr. Stroll was not Mr. Rechnitz's agent.  
16 However, the statement is contrary to the records at the Secretary of State's Office.

17 30. On June 4, 2014, Mr. Hoag confirmed that Mr. Stroll is the owner of  
18 Rockport, that Rockport provides services to all fifty-eight of Mr. Rechnitz's  
19 facilities and three non-Rechnitz-owned facilities.

20 31. On August 22, 2014, DHCS sent a formal letter to Mr. Johnson that  
21 the failure of Mr. Rechnitz to submit a home office cost report for Rockport,  
22 Boardwalk, and Citrus has impeded the State's ability to complete the audits of 57  
23 nursing facilities and to establish NF B rates when the rate year started on August 1,  
24 2014. If the home office cost reports are not received by September 22, 2014,  
25 DHCS will place 55 facilities on 20% withhold under Title 42, Code of Federal  
26 Regulations, Section 413.24 and CMS Pub. 15-1, Section 2413. The two facilities  
27 currently on 100% withhold will remain on 100% withhold.  
28

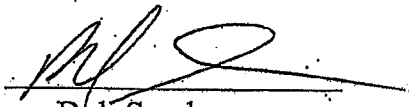
1        32. If DHCS does not to receive Rockport, Boardwalk, and Citrus home  
2 office cost reports by September 22, 2014, DHCS will place 100% withhold to all  
3 55 facilities, all interim payments since the beginning of the cost reporting period  
4 can be deemed overpayments per CMS. Pub. 15-1, Section 100.

5        33. If Rechnitz does not submit the Rockport, Boardwalk, Citrus home  
6 office cost reports after the 100% withhold, DHCS can take administrative action to  
7 temporarily suspend the facilities from providing Medi-Cal services.

8        34. Given the significant degree of non-compliance by Rechnitz in  
9 submitting home office cost reports, DHCS has grave concerns, in the instant case,  
10 about the pending sale of additional facilities:

11        I declare under penalty of perjury of the laws of the State of California that the  
12 foregoing is true and correct.

13        Executed on August 28, 2014, at Sacramento California.

14  
15   
16 Bob Sands  
17 Declarant  
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**NOTE:** When using this form to indicate service of a proposed order, **DO NOT** list any person or entity in Category I. Proposed orders do not generate an NEF because only orders that have been entered are placed on the CM/ECF docket.

## PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is:  
300 South Spring Street, Room 1072, Los Angeles, CA 90012.

A true and correct copy of the foregoing document described EMERGENCY MOTION TO DISQUALIFY STALKING HORSE PARTIES FROM (1) INTERIM MANAGEMENT OF DEBTORS' FACILITIES, AND (2) PURCHASING DEBTORS' FACILITIES OR ASSETS will be served or was served (a) on the judge in chambers in the form and manner required by LBR 5005-2(d); and (b) in the manner indicated below:

I. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING ("NEF") – Pursuant to controlling General Order(s) and Local Bankruptcy Rule(s) ("LBR"), the foregoing document will be served by the court via NEF and hyperlink to the document. On August 28, 2014, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following person(s) are on the Electronic Mail Notice List to receive NEF transmission at the email address(es) indicated below

SEE ATTACHED SERVICE LIST

[X] Service information continued on attached page

II. SERVED BY U.S. MAIL OR OVERNIGHT MAIL (indicate method for each person or entity served):

On August 28, 2014, I served the following person(s) and/or entity(ies) at the last known address(es) in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States Mail, first class, postage prepaid, and/or with an overnight mail service addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

SEE ATTACHED SERVICE LIST

[X] Service information continued on attached page

III. SERVED BY PERSONAL DELIVERY, FACSIMILE TRANSMISSION OR EMAIL (indicate method for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on August 28, 2014, I served the following person(s) and/or entity(ies) by personal delivery, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on the judge will be completed no later than 24 hours after the document is filed.

Honorable Catherine E. Bauer  
U.S. Bankruptcy Court, Courtroom 365  
411 W. Fourth Street, Suite 2030, Santa Ana, CA 92701-4593

(VIA OVERNIGHT MAIL)

☐ Service information continued on attached page

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

August 28, 2014

Evelyn Mendoza

/s/ Evelyn Mendoza

Date

Type Name

Signature

I. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING ("NEF")

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This form is mandatory. It has been approved for use by the United States Bankruptcy Court for the Central District of California.



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- Kristin A Zilberstein bknotice@mccarthyholthus.com, kzilberstein@mccarthyholthus.com

## II. SERVED BY U.S. MAIL

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JCH Consulting Group, Inc.

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**Los Angeles, CA 90067**

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**10250 Constellation Blvd Ste 1700**  
**Los Angeles, CA 90067**

**NSBN**

,

**Sanders Collins & Rehaste, LLP**

,

**Benjamin P Wasserman**  
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**Long Beach, CA 90802**

**Bradley Yourist**  
**Yourist Law Corporation**  
**11111 Santa Monica Blvd.**  
**Suite 100**  
**Los Angeles, CA 90025**

# SUMMONS (CITACION JUDICIAL)

**NOTICE TO DEFENDANT: SHLOMO RECHNITZ; BRIUS (AVISO AL DEMANDADO): MANAGEMENT CO., INC.; BRIUS, LLC; SOL HEALTHCARE, LLC; B-SPRING VALLEY, LLC; CNRC, LLC; POINT LOMA REHABILITATION CENTER, LLC; CENTINELA**

Additional Parties Attachment form is attached.

**YOU ARE BEING SUED BY PLAINTIFF: RAYMOND FOREMAN, by and (LO ESTÁ DEMANDANDO EL DEMANDANTE):** through his Attorney in Fact, LaTonya Foreman,

FOR COURT USE ONLY  
(SOLO PARA USO DE LA CORTE)  
**CONFORMED COPY**  
**ORIGINAL FILED**  
SUPERIOR COURT OF CALIFORNIA  
COUNTY OF LOS ANGELES

OCT 07 2014

Shorri R. Carter, Executive Officer/Clerk  
By: Shaunya Bolden, Deputy

**NOTICE!** You have been sued. The court may decide against you without your being heard unless you respond within 30 days. Read the information below.

You have 30 CALENDAR DAYS after this summons and legal papers are served on you to file a written response at this court and have a copy served on the plaintiff. A letter or phone call will not protect you. Your written response must be in proper legal form if you want the court to hear your case. There may be a court form that you can use for your response. You can find these court forms and more information at the California Courts Online Self-Help Center ([www.courtinfo.ca.gov/selfhelp](http://www.courtinfo.ca.gov/selfhelp)), your county law library, or the courthouse nearest you. If you cannot pay the filing fee, ask the court clerk for a fee waiver form. If you do not file your response on time, you may lose the case by default, and your wages, money, and property may be taken without further warning from the court.

There are other legal requirements. You may want to call an attorney right away. If you do not know an attorney, you may want to call an attorney referral service. If you cannot afford an attorney, you may be eligible for free legal services from a nonprofit legal services program. You can locate these nonprofit groups at the California Legal Services Web site ([www.lawhelpcalifornia.org](http://www.lawhelpcalifornia.org)), the California Courts Online Self-Help Center ([www.courtinfo.ca.gov/selfhelp](http://www.courtinfo.ca.gov/selfhelp)), or by contacting your local court or county bar association. **NOTE:** The court has a statutory lien for waived fees and costs on any settlement or arbitration award of \$10,000 or more in a civil case. The court's lien must be paid before the court will dismiss the case. **¡AVISO!** Lo han demandado. Si no responde dentro de 30 días, la corte puede decidir en su contra sin escuchar su versión. Lea la información a continuación.

Tiene 30 DÍAS DE CALENDARIO después de que le entreguen esta citación y papeles legales para presentar una respuesta por escrito en esta corte y hacer que se entregue una copia al demandante. Una carta o una llamada telefónica no lo protegen. Su respuesta por escrito tiene que estar en formato legal correcto si desea que procesen su caso en la corte. Es posible que haya un formulario que usted pueda usar para su respuesta. Puede encontrar estos formularios de la corte y más información en el Centro de Ayuda de las Cortes de California ([www.sucorte.ca.gov](http://www.sucorte.ca.gov)), en la biblioteca de leyes de su condado o en la corte que le quede más cerca. Si no puede pagar la cuota de presentación, pida al secretario de la corte que le dé un formulario de exención de pago de cuotas. Si no presenta su respuesta a tiempo, puede perder el caso por incumplimiento y la corte le podrá quitar su sueldo, dinero y bienes sin más advertencia.

Hay otros requisitos legales. Es recomendable que llame a un abogado inmediatamente. Si no conoce a un abogado, puede llamar a un servicio de remisión a abogados. Si no puede pagar a un abogado, es posible que cumpla con los requisitos para obtener servicios legales gratuitos de un programa de servicios legales sin fines de lucro. Puede encontrar estos grupos sin fines de lucro en el sitio web de California Legal Services, ([www.lawhelpcalifornia.org](http://www.lawhelpcalifornia.org)), en el Centro de Ayuda de las Cortes de California, ([www.sucorte.ca.gov](http://www.sucorte.ca.gov)) o poniéndose en contacto con la corte o el colegio de abogados locales. **AVISO:** Por ley, la corte tiene derecho a reclamar las cuotas y los costos exentos por imponer un gravamen sobre cualquier recuperación de \$10,000 ó más de valor recibida mediante un acuerdo o una concesión de arbitraje en un caso de derecho civil. Tiene que pagar el gravamen de la corte antes de que la corte pueda desechar el caso.

The name and address of the court is:  
(El nombre y dirección de la corte es):  
Superior Court of California, County of Los Angeles  
111 N. Hill Street  
Los Angeles, California 90012

CASE NUMBER (Número del caso): **BC 559909**

The name, address, and telephone number of plaintiff's attorney, or plaintiff without an attorney, is: Stephen M. Garcia  
(El nombre, la dirección y el número de teléfono del abogado del demandante, o del demandante que no tiene abogado, es):

Garcia, Artigliere & Medby  
One World Trade Center, Suite 1950, Long Beach, CA 90831-1950

(562) 216-5270

DATE:  
(Fecha)

Clerk by  
(Secretario)

Deputy  
(Adjunto)

(For proof of service of this summons, use Proof of Service of Summons (form POS-010))  
(Para prueba de entrega de esta citación use el formulario Proof of Service of Summons, (POS-010)).

SHAUNYA BOLDEN

[SEAL]

**NOTICE TO THE PERSON SERVED:** You are served

1. ☐ as an individual defendant.
2. ☐ as the person sued under the fictitious name of (specify):
3. ☐ on behalf of (specify):
 

under: <input type="checkbox"/> CCP 416.10 (corporation)	<input type="checkbox"/> CCP 416.60 (minor)
<input type="checkbox"/> CCP 416.20 (defunct corporation)	<input type="checkbox"/> CCP 416.70 (conservatee)
<input type="checkbox"/> CCP 416.40 (association or partnership)	<input type="checkbox"/> CCP 416.90 (authorized person)
<input type="checkbox"/> other (specify):	
4. ☐ by personal delivery on (date):

## SHORT TITLE:

Raymond Foreman vs. Shlomo Rechnitz, Brius Management Co, Inc., et al

CASE NUMBER:

## INSTRUCTIONS FOR USE

- This form may be used as an attachment to any summons if space does not permit the listing of all parties on the summons.
- If this attachment is used, insert the following statement in the plaintiff or defendant box on the summons: "Additional Parties Attachment form is attached."

List additional parties (Check only one box. Use a separate page for each type of party.):

☐ Plaintiff    ☒ Defendant    ☐ Cross-Complainant    ☐ Cross-Defendant

SKILLED NURSING & WELLNESS CENTRE - WEST, LLC; CENTINELA SKILLED NURSING & WELLNESS CENTRE - EAST, LLC; HIGHLAND PARK SKILLED NURSING & WELLNESS CENTRE, LLC; LAIBCO, LLC; SOUTH PASADENA REHABILITATION CENTER, LLC; LIGHTHOUSE HEALTHCARE CENTER, LLC; VERNON HEALTHCARE, LLC; NORWALK SKILLED NURSING & WELLNESS CENTRE, LLC; VERDUGO VALLEY SKILLED NURSING & WELLNESS CENTRE, LLC; MAYWOOD SKILLED NURSING & WELLNESS CENTRE, LLC; WISH-I-AH HEALTHCARE & WELLNESS CENTRE, LLC; FRESNO SKILLED NURSING & WELLNESS CENTRE, LLC; OAKHURST HEALTHCARE & WELLNESS CENTRE, LLC; EUREKA REHABILITATION & WELLNESS CENTER, LLC; GRANADA REHABILITATION & WELLNESS CENTER, LP; PACIFIC REHABILITATION & WELLNESS CENTER, LP; SEAVIEW REHABILITATION & WELLNESS CENTER, LP; FORTUNA REHABILITATION & WELLNESS CENTER, LP; GRANITE HILLS HEALTHCARE & WELLNESS CENTRE, LLC; CLAIREMONT HEALTHCARE & WELLNESS CENTRE, LLC; SOLNUS ONE, LLC; SOLNUS TWO, LLC; SOLNUS THREE, LLC; SOLNUS FOUR, LLC; SOLNUS FIVE, LLC; SOLNUS SIX, LLC; SOLNUS SEVEN, LLC; SOLNUS EIGHT, LLC; LAWNGDALE HEALTHCARE & WELLNESS CENTRE, LLC; THE HEALTHCARE CENTER OF DOWNEY, LLC; SAN MARINO GARDENS WELLNESS CENTER, LP; NOTELLAGE CORPORATION; FOUR SEASONS HEALTHCARE & WELLNESS CENTER, LP; ALHAMBRA HEALTHCARE & WELLNESS CENTRE, LP; MESA VERDE CONVALESCENT HOSPITAL, INC.; FULLERTON HEALTHCARE & WELLNESS CENTRE, LP; HAWTHORNE HEALTHCARE & WELLNESS CENTRE, LLC; YORK HEALTHCARE & WELLNESS CENTRE, LP; NOVATO HEALTHCARE CENTER, LLC; OXNARD MANOR, LP; POMONA HEALTHCARE & WELLNESS CENTER, LLC; PINE GROVE HEALTHCARE & WELLNESS CENTRE, LP; SAN GABRIEL HEALTHCARE & WELLNESS CENTRE, LP; SAN RAFAEL HEALTHCARE & WELLNESS CENTRE, LP and DOES 1 through 100, inclusive,

ATTORNEY OR PARTY WITHOUT ATTORNEY (Name): <b>Stephen M. Garcia</b> Garcia, Artigliere & Medby One World Trade Center, Suite 1950, Long Beach, CA 90831-1950 TELEPHONE NO.: (562) 216-5270 FAX NO.: (562) 216-5271 ATTORNEY FOR (Name): <b>Plaintiff</b>		Bar number, and address): <b>SBN: 123338</b>		FOR COURT USE ONLY  <b>CONFORMED COPY ORIGINAL FILED SUPERIOR COURT OF CALIFORNIA COUNTY OF LOS ANGELES</b>  <b>OCT 07 2014</b>  <b>Sherri R. Carter, Executive Officer/Clerk By: Shaunya Bolden, Deputy</b>  <b>BC 5 5 9 9 0 9</b>	
<b>SUPERIOR COURT OF CALIFORNIA, COUNTY OF LOS ANGELES</b> STREET ADDRESS: 111 N. Hill Street MAILING ADDRESS: 111 N. Hill Street CITY AND ZIP CODE: Los Angeles, 90012 BRANCH NAME: Stanley Mosk Courthouse on Hill St.					
CASE NAME: Raymond Foreman, et al v. Shlomo Rechnitz; Bruis Management Co., Inc. et al					
<b>CIVIL CASE COVER SHEET</b> <input checked="" type="checkbox"/> <b>Unlimited</b> (Amount demanded exceeds \$25,000)			<input type="checkbox"/> <b>Limited</b> (Amount demanded is \$25,000 or less)		
<input type="checkbox"/> <b>Counter</b>			<input type="checkbox"/> <b>Joinder</b>		
Filed with first appearance by defendant (Cal. Rules of Court, rule 3.402)			CASE NUMBER:  JUDGE:  DEPT:		

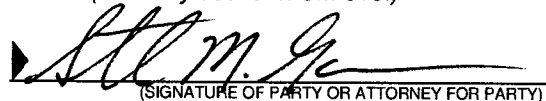
Items 1–6 below must be completed (see instructions on page 2).

1. Check **one** box below for the case type that best describes this case:
- |  |  |  |
|--|--|--|
| <b>Auto Tort</b><br><input type="checkbox"/> Auto (22)<br><input type="checkbox"/> Uninsured motorist (46)<br><b>Other PI/PD/WD (Personal Injury/Property Damage/Wrongful Death) Tort</b><br><input type="checkbox"/> Asbestos (04)<br><input type="checkbox"/> Product liability (24)<br><input type="checkbox"/> Medical malpractice (45)<br><input type="checkbox"/> Other PI/PD/WD (23)<br><b>Non-PI/PD/WD (Other) Tort</b><br><input type="checkbox"/> Business tort/unfair business practice (07)<br><input type="checkbox"/> Civil rights (08)<br><input type="checkbox"/> Defamation (13)<br><input type="checkbox"/> Fraud (16)<br><input type="checkbox"/> Intellectual property (19)<br><input type="checkbox"/> Professional negligence (25)<br><input type="checkbox"/> Other non-PI/PD/WD tort (35)<br><b>Employment</b><br><input type="checkbox"/> Wrongful termination (36)<br><input type="checkbox"/> Other employment (15) | <b>Contract</b><br><input type="checkbox"/> Breach of contract/warranty (06)<br><input type="checkbox"/> Rule 3.740 collections (09)<br><input type="checkbox"/> Other collections (09)<br><input type="checkbox"/> Insurance coverage (18)<br><input type="checkbox"/> Other contract (37)<br><b>Real Property</b><br><input type="checkbox"/> Eminent domain/Inverse condemnation (14)<br><input type="checkbox"/> Wrongful eviction (33)<br><input type="checkbox"/> Other real property (26)<br><b>Unlawful Detainer</b><br><input type="checkbox"/> Commercial (31)<br><input type="checkbox"/> Residential (32)<br><input type="checkbox"/> Drugs (38)<br><b>Judicial Review</b><br><input type="checkbox"/> Asset forfeiture (05)<br><input type="checkbox"/> Petition re: arbitration award (11)<br><input type="checkbox"/> Writ of mandate (02)<br><input type="checkbox"/> Other judicial review (39) | <b>Provisionally Complex Civil Litigation (Cal. Rules of Court, rules 3.400–3.403)</b><br><input type="checkbox"/> Antitrust/Trade regulation (03)<br><input type="checkbox"/> Construction defect (10)<br><input type="checkbox"/> Mass tort (40)<br><input type="checkbox"/> Securities litigation (28)<br><input type="checkbox"/> Environmental/Toxic tort (30)<br><input type="checkbox"/> Insurance coverage claims arising from the above listed provisionally complex case types (41)<br><b>Enforcement of Judgment</b><br><input type="checkbox"/> Enforcement of judgment (20)<br><b>Miscellaneous Civil Complaint</b><br><input type="checkbox"/> RICO (27)<br><input type="checkbox"/> Other complaint (not specified above) (42)<br><b>Miscellaneous Civil Petition</b><br><input type="checkbox"/> Partnership and corporate governance (21)<br><input type="checkbox"/> Other petition (not specified above) (43) |
|--|--|--|
2. This case ☒ is ☐ is not complex under rule 3.400 of the California Rules of Court. If the case is complex, mark the factors requiring exceptional judicial management:
- |  |  |
|--|--|
| a. <input type="checkbox"/> Large number of separately represented parties<br>b. <input checked="" type="checkbox"/> Extensive motion practice raising difficult or novel issues that will be time-consuming to resolve<br>c. <input checked="" type="checkbox"/> Substantial amount of documentary evidence | d. <input checked="" type="checkbox"/> Large number of witnesses<br>e. <input type="checkbox"/> Coordination with related actions pending in one or more courts in other counties, states, or countries, or in a federal court<br>f. <input checked="" type="checkbox"/> Substantial postjudgment judicial supervision |
|--|--|
3. Remedies sought (check all that apply): a. ☒ monetary b. ☒ nonmonetary; declaratory or injunctive relief c. ☒ punitive
4. Number of causes of action (specify): Four (4)
5. This case ☒ is ☐ is not a class action suit.
6. If there are any known related cases, file and serve a notice of related case. (You may use form CM-015.)

Date: October 6, 2014

Stephen M. Garcia

(TYPE OR PRINT NAME)

  
 (SIGNATURE OF PARTY OR ATTORNEY FOR PARTY)

### NOTICE

- Plaintiff must file this cover sheet with the first paper filed in the action or proceeding (except small claims cases or cases filed under the Probate Code, Family Code, or Welfare and Institutions Code). (Cal. Rules of Court, rule 3.220.) Failure to file may result in sanctions.
- File this cover sheet in addition to any cover sheet required by local court rule.
- If this case is complex under rule 3.400 et seq. of the California Rules of Court, you must serve a copy of this cover sheet on all other parties to the action or proceeding.
- Unless this is a collections case under rule 3.740 or a complex case, this cover sheet will be used for statistical purposes only.

Page 1 of 2

## INSTRUCTIONS ON HOW TO COMPLETE THE COVER SHEET

**To Plaintiffs and Others Filing First Papers.** If you are filing a first paper (for example, a complaint) in a civil case, you **must** complete and file, along with your first paper, the *Civil Case Cover Sheet* contained on page 1. This information will be used to compile statistics about the types and numbers of cases filed. You must complete items 1 through 6 on the sheet. In item 1, you must check **one** box for the case type that best describes the case. If the case fits both a general and a more specific type of case listed in item 1, check the more specific one. If the case has multiple causes of action, check the box that best indicates the **primary** cause of action. To assist you in completing the sheet, examples of the cases that belong under each case type in item 1 are provided below. A cover sheet must be filed only with your initial paper. Failure to file a cover sheet with the first paper filed in a civil case may subject a party, its counsel, or both to sanctions under rules 2.30 and 3.220 of the California Rules of Court.

**To Parties in Rule 3.740 Collections Cases.** A "collections case" under rule 3.740 is defined as an action for recovery of money owed in a sum stated to be certain that is not more than \$25,000, exclusive of interest and attorney's fees, arising from a transaction in which property, services, or money was acquired on credit. A collections case does not include an action seeking the following: (1) tort damages, (2) punitive damages, (3) recovery of real property, (4) recovery of personal property, or (5) a prejudgment writ of attachment. The identification of a case as a rule 3.740 collections case on this form means that it will be exempt from the general time-for-service requirements and case management rules, unless a defendant files a responsive pleading. A rule 3.740 collections case will be subject to the requirements for service and obtaining a judgment in rule 3.740.

**To Parties in Complex Cases.** In complex cases only, parties must also use the *Civil Case Cover Sheet* to designate whether the case is complex. If a plaintiff believes the case is complex under rule 3.400 of the California Rules of Court, this must be indicated by completing the appropriate boxes in items 1 and 2. If a plaintiff designates a case as complex, the cover sheet must be served with the complaint on all parties to the action. A defendant may file and serve no later than the time of its first appearance a joinder in the plaintiff's designation, a counter-designation that the case is not complex, or, if the plaintiff has made no designation, a designation that the case is complex.

## CASE TYPES AND EXAMPLES

**Auto Tort**

Auto (22)—Personal Injury/Property Damage/Wrongful Death  
Uninsured Motorist (46) (*if the case involves an uninsured motorist claim subject to arbitration, check this item instead of Auto*)

**Other PI/PD/WD (Personal Injury/Property Damage/Wrongful Death) Tort**

Asbestos (04)  
Asbestos Property Damage  
Asbestos Personal Injury/Wrongful Death  
Product Liability (*not asbestos or toxic/environmental*) (24)  
Medical Malpractice (45)  
Medical Malpractice—Physicians & Surgeons  
Other Professional Health Care Malpractice  
Other PI/PD/WD (23)  
Premises Liability (e.g., slip and fall)  
Intentional Bodily Injury/PD/WD (e.g., assault, vandalism)  
Intentional Infliction of Emotional Distress  
Negligent Infliction of Emotional Distress  
Other PI/PD/WD

**Non-PI/PD/WD (Other) Tort**

Business Tort/Unfair Business Practice (07)  
Civil Rights (e.g., discrimination, false arrest) (*not civil harassment*) (08)  
Defamation (e.g., slander, libel) (13)  
Fraud (16)  
Intellectual Property (19)  
Professional Negligence (25)  
Legal Malpractice  
Other Professional Malpractice (*not medical or legal*)  
Other Non-PI/PD/WD Tort (35)

**Employment**

Wrongful Termination (36)  
Other Employment (15)

**Contract**

Breach of Contract/Warranty (06)  
Breach of Rental/Lease  
Contract (*not unlawful detainer or wrongful eviction*)  
Contract/Warranty Breach—Seller Plaintiff (*not fraud or negligence*)  
Negligent Breach of Contract/Warranty  
Other Breach of Contract/Warranty  
Collections (e.g., money owed, open book accounts) (09)  
Collection Case—Seller Plaintiff  
Other Promissory Note/Collections Case  
Insurance Coverage (*not provisionally complex*) (18)  
Auto Subrogation  
Other Coverage  
Other Contract (37)  
Contractual Fraud  
Other Contract Dispute

**Real Property**

Eminent Domain/Inverse Condemnation (14)  
Wrongful Eviction (33)  
Other Real Property (e.g., quiet title) (26)  
Writ of Possession of Real Property  
Mortgage Foreclosure  
Quiet Title  
Other Real Property (*not eminent domain, landlord/tenant, or foreclosure*)

**Unlawful Detainer**

Commercial (31)  
Residential (32)  
Drugs (38) (*if the case involves illegal drugs, check this item; otherwise, report as Commercial or Residential*)

**Judicial Review**

Asset Forfeiture (05)  
Petition Re: Arbitration Award (11)  
Writ of Mandate (02)  
Writ—Administrative Mandamus  
Writ—Mandamus on Limited Court Case Matter  
Writ—Other Limited Court Case Review  
Other Judicial Review (39)  
Review of Health Officer Order  
Notice of Appeal—Labor Commissioner Appeals

**Provisionally Complex Civil Litigation (Cal. Rules of Court Rules 3.400–3.403)**

Antitrust/Trade Regulation (03)  
Construction Defect (10)  
Claims Involving Mass Tort (40)  
Securities Litigation (28)  
Environmental/Toxic Tort (30)  
Insurance Coverage Claims (*arising from provisionally complex case type listed above*) (41)

**Enforcement of Judgment**

Enforcement of Judgment (20)  
Abstract of Judgment (Out of County)  
Confession of Judgment (*non-domestic relations*)  
Sister State Judgment  
Administrative Agency Award (*not unpaid taxes*)  
Petition/Certification of Entry of Judgment on Unpaid Taxes  
Other Enforcement of Judgment Case

**Miscellaneous Civil Complaint**

RICO (27)  
Other Complaint (*not specified above*) (42)  
Declaratory Relief Only  
Injunctive Relief Only (*non-harassment*)  
Mechanics Lien  
Other Commercial Complaint Case (*non-tort/non-complex*)  
Other Civil Complaint (*non-tort/non-complex*)

**Miscellaneous Civil Petition**

Partnership and Corporate Governance (21)  
Other Petition (*not specified above*) (43)  
Civil Harassment  
Workplace Violence  
Elder/Dependent Adult Abuse  
Election Contest  
Petition for Name Change  
Petition for Relief From Late Claim  
Other Civil Petition

**CIVIL CASE COVER SHEET ADDENDUM AND  
STATEMENT OF LOCATION  
(CERTIFICATE OF GROUNDS FOR ASSIGNMENT TO COURTHOUSE LOCATION)**

This form is required pursuant to Local Rule 2.0 in all new civil case filings in the Los Angeles Superior Court.

**Item I.** Check the types of hearing and fill in the estimated length of hearing expected for this case:

JURY TRIAL? ☒ YES CLASS ACTION? ☒ YES LIMITED CASE? ☐ YES TIME ESTIMATED FOR TRIAL 15 ☐ HOURS/ ☒ DAYS

**Item II.** Indicate the correct district and courthouse location (4 steps – If you checked “Limited Case”, skip to Item III, Pg. 4):

**Step 1:** After first completing the Civil Case Cover Sheet form, find the main Civil Case Cover Sheet heading for your case in the left margin below, and, to the right in Column **A**, the Civil Case Cover Sheet case type you selected.

**Step 2:** Check one Superior Court type of action in Column **B** below which best describes the nature of this case.

**Step 3:** In Column **C**, circle the reason for the court location choice that applies to the type of action you have checked. For any exception to the court location, see Local Rule 2.0.

**Applicable Reasons for Choosing Courthouse Location (see Column C below)**

- |   |   |
|---|---|
| 1. Class actions must be filed in the Stanley Mosk Courthouse, central district.<br>2. May be filed in central (other county, or no bodily injury/property damage).<br>3. Location where cause of action arose.<br>4. Location where bodily injury, death or damage occurred.<br>5. Location where performance required or defendant resides. | 6. Location of property or permanently garaged vehicle.<br>7. Location where petitioner resides.<br>8. Location wherein defendant/respondent functions wholly.<br>9. Location where one or more of the parties reside.<br>10. Location of Labor Commissioner Office |
|---|---|

**Step 4:** Fill in the information requested on page 4 in Item III; complete Item IV. Sign the declaration.

	<b>A</b> Civil Case Cover Sheet Category No.	<b>B</b> Type of Action (Check only one)	<b>C</b> Applicable Reasons - See Step 3 Above
<b>Auto Tort</b>	Auto (22)	<input type="checkbox"/> A7100 Motor Vehicle - Personal Injury/Property Damage/Wrongful Death	1., 2., 4.
	Uninsured Motorist (46)	<input type="checkbox"/> A7110 Personal Injury/Property Damage/Wrongful Death – Uninsured Motorist	1., 2., 4.
<b>Other Personal Injury/ Property Damage/ Wrongful Death Tort</b>	Asbestos (04)	<input type="checkbox"/> A6070 Asbestos Property Damage <input type="checkbox"/> A7221 Asbestos - Personal Injury/Wrongful Death	2. 2.
	Product Liability (24)	<input type="checkbox"/> A7260 Product Liability (not asbestos or toxic/environmental)	1., 2., 3., 4., 8.
	Medical Malpractice (45)	<input type="checkbox"/> A7210 Medical Malpractice - Physicians & Surgeons	1., 4.
		<input type="checkbox"/> A7240 Other Professional Health Care Malpractice	1., 4.
	Other Personal Injury Property Damage Wrongful Death (23)	<input type="checkbox"/> A7250 Premises Liability (e.g., slip and fall) <input type="checkbox"/> A7230 Intentional Bodily Injury/Property Damage/Wrongful Death (e.g., assault, vandalism, etc.) <input type="checkbox"/> A7270 Intentional Infliction of Emotional Distress <input type="checkbox"/> A7220 Other Personal Injury/Property Damage/Wrongful Death	1., 4. 1., 4. 1., 3. 1., 4.

SHORT TITLE: Raymond Foreman vs. Shlomo Rechnitz, Brius Management Co, Inc., et al	CASE NUMBER
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Non-Personal Injury/ Property  
Damage/ Wrongful Death Tort

A Civil Case Cover Sheet Category No.	B Type of Action (Check only one)	C Applicable Reasons - See Step 3 Above
Business Tort (07)	<input checked="" type="checkbox"/> A6029 Other Commercial/Business Tort (not fraud/breach of contract)	①, 3.
Civil Rights (08)	<input type="checkbox"/> A6005 Civil Rights/Discrimination	1., 2., 3.
Defamation (13)	<input type="checkbox"/> A6010 Defamation (slander/libel)	1., 2., 3.
Fraud (16)	<input type="checkbox"/> A6013 Fraud (no contract)	1., 2., 3.
Professional Negligence (25)	<input type="checkbox"/> A6017 Legal Malpractice <input type="checkbox"/> A6050 Other Professional Malpractice (not medical or legal)	1., 2., 3. 1., 2., 3.
Other (35)	<input type="checkbox"/> A6025 Other Non-Personal Injury/Property Damage tort	2., 3.

Employment

Wrongful Termination (36)	<input type="checkbox"/> A6037 Wrongful Termination	1., 2., 3.
Other Employment (15)	<input type="checkbox"/> A6024 Other Employment Complaint Case <input type="checkbox"/> A6109 Labor Commissioner Appeals	1., 2., 3. 10.

Contract

Breach of Contract/ Warranty (06) (not insurance)	<input type="checkbox"/> A6004 Breach of Rental/Lease Contract (not unlawful detainer or wrongful eviction) <input type="checkbox"/> A6008 Contract/Warranty Breach -Seller Plaintiff (no fraud/negligence) <input type="checkbox"/> A6019 Negligent Breach of Contract/Warranty (no fraud) <input type="checkbox"/> A6028 Other Breach of Contract/Warranty (not fraud or negligence)	2., 5. 2., 5. 1., 2., 5. 1., 2., 5.
Collections (09)	<input type="checkbox"/> A6002 Collections Case-Seller Plaintiff <input type="checkbox"/> A6012 Other Promissory Note/Collections Case	2., 5., 6. 2., 5.
Insurance Coverage (18)	<input type="checkbox"/> A6015 Insurance Coverage (not complex)	1., 2., 5., 8.
Other Contract (37)	<input type="checkbox"/> A6009 Contractual Fraud <input type="checkbox"/> A6031 Tortious Interference <input type="checkbox"/> A6027 Other Contract Dispute(not breach/insurance/fraud/negligence)	1., 2., 3., 5. 1., 2., 3., 5. 1., 2., 3., 8.

Real Property

Eminent Domain/Inverse Condemnation (14)	<input type="checkbox"/> A7300 Eminent Domain/Condemnation      Number of parcels_____	2.
Wrongful Eviction (33)	<input type="checkbox"/> A6023 Wrongful Eviction Case	2., 6.
Other Real Property (26)	<input type="checkbox"/> A6018 Mortgage Foreclosure <input type="checkbox"/> A6032 Quiet Title <input type="checkbox"/> A6060 Other Real Property (not eminent domain, landlord/tenant, foreclosure)	2., 6. 2., 6. 2., 6.

Unlawful Detainer

Unlawful Detainer-Commercial (31)	<input type="checkbox"/> A6021 Unlawful Detainer-Commercial (not drugs or wrongful eviction)	2., 6.
Unlawful Detainer-Residential (32)	<input type="checkbox"/> A6020 Unlawful Detainer-Residential (not drugs or wrongful eviction)	2., 6.
Unlawful Detainer- Post-Foreclosure (34)	<input type="checkbox"/> A6020F Unlawful Detainer-Post-Foreclosure	2., 6.
Unlawful Detainer-Drugs (38)	<input type="checkbox"/> A6022 Unlawful Detainer-Drugs	2., 6.



SHORT TITLE: Raymond Foreman vs. Shlomo Rechnitz; Brius Management Co, Inc., et al	CASE NUMBER
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	A Civil Case Cover Sheet Category No.	B Type of Action (Check only one)	C Applicable Reasons - See Step 3 Above		
Judicial Review	Asset Forfeiture (05)	<input type="checkbox"/> A6108 Asset Forfeiture Case	2., 6.		
	Petition re Arbitration (11)	<input type="checkbox"/> A6115 Petition to Compel/Confirm/Vacate Arbitration	2., 5.		
	Writ of Mandate (02)	<input type="checkbox"/> A6151 Writ - Administrative Mandamus <input type="checkbox"/> A6152 Writ - Mandamus on Limited Court Case Matter <input type="checkbox"/> A6153 Writ - Other Limited Court Case Review	2., 8. 2. 2.		
	Other Judicial Review (39)	<input type="checkbox"/> A6150 Other Writ /Judicial Review	2., 8.		
Provisionally Complex Litigation	Antitrust/Trade Regulation (03)	<input type="checkbox"/> A6003 Antitrust/Trade Regulation	1., 2., 8.		
	Construction Defect (10)	<input type="checkbox"/> A6007 Construction Defect	1., 2., 3.		
	Claims Involving Mass Tort (40)	<input type="checkbox"/> A6006 Claims Involving Mass Tort	1., 2., 8.		
	Securities Litigation (28)	<input type="checkbox"/> A6035 Securities Litigation Case	1., 2., 8.		
	Toxic Tort Environmental (30)	<input type="checkbox"/> A6036 Toxic Tort/Environmental	1., 2., 3., 8.		
	Insurance Coverage Claims from Complex Case (41)	<input type="checkbox"/> A6014 Insurance Coverage/Subrogation (complex case only)	1., 2., 5., 8.		
Enforcement of Judgment	Enforcement of Judgment (20)	<input type="checkbox"/> A6141 Sister State Judgment <input type="checkbox"/> A6160 Abstract of Judgment <input type="checkbox"/> A6107 Confession of Judgment (non-domestic relations) <input type="checkbox"/> A6140 Administrative Agency Award (not unpaid taxes) <input type="checkbox"/> A6114 Petition/Certificate for Entry of Judgment on Unpaid Tax <input type="checkbox"/> A6112 Other Enforcement of Judgment Case	2., 9. 2., 6. 2., 9. 2., 8. 2., 8. 2., 8., 9.		
	RICO (27)	<input type="checkbox"/> A6033 Racketeering (RICO) Case	1., 2., 8.		
	Miscellaneous Civil Complaints	Other Complaints (Not Specified Above) (42)	<input type="checkbox"/> A6030 Declaratory Relief Only <input type="checkbox"/> A6040 Injunctive Relief Only (not domestic/harassment) <input type="checkbox"/> A6011 Other Commercial Complaint Case (non-tort/non-complex) <input type="checkbox"/> A6000 Other Civil Complaint (non-tort/non-complex)	1., 2., 8. 2., 8. 1., 2., 8. 1., 2., 8.	
		Partnership Corporation Governance (21)	<input type="checkbox"/> A6113 Partnership and Corporate Governance Case	2., 8.	
		Miscellaneous Civil Petitions	Other Petitions (Not Specified Above) (43)	<input type="checkbox"/> A6121 Civil Harassment <input type="checkbox"/> A6123 Workplace Harassment <input type="checkbox"/> A6124 Elder/Dependent Adult Abuse Case <input type="checkbox"/> A6190 Election Contest <input type="checkbox"/> A6110 Petition for Change of Name <input type="checkbox"/> A6170 Petition for Relief from Late Claim Law <input type="checkbox"/> A6100 Other Civil Petition	2., 3., 9. 2., 3., 9. 2., 3., 9. 2. 2., 7. 2., 3., 4., 8. 2., 9.

SHORT TITLE:

Raymond Foreman vs. Shlomo Rechnitz, Brius Management Co, Inc., et al

CASE NUMBER

**Item III. Statement of Location:** Enter the address of the accident, party's residence or place of business, performance, or other circumstance indicated in Item II., Step 3 on Page 1, as the proper reason for filing in the court location you selected.

**REASON:** Check the appropriate boxes for the numbers shown under Column C for the type of action that you have selected for this case.

☒ 1. ☐ 2. ☐ 3. ☐ 4. ☐ 5. ☐ 6. ☐ 7. ☐ 8. ☐ 9. ☐ 10.

ADDRESS:

Class Action

CITY:

Los Angeles

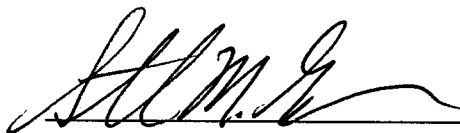
STATE:

CA

ZIP CODE:

**Item IV. Declaration of Assignment:** I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that the above-entitled matter is properly filed for assignment to the Stanley Mosk courthouse in the Central District of the Superior Court of California, County of Los Angeles [Code Civ. Proc., § 392 et seq., and Local Rule 2.0, subds. (b), (c) and (d)].

Dated: October 6, 2014



(SIGNATURE OF ATTORNEY/FILING PARTY)

**PLEASE HAVE THE FOLLOWING ITEMS COMPLETED AND READY TO BE FILED IN ORDER TO PROPERLY COMMENCE YOUR NEW COURT CASE:**

1. Original Complaint or Petition.
2. If filing a Complaint, a completed Summons form for issuance by the Clerk.
3. Civil Case Cover Sheet, Judicial Council form CM-010.
4. Civil Case Cover Sheet Addendum and Statement of Location form, LACIV 109, LASC Approved 03-04 (Rev. 03/11).
5. Payment in full of the filing fee, unless fees have been waived.
6. A signed order appointing the Guardian ad Litem, Judicial Council form CIV-010, if the plaintiff or petitioner is a minor under 18 years of age will be required by Court in order to issue a summons.
7. Additional copies of documents to be conformed by the Clerk. Copies of the cover sheet and this addendum must be served along with the summons and complaint, or other initiating pleading in the case.

**SUPERIOR COURT OF CALIFORNIA, COUNTY OF LOS ANGELES  
NOTICE OF CASE ASSIGNMENT – CLASS ACTION CASES**

Case Number \_\_\_\_\_

**THIS FORM IS TO BE SERVED WITH THE SUMMONS AND COMPLAINT**

Your case is assigned for all purposes to the judicial officer indicated below (Local Rule 3.3(c)).

ASSIGNED JUDGE	DEPT	ROOM
Judge Elihu M. Berle	323	1707
Judge William F. Highberger	322	1702
Judge John Shepard Wiley, Jr.	311	1408
Judge Kenneth Freeman	310	1412
Judge Jane Johnson	308	1415
Judge Amy D. Hogue	307	1402
OTHER		

BC 559909

**Instructions for handling Class Action Civil Cases**

The following critical provisions of the Chapter Three Rules, as applicable in the Central District, are summarized for your assistance.

**APPLICATION**

The Chapter Three Rules were effective January 1, 1994. They apply to all general civil cases.

**PRIORITY OVER OTHER RULES**

The Chapter Three Rules shall have priority over all other Local Rules to the extent the others are inconsistent.

**CHALLENGE TO ASSIGNED JUDGE**

A challenge under Code of Civil Procedure section 170.6 must be made within 15 days after notice of assignment for all purposes to a judge, or if a party has not yet appeared, within 15 days of the first appearance.

**TIME STANDARDS**

Cases assigned to the Individual Calendaring Court will be subject to processing under the following time standards:

**COMPLAINTS:** All complaints shall be served within 60 days of filing and proof of service shall be filed within 90 days of filing.

**CROSS-COMPLAINTS:** Without leave of court first being obtained, no cross-complaint may be filed by any party after their answer is filed. Cross-complaints shall be served within 30 days of the filing date and a proof of service filed within 60 days of the filing date.

A Status Conference will be scheduled by the assigned Independent Calendar Judge no later than 270 days after the filing of the complaint. Counsel must be fully prepared to discuss the following issues: alternative dispute resolution, bifurcation, settlement, trial date, and expert witnesses.

**FINAL STATUS CONFERENCE**

The Court will require the parties at a status conference not more than 10 days before the trial to have timely filed and served all motions in limine, bifurcation motions, statements of major evidentiary issues, dispositive motions, requested jury instructions, and special jury instructions and special jury verdicts. These matters may be heard and resolved at this conference. At least 5 days before this conference, counsel must also have exchanged lists of exhibits and witnesses and have submitted to the court a brief statement of the case to be read to the jury panel as required by Chapter Eight of the Los Angeles Superior Court Rules.

**SANCTIONS**

The court will impose appropriate sanctions for the failure or refusal to comply with Chapter Three Rules, orders made by the Court, and time standards or deadlines established by the Court or by the Chapter Three Rules. Such sanctions may be on a party or if appropriate on counsel for the party.

This is not a complete delineation of the Chapter Three Rules, and adherence only to the above provisions is therefore not a guarantee against the imposition of sanctions under Trial Court Delay Reduction. Careful reading and compliance with the actual Chapter Rules is absolutely imperative.

Given to the Plaintiff/Cross-Complainant/Attorney of Record on \_\_\_\_\_ SHERRI SPARTER, Executive Officer/Clerk

LACIV CCW 190 (Rev09/13)  
LASC Approved 05-06  
For Optical Use

By \_\_\_\_\_, Deputy Clerk

## VOLUNTARY EFFICIENT LITIGATION STIPULATIONS

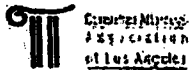


Superior Court of California  
County of Los Angeles



Los Angeles County  
Bar Association  
Litigation Section

Los Angeles County  
Bar Association Labor and  
Employment Law Section



Consumer Attorneys  
Association of Los Angeles



Southern California  
Defense Counsel



Association of  
Business Trial Lawyers



California Employment  
Lawyers Association

The Early Organizational Meeting Stipulation, Discovery Resolution Stipulation, and Motions in Limine Stipulation are voluntary stipulations entered into by the parties. The parties may enter into one, two, or all three of the stipulations; however, they may not alter the stipulations as written, because the Court wants to ensure uniformity of application. These stipulations are meant to encourage cooperation between the parties and to assist in resolving issues in a manner that promotes economic case resolution and judicial efficiency.

*The following organizations endorse the goal of promoting efficiency in litigation and ask that counsel consider using these stipulations as a voluntary way to promote communications and procedures among counsel and with the court to fairly resolve issues in their cases.*

◆ Los Angeles County Bar Association Litigation Section ◆

◆ Los Angeles County Bar Association  
Labor and Employment Law Section ◆

◆ Consumer Attorneys Association of Los Angeles ◆

◆ Southern California Defense Counsel ◆

◆ Association of Business Trial Lawyers ◆

◆ California Employment Lawyers Association ◆

NAME AND ADDRESS OF ATTORNEY OR PARTY WITHOUT ATTORNEY:		STATE BAR NUMBER	Reserved for Clerk's File Stamp
TELEPHONE NO.: E-MAIL ADDRESS (Optional): ATTORNEY FOR (Name):		FAX NO. (Optional):	
<b>SUPERIOR COURT OF CALIFORNIA, COUNTY OF LOS ANGELES</b>			
COURTHOUSE ADDRESS:			
PLAINTIFF:			
DEFENDANT:			CASE NUMBER:
<b>STIPULATION – EARLY ORGANIZATIONAL MEETING</b>			

**This stipulation is intended to encourage cooperation among the parties at an early stage in the litigation and to assist the parties in efficient case resolution.**

**The parties agree that:**

1. The parties commit to conduct an initial conference (in-person or via teleconference or via videoconference) within 15 days from the date this stipulation is signed, *to discuss and consider whether there can be agreement on the following:*
  - a. Are motions to challenge the pleadings necessary? If the issue can be resolved by amendment as of right, or if the Court would allow leave to amend, could an amended complaint resolve most or all of the issues a demurrer might otherwise raise? If so, the parties agree to work through pleading issues so that a demurrer need only raise issues they cannot resolve. Is the issue that the defendant seeks to raise amenable to resolution on demurrer, or would some other type of motion be preferable? Could a voluntary targeted exchange of documents or information by any party cure an uncertainty in the pleadings?
  - b. Initial mutual exchanges of documents at the "core" of the litigation. (For example, in an employment case, the employment records, personnel file and documents relating to the conduct in question could be considered "core." In a personal injury case, an incident or police report, medical records, and repair or maintenance records could be considered "core.");
  - c. Exchange of names and contact information of witnesses;
  - d. Any insurance agreement that may be available to satisfy part or all of a judgment, or to indemnify or reimburse for payments made to satisfy a judgment;
  - e. Exchange of any other information that might be helpful to facilitate understanding, handling, or resolution of the case in a manner that preserves objections or privileges by agreement;
  - f. Controlling issues of law that, if resolved early, will promote efficiency and economy in other phases of the case. Also, when and how such issues can be presented to the Court;
  - g. Whether or when the case should be scheduled with a settlement officer, what discovery or court ruling on legal issues is reasonably required to make settlement discussions meaningful, and whether the parties wish to use a sitting judge or a private mediator or other options as

SHORT TITLE:	CASE NUMBER:
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discussed in the "Alternative Dispute Resolution (ADR) Information Package" served with the complaint;

- h. Computation of damages, including documents not privileged or protected from disclosure, on which such computation is based;
  - i. Whether the case is suitable for the Expedited Jury Trial procedures (see information at [www.lasuperiorcourt.org](http://www.lasuperiorcourt.org) under "Civil" and then under "General Information").
2. The time for a defending party to respond to a complaint or cross-complaint will be extended to \_\_\_\_\_ for the complaint, and \_\_\_\_\_ for the cross-complaint, which is comprised of the 30 days to respond under Government Code § 68616(b), and the 30 days permitted by Code of Civil Procedure section 1054(a), good cause having been found by the Civil Supervising Judge due to the case management benefits provided by this Stipulation.  
(INSERT DATE) (INSERT DATE)
  3. The parties will prepare a joint report titled "Joint Status Report Pursuant to Initial Conference and Early Organizational Meeting Stipulation, and if desired, a proposed order summarizing results of their meet and confer and advising the Court of any way it may assist the parties' efficient conduct or resolution of the case. The parties shall attach the Joint Status Report to the Case Management Conference statement, and file the documents when the CMC statement is due.
  4. References to "days" mean calendar days, unless otherwise noted. If the date for performing any act pursuant to this stipulation falls on a Saturday, Sunday or Court holiday, then the time for performing that act shall be extended to the next Court day

The following parties stipulate:

Date:

_____	>	_____
(TYPE OR PRINT NAME)		(ATTORNEY FOR PLAINTIFF)
Date: _____		
_____	>	_____
(TYPE OR PRINT NAME)		(ATTORNEY FOR DEFENDANT)
Date: _____		
_____	>	_____
(TYPE OR PRINT NAME)		(ATTORNEY FOR DEFENDANT)
Date: _____		
_____	>	_____
(TYPE OR PRINT NAME)		(ATTORNEY FOR DEFENDANT)
Date: _____		
_____	>	_____
(TYPE OR PRINT NAME)		(ATTORNEY FOR _____)
Date: _____		
_____	>	_____
(TYPE OR PRINT NAME)		(ATTORNEY FOR _____)
Date: _____		
_____	>	_____
(TYPE OR PRINT NAME)		(ATTORNEY FOR _____)

NAME AND ADDRESS OF ATTORNEY OR PARTY WITHOUT ATTORNEY:		STATE BAR NUMBER	Reserved for Clerk's File Stamp
TELEPHONE NO.: E-MAIL ADDRESS (Optional): ATTORNEY FOR (Name):		FAX NO. (Optional):	
<b>SUPERIOR COURT OF CALIFORNIA, COUNTY OF LOS ANGELES</b>			
COURTHOUSE ADDRESS:			
PLAINTIFF:			
DEFENDANT:			CASE NUMBER:
<b>STIPULATION – DISCOVERY RESOLUTION</b>			

**This stipulation is intended to provide a fast and informal resolution of discovery issues through limited paperwork and an informal conference with the Court to aid in the resolution of the issues.**

**The parties agree that:**

1. Prior to the discovery cut-off in this action, no discovery motion shall be filed or heard unless the moving party first makes a written request for an Informal Discovery Conference pursuant to the terms of this stipulation.
2. At the Informal Discovery Conference the Court will consider the dispute presented by parties and determine whether it can be resolved informally. Nothing set forth herein will preclude a party from making a record at the conclusion of an Informal Discovery Conference, either orally or in writing.
3. Following a reasonable and good faith attempt at an informal resolution of each issue to be presented, a party may request an Informal Discovery Conference pursuant to the following procedures:
  - a. The party requesting the Informal Discovery Conference will:
    - i. File a Request for Informal Discovery Conference with the clerk's office on the approved form (copy attached) and deliver a courtesy, conformed copy to the assigned department;
    - ii. Include a brief summary of the dispute and specify the relief requested; and
    - iii. Serve the opposing party pursuant to any authorized or agreed method of service that ensures that the opposing party receives the Request for Informal Discovery Conference no later than the next court day following the filing.
  - b. Any Answer to a Request for Informal Discovery Conference must:
    - i. Also be filed on the approved form (copy attached);
    - ii. Include a brief summary of why the requested relief should be denied;

SHORT TITLE:	CASE NUMBER:
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- iii. Be filed within two (2) court days of receipt of the Request; and
  - iv. Be served on the opposing party pursuant to any authorized or agreed upon method of service that ensures that the opposing party receives the Answer no later than the next court day following the filing.
- c. No other pleadings, including but not limited to exhibits, declarations, or attachments, will be accepted.
  - d. If the Court has not granted or denied the Request for Informal Discovery Conference within ten (10) days following the filing of the Request, then it shall be deemed to have been denied. If the Court acts on the Request, the parties will be notified whether the Request for Informal Discovery Conference has been granted or denied and, if granted, the date and time of the Informal Discovery Conference, which must be within twenty (20) days of the filing of the Request for Informal Discovery Conference.
  - e. If the conference is not held within twenty (20) days of the filing of the Request for Informal Discovery Conference, unless extended by agreement of the parties and the Court, then the Request for the Informal Discovery Conference shall be deemed to have been denied at that time.
4. If (a) the Court has denied a conference or (b) one of the time deadlines above has expired without the Court having acted or (c) the Informal Discovery Conference is concluded without resolving the dispute, then a party may file a discovery motion to address unresolved issues.
  5. The parties hereby further agree that the time for making a motion to compel or other discovery motion is tolled from the date of filing of the Request for Informal Discovery Conference until (a) the request is denied or deemed denied or (b) twenty (20) days after the filing of the Request for Informal Discovery Conference, whichever is earlier, unless extended by Order of the Court.
- It is the understanding and intent of the parties that this stipulation shall, for each discovery dispute to which it applies, constitute a writing memorializing a "specific later date to which the propounding [or demanding or requesting] party and the responding party have agreed in writing," within the meaning of Code Civil Procedure sections 2030.300(c), 2031.320(c), and 2033.290(c).
6. Nothing herein will preclude any party from applying *ex parte* for appropriate relief, including an order shortening time for a motion to be heard concerning discovery.
  7. Any party may terminate this stipulation by giving twenty-one (21) days notice of intent to terminate the stipulation.
  8. References to "days" mean calendar days, unless otherwise noted. If the date for performing any act pursuant to this stipulation falls on a Saturday, Sunday or Court holiday, then the time for performing that act shall be extended to the next Court day.



SHORT TITLE:	CASE NUMBER:
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**The following parties stipulate:**

Date:

\_\_\_\_\_  
(TYPE OR PRINT NAME)

Date:

\_\_\_\_\_  
(TYPE OR PRINT NAME)

Date:

\_\_\_\_\_  
(TYPE OR PRINT NAME)

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\_\_\_\_\_  
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\_\_\_\_\_  
(TYPE OR PRINT NAME)

Date:

\_\_\_\_\_  
(TYPE OR PRINT NAME)

Date:

\_\_\_\_\_  
(TYPE OR PRINT NAME)

➤

\_\_\_\_\_  
(ATTORNEY FOR PLAINTIFF)

➤

\_\_\_\_\_  
(ATTORNEY FOR DEFENDANT)

➤

\_\_\_\_\_  
(ATTORNEY FOR DEFENDANT)

➤

\_\_\_\_\_  
(ATTORNEY FOR DEFENDANT)

➤

\_\_\_\_\_  
(ATTORNEY FOR \_\_\_\_\_)

➤

\_\_\_\_\_  
(ATTORNEY FOR \_\_\_\_\_)

➤

\_\_\_\_\_  
(ATTORNEY FOR \_\_\_\_\_)

NAME AND ADDRESS OF ATTORNEY OR PARTY WITHOUT ATTORNEY:		STATE BAR NUMBER	Reserved for Clerk's File Stamp
TELEPHONE NO.: E-MAIL ADDRESS (Optional): ATTORNEY FOR (Name):		FAX NO. (Optional):	
<b>SUPERIOR COURT OF CALIFORNIA, COUNTY OF LOS ANGELES</b>			
COURTHOUSE ADDRESS:			
PLAINTIFF:			
DEFENDANT:			CASE NUMBER:
<b>INFORMAL DISCOVERY CONFERENCE</b> (pursuant to the Discovery Resolution Stipulation of the parties)			

- This document relates to:
  - ☐ Request for Informal Discovery Conference
  - ☐ Answer to Request for Informal Discovery Conference
- Deadline for Court to decide on Request: \_\_\_\_\_ (insert date 10 calendar days following filing of the Request).
- Deadline for Court to hold Informal Discovery Conference: \_\_\_\_\_ (insert date 20 calendar days following filing of the Request).
- For a Request for Informal Discovery Conference, briefly describe the nature of the discovery dispute, including the facts and legal arguments at issue. For an Answer to Request for Informal Discovery Conference, briefly describe why the Court should deny the requested discovery, including the facts and legal arguments at issue.

NAME AND ADDRESS OF ATTORNEY OR PARTY WITHOUT ATTORNEY:		STATE BAR NUMBER	Reserved for Clerk's File Stamp
TELEPHONE NO.: E-MAIL ADDRESS (Optional): ATTORNEY FOR (Name):		FAX NO. (Optional):	
<b>SUPERIOR COURT OF CALIFORNIA, COUNTY OF LOS ANGELES</b>			
COURTHOUSE ADDRESS:			
PLAINTIFF:			
DEFENDANT:			CASE NUMBER:
<b>STIPULATION AND ORDER – MOTIONS IN LIMINE</b>			

**This stipulation is intended to provide fast and informal resolution of evidentiary issues through diligent efforts to define and discuss such issues and limit paperwork.**

**The parties agree that:**

1. At least \_\_\_\_ days before the final status conference, each party will provide all other parties with a list containing a one paragraph explanation of each proposed motion in limine. Each one paragraph explanation must identify the substance of a single proposed motion in limine and the grounds for the proposed motion.
2. The parties thereafter will meet and confer, either in person or via teleconference or videoconference, concerning all proposed motions in limine. In that meet and confer, the parties will determine:
  - a. Whether the parties can stipulate to any of the proposed motions. If the parties so stipulate, they may file a stipulation and proposed order with the Court.
  - b. Whether any of the proposed motions can be briefed and submitted by means of a short joint statement of issues. For each motion which can be addressed by a short joint statement of issues, a short joint statement of issues must be filed with the Court 10 days prior to the final status conference. Each side's portion of the short joint statement of issues may not exceed three pages. The parties will meet and confer to agree on a date and manner for exchanging the parties' respective portions of the short joint statement of issues and the process for filing the short joint statement of issues.
3. All proposed motions in limine that are not either the subject of a stipulation or briefed via a short joint statement of issues will be briefed and filed in accordance with the California Rules of Court and the Los Angeles Superior Court Rules.

SHORT TITLE:

CASE NUMBER:

The following parties stipulate:

Date:

(TYPE OR PRINT NAME)

Date:

(TYPE OR PRINT NAME)

Date:

(TYPE OR PRINT NAME)

Date:

(TYPE OR PRINT NAME)

Date:

(TYPE OR PRINT NAME)

Date:

(TYPE OR PRINT NAME)

Date:

(TYPE OR PRINT NAME)

> (ATTORNEY FOR PLAINTIFF)

> (ATTORNEY FOR DEFENDANT)

> (ATTORNEY FOR DEFENDANT)

> (ATTORNEY FOR DEFENDANT)

> (ATTORNEY FOR \_\_\_\_\_)

> (ATTORNEY FOR \_\_\_\_\_)

> (ATTORNEY FOR \_\_\_\_\_)

THE COURT SO ORDERS.

Date:

JUDICIAL OFFICER