1 W. Timothy Needham (CSB #96542) FILED Amelia F. Burroughs (CSB #221490) 2 JANSSEN MALLOY LLP APR 1 2 2017 P 3 730 Fifth Street P.O. Drawer 1288 4 SUPERIOR COURT OF CALIFORNIA Eureka, CA 95501 COUNTY OF HUMBOLDT Telephone: (707) 445-2071 5 Michael D. Thamer (CSB #101440) 6 LAW OFFICES OF MICHAEL D. THAMER 7 Old Callahan School House 12444 South Highway 3 8 P.O. Box 1568 Callahan, CA 96014-1568 9 Telephone: (530) 467-5307 Attorneys for Plaintiffs CLARITA SORENSEN, 10 CELIA SORENSEN, CAROLLYN SORENSEN and CONRAD SORENSEN, as individuals and 11 as Successors-in-interest to RALPH SORENSEN, 12 deceased 13 14 SUPERIOR COURT OF CALIFORNIA 15 **COUNTY OF HUMBOLDT** 16 CLARITA SORENSEN, CELIA SORENSEN, 17 Case No.: DR160631 CAROLLYN SORENSEN and CONRAD SORENSEN, as individuals and as successors-18 in-interest to RALPH SORENSEN, deceased, 19 FIRST AMENDED COMPLAINT FOR WRONGFUL DEATH; ELDER ABUSE -Plaintiffs. 20 NEGLECT (WELFARE AND VS. 21 INSTITUTIONS CODE SECTION **SEAVIEW REHABILITATION &** 15610.57); VIOLATION OF PATIENT 22 WELLNESS CENTER, LP, SEAVIEW **RIGHTS** WELLNESS GP, LLC, ROCKPORT 23 HEALTHCARE SUPPORT SERVICES, LLC, EUREKA-LET, LP, EUREKA-LET GP, LLC, 24 SHLOMO RECHNITZ, BRIUS LLC, BRIUS 25 MANAGEMENT COMPANY, INC., and DOES 1 through 100, inclusive. 26 27 Defendants. 111 28 FIRST AMENDED COMPLAINT FOR WRONGFUL DEATH AND ELDER ABUSE - NEGLECT

1

(WELFARE AND INSTITUTIONS CODE SECTION 15610.57)

GENERAL ALLEGATIONS

- 1. Plaintiffs Clarita Sorensen and Celia Sorensen are residents of Humboldt County, California. Plaintiff Carollyn Sorensen is a resident of the Pitt County, North Carolina. Plaintiff Conrad Sorensen is a resident of Santa Clara, California. In making the claims herein, plaintiffs bring this action on behalf of themselves and the decedent, Ralph Sorensen, who died on January 26, 2016. Pursuant to Code of Civil Procedure §377.60, et seq., plaintiffs act as personal representatives of their now deceased spouse and father. Plaintiffs have complied with Code of Civil Procedure sections 364 and 377.32. In addition, plaintiffs have standing under Welfare and Institutions Code §15657.3(d) to commence and maintain this action as decedent's lawful heirs and have standing as individuals to bring this said cause of action for the wrongful death of their spouse and father.
 - 2. The sole heirs of Ralph Sorensen are:
 - i. Clarita Sorensen, his spouse;
 - ii. Celia Sorensen, his daughter;
 - iii. Carollyn Sorensen, his daughter; and
 - iv. Conrad Sorensen, his son.
- 3. Plaintiffs are informed and believe, and based thereon allege, that all times mentioned herein defendant Shlomo Rechnitz was, and is, a citizen of the State of California, with his principal residence in Los Angeles, California. Mr. Rechnitz is described in a declaration filed under penalty of perjury by his long-time accountant, Steven Stroll, as "one of the largest, if not the largest, owner and operator of skilled nursing facilities in the State of California." In a letter to Defendant Rechnitz' attorney dated April 6, 2015 from the California Department of Public Health (hereinafter "CDPH"), CDPH indicated that "Mr. Rechnitz directly or indirectly owns or operates mores SNFS (skilled nursing facilities) than any other person or entity in the state." Further, according to the California Attorney General in a filing before the United States Bankruptcy Court, Central District, Santa Ana Division "Rechnitz and his companies (Brius Management Company and Brius LLC) have a history of failing to comply with laws and regulations enforced by the DHCS (California Department of Health

- 4. Defendant Seaview Rehabilitation and Wellness Center, LP, ("Seaview") is a limited partnership licensed as a skilled nursing facility by the CDPH. Plaintiffs are informed, and believe, based on documents filed by Seaview with the CDPH, that Seaview is 100% owned by defendant Seaview Wellness GP LLC. Seaview's agent for service of process is Steven Stroll, its accountant. According to documents filed on behalf of Seaview with the State of California, its principal place of business is 5900 Wilshire Blvd., Suite 1600, Los Angeles, CA, 90036. Defendant Rechnitz is the only governing board member and officer of Seaview disclosed in filings with the CDPH although employees of Defendant Rockport (below) have filed letters with the CDPH claiming to be members of its governing body.
- 5. Defendant Seaview Wellness GP, LLC ("Seaview GP") is a limited liability company formed under the laws of the State of California. Defendant Rechnitz owns 99% of Seaview GP and his wife, Tamar Rechnitz, owns the remaining 1%. Seaview GP's agent for service of process is Steven Stroll, its accountant. Its principal place of business is listed with the State as 5900 Wilshire Blvd., Suite 1600, Los Angeles, CA 9036. Plaintiffs are informed and believe, and based thereon allege, that Seaview GP and Seaview formed a separate limited partnership in 2011 to run Seaview in which Seaview GP is the general partner.
- 6. Brius, LLC (formerly named as a defendant in the body of the original complaint but not in the caption) is a limited liability company formed under the laws of the State of California. According to documents filed by Brius, LLC with the California Secretary of State, its sole manager and owner is defendant Rechnitz. Further, its agent for service of process is Steven Stroll, its accountant, and its principal place of business is listed with the State as 5900 Wilshire Blvd., Suite 1600, Los Angeles, CA, 90036.
- 7. Defendant Brius Management Company, Inc. (also named as a defendant in the body of the original complaint but not in the caption) is a California corporation formed under the laws of the State of California. According to documents filed with the California Secretary of State, its CEO is defendant Rechnitz and its CFO is also Defendant Rechnitz. According to a declaration filed by Mr. Stroll under penalty of perjury in 2014, Brius Management Company is

"controlled by Shlomo Rechnitz." Its agent for service of process is listed as Steven Stroll, its accountant, and, once again, its principal place of business is listed as 5900 Wilshire Blvd., Suite 1600, Los Angeles, CA, 90036. Plaintiffs are informed and believe, and based thereon allege, that Brius Management Company, Inc. is wholly owned by Defendant Shlomo Rechnitz and his wife, Tamar Rechnitz.

- 8. Defendant Rockport Healthcare Support Services, LLC ("Rockport") is a limited liability company formed under the laws of the State of California. According to documents Rockport has filed with the State of California, its manager is Steven Stroll. According to its application for licensure filed with CDPH, Rockport is owned 99% by Mr. Stroll and 1% by his wife, Marsha Stroll. Mr. Stroll is also its agent for service of process and its accountant, and Rockport's address, like all the other entities listed above, is 5900 Wilshire Blvd., Suite 1600, Los Angeles, CA, 90036. The State of California has determined that, for cost reporting purposes, defendant Rockport is a "related party" to defendant Rechnitz and the entities defendant Rechnitz owns or controls.
- 9. Eureka-Let, GP, LLC is a limited liability company formed under the laws of the State of California. Its sole manager is defendant Rechnitz. It is 100% owned by defendant Shlomo Rechnitz and his wife, Tamar Rechnitz (99% defendant and 1% Mrs. Rechnitz). It, in turn, is the 100% owner of Eureka-Let LP. Its agent for service of process and its accountant is Steven Stroll, and its business is listed as 5900 Wilshire Blvd., Suite 1600, Los Angeles, CA, 90036.
- California. Eureka Let, LP is a limited partnership formed under the laws of the State of California. Eureka Let, LP is 100% owned by Eureka-Let GP, LLC which, in turn, is owned by defendant Rechnitz and Tamar Rechnitz (99% to 1%). Eureka-Let, LP leases all five Humboldt County skilled nursing facilities from SHG Resources, LP through a "master lease." The lease indicates that these facilities and Eureka-Let, LP are to be considered as a "single, integrated...economic unit." Eureka-Let, LP in turn sublets the Seaview facility to Seaview and Seaview GP. The person signing the sublease on behalf of Seaview and Seaview GP is defendant Rechnitz. Defendant Rechnitz also signed the sublease on behalf of Eureka-Let LP.

The agent for service of process for Eureka-Let, LP, and its accountant, is Steven Stroll and its principal place of business is 5900 Wilshire Blvd, Suite 1600, Los Angeles, CA 90036.

- 11. The true names and capacities, whether individual, corporate, associate, or otherwise, of the defendants named herein as Does 1 through 100, inclusive are presently unknown to the plaintiffs. On information and belief, each of the defendants designated as a "Doe" is legally responsible for the events or injuries alleged herein, and proximately caused the damages described.
- 12. In owning, operating, managing, and/or supervising the subject facility, defendants and DOES 1 through 100, inclusive, and each of them, held themselves out to the general public, and Ralph Sorensen in particular, as being in compliance with all applicable federal and state laws.
- 13. On information and belief, at all times mentioned herein each defendant was the agent, partner, joint venturer, representative, and/or employee of the remaining defendants and was acting within such agency, partnership, joint venture or employment.

PURCHASE OF THE HUMBOLDT COUNTY NURSING HOME FACILITIES BY SHLOMO RECHNITZ AND HIS RELATED ENTITIES

- In 2010, there were five skilled nursing facilities in Humboldt County: Eureka Rehabilitation, Pacific Rehabilitation, Seaview Rehabilitation, Granada Rehabilitation, and St. Luke's Rehabilitation. Though nominally separate entities, all were owned and operated by Skilled Healthcare Group, Inc. In July of 2010, a verdict was returned against Skilled Healthcare Group, Inc., Skilled Healthcare, LLC, and the five above Humboldt County facilities, among others. Thereafter, as part of the verdict, the Humboldt County Superior Court entered an injunction against Skilled Healthcare Group, Inc. and the five Humboldt County entities requiring those entities to increase their staffing levels to meet minimum state staffing standards. The effective date for the injunction to begin was February 2011.
- 15. In order to avoid compliance with the injunction, Skilled Healthcare Group, Inc. decided to sell all of the Humboldt County facilities. According to a Skilled Healthcare press release dated March 4, 2011, it sold all five entities to "Brius Healthcare." Purported officers of

- 16. In the Spring of 2011, attorneys who claimed to represent defendants Brius Healthcare and defendant Rechnitz met with Paul Gallegos, the then District Attorney for Humboldt County. At that meeting, counsel for defendants indicated their belief that, because "Brius" was a separate entity from Skilled Healthcare, it was no longer required to comply with the injunction entered against Skilled Healthcare Group and the five Humboldt County facilities. Mr. Gallegos, in turn, indicated that he didn't care who owned the facilities, that if the kind of understaffing that had occurred under Skilled Healthcare Group continued at the facilities, "someone is going to go to jail."
- 17. In April 2011, defendant Rockport entered into a management contract with Seaview, signed by defendant Rechnitz on behalf of Seaview and Seaview GP and Steven Stroll on behalf of Rockport, to furnish healthcare management services to Seaview. Pursuant to the terms of the contract, Rockport agrees to be "fully responsible for the daily operations of Facility" and to "ensure that the Facility complies with all statutes and regulations pertaining thereto." At the time of entry into the contract, Rockport was not a licensed healthcare management company as required by Health and Safety Code §1253. In 2014, defendant Rockport applied to the California Department of Public Health for licensure. That application was never granted. While Rockport continues to provide healthcare management services to Seaview, to date, it remains unlicensed to do so. Defendant Rechnitz, as the ultimate owner of Seaview and its sole manager, is aware, and has been aware since 2011, of the lack of licensure of Rockport and that its use as a management company is improper and in violation of the law. Defendant Rechnitz nevertheless continues to utilize Rockport to run Seaview.

DEFENDANTS ARE ALTER-EGOS OF ONE ANOTHER AND FORM PART OF A SINGLE ENTERPRISE

- 18. There is sufficient unity of interest and ownership among the defendants, and between each of them, such that acts of one are for the benefit and can be imputed to the acts of the others. While defendants have formed multiple corporations, LLCs, and limited and general partnerships, they in fact act as one entity and, ultimately, are all completely owned and controlled by defendant Rechnitz.
- 19. As noted above, all of the named business entity defendants have the same address and the same agent for service of process. All of the defendants used the same accountant. Plaintiffs are informed and believe, and based thereon allege, that all transactions between the entities are part of one general ledger. All of the defendants, except Rockport, can be traced back through the various ownership trails to ultimately be owned and controlled by either defendant Rechnitz, individually, or in conjunction with a 1% interest by his wife, Tamar.
- 20. Rockport is allegedly owned by defendant Rechnitz's long-time accountant, Steven Stroll, who also acts as the agent for service of process and accountant for over 200 other entities owned by defendant Rechnitz. Stroll has testified that he has an oral agreement with Rechnitz that Rechnitz-related skilled nursing facilities will use Rockport for management services. Plaintiffs are informed and believe, and based thereon allege, that ultimate control and ownership of Rockport is by and through defendant Rechnitz.
- 21. In the fall of 2016, "Brius" threatened to close three of its five Humboldt County skilled healthcare facilities, including Seaview, if the State Medi-Cal provider, Partnership HealthPlan of California ("PHC") did not increase its reimbursement rates. In an "open letter" signed by "Brius" dated on or about September 30, 2016, entitled "Dear Community Members," it wrote regarding its plan to close three of the five skilled nursing facilities in Humboldt County, including Seaview. The letter refers to the facilities in question as "our" facilities and claims that "Brius" had sustained a loss of \$5 million running the facilities, describes what "Brius" did to improve staffing at the five Humboldt County facilities, and finally indicates that "Brius" intended to close those facilities. The letter complained of the lack of qualified staff in Humboldt County and indicated that this was negatively impacting "Brius." It went on to state what "we" (Brius) had done to help solve the staffing problem and signed the letter in question

"Brius." The open letter did not indicate which "Brius" entity had written the letter but defendant Rechnitz said in an interview with the Lost Coast Outpost that the letter was written by him. Separately, according to a news article quoting defendant Rechnitz, he referred to the five Humboldt facilities as "our facilities." Further, defendant Rechnitz indicated he had negotiated with PHC to sell "my facilities" to PHC.

- 22. Simultaneously, Rockport, purporting to act on behalf of the three facilities slated for closure, including Seaview, submitted closure plans to CDPH and acted as agent for defendant Rechnitz for all communications with the CDPH regarding those closure plans.
- 23. In November 2016, defendant Rechnitz wrote a statement to the press from "Shlomo Rechnitz, Brius Healthcare" (which Brius entity again is not disclosed) indicating that "we are rescinding our closure plans for Seaview Rehabilitation and Wellness Center and Eureka Rehabilitation and Wellness Center...." The statement goes on to indicate they were withdrawing the applications for closure, except as to Pacific "despite the enormous financial difficulty that we will sustain as a result...." (emphasis added.)
- 24. Further, in 2014, in an attempt to purchase a number of other skilled nursing facilities out of bankruptcy, Steven Stroll filed a declaration in which he appeared to use the terms Rechnitz and "Brius Management Company" interchangeably. Beth Garver, Senior Vice President of Rockport, also filed a declaration in the same matter indicating that "(w)ith respect to certain skilled nursing facilities owned or controlled by Shlomo Rechnitz (the "Rechnitz facilities"), Shlomo Rechnitz utilizes the services of Rockport for management."

SEAVIEW IS UNDERCAPITALIZED

25. In the fall of 2016, defendant Rechnitz issued a statement to the press indicating that "he" had tried to give away all five Humboldt County facilities, including Seaview, but that no one would take them. Additionally, in the "open letter" referenced in paragraph 21, "Brius" indicated it "had offered these facilities for free to anybody who wanted them." Separately, the last available cost report from the CDPH for the budget year 2015 indicated Seaview's total net worth to be \$60,896. Thus, it is apparent that Seaview is undercapitalized for its risk exposure. In the interim, Brius Management Company, Inc., in its attempt to purchase additional facilities,

15

16

1920

2223

21

2425

26

27

28

filed a declaration in bankruptcy court in 2014 indicating it had total assets of over 76 million dollars. Plaintiffs are informed and believe, and based thereon allege, that a major reason for the undercapitalization of Seaview is that its profits are stripped away by the multiple other Rechnitz-owned or controlled entities. For example, according to Defendant Rechnitz, Eureka-Let LLP rents the Seaview facility from SHG, Inc. for \$500 a month per bed, for a total of \$594,000 per year. Simultaneously, in what amounts to a paper transaction, it rents the same property to Seaview for over \$800,000 per year. The Long-Term Care Facility Integrated Disclosure and Medi-Cal Cost Report for 2015 ("CSHPD Report") discloses a charge of \$42,000 for "administrative supervisor" by "Boardwalk Financial Services LLC" which, in turn is a limited liability company owned by defendant Rechnitz. Plaintiffs are informed and believe, and based thereon allege, that this is simply another paper transaction by defendant Rechnitz to strip funds from the facility. Seaview also buys its supplies from Twin Med, LLC which is owned by Defendant Rechnitz and his twin brother, Steve. It also appears that yet another entity controlled by Defendant Rechnitz, YTR Capital LLC, loans money to the facility for its operations and, yet another entity, Eureka Rehabilitation Center LLC-1131 owns the fixtures. Thus, it would appear that Seaview doesn't even own its residents' beds.

TO NOT TREAT THE DEFENDANTS AS ALTER-EGOS WOULD WORK AN INJUSTICE

- 26. Injustice will result if the Court does not disregard the fiction of the separate corporate entities that the defendants have constructed to conceal and misrepresent the identity of the responsible party and the ultimate ownership, control, and operation of Seaview.
- 27. Plaintiffs are informed and believe and based thereon allege that the defendants created the corporate maze set forth above for the express purpose of allowing those who actually make the decisions regarding care at Seaview to avoid responsibility and so that those who are actually responsible for the lack of care at the facility can avoid liability.

DEFENDANTS ROCKPORT, SEAVIEW, BRIUS LLP, BRIUS MANAGEMENT
COMPANY, INC., AND RECHNITZ FURTHER ARE PART OF A CONSPIRACY TO
VIOLATE THE LAW IN ORDER TO INCREASE PROFITS

- 28. At various times throughout 2015 and 2016, defendants Seaview, Rockport, "Brius" (both Brius LLC and/or Brius Management Company), and Rechnitz have each indicated that they have control over the staffing and nursing services provided (or not provided) at Seaview.
- 29. In multiple press releases in 2015 and 2016, defendants Seaview, "Brius," Rockport, and Rechnitz claimed that they could not hire sufficient qualified staff to care for the residents because they had insufficient funds to do so. Defendants knew at the time that the failure to have sufficient staff at Seaview to meet the needs of the residents was a violation of both state and federal law, was a violation of patient rights, and could and would unreasonably endanger residents. Nevertheless, in order to place pressure on PHC to raise reimbursement rates, defendants Seaview, Brius LLC, and/or Brius Management Company, Inc., Rockport, and Rechnitz conspired to inadequately staff the Seaview facility in order to increase profits.
- 30. According to Medicare.gov "the Official U.S. Government site for Medicare" the quality of care at Seaview is rated "Much Below Average." Specifically, as to the quality of staffing, it indicates:

	SEAVIEW REHABILITATION & WELLNESS CENTER, LP	CALIFORNIA AVERAGE	NATIONAL AVERAGE
Total number of residents	56	84.3	85.9
Total number of licensed nurse staff per hours per resident per day	18 minutes	1 hour and 57 minutes	1 hour and 42 minutes
RN hours per resident per day	18 minutes	53 minutes	50 minutes
PLN/LVN hours per resident per day	0 minutes	1 hour and 4 minutes	51 minutes
CNA hours per resident per day	3 hours and 8 minutes	2 hours and 41 minutes	2 hours and 28 minutes
Physical Therapy staff hours per resident per day	3 minutes	8 minutes	6 minutes

31. In an article on the five skilled nursing facilities in the *North Coast Journal* dated October 25th. 2016 entitled "The Case of the Missing \$5 Million" a "traveling nurse" named Carlos Pacheco indicated he had worked at the Seaview facility in 2015 and the facility "(w)as the worst he'd seen in the state." "Pacheco pointed to the state-mandated ration of 3.2 nursing hours per patient, per day. 'Basically, to maintain that you would have to have four or five (Certified Nursing Assistants) per shift' he says. 'We sometimes ran only two or three.'" Another former Seaview employee, Erica Johnston in 2015 was also quoted in the article as confirming Pacheco's allegations. "They (management) would only come out and help answer call lights when the state was in the building." The article went on to indicate that "she (Johnston) would often be left alone at night with 52 patients to care for" and that, as a result "(f)alls were common. Residents were left in soiled diapers, or lying on soiled linens."

32. Plaintiffs are informed and believe, and based thereon allege, that at all times relevant herein, the defendants, and each of them, acting as agents and/or alter-egos and/or coconspirators, conceived and implemented a plan to wrongfully increase their business profits at the expense of residents such as Ralph Sorensen. Integral to this plan was the custom and practice of the Defendants staffing of Seaview with an insufficient number of care personnel, many of whom were not properly trained nor qualified to care for the elders whose lives were entrusted to them. This understaffing and lack of training was designed to reduce labor costs, put pressure on PHC to increase reimbursement rates, and to increase profits, resulting in the physical abuse and neglect on many residents at the facility, including Ralph Sorensen.

STATE PROTECTION FROM ELDER ABUSE

33. Plaintiffs are informed and believe, and based thereon allege that defendant Seaview was and is required to provide skilled nursing care, room and board, twenty-four-hour supervision, and personal care and assistance to the residents. Care and supervision required of defendant Seaview included custodial care and services, physician services, skilled nursing services, dietary services, pharmaceutical services, and activities services as more specifically described in 22 California Code of Regulations §72301, et seq.

- 34. It is well known and has been expressly noted by the California Legislature due to its adoption of Welfare and Institutions Code §1560(a)-(d) that the elderly segment of the population is particularly subject to various forms of abuse and neglect. Physical infirmity or mental impairment, such as those experienced by Ralph Sorensen, often place the elder in a dependent and vulnerable position. At the same time, such infirmity and dependence leave the elderly, such as Ralph Sorensen, incapable of asking for help or protection.
- 35. Recognizing the problems described in the preceding paragraph, the California legislature promulgated the Elder Abuse and Dependent Adult Civil Protection Act ("EADACPA"). This act is codified in Welfare and Institutions Code §15600. Pursuant to additions, the California legislature found and declared that infirm, elderly, and dependent adults are a disadvantaged population, and that few civil cases are brought in connection with their abuse due to the problems of proof and delays, plus the lack of incentive to prosecute such suits.
- 36. The EADACPA defines an "elder" as any person residing in California who is an adult sixty-five (65) years of age or older.
 - 37. As further defined under EADACPA, "abuse of an elder" is either:
 - (a) Physical abuse, neglect, financial abuse, abandonment, isolation, abduction, or other treatment with resulting physical harm or pain or mental suffering; or
 - (b) The deprivation by a care custodian of goods or services necessary to avoid physical harm or mental suffering. (Welfare & Institutions Code §15610.07.)
- 38. The Welfare and Institutions Code §15610.57 defines "neglect" as: "The negligent failure of any person having the care or custody of an elder or a dependent adult to exercise that degree of care that a reasonable person in a like position would exercise." (Welfare & Institutions Code §15610.57(a)(1).) Under the code, neglect includes but is not limited to:
 - (a) Failure to provide medical care for physical or mental health needs; and
 - (b) Failure to protect from health and safety hazards.

(Welfare & Institutions Code §15610.57(b).)

RALPH SORENSEN'S INJURIES

- 39. On November 18, 2015, Ralph Sorensen was admitted to Seaview for skilled nursing services and rehabilitation following an aortic valve replacement. He was 76 years of age.
- 40. At the time of his admission to Seaview, Ralph Sorensen did not have Methicillin-resistant Staphylococcus aureus ("MRSA") or a decubitus ulcer on his ischial tuberosity (sitz bone).
- 41. That same day, Seaview developed a Resident Care Plan with respect to Ralph Sorensen's skin, as he was at risk for skin breakdown or ulcer formation. Seaview was to monitor for signs and symptoms of infection. As Ralph Sorensen was incontinent, his care plan also included observing his skin for any abnormalities during toileting and/or changing.
- 42. Seaview also determined that Ralph Sorensen was at risk for weight loss, and as a result, it was to weigh Ralph Sorensen every week.
- 43. While at Seaview, Ralph Sorensen spent most of his day in a wheelchair and was taken to bed after lunch. Evening staff got him up and put him back to bed after dinner.

 Prolonged time in his wheelchair attributed to a more rapid skin breakdown, and Ralph Sorensen's care plan did not provide for redistributing devices for his chair and bed (which would have provided alternating pressure and prevented pressure ulcers). Nor did the facility have sufficient nursing staff as required by California and federal law to ensure that Ralph Sorensen received the care identified in his care plan or as required due to his acuity.
- 44. Laws applicable to skilled nursing facilities such as Seaview provide that (1) a resident who enters the facility without a pressure ulcer does not develop one unless the clinical condition demonstrates that such an injury is unavoidable, and (2) a resident having pressure ulcers receives necessary treatment and services to promote healing, prevent infection, and prevent new sores from developing.
- 45. A pressure ulcer is a lesion caused by unrelieved pressure that results in damage to the underlying tissue. They occur when pressure has impaired circulation to the tissue.

Critical steps in pressure ulcer prevention and healing include identifying residents at risk, identifying risk factors due to the resident's condition, removing risk factors where possible, implementing individualized interventions, monitoring the impact of interventions, and modifying interventions where appropriate. Among the risk factors for pressure ulcers are impaired or decreased mobility and decreased functional ability, cognitive impairment, exposure of skin to urinary and fecal incontinence, and nutrition and hydration deficits.

46. Throughout his stay at Seaview, Ralph Sorensen never once received a shower or a bath. His weight was not monitored regularly, his nutrition intake was not recorded, and regular assessments of Ralph Sorensen's skin were not made as required of his care plan.

Plaintiffs are informed and believe, and based thereon allege that defendants failed to meet the regulatory requirement that a licensed skilled nursing facility employ and have on duty sufficient staff in number and qualifications to provide the necessary nursing services for admitted residents.

- 47. On December 2, 2015, a Certified Nurse Assistant ("CNA") first noticed a pressure ulcer on Ralph Sorensen's right buttock. The ulcer was reported to a licensed nurse on duty, but neither Mr. Sorensen's family nor his physician was told about the ulcer.
- 48. On December 5, 2015, another licensed nurse at Seaview saw the ulcer on Mr. Sorensen's buttock during the evening shift. The nurse failed to measure or document the wound, only passing the information on to the night nurse at Seaview. Neither Mr. Sorensen's family nor physician were told of the wound.
 - 49. That same date, Mr. Sorensen began running a fever.
- 50. On December 6, 2015, Mr. Sorensen's temperature rose to 101 degrees Fahrenheit and he began to have tremors in his hands and arms.
- 51. On the morning of December 7, 2015, Mr. Sorensen's fever rose to 102 degrees Fahrenheit, and his tremors increased. That same date, Seaview first charted an "abscess" on a "non-pressure skin report" on Ralph Sorensen's right ischial tuberosity (sitz bone).
- 52. On December 8, 2015, Ralph Sorensen was transferred via ambulance to St. Joseph Hospital of Eureka due to continued fever and possible sepsis. According to the

ambulance records, a licensed nurse at Seaview told responders that Ralph Sorensen had a Stage IV pressure ulcer on his coccyx. When Ralph Sorensen arrived at St. Joseph Hospital of Eureka, it was determined that he had MRSA and a Stage IV decubitus ulcer on his sitz bone with clear necrotic tissue. The wound measured 6.52 cm in length, with 100% non-viable tissue in the wound bed, which required excisional debridement (the surgical cutting away of necrotic tissue).

- 53. After lengthy treatment to save his life, Ralph Sorensen died on January 27, 2016.
- 54. On August 16, 2016, the CDPH issued two Class A citations to Seaview, for (1) failing to report the change in Ralph Sorensen's status to his physician and family and (2) failing to provide treatment for or prevent a pressure sore.

A Class A violation is defined as a violation of statute or regulation which presents either (1) imminent danger that death or serious harm will result, or (2) a substantial probability of death or serious injury.

55. Additionally, plaintiffs are informed and believe, and based thereon allege that Seaview has a history of failing to follow infection control best practices and placing residents' health and lives at risk.

FIRST CAUSE OF ACTION FOR VIOLATION OF PATIENT'S RIGHTS PURSUANT TO HEALTH AND SAFETY CODE §1430(b)

- 56. Plaintiffs refer to and incorporate herein by reference all preceding paragraphs above as though fully set forth herein.
- 57. Pursuant to Health and Safety Code §1430(b), in addition to all other remedies provided by law, plaintiffs are entitled to statutory damages against defendants for violation of Ralph Sorensen's rights, as well as costs and attorneys' fees incurred in this proceeding.
- 58. Health and Safety Code §1430(b) provides in relevant part that a former resident of a skilled nursing facility may bring an action against the licensee of a facility who violates any of the rights of the residents as set forth in the Patient's Bill of Rights.
 - 59. Under federal law, a nursing home resident has the right to receive necessary FIRST AMENDED COMPLAINT FOR WRONGFUL DEATH AND ELDER ABUSE NEGLECT (WELFARE AND INSTITUTIONS CODE SECTION 15610.57)

care and services to attain or maintain the highest practicable physical, mental, and psychological wellbeing. 42 U.S. Code 1396r(b); 22 CFR §483.26; 22 CFR §72315.

- 60. Under California law, a resident has a right to assurance that the nursing home employ an adequate number of qualified personnel. Health and Safety Code §1599.1(a); 22 CCR §72501(e).
- 61. Further, under Health and Safety Code §1276.5, the facility shall provide at least 3.2 nursing hours per patient day.
- 62. At the time of his stay at Seaview, Ralph Sorensen was an elderly resident of defendants' skilled nursing facility and, as such, was entitled to the protection of the Nursing Home Patient's Bill of Rights. Defendants, as owners, operators, managers, and alter-egos of the subject licensee had a mandatory duty to ensure that Ralph Sorensen's rights were not violated.
- 63. Plaintiffs are informed and believe that at all times while decedent Ralph Sorensen was in the facility, the facility failed to have sufficient staff to provide for the physical wellbeing of decedent, failed to have adequate staff to meet the needs of the residents, including decedent, and failed to staff the facility at the minimum requirements of 3.2 nursing hours per patient day in violation of his rights.
- 64. Plaintiffs will seek to amend this cause of action or add additional causes of action once the specific number of days in which the facility failed to have sufficient staff are known.

WHEREFORE plaintiffs pray for damages as hereinafter set forth.

SECOND CAUSE OF ACTION FOR VIOLATION OF PATIENT RIGHTS PURSUANT TO HEALTH AND SAFETY CODE §1430(b)

- 65. Plaintiffs refer to and incorporate herein by reference all preceding paragraphs above as if fully set forth herein.
- 66. Under Health and Safety Code §1599.1(b), the decedent had a right to receive care to prevent bedsores and a right to clean bed and bathrooms that were in good condition. 42 CFR §483.15(h)(3).

- 67. Plaintiffs are informed and believe, and based thereon allege, that the defendants, and each of them, failed to fulfill those rights.
 - 68. As a result, Ralph Sorensen was deprived of his rights under the law. WHEREFORE plaintiffs pray for damages as hereinafter set forth.

THIRD CAUSE OF ACTION FOR VIOLATION OF PATIENT RIGHTS PURSUANT TO HEALTH AND SAFETY CODE §1430(b)

- 69. Plaintiffs refer to and incorporate herein by reference all preceding paragraphs above as though fully set forth herein.
- 70. Decedent, as a resident of a nursing over the age of 65, had a right to be treated with dignity and respect. 42 CFR §483.10, 483.15(a); 22 CCR §72527(a)(11). The conduct of defendants, as previously alleged, failed to treat plaintiff with the dignity and respect to which he was entitled under the law.
 - 71. As a result, Ralph Sorensen was deprived of his rights under the law. WHEREFORE plaintiffs pray for damages as hereinafter set forth.

FOURTH CAUSE OF ACTON FOR WRONGFUL DEATH

- 72. Plaintiffs refer to and incorporate herein by reference all preceding paragraphs above as though fully set forth herein.
- 73. At all times mentioned herein Defendants, as alter-egos and/or agents, owed a duty to use ordinary care and such other care as required by law, in the treatment and protection of their patient, Ralph Sorensen.
- 74. At the time of Ralph Sorensen's residency at Seaview, there were also statutory and regulatory duties which set forth the standard of care required at the facility, including but not limited to:
 - a) Provide adequate monitoring, assessment and re-assessment of his condition as set forth in 22 CCR Sect. 72311 and 420 CFR §483.20;
 - b) Assure that the facility had adequate qualified personnel to care for Mr. Sorensen. Health and Safety Code §1599.1(a);

- c) Assure adequate care to prevent bedsore. Health and Safety Code §1599.1(b).
- 75. Defendants failed to use that degree of care that a reasonable person would use in providing for the basic needs and treatment of Ralph Sorensen and failed to comply with the basic statutory and regulatory standards of care.
- 76. As a result of the wrongful conduct, abuse and neglect as detailed above Ralph Sorensen sustained a Stage 4 pressure ulcer which, in turn became infected, causing his death on January 26, 2016.
- 77. Prior to his death, the decedent was the spouse of plaintiff Clarita Sorensen and the father of plaintiffs Celia Sorensen, Carollyn Sorensen, and Conrad Sorensen.
- 78. As a result of the acts of defendants and DOES 1 through 100, inclusive, and each of them, as alleged above, Ralph Sorensen died, and plaintiffs have lost the love, companionship, comfort, affection, and society of their spouse and father, for which plaintiffs seek general damages.
- 79. As a further result of the acts of the defendants, and each of them, as alleged above, the decedent's family incurred funeral and burial expenses for the burial of Ralph Sorensen, for which the plaintiffs seek special damages.
- 80. As an additional result of the acts of the defendants, and each of them, as alleged above, the decedent's family incurred the loss of a care provider for Ralph Sorensen's wife, for which the plaintiffs also seek special damages.

WHEREFORE plaintiffs pray for damages as hereinafter set forth.

FIFTH CAUSE OF ACTION FOR ELDER ABUSE

- 81. Plaintiffs refer to and incorporate herein by reference all preceding paragraphs above as though fully set forth herein.
- 82. During Ralph Sorensen's residency at Seaview, he was (a) older than 65 years of age and (b) in the care and custody of defendants and an "elder" as that term is defined in Welfare and Institutions Code §15610.27.

- 83. Welfare and Institutions Code §15610. 67 specifically defines "neglect" for purposes of the EADACPA to mean either "(a) physical abuse, neglect, ... or other treatment with resulting physical harm or mental suffering or (b) the deprivation by a care custodian of goods or services that are necessary to avoid physical harm or mental suffering."
- 84. Defendants, and each of them, had a duty, under applicable federal and state laws (which were designed for the protection and benefit of residents such as Ralph Sorensen) to provide for and to protect Ralph Sorensen's health and safety. Defendants, and each of them, also had a common-law duty to provide for the health and welfare of Ralph Sorensen. Without limiting the generality of the foregoing, defendants had, among other duties, the duty with respect to Ralph Sorensen's health and welfare to:
 - a. Protect Ralph Sorensen from sustaining injuries to his person;
 - b. Monitor and accurately record Ralph Sorensen's condition, and notify the attending physician and family members of any meaningful change in his condition;
 - c. Note and properly react to emergent conditions;
 - d. Establish and implement a care plan for Ralph Sorensen, based upon, and including, an ongoing process of identifying his health and care needs and making sure that such needs were timely met;
 - e. Accurately monitor and provide for Ralph Sorensen's health, comfort and safety;
 - f. Maintain accurate records of Ralph Sorensen's condition and activities;
 - g. Adopt, observe, and implement written infection control policies;
 - h. Maintain in number and qualification sufficient staff to meet residents' needs; and
 - i. Treat Ralph Sorensen with dignity and respect, without abuse.
- 85. Additionally, Title 22 CCR §72311(a)(3) required Seaview to promptly notify Ralph Sorensen's healthcare practitioner of "[a]ny sudden and/or marked adverse change in signs, symptoms or behavior exhibited by a patient," and 22 CCR §72315(f) required Seaview

23

24

25

26

27

28

to prevent decubiti formation and progression and notify a physician "when a decubitus ulcer first occurs...." 22 CCR §72315(f) provides that nursing home residents are to be provided good hygiene. And, 22 CCR §72329.1 requires specific levels and types of nursing staff to meet resident needs. Plaintiffs are informed and believe, and based thereon allege, that the defendants had a custom and practice of violating all of these regulations.

86. During Ralph Sorensen's residency at Seaview, defendants, and each of them, as agents, alter-egos and co-conspirators failed to use the degree of care that a reasonable person in the same situation would have used in protecting Mr. Sorensen from health and safety hazards. Defendants, and each of them, declined to provide Mr. Sorensen with appropriate assessment with respect to his risk of skin breakdown and failed to practice infection control within the facility. Defendants, and each of them, deliberately did not staff Seaview in such a way as to permit Seaview employees to properly care for Mr. Sorensen or maintain and implement infection control measures. Defendants' deliberate decision was part of an effort to avoid increased labor costs during Mr. Sorensen's continued residency. As a result, defendants withheld care from Mr. Sorensen and deliberately disregarded Mr. Sorenson with the high degree of probability that injury to Mr. Sorensen and other residents would result. Defendants' actions were a conscious choice of a course of action with respect to Mr. Sorensen's risk assessment and the determination of his needs, with knowledge of the serious danger in which Mr. Sorensen was placed as a result of such actions. Additionally, defendants represented in billing records that Mr. Sorensen received some of the highest levels of care and therapy available at a skilled nursing facility licensed as Seaview is, but defendants failed to provide such care, choosing instead to provide some level of care less than needed and less than that for which it charged. Defendants' decision to provide levels of care less than needed but represent that ultimate care was provided was defendants' conscious decision, made with knowledge of the serious danger in which Mr. Sorensen was placed as a result such decisions. Defendants' decisions to offer care less than needed but bill for higher levels of care than were provided were decisions made by management and ratified by all defendants, including Seaview.

- 87. As a direct result of each defendant's neglect, Ralph Sorensen was injured in his person and health, and sustained serious physical injuries and damages, including serious physical injuries such as decubitus ulcer, subcutaneous ulcer, MRSA infection, sepsis, and ultimately death.
- 88. Defendants' conduct constitutes "neglect" as that term is defined in Welfare and Institutions Code §§15610.63 and 15610.57 in that defendants failed to use the degree of care that a reasonable person having the custody of Ralph Sorensen would exercise. Defendants' acts were done with recklessness, oppression, fraud or malice as defined in Welfare and Institutions Code §15657.
- 89. As a result of defendants' reckless neglect as alleged, plaintiffs, on behalf of themselves and as Ralph Sorensen's successors in interest, seek all economic damages to which they are entitled according to proof at trial.
- 90. As a result of the recklessness, malice, oppression or fraud herein alleged, the Plaintiffs are entitled to an award of punitive damages pursuant to Civil Code §3294 and trebling of those damages pursuant to Civil Code §3345.

WHEREFORE plaintiffs pray for damages as hereinafter set forth.

PRAYER FOR RELIEF

WHEREFORE, plaintiffs pray for judgment as follows:

- 1. For damages pursuant to Health and Safety Code §1430(b);
- 2. For general damages in a sum to be proven at the time of trial;
- 3. For special damages in a sum to be proven at the time of trial;
- 4. For pre-death pain and suffering pursuant to Welfare and Institutions Code §15657;
- 5. For pre-judgment and post-judgment interest, according to law;
- 6. For attorneys' fees;
- 7. For punitive damages;
- 8. For trebling of the punitive damages pursuant to Civil Code §3345;
- 9. For costs of suit herein; and

10. For such other and further relief as the Court may deem just and proper.

Dated: April <u>17</u>, 2017

JANSSEN MALLOY LLP

By:

W. Timothy Needlam,

Attorneys for Clarita Sorensen, Celia Sorensen, Carollyn Sorensen and Conrad Sorensen, as individuals and as Successors-ininterest to Ralph Sorensen

PROOF OF SERVICE

I am a citizen of the United States and a resident of the County of Humboldt, over the age of eighteen years and not a party to or interested in the within entitled cause. My business address is 730 Fifth Street, Eureka, California, 95501.

On April 12, 2017, I served the following documents:

FIRST AMENDED COMPLAINT FOR WRONGFUL DEATH; ELDER ABUSE – NEGLECT (WELFARE AND INSTITUTIONS CODE SECTION 15610.57); VIOLATION OF PATIENT RIGHTS

[X] [BY MAIL] By placing a true copy thereof enclosed in a sealed envelope, addressed as shown below and placing the envelope for collection and mailing on the date and at the place shown below, following our ordinary business practices. I am readily familiar with this business' practice for collecting and processing correspondence for mailing. On the same day that correspondence is placed for collection and mailing, it is deposited in the ordinary course of business with the United States Postal Service in a sealed envelope with postage fully prepaid.

Rima M Badawiya James E. Yee LEWIS BRISBOIS BISGAARD & SMITH LLP 650 East Hospitality Lane, Suite 600 San Bernardino, CA 92408

Kim M. Wells LEWIS BRISBOIS BISGAARD & SMITH LLP 2020 West El Camino Avenue, Suite 700 Sacramento, CA 95833

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct, and that this declaration was executed on April 12, 2017 at Eureka, California.

Linda Demant

PROOF OF SERVICE

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27