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Matthew D. Rifat (SBN 187882)
LAW OFFICES OF MATTHEW D. RIFAT, LLP
3703 Camino del Rio South, Suite 200
San Diego, California 92108
Telephone: (619) 282-0185
Facsimile: (619) 282-0186

Attorneys for Plaintiff & Putative Class
Representative Robin Chorn, M.D.

BY MR. RIFAT
CLERK U.S. DISTRICT COURT
CENTRAL DISTRICT OF CALIF.
LOS ANGELES
2013 NOV 18 PM 3:45

UNITED STATES DISTRICT COURT **FAX FILING**
CENTRAL DISTRICT OF CALIFORNIA

13-cv-08519-JFW
CASE NO. (JFWmx)

ROBIN CHORN, M.D., an individual,
Plaintiff,

CLASS ACTION

v.

**COMPLAINT FOR DECLARATORY,
INJUNCTIVE AND OTHER RELIEF**

EDMUND G. BROWN, JR., in his official
capacity as Governor of California;
KAMALA D. HARRIS, in her official
capacity as Attorney General of California;
CHRISTINE BAKER, in her official
capacity as Director of the California
Department of Industrial Relations; RONNIE
CAPLANE, in her official capacity as Chair
of the Workers' Compensation Appeals
Board; and DESTIE OVERPECK, in her
official capacity as Acting Administrative
Director of the California Division of
Workers Compensation,

JURY TRIAL DEMANDED

Defendants.

LAW OFFICES OF MATTHEW D. RIFAT, LLP
3703 CAMINO DEL RIO SOUTH, SUITE 200
SAN DIEGO, CALIFORNIA 92108
(619) 282-0185

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LAW OFFICES OF MATTHEW D. RIFAT, LLP
3703 CAMINO DEL RIO SOUTH, SUITE 200
SAN DIEGO, CALIFORNIA 92108
(619) 282-0185

Overview

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1. By this Complaint, Plaintiff challenges as unconstitutional Senate Bill 863, Stats. 2012 (“SB 863”). SB 863 is codified at section 4903.06 of the California Labor Code, and implemented on an emergency basis by section 10208 of Title 8 of the California Code of Regulations. These laws are collectively referred to herein as SB 863. SB 863 creates a multi-million dollar windfall for big workers’ compensation insurance companies by canceling millions of unpaid medical bills of injured California workers on January 1, 2014 absent this Court’s intervention. Put simply, SB 863’s implementation will deny California workers of the right to have their medical bills paid by employers and their workers’ compensation carriers.

2. SB 863 deploys two tools that are at issue in this lawsuit to attack injured workers and their doctors. First, SB 863 cancels the obligation of workers’ compensation insurers to pay the cost of medical services provided to workers’ compensation applicants. Second, SB 863 cancels contracts to assign medical accounts receivable. Each of these provisions is unconstitutional for the reasons explained in this Complaint.

3. By this Complaint, Plaintiff seeks a order from this Court that:

(a) SB 863 violates the Fifth Amendment’s takings clause¹ and is unconstitutional because it cancels medical provider entitlement to payment for medical treatment expense lien claims filed before January 1, 2013, without just compensation unless the provider pays a \$100 “lien activation fee” before January 1, 2014.

(b) SB 863 violates the Fifth and Fourteenth Amendments’ due process clauses and is unconstitutional because it cancels medical provider entitlement to payment for medical treatment expense lien claims filed before January 1, 2013, unless the provider pays a \$100 “lien activation fee” before January 1, 2014.

(c) SB 863 violates the Fifth and Fourteenth Amendments’ due process clauses and is unconstitutional because it deprives medical provider entitlement to a hearing on the matter of

¹ The Fifth Amendment is made applicable to the states through the 14th Amendment and the application of the incorporation doctrine. See *Chicago, Burlington & Quincy Railroad Co. v. City of Chicago*, 166 U.S. 226 (1897)

LAW OFFICES OF MATTHEW D. RIFAT, LLP
3703 CAMINO DEL RIO SOUTH, SUITE 200
SAN DIEGO, CALIFORNIA 92108
(619) 282-0185

1 payment for medical treatment expense lien claims filed before January 1, 2013 unless the
2 provider pays a \$100 "lien activation fee" before January 1, 2014.

3 (d) SB 863 violates the Fifth Amendment's takings clause because it cancels
4 entitlement to payment of medical treatment expense lien claims filed after January 1, 2013,
5 unless the medical provider pays a \$150 "lien filing fee", which includes medical expenses
6 incurred before January 1, 2013 but for which liens have not yet been filed.

7 (e) SB 863 violates the Fifth and Fourteenth Amendments' due process clauses and is
8 unconstitutional because it cancels medical provider entitlement to payment for medical
9 treatment expense lien claims filed after January 1, 2013, unless the provider pays a \$150 "lien
10 activation fee".

11 (f) SB 863 violates the Fifth and Fourteenth Amendments' due process clauses and is
12 unconstitutional because it deprives medical provider entitlement to a hearing on the matter of
13 payment for medical treatment expense lien claims filed on or after January 1, 2013 unless the
14 provider pays a \$150 lien filing fee, which includes medical expenses incurred before January 1,
15 2013 but for which liens have not yet been filed.

16 (g) SB 863 violates the Fourteenth Amendment's equal protection clause because it
17 requires "lien activation fees" and "lien filings fees" only from individual and group medical
18 providers but exempts insurance companies (such as health care service plans, disability
19 insurance companies, and health insurance companies).

20 (h) SB 863 violates the Fifth Amendment's takings clause because it cancels
21 entitlement to payment of medical treatment expense lien claims that have been assigned.

22 (i) SB 863 violates the Fifth Amendment's takings clause because it deprives the
23 holder or purchaser of a medical account receivable the right of free assignability and hereby
24 diminishes or eliminates the value of that account without just compensation.

25 (j) SB 863 violates the Fifth and Fourteenth Amendments' due process clauses
26 because it cancels entitlement to payment of medical treatment expense lien claims that have
27 been assigned.

28 (k) Lien activation fees must be disgorged and repaid.

LAW OFFICES OF MATTHEW D. RIFAT, LLP
3703 CAMINO DEL RIO SOUTH, SUITE 200
SAN DIEGO, CALIFORNIA 92108
(619) 282-0185

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(l) Lien filing fees must be disgorged and repaid.

(m) Any liens that have been dismissed or cancelled because of failure to pay the lien activation or lien filings fees must be reinstated.

4. SB 863, by deliberate design of big insurance companies, is intended to upend the bargain that gave birth to California’s workers’ compensation system. By giving up their right to sue in civil court and by limiting their recovery to scheduled compensation, California workers gained the certainties of access to healthcare and swift compensation from employers. SB 863 terminates the workers’ benefit of that bargain and deliberately hurts their doctors.

The California Workers’ Compensation System & Healthcare Liens

5. The initial treatment of workers who are hurt on the job is generally provided by an employer-selected doctor. Employers use traditional fee for service doctors, doctors in health care organizations, and doctors in medical provider networks.

6. An injured worker has the right to collect medical costs for treatment of his injury from workers’ compensation insurers who otherwise have failed or refused to pay those costs. Derivative of that right, is the right of healthcare providers to file liens for payment of their services against any award made in favor of the injured worker. Those liens are an expression of the medical provider’s right to payment.

California’s Workers’ Compensation Lien Crisis

7. Workers’ compensation insurance companies have routinely delayed resolution of medical service liens or have ignored or underpaid them. This abuse has resulted in a huge volume of unresolved claims and has congested the workers’ compensation system.

8. The California Commission on Health and Safety and Workers Compensation investigated complaints about the workers’ compensation lien system and published a report and recommendations on January 5, 2011 (the “Lien Report”). The Commission concluded that liens, especially medical-services liens, were “choking” the workers compensation system by consuming a disproportionately large percentage of the workers’ compensation court’s docket, delaying final resolution of workers’ compensation cases, and enabling both providers and insurers to abuse the system through the providers’ filing of indefensible liens *and the insurers’*

LAW OFFICES OF MATTHEW D. RIFAT, LLP
3703 CAMINO DEL RIO SOUTH, SUITE 200
SAN DIEGO, CALIFORNIA 92108
(619) 282-0185

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unjustifiable denial of claims—all of which add unnecessarily to the costs and burdens of the workers’ compensation system.

9. The Commission observed that the volume of liens declined dramatically in 2005 when a \$100 lien filing fee was imposed. When that fee was repealed in 2006, the volume of lien filings rose dramatically. The impact of the \$100 lien filing fee in 2005 demonstrates the vulnerability of independent providers of low dollar value services to an increase of just \$100 in costs per lien.

10. The Commission recommended that the Legislature impose a lien filing fee to reduce the volume of lien filings. *But the Commission also cautioned that, before imposing a fee, further review was required to assure that the manner in which any such fee would be imposed does not unduly discourage the filing of meritorious liens.*

11. In this case, the negative economic impact of SB 863’s activation fee requirement on medical providers is dire. The evidence of that economic impact is laid bare by a report of the Workers’ Compensation Insurance Research Bureau (hereinafter, “WCIRB”). The WCIRB represents that it “is a California unincorporated, private, nonprofit association comprised of all companies licensed to transact workers’ compensation insurance in California, and has over 400 member companies.” Its self-described role is “[t]o accurately measure the cost of providing workers’ compensation benefits, . . . including collection of premium and loss data on every workers’ compensation insurance policy, examination of policy documents, inspections of insured businesses, and test audits of insurer payroll audits and claims classification.” “The WCIRB employs approximately 200 people and maintains . . . offices . . . in San Francisco[] and . . . Cerritos.”

12. In its most recent Fourth Quarter 2013 Diagnostics, the WCIRB observes that SB 863’s lien provisions are expected to cut \$480 million in insurer costs. The WCIRB actuaries have projected that nearly half of all workers’ compensation liens, some 260,000, will be eliminated by the activation fee and limitations provisions of SB863. And WCIRB notes that the largest impact will be with relatively smaller liens such as those presented by the Plaintiff in this case.

LAW OFFICES OF MATTHEW D. RIFAT, LLP
3703 CAMINO DEL RIO SOUTH, SUITE 200
SAN DIEGO, CALIFORNIA 92108
(619) 282-0185

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13. These conclusions appear to be based, in part, on a study by the Medical Analytics Working Group within the WCIRB. As a report of that Group’s efforts details:

The Working Group noted that SB 863 instituted lien activation fees and new lien filing fees effective January 1, 2013. Staff presented preliminary findings comparing results from its 2012 and 2013 lien surveys. This study showed an overall drop in claims with liens from 60% in 2012 to 18% in 2013. The number of liens per lien claim and the proportion from medical providers did not change significantly in 2013. The amount paid for resolved liens in 2013 decreased by 11%, representing a drop in percentage paid relative to amounts demanded from 32% to 21%. This initial result may change somewhat as the WCIRB gradually obtains more data from 2013 liens.

In short, SB 863 has wiped out and deterred the pursuit of liens associated with medical expenses incurred on behalf of workers’ compensation applicants. This equates to a wholesale deprivation of the right of workers’ compensation applicants and their medical providers’ right to reimbursement for their medical expenses and, at a minimum, their right to be heard on the matter. It is important to note the impact of SB 863’s implementation. Insurance companies, by their own account, are paying 11% less on meritorious lien claims. SB 863 plainly even targets meritorious liens—forcing doctors to take settle their claims for less.

14. The additional direct and severe economic impact of SB863’s lien provision is its mandate that longstanding claims now pay an activation fee that is impossible for most providers to finance. Using the WCIRB’s numbers, if there are 520,000 lien claims in the workers’ compensation system, the minimum activation fee alone imposes a \$52 million burden on medical providers who have advanced the cost of medical treatment of California’s injured workers.

SB 863 “Solves” Lien Crisis By Sacrificing Providers Of Low-Dollar-Value Services

15. SB 863 purports to solve the “lien crisis” by imposing (1) a flat \$100 activation fee on those who have filed liens as of the January 1, 2013 effective date and (2) a flat \$150 fee on those filing liens after January 1, 2013. As stated in the Lien Report, the imposition of fees in this range will significantly deter independent providers from filing (or activating existing) liens because the volume of liens is “sensitive” to procedural changes that impose costs on those pursuing liens, such as the prior \$100 filing fee. The manner in which the lien filing and activation fees are imposed under SB 863, however, discourages the filing or pursuit of

LAW OFFICES OF MATTHEW D. RIFAT, LLP
3703 CAMINO DEL RIO SOUTH, SUITE 200
SAN DIEGO, CALIFORNIA 92108
(619) 282-0185

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meritorious low-dollar-value liens by rendering them valueless, thereby violating the Constitutional rights of independent service providers.

16. SB 863 imposes a \$150 “filing” fee on liens filed after January 1, 2013. The lien filing fee is codified under Cal. Labor Code § 4903.05. A lien submitted for filing after January 1, 2013, is invalid unless the lien filing fee is paid in the manner required. The imposition of a lien filing fee on claims that arose before January 1, 2013, but where liens were not yet filed, is uniquely unjust.

17. SB 863 also imposes a \$100 “activation” fee on workers’ compensation liens filed before January 1, 2013. The lien activation fee is codified under Cal. Labor Code § 4903.06 and provides that, for all cases filed before January 1, 2013, the lien activation fee must be paid no later than the earlier of the time of the lien conference or January 1, 2014. Any lien not paid by the time of the lien conference shall be dismissed with prejudice. If the lien conference takes place after January 1, 2014, the lien activation fee must nevertheless be paid no later than January 1, 2014. All liens filed before January 1, 2013, for which a lien activation fee has not be paid by January 1, 2014, shall be deemed dismissed by operation of law.

18. The \$100 and \$150 filing and activation fees will make it economically infeasible for independent medical service providers to (1) offer low-dollar-value services to injured workers or (2) pursue recovery for low-dollar-value services rendered before SB 863 became law.

19. While the lien filing and activation fees will make it infeasible for independent providers to file or pursue liens for low-dollar-value services, the lien filing and activation fees will *not* have a similar impact on service providers who are part of an insurer’s preferred group of providers or are affiliates of the insurers themselves. These entities do not typically rely on liens to obtain compensation for their services—they rely on their contractual rights as preferred providers or affiliates of the carrier.

20. Nor will the lien fees adversely impact larger providers who typically offer (1) higher-profit-margin services and (2) multiple services on a per worker basis—for which a single lien may cover multiple services, raising the dollar value of the lien. The \$100/\$150 fee

LAW OFFICES OF MATTHEW D. RUFAT, LLP
3703 CAMINO DEL RIO SOUTH, SUITE 200
SAN DIEGO, CALIFORNIA 92108
(619) 282-0185

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does not therefore inhibit the filing of such liens because it is too small in amount to eliminate or significantly reduce the provider's profit margin.

21. Finally, the lien filing and activation fees do not impact insurance companies, HMOs, labor union benefit plans, and other large holders of workers' compensation liens because SB 863 specifically exempts any lien filed by "a health care service plan licensed pursuant to Section 1349 of the Health and Safety Code, a group disability insurer under a policy issued in this state pursuant to the provisions of Section 10270.5 of the Insurance Code, a self-insured employee welfare benefit plan, as defined in Section 10121 of the Insurance Code, that is issued in this state, a Taft-Hartley health and welfare fund, or a publicly funded program providing medical benefits on a nonindustrial basis."

22. Of course, the injured worker's ability to recover compensation for medical expenses he incurs is impaired and eliminated based upon the retroactive and prospective imposition of these fees on third parties. The scheme established by SB 863 is the functional equivalent of precluding personal injury plaintiffs from asserting claims for special damages if the medical providers whose bills form the basis for those damages claims fail to pay a fee to the civil court.

23. The solution fashioned by the insurance companies in SB 863 is to simply wipe the slate clean and cancel hundreds of thousands of medical services liens. Compounding the impact of this wholesale cancellation of rights to payment, SB 863 also prospectively imposes a lien filing fee as a bar to obtain payment. The net effect of SB 863 is to deprive workers' compensation claimants of the benefit of compensation for their medical care and to cancel the right of doctors to be paid.

24. SB 863 also voids existing lien assignments and bans them in the future. It prevents doctors from obtaining financing to pay the hefty activation and filing fees by borrowing against the liens through assignment of the receivables. It likewise cancels factoring and financing contracts which many providers use to finance their practices and manage cash flow because such arrangements generally entail an assignment of the receivable now banned under SB 863. SB 863 effects a taking from both injured California workers and their medical

LAW OFFICES OF MATTHEW D. RIFAT, LLP
3703 CAMINO DEL RIO SOUTH, SUITE 200
SAN DIEGO, CALIFORNIA 92108
(619) 282-0185

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providers for public use without just compensation in violation of their rights under the Fifth Amendment and constitutes a denial of equal protection and due process under the 14th Amendment.

SB 863 Takes Property For Public Use Without Just Compensation

25. Workers' compensation applicants, injured workers and, vicariously, medical providers, have vested property rights in claims for the payment of medical expenses that were provided *before* SB 863 was signed into law on September 18, 2012. These medical expense claims constitute valuable medical or ancillary services or provided valuable ancillary goods to injured workers based on the reasonable expectation that California law at the time of performance required that payment for those services or goods would be made under the law by California employers or their workers' compensation insurers. These services or goods were both given by medical providers and accepted by injured workers on the basis that California law imposed the duty to pay on employers and their workers' compensation insurers. But for the promise contained in California law that the right to petition for payment would be protected, the medical providers would not have rendered their services.

26. The retroactive application of the SB 863 lien filing and activation fees to liens securing services performed or goods provided before SB 863 became law results in a taking of property rights for public use without just compensation from both injured California workers and their medical providers. The primary right to compensation belongs to the injured workers who are now denied entitlement to compensation because of a retroactively and prospectively applied fee to permit adjudication of their medical expenses. Moreover, medical providers performed valuable services based on the reasonable expectation that their right to compensation would be secured through the workers' compensation lien system that was in effect at the time such services were provided.

27. The \$150 and \$100 lien filing and activation fees, however, make it infeasible for providers to file or pursue low-dollar-value liens because their profit margins are eliminated by the fees, which make it impossible for them to recover compensation for their services. Additionally, the cash outlay requirement is so great and illogical, that medical providers simply

LAW OFFICES OF MATTHEW D. RIFAT, LLP
3703 CAMINO DEL RIO SOUTH, SUITE 200
SAN DIEGO, CALIFORNIA 92108
(619) 282-0185

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cannot meet the obligation.

28. Beyond the amount of money that SB 863 requires to be paid, timing is another factor that works a taking. SB 863’s mandate that activation fees be paid now has no relationship to when medical providers can ultimately hope to get paid on the activated claims. By way of illustration, a medical provider who, in addition to having already borne the cost of the services provided, pays the \$100 lien activation fee on or before January 1, 2014, can expect to wait indefinitely for a hearing and payment on his claim—if he is paid at all.

29. Even if a lien filing fee or a lien activation fee is held by this Court to be appropriate, there is no logic in making that fee payable no later than January 1, 2014, with no connection to when the claim will actually be ordered paid by the WCAB. Other than burdening medical providers, there is no reason why the timing of the payment of the fee cannot be timed with a determination of that claim before the WCAB. SB 863 is designed by insurers to ensure that medical providers fail financially.

30. In addition, workers’ compensation claimants are deprived of their right to receive compensation for medical care obtained by them as a result of their vocational injuries. This renders the lien filing fee unconstitutional under the takings clause of the Fifth Amendment for applicants and providers who filed liens after December 31, 2012 based on services performed before SB 863 became law on September 18, 2012. The \$100 lien activation fee violates the takings clause for providers who provided services before September 18, 2012 and filed liens before January 1, 2013.²

31. Compounding the constitutional defects of the lien filing and activation fees, is SB 863’s prohibition against the free assignability of current and accrued medical accounts receivable. The popularity of workers’ compensation accounts receivable factoring and

²SB 863 also requires the filing of liens no more than three years after the underlying services were performed. Cal. Labor Code § 4903.5(a). While this limitations period would constitute a taking *if* applied retroactively to liens based on services performed before SB 863 became law, California courts construe statutes to avoid constitutional doubt whenever possible. *Le Francois v. Goel*, 35 Cal.4th 1094, 1105 (2005). Thus, the SB 863 limitations provision must be construed as applicable only to liens based on services performed *after* SB 863 became law on September 18, 2012.

LAW OFFICES OF MATTHEW D. RIFAT, LLP
3703 CAMINO DEL RIO SOUTH, SUITE 200
SAN DIEGO, CALIFORNIA 92108
(619) 282-0185

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financing has soared in recent years, as health care providers utilize factoring agreements to accelerate and manage cash flow. In a typical healthcare factoring arrangement, for example, the factor pays the healthcare provider a discounted price in exchange for assignment of the accounts receivable associated with particular claims. The factor profits when it collects payment from a third-party payor.

32. In passing SB 863, the California Legislature effectively banned assignment of workers' compensation accounts receivable. If the original person or entity entitled to payment for services rendered remains in business, the law requires that the order or award for payment of a lien must be payable to that person or entity and prohibits making it payable to any third party. This disrupts existing contractual relationships and financing arrangements. It takes the financial benefit of those existing relationships without just compensation.

33. The ban on assignments is pernicious in at least two respects and it is arbitrary and punitive. First, it deliberately deprives medical providers of an asset that they could use as security to finance the lien filing and activation fees with which they are now burdened. Beyond the fees, access to credit through the use of medical accounts receivable as security is a routine method which medical providers use to manage cash flow and finance their practices. Second, it takes away substantial value in the accounts receivable without just compensation. It is the functional equivalent of the government declaring deeds of trust illegal—with the result that homeowners would be effectively bared from borrowing on the value of their homes.

34. The burden on medical providers with liens that have not yet been filed is itself exceptionally high. By operation of law, liens were not filed until the case in chief was resolved. Labor Code section 4903.6(b) provided that medical treatment and medical-legal lien claimants under section 4903(b) were prohibited from filing a Declaration of Readiness (indicating a request to have the lien claim determined) "until the underlying case has been resolved or where the applicant chooses not to proceed with his or her case." Cal. Labor Code § 4903.6(b) (West 2013); *see also* 8 Cal. Code Regs. §§ 10250, 10301(x)(3) (West 2013). In short, medical providers who were prevented by law from filing their liens before the implementation of the lien fees are now compelled to immediately pay huge sums in fees or lose their claims forever.

LAW OFFICES OF MATTHEW D. RIFAT, LLP
3703 CAMINO DEL RIO SOUTH, SUITE 200
SAN DIEGO, CALIFORNIA 92108
(619) 282-0185

1 Providers now face having to pay a \$150 fee rather than a \$100 fee that otherwise would have
2 been imposed if they had been able to file their liens before January 1, 2013.

3 35. Medical providers, like Plaintiff, were induced to advance the cost of medical care
4 to injured workers by a system that promised them reimbursement as a part of the injured
5 workers' compensation claim. After making significant investment in facilities, time, and
6 services, doctors are now told that SB 863 will cancel their claims unless they pay a ransom. SB
7 863 prevents them from even having a hearing on their claims absent payment of a fee that
8 applies only to them—the only filing fee charged in the entire workers' compensation system.
9 SB 863 imposes this burden now, all at once, without regard to when those claims will be
10 processed, if they ever are. Finally, SB 863 deprives doctors of the ability to enter into financing
11 arrangements which to finance their practices and manage cash flow because such arrangements
12 generally entail an assignment of the receivable now banned under SB 863.

SB 863 Violates Equal Protection Rights

13
14 36. The California Division of Workers' Compensation, which oversees the workers'
15 compensation system, claims that "SB 863 was the result of months of negotiations between
16 representatives of labor unions and employers." Notably absent from those negotiations were
17 the beneficiaries of that system—injured California workers pursuing workers' compensation
18 claims as applicants who will now face a shortage of medical providers willing to treat them
19 despite employer denials of their claims and the medical providers themselves. California
20 medical providers will have the cost of these expenses placed squarely on their shoulders. By
21 contrast (and consistent with the obvious intent of the law to benefit large insurance concerns),
22 under SB 863 insurance companies are exempt from paying the filing and activation fees
23 imposed on individual and group medical providers. That exemption has no legitimate basis and
24 is merely intended to further benefit insurance companies and to deliberately disadvantage
25 workers and their medical providers.

26 37. The lien filing and activation fees imposed under SB 863 were intended to
27 substantially reduce the number of liens being processed through the workers' compensation
28 system. But SB 863 is designed to achieve that reduced volume by making it unprofitable for a

LAW OFFICES OF MATTHEW D. RIFAT, LLP
3703 CAMINO DEL RIO SOUTH, SUITE 200
SAN DIEGO, CALIFORNIA 92108
(619) 282-0185

1 select group of providers to do business, thereby lowering the volume of workers' compensation
2 liens by driving this targeted group from the market. The filing fees effectively target
3 independent providers who performing low-dollar-value services. The flat \$150 and \$100 lien
4 filing and activation fees disproportionately burden this group of providers by eliminating or
5 substantially lowering their profit margins, making it economically infeasible for them to pursue
6 existing liens or to file new liens in the future, resulting in the loss of property and driving them
7 from the market for such low-dollar-value services.

8 38. The SB 863 fees, however, provide a business advantage to (1) competing insurer
9 network providers; (2) statutorily exempted providers; and (3) providers who are able to bundle
10 multiple services into a single lien (on a per injured worker basis) or otherwise offset the fee-
11 induced losses by providing other higher-dollar-value services covered by the same lien. These
12 competing providers benefit from the reduction in competition when independent providers of
13 low-dollar-value services are driven from the market.

14 39. SB 863 violates the Equal Protection Clause because there is no rational basis for
15 the Legislature's decision to impose fees designed to prevent worker access to independent
16 medical providers. The supposed legislative purpose of reducing the volume of lien filings could
17 have been achieved without imposing a disproportionate burden on independent providers by
18 making the lien activation and filings proportionate to the dollar value of the underlying services
19 provided. Imposing fees in proportion to the dollar value of the underlying services would not
20 only reduce the volume of liens, but it could be designed to discourage the filing of
21 unmeritorious liens but not meritorious claims. This type of proportionality would equalize the
22 relative economic burdens on competing providers. The Legislature's decision to impose lien
23 fees that disproportionately impact independent providers is therefore arbitrary, capricious and
24 not rationally related to any legitimate governmental interest.

25 40. The lien filing fee is unconstitutional regardless of whether it is applied to the
26 filing of liens that are based on services performed before or after SB 863 became law because
27 imposition of the fee violates the Equal Protection Clause of the Constitution due to the
28 disparate impact on workers who seek the treatment of independent providers of low-dollar-

LAW OFFICES OF MATTHEW D. RIFAT, LLP
3703 CAMINO DEL RIO SOUTH, SUITE 200
SAN DIEGO, CALIFORNIA 92108
(619) 282-0185

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value services. The unconstitutionally disproportionate impact of SB 863 renders it unconstitutional even to where the independent service providers' statutory rights under the workers' compensation law did not vest before SB 863 became law.

41. SB 863 is likewise violative of Equal Protection because it disadvantages carriers who paid claims timely and fairly. SB 863 favors large, corrupt insurance concerns at the expense of smaller carriers who have historically paid medical expenses in a timely and fair manner. SB 863 irrationally rewards insurance companies who have a history of delay and unreasonable denial of claims to the detriment of honest insurers. The worst violators of the right to compensation in the workers' compensation system get the biggest rewards with the wholesale cancellation of millions of dollars in debt owed by them. SB 863 also encourages this illegal conduct prospectively. With the imposition of the burden of prospective filings fees, medical providers are more willing to not pursue low value claims that do not financially justify the fee or make significant compromises on higher cost claims just to make ends meet.

SB 863 Violates Due Process Rights

42. SB 863 retroactively eliminated the ability of independent providers performing low-dollar-value services to obtain judicial and administrative enforcement of their vested property right to secure reasonable compensation for their services through the workers' compensation lien procedure. This property right vested for those providers who performed medical-related services before SB 863 was signed into law. By imposing a \$150 lien filing fee or a \$100 lien activation fee on lien holders who provided services prior to SB 863, the Legislature made it infeasible for these providers to enforce their vested lien rights. This retroactive application of the lien fees thereby imposes an undue burden on their right to seek enforcement of vested rights, rendering their claims for compensation valueless, in violation of the Due Process Clause.

THE PARTIES

43. Plaintiff Robin Chorn, is a physician licensed to and practicing medicine in Los Angeles, California. Dr. Chorn has between several hundred existing liens for services rendered and, further, has provided services with pre-authorization from insurance carriers which have

LAW OFFICES OF MATTHEW D. RIFAT, LLP
3703 CAMINO DEL RIO SOUTH, SUITE 200
SAN DIEGO, CALIFORNIA 92108
(619) 282-0185

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never been paid and which therefore must be asserted as liens. This means that to collect on these accounts, Dr. Chorn will have to pay thousands of dollars in activation fees and wait indefinitely. This is something he simply cannot do from his own personal reserves and, moreover, is unable to finance these sums in light of the current economic and lending environment. This means that, on January 1, 2014, bills for thousands of dollars worth of services provided by Dr. Chorn will be voided for the benefit of big workers' compensation insurance companies and to Dr. Chorn's detriment—threatening his ability to continue in practice. Dr. Chorn also has lien medical accounts receivable that he intends to use to finance his practice and manage his cash flow. Finally, Dr. Chorn has claims that will be barred by the new statute of limitations and will be voided without a hearing.

44. Defendant Edmund G. Brown Jr. is the Governor of the State of California. In his official capacity, he has ultimate responsibility for execution of the laws of the State of California. The Governor maintains an office in San Diego.

45. Defendant Kamala D. Harris is the Attorney General of the State of California. In her official capacity, she is the chief legal officer of the State of California. The Attorney General maintains an office in San Diego.

46. Defendant Christine Baker is the Director of the California Department of Industrial Relations. In her official capacity, she oversees much of California's labor policy, including California's Workers' Compensation System. The Department of Industrial Relations maintains one or more offices in San Diego.

47. Defendant Ronnie Caplane is the Chair of the Workers' Compensation Appeals Board ("WCAB"). In her official capacity, she leads the WCAB, which can reconsider the decisions of a workers' compensation judge and can also hear workers' compensation cases in the first instance. The WCAB has and will continue to dismiss liens that are set for a lien conference if the lien "activation" fee has not been paid. The WCAB maintains one or more offices in San Diego.

48. Defendant Destie Overpeck is the Acting Administrative Director of the California Division of Workers' Compensation within the California Department of Industrial

LAW OFFICES OF MATTHEW D. RIFAT, LLP
3703 CAMINO DEL RIO SOUTH, SUITE 200
SAN DIEGO, CALIFORNIA 92108
(619) 282-0185

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Relations. In her official capacity, she is statutorily charged with collecting and implementing the lien filing fee and lien activation fee. Defendant is also charged with promulgating rules and regulations governing the collection of the fees. Cal. Labor Code § 4903.05(c)(4)-(5), 4903.06(3). The Division of Workers' Compensation maintains one or more offices in San Diego.

JURISDICTION AND VENUE

49. This complaint seeks declaratory and injunctive relief against state officers for violations of rights secured by the Fifth and Fourteenth Amendments to the United States Constitution. This Court has subject matter jurisdiction pursuant to 28 U.S.C. § 1331 and 42 U.S.C. § 1983.

50. This Court has personal jurisdiction over each of the Defendants. The Defendants are all public officials of the State of California or its political subdivisions. Each of the Defendants performs official duties within the State of California and, therefore, maintains continuous and systematic contacts with the State of California such that the exercise of jurisdiction does not offend traditional notions of fair play and substantial justice. Further, the exercise of jurisdiction here comports with Cal. Civ. Proc. Code § 410.10 as well as the Constitutional requirement of Due Process.

51. Venue is appropriate in this judicial district pursuant to 28 U.S.C. § 1391(b)(1) because one or more of the Defendants performs their official duties in this District, and therefore resides in this District. Furthermore, a substantial part of the events or omissions giving rise to Plaintiff's claims have occurred and will continue to occur in this District. 28 U.S.C. § 1391(b)(2).

CLASS ALLEGATIONS

52. This action is brought as a Class Action pursuant to Rule 23 of the Federal Rules of Civil Procedure and other applicable law. Individual and Representative Plaintiff Chorn brings this action on his behalf and on behalf of all persons who are members of the Plaintiff Class as defined below, for the following reasons:

- a. It is impracticable to bring all members of the class before the court.

LAW OFFICES OF MATTHEW D. RIFAT, LLP
3703 CAMINO DEL RIO SOUTH, SUITE 200
SAN DIEGO, CALIFORNIA 92108
(619) 282-0185

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b. The questions of law or fact common to the class are substantially similar and predominate over the questions affecting the individual members.

c. The claims or defenses of the representative plaintiff are typical of the claims or defenses of the class.

d. The representative plaintiff will fairly and adequately protect the interests of the class.

53. Prosecuting separate actions by or against individual class members would create a risk of:

(A) inconsistent or varying adjudications with respect to individual class members that would establish incompatible standards of conduct for the party opposing the class; or

(B) adjudications with respect to individual class members that, as a practical matter, would be dispositive of the interests of the other members not parties to the individual adjudications or would substantially impair or impede their ability to protect their interests;

54. The Defendants have acted or refused to act on grounds that apply generally to the class, so that final injunctive relief or corresponding declaratory relief is appropriate respecting the class as a whole.

55. Questions of law or fact common to class members predominate over any questions affecting only individual members, and a class action is superior to other available methods for fairly and efficiently adjudicating the controversy.

56. The Class is defined as consisting of providers of medical goods and/or services in the State of California who have and/or continue to provide those goods and/or services to workers' compensation applicants on a lien basis.

COUNT ONE
**VIOLATION OF U.S. CONSTITUTION,
FIFTH AMENDMENT, TAKINGS CLAUSE**

57. Paragraphs 1 through 56 are incorporated as though fully set forth herein.

58. The lien filing and activation fees retroactively deprive Plaintiff and workers' compensation applicants of vested property rights to secure compensation for providing medical services and ancillary goods and services before SB 863 was signed into law on September 18,

LAW OFFICES OF MATTHEW D. RIFAT, LLP
3703 CAMINO DEL RIO SOUTH, SUITE 200
SAN DIEGO, CALIFORNIA 92108
(619) 282-0185

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2012. These property rights vested under the workers' compensation law as it existed at the time the medical and ancillary services were performed and the ancillary good were provided, creating an entitlement on the part of the applicant to compensation for the cost of those services. Plaintiff provided and the applicants accepted medical and ancillary services and goods in reliance upon their rights under the workers' compensation law at the time such services or goods were provided. Plaintiff and applicants thereby earned the right under the State's workers' compensation law to file liens and pursue its lien rights without payment of a later-imposed lien filing or activation fee that would render the existing and future liens worthless, depriving Plaintiff of his reasonable investment backed expectations.

59. The lien filing and activation fees take Plaintiff's vested property rights for public use. By design, SB 863's deliberate imposition of unreasonable deadlines to preserve medical expense claims renders it impossible for the medical providers to pay the required fees. As a result, millions of dollars in medical expense obligations will be wiped out and carriers will be relieved of their current obligation to honor those liens.

60. Defendants' enforcement of the lien filing and activation fees as required under Section 4903 of the Labor Code, as modified by SB 863, constitutes a taking of private property under the Takings Clause of the Fifth Amendment to the United States Constitution.

COUNT TWO
VIOLATION OF U.S. CONSTITUTION,
FOURTEENTH AMENDMENT, EQUAL PROTECTION CLAUSE

61. Paragraphs 1 through 60 are incorporated as though fully set forth herein.

62. Under SB 863 and its implementation, the Plaintiff has been and continues to be treated differently from other similarly situated persons. The Plaintiff is a medical service provider who treats injured California workers induced by the right to payment of compensation for their services through the workers' right of compensation. To preserve that right, the Plaintiff is now required by SB 863 to pay a fee that is intentionally designed to frustrate and eliminate the right to compensation.

63. By contrast, the lien filing and activation fees do not impact insurance companies,

LAW OFFICES OF MATTHEW D. RIFAT, LLP
3703 CAMINO DEL RIO SOUTH, SUITE 200
SAN DIEGO, CALIFORNIA 92108
(619) 282-0185

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HMOs, labor union benefit plans, and other large holders of workers' compensation liens because SB 863 specifically exempts any lien filed by "a health care service plan licensed pursuant to Section 1349 of the Health and Safety Code, a group disability insurer under a policy issued in this state pursuant to the provisions of Section 10270.5 of the Insurance Code, a self-insured employee welfare benefit plan, as defined in Section 10121 of the Insurance Code, that is issued in this state, a Taft-Hartley health and welfare fund, or a publicly funded program providing medical benefits on a nonindustrial basis." This is a direct result of the influence held by these interests over the process by which SB 863 was adopted.

64. The difference in treatment between Plaintiff and these other entities was intentional and there is no rational basis for the difference in treatment.

65. As a direct and proximate consequence of this misconduct, the Plaintiff has and will continue to suffer an impairment of their constitutional right to equal protection under the law.

COUNT THREE
VIOLATION OF U.S. CONSTITUTION,
FOURTEENTH AMENDMENT, DUE PROCESS CLAUSE

66. Paragraphs 1 through 65 are incorporated as though fully set forth herein.

67. The Plaintiff and injured California workers have a property interest in their claim for compensation of medical expenses. Without due process of law, SB 863's implementation deprives the Plaintiff and injured workers of that property interest because it takes away their right to have a their claim heard and to obtain compensation.

68. SB 863's deprivation of the California workers' right to recovery of compensation for medical expenses and the consequent denial of the derivative right of the Plaintiff to be paid for their services, is irrational and arbitrary; poisoned by the unlawful motive of large workers' compensation insurers' to cancel their obligation to pay for millions of dollars in medical expenses.

69. SB 863 deprives the Plaintiff and California workers of their substantive due process rights and adversely affects their fundamental right to compensation as a product of fair and impartial hearings. Its provisions concerning lien filing and activation fees and the denial of

1 the right of assignment are not narrowly tailored to serve a compelling governmental interest.
2 Instead, the law is deliberately designed to take away property and procedural rights for the
3 benefit of insurance companies.

4 **COUNT FOUR**
5 **VIOLATION OF 42 U.S.C. § 1983**

6 70. Paragraphs 1 through 69 are incorporated as though fully set forth herein.

7 71. Insofar as they are enforcing the lien filing and activation fees imposed under
8 Sections 4903.05 and 4903.06 of the California Labor Code, Defendants, acting under color of
9 state law, are depriving Plaintiff of his rights under the Fifth and Fourteenth Amendments of the
10 U.S. Constitution in violation of 42 U.S.C. § 1983.

11 **PRAYER FOR RELIEF**

12 WHEREFORE, Plaintiff respectfully prays for judgment as follows:

13 1. A declaratory judgment, pursuant to 28 U.S.C. § 2201, that:

14 (a) SB 863 violates the Fifth Amendment’s takings clause and is unconstitutional
15 because it cancels medical provider entitlement to payment for medical treatment expense lien
16 claims filed before January 1, 2013, without just compensation unless the provider pays a \$100
17 “lien activation fee” before January 1, 2014.

18 (b) SB 863 violates the Fifth and Fourteenth Amendments’ due process clauses and is
19 unconstitutional because it cancels medical provider entitlement to payment for medical
20 treatment expense lien claims filed before January 1, 2013, unless the provider pays a \$100 “lien
21 activation fee” before January 1, 2014.

22 (c) SB 863 violates the Fifth and Fourteenth Amendments’ due process clauses and is
23 unconstitutional because it deprives medical provider entitlement to a hearing on the matter of
24 payment for medical treatment expense lien claims filed before January 1, 2013 unless the
25 provider pays a \$100 “lien activation fee” before January 1, 2014.

26 (d) SB 863 violates the Fifth Amendment’s takings clause because it cancels
27 entitlement to payment of medical treatment expense lien claims filed after January 1, 2013,
28 unless the medical provider pays a \$150 “lien filing fee”, which includes medical expenses
incurred before January 1, 2013 but for which liens have not yet been filed.

LAW OFFICES OF MATTHEW D. RIFAT, LLP
3703 CAMINO DEL RIO SOUTH, SUITE 200
SAN DIEGO, CALIFORNIA 92108
(619) 282-0185

LAW OFFICES OF MATTHEW D. RIFAT, LLP
3703 CAMINO DEL RIO SOUTH, SUITE 200
SAN DIEGO, CALIFORNIA 92108
(619) 282-0185

1 (e) SB 863 violates the Fifth and Fourteenth Amendments' due process clauses and is
2 unconstitutional because it cancels medical provider entitlement to payment for medical
3 treatment expense lien claims filed after January 1, 2013, unless the provider pays a \$150 "lien
4 activation fee".

5 (f) SB 863 violates the Fifth and Fourteenth Amendments' due process clauses and is
6 unconstitutional because it deprives medical provider entitlement to a hearing on the matter of
7 payment for medical treatment expense lien claims filed on or after January 1, 2013 unless the
8 provider pays a \$150 lien filing fee, which includes medical expenses incurred before January 1,
9 2013 but for which liens have not yet been filed.

10 (g) SB 863 violates the Fourteenth Amendment's equal protection clause because it
11 requires "lien activation fees" and "lien filings fees" only from individual and group medical
12 providers but exempts insurance companies (such as health care service plans, disability
13 insurance companies, and health insurance companies).

14 (h) SB 863 violates the Fifth Amendment's takings clause because it cancels
15 entitlement to payment of medical treatment expense lien claims that have been assigned.

16 (i) SB 863 violates the Fifth Amendment's takings clause because it deprives the
17 holder or purchaser of a medical account receivable the right of free assignability and hereby
18 diminishes or eliminates the value of that account without just compensation.

19 (j) SB 863 violates the Fifth and Fourteenth Amendments' due process clauses
20 because it cancels entitlement to payment of medical treatment expense lien claims that have
21 been assigned.

22 2. A preliminary and permanent injunction to preclude Defendants from collecting
23 the lien filing and activation fees and to preclude them from refusing to file, dismissing or
24 declaring invalid any lien for failure to pay such fees.

25 3. Disgorgement and repayment of lien activation fees.

26 4. Disgorgement and repayment of lien filing fees.

27 5. Reinstatement of any liens that have been dismissed or cancelled because of
28 failure to pay the lien activation or lien filings fees.

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6. Compensation for for actual damages incurred as a foreseeable consequence of the Defendants' illegal conduct.

7. An award including reasonable attorneys' and expert fees under 42 U.S.C. § 1988.

8. Any further relief to which Plaintiff may justly be entitled.

LAW OFFICES OF MATTHEW D. RIFAT, LLP

DATED: November 14, 2013

/s/Matthew D. Rifat

BY:

Matthew D. Rifat
Counsel for Plaintiff &
Putative Class Representative

LAW OFFICES OF MATTHEW D. RIFAT, LLP
3703 CAMINO DEL RIO SOUTH, SUITE 200
SAN DIEGO, CALIFORNIA 92108
(619) 282-0185



UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

NOTICE OF ASSIGNMENT TO UNITED STATES JUDGES

This case has been assigned to District Judge John F. Walter and the assigned Magistrate Judge is John E. McDermott.

The case number on all documents filed with the Court should read as follows:

2:13-CV-8519-JFW (JEMx)

Pursuant to General Order 05-07 of the United States District Court for the Central District of California, the Magistrate Judge has been designated to hear discovery related motions.

All discovery related motions should be noticed on the calendar of the Magistrate Judge.

Clerk, U. S. District Court

November 18, 2013

Date

By MDAVIS

Deputy Clerk

NOTICE TO COUNSEL

A copy of this notice must be served with the summons and complaint on all defendants (if a removal action is filed, a copy of this notice must be served on all plaintiffs).

Subsequent documents must be filed at the following location:



Western Division
312 N. Spring Street, G-8
Los Angeles, CA 90012

Southern Division
411 West Fourth St., Ste 1053
Santa Ana, CA 92701

Eastern Division
3470 Twelfth Street, Room 134
Riverside, CA 92501

Failure to file at the proper location will result in your documents being returned to you.

I. (a) PLAINTIFF: (Check box if you are representing yourself)
 ROBIN CHORN, M.D., an individual.

DEFENDANTS (Check box if you are representing yourself)

EDMUND G. BROWN, JR., in his official capacity as Governor of California;
 KAMALA D. HARRIS, in her official capacity as Attorney General of California
 (CONTINUED)

(b) Attorneys (Firm Name, Address and Telephone Number. If you are representing yourself, provide same information.)
 Matthew D. Rifal, Esq.; Law Offices of Matthew D. Rifal, LLP
 3703 Camino Del Rio South, Suite 200
 San Diego, California 92108
 (619) 282-0165

(b) Attorneys (Firm Name, Address and Telephone Number. If you are representing yourself, provide same information.)

II. BASIS OF JURISDICTION (Place an X in one box only.)

1. U.S. Government Plaintiff
 2. U.S. Government Defendant
 3. Federal Question (U.S. Government Not a Party)
 4. Diversity (Indicate Citizenship of Parties in Item III)

III. CITIZENSHIP OF PRINCIPAL PARTIES-For Diversity Cases Only (Place an X in one box for plaintiff and one for defendant)

	PTF	DEF		PTF	DEF
Citizen of This State	<input type="checkbox"/> 1	<input type="checkbox"/> 1	Incorporated or Principal Place of Business in this State	<input type="checkbox"/> 4	<input type="checkbox"/> 4
Citizen of Another State	<input type="checkbox"/> 2	<input type="checkbox"/> 2	Incorporated and Principal Place of Business in Another State	<input type="checkbox"/> 5	<input type="checkbox"/> 5
Citizen or Subject of a Foreign Country	<input type="checkbox"/> 3	<input type="checkbox"/> 3	Foreign Nation	<input type="checkbox"/> 6	<input type="checkbox"/> 6

IV. ORIGIN (Place an X in one box only.)

1. Original Proceeding
 2. Removed from State Court
 3. Remanded from Appellate Court
 4. Reinstated or Reopened
 5. Transferred from Another District (Specify)
 6. Multi-District Litigation

V. REQUESTED IN COMPLAINT: JURY DEMAND: Yes No (Check "Yes" only if demanded in complaint.)

CLASS ACTION under F.R.Cv.P. 23: Yes No

MONEY DEMANDED IN COMPLAINT: \$ **FAX FILING**

VI. CAUSE OF ACTION (Cite the U.S. Civil Statute under which you are filing and write a brief statement of cause. Do not cite jurisdictional statutes unless diversity.)
 Violations of U.S. Constitution; 28 USC Section 1983

VII. NATURE OF SUIT (Place an X in one box only.)

OTHER STATUTES	CONTRACT	REAL PROPERTY CONT.	IMMIGRATION	PRISONER PETITIONS	PROPERTY RIGHTS
<input type="checkbox"/> 375 False Claims Act	<input type="checkbox"/> 110 Insurance	<input type="checkbox"/> 240 Torts to Land	<input type="checkbox"/> 462 Naturalization Application	Habeas Corpus:	<input type="checkbox"/> 820 Copyrights
<input type="checkbox"/> 400 State Reapportionment	<input type="checkbox"/> 120 Marine	<input type="checkbox"/> 245 Tort Product Liability	<input type="checkbox"/> 485 Other Immigration Actions	<input type="checkbox"/> 463 Alien Detainee	<input type="checkbox"/> 830 Patent
<input type="checkbox"/> 410 Antitrust	<input type="checkbox"/> 130 Miller Act	<input type="checkbox"/> 290 All Other Real Property		<input type="checkbox"/> 510 Motions to Vacate Sentence	<input type="checkbox"/> 840 Trademark
<input type="checkbox"/> 430 Banks and Banking	<input type="checkbox"/> 140 Negotiable Instrument			<input type="checkbox"/> 530 General	
<input type="checkbox"/> 450 Commerce/ICC Rates/Etc.	<input type="checkbox"/> 150 Recovery of Overpayment & Enforcement of Judgment	TORTS		<input type="checkbox"/> 535 Death Penalty	SOCIAL SECURITY
<input type="checkbox"/> 460 Deportation	<input type="checkbox"/> 151 Medicare Act	PERSONAL PROPERTY	TORTS	Other:	<input type="checkbox"/> 861 HIA (1395ff)
<input type="checkbox"/> 470 Racketeer Influenced & Corrupt Org.	<input type="checkbox"/> 152 Recovery of Defaulted Student Loan (Excl. Vet.)	<input type="checkbox"/> 310 Airplane	<input type="checkbox"/> 370 Other Fraud	<input type="checkbox"/> 540 Mandamus/Other	<input type="checkbox"/> 862 Black Lung (923)
<input type="checkbox"/> 480 Consumer Credit	<input type="checkbox"/> 153 Recovery of Overpayment of Vet. Benefits	<input type="checkbox"/> 315 Airplane Product Liability	<input type="checkbox"/> 371 Truth in Lending	<input type="checkbox"/> 550 Civil Rights	<input type="checkbox"/> 863 DMV/DIWW (405 (g))
<input type="checkbox"/> 490 Cable/Sat TV	<input type="checkbox"/> 160 Stockholders' Suits	<input type="checkbox"/> 320 Assault, Libel & Slander	<input type="checkbox"/> 380 Other Personal Property Damage	<input type="checkbox"/> 555 Prison Condition	<input type="checkbox"/> 864 SSID Title XVI
<input type="checkbox"/> 850 Securities/Commodities/Exchange	<input type="checkbox"/> 190 Other Contract	<input type="checkbox"/> 330 Fed. Employers' Liability	<input type="checkbox"/> 385 Property Damage Product Liability	<input type="checkbox"/> 560 Civil Detainee Conditions of Confinement	<input type="checkbox"/> 865 ASI (405 (g))
<input type="checkbox"/> 890 Other Statutory Actions	<input type="checkbox"/> 195 Contract Product Liability	<input type="checkbox"/> 340 Marine	BANKRUPTCY	FORFEITURE/PENALTY	FEDERAL TAX SUITS
<input type="checkbox"/> 891 Agricultural Acts	<input type="checkbox"/> 196 Franchise	<input type="checkbox"/> 345 Marine Product Liability	<input type="checkbox"/> 422 Appeal 28 USC 158	<input type="checkbox"/> 625 Drug Related Seizure of Property 21 USC 881	<input type="checkbox"/> 870 Taxes (U.S. Plaintiff or Defendant)
<input type="checkbox"/> 893 Environmental Matters		<input type="checkbox"/> 350 Motor Vehicle	<input type="checkbox"/> 423 Withdrawal 28 USC 157	<input type="checkbox"/> 690 Other	<input type="checkbox"/> 871 IRS-Third Party 26 USC 7609
<input type="checkbox"/> 895 Freedom of Info. Act		<input type="checkbox"/> 355 Motor Vehicle Product Liability	CIVIL RIGHTS	LABOR	
<input type="checkbox"/> 896 Arbitration		<input type="checkbox"/> 360 Other Personal Injury	<input checked="" type="checkbox"/> 440 Other Civil Rights	<input type="checkbox"/> 710 Fair Labor Standards Act	
	REAL PROPERTY	<input type="checkbox"/> 362 Personal Injury-Med Malpractice	<input type="checkbox"/> 441 Voting	<input type="checkbox"/> 720 Labor/Mgmt. Relations	
<input type="checkbox"/> 899 Admin. Procedures Act/Review of Appeal of Agency Decision	<input type="checkbox"/> 210 Land Condemnation	<input type="checkbox"/> 365 Personal Injury-Product Liability	<input type="checkbox"/> 442 Employment	<input type="checkbox"/> 740 Railway Labor Act	
	<input type="checkbox"/> 220 Foreclosure	<input type="checkbox"/> 367 Health Care/Pharmaceutical Personal Injury Product Liability	<input type="checkbox"/> 443 Housing/Accommodations	<input type="checkbox"/> 751 Family and Medical Leave Act	
<input type="checkbox"/> 950 Constitutionality of State Statutes	<input type="checkbox"/> 230 Rent Lease & Ejectment	<input type="checkbox"/> 368 Asbestos Personal Injury Product Liability	<input type="checkbox"/> 445 American with Disabilities-Employment	<input type="checkbox"/> 790 Other Labor Litigation	
			<input type="checkbox"/> 446 American with Disabilities-Other	<input type="checkbox"/> 791 Employee Ret. Inc. Security Act	
			<input type="checkbox"/> 448 Education		

OR OFFICE USE ONLY:

Case Number:

CV13-08519

VIII. VENUE: Your answers to the questions below will determine the division of the Court to which this case will most likely be initially assigned. This initial assignment is subject to change, in accordance with the Court's General Orders, upon review by the Court of your Complaint or Notice of Removal.

Question A: Was this case removed from state court? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "no," go to Question B. If "yes," check the box to the right that applies, enter the corresponding division in response to Question D, below, and skip to Section IX.	STATE CASE WAS PENDING IN THE COUNTY OF:		INITIAL DIVISION IN CACD IS:
	<input type="checkbox"/> Los Angeles		Western
	<input type="checkbox"/> Ventura, Santa Barbara, or San Luis Obispo		Western
	<input type="checkbox"/> Orange		Southern
	<input type="checkbox"/> Riverside or San Bernardino		Eastern

Question B: Is the United States, or one of its agencies or employees, a party to this action? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "no," go to Question C. If "yes," check the box to the right that applies, enter the corresponding division in response to Question D, below, and skip to Section IX.	If the United States, or one of its agencies or employees, is a party, is it:		INITIAL DIVISION IN CACD IS:
	A PLAINTIFF? Then check the box below for the county in which the majority of DEFENDANTS reside.	A DEFENDANT? Then check the box below for the county in which the majority of PLAINTIFFS reside.	
	<input type="checkbox"/> Los Angeles	<input type="checkbox"/> Los Angeles	Western
	<input type="checkbox"/> Ventura, Santa Barbara, or San Luis Obispo	<input type="checkbox"/> Ventura, Santa Barbara, or San Luis Obispo	Western
	<input type="checkbox"/> Orange	<input type="checkbox"/> Orange	Southern
	<input type="checkbox"/> Riverside or San Bernardino	<input type="checkbox"/> Riverside or San Bernardino	Eastern
<input type="checkbox"/> Other	<input checked="" type="checkbox"/> Other	Western	

Question C: Location of plaintiffs, defendants, and claims?	A. Los Angeles County	B. Ventura, Santa Barbara, or San Luis Obispo Counties	C. Orange County	D. Riverside or San Bernardino Counties	E. Outside the Central District of California	F. Other
Indicate the location in which a majority of plaintiffs reside:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Indicate the location in which a majority of defendants reside:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Indicate the location in which a majority of claims arose:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

C.1. Is either of the following true? If so, check the one that applies: <input type="checkbox"/> 2 or more answers in Column C <input type="checkbox"/> only 1 answer in Column C and no answers in Column D Your case will initially be assigned to the SOUTHERN DIVISION. Enter "Southern" in response to Question D, below. If none applies, answer question C.2 to the right. →	C.2. Is either of the following true? If so, check the one that applies: <input type="checkbox"/> 2 or more answers in Column D <input type="checkbox"/> only 1 answer in Column D and no answers in Column C Your case will initially be assigned to the EASTERN DIVISION. Enter "Eastern" in response to Question D, below. If none applies, go to the box below. ↓
Your case will initially be assigned to the WESTERN DIVISION. Enter "Western" in response to Question D below.	

Question D: Initial Division? Enter the initial division determined by Question A, B, or C above: →	INITIAL DIVISION IN CACD WESTERN
--	---

IX(a). IDENTICAL CASES: Has this action been previously filed in this court and dismissed, remanded or closed? NO YES

If yes, list case number(s): _____

IX(b). RELATED CASES: Have any cases been previously filed in this court that are related to the present case? NO YES

If yes, list case number(s): B:13-cv-01139-GW-JEM

Civil cases are deemed related if a previously filed case and the present case:

- (Check all boxes that apply)
- A. Arise from the same or closely related transactions, happenings, or events; or
 - B. Call for determination of the same or substantially related or similar questions of law and fact; or
 - C. For other reasons would entail substantial duplication of labor if heard by different judges; or
 - D. Involve the same patent, trademark or copyright, and one of the factors identified above in a, b or c also is present.

**X. SIGNATURE OF ATTORNEY
 (OR SELF-REPRESENTED LITIGANT):**

[Handwritten Signature]

DATE: November 14, 2013

Notice to Counsel/Parties: The CV-71 (US-44) Civil Cover Sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law. This form, approved by the Judicial Conference of the United States in September 1974, is required pursuant to Local Rule 3-1 is not filed but is used by the Clerk of the Court for the purpose of statistics, venue and initiating the civil docket sheet. (For more detailed instructions, see separate instructions sheet).

Key to Statistical codes relating to Social Security Cases:

Nature of Suit Code	Abbreviation	Substantive Statement of Cause of Action
861	HIA	All claims for health insurance benefits (Medicare) under Title 18, Part A, of the Social Security Act, as amended. Also, include claims by hospitals, skilled nursing facilities, etc., for certification as providers of services under the program. (42 U.S.C. 1395ff(b))
862	BL	All claims for "Black Lung" benefits under Title 4, Part B, of the Federal Coal Mine Health and Safety Act of 1969. (30 U.S.C. 923)
863	DIWC	All claims filed by insured workers for disability insurance benefits under Title 2 of the Social Security Act, as amended; plus all claims filed for child's insurance benefits based on disability. (42 U.S.C. 405 (g))
863	DIWW	All claims filed for widows or widowers insurance benefits based on disability under Title 2 of the Social Security Act, as amended. (42 U.S.C. 405 (g))
864	SSID	All claims for supplemental security income payments based upon disability filed under Title 16 of the Social Security Act, as amended.
865	RSI	All claims for retirement (old age) and survivors benefits under Title 2 of the Social Security Act, as amended. (42 U.S.C. 405 (g))