

PRESS RELEASE

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LAWSUIT FILED AGAINST L.A. COUNTY FOR FAILURE TO PROPERLY ADMINISTER AND ALLOCATE MEASURE B FUNDS TO TRAUMA CENTERS

-- Following the denial of a governmental claim, Antelope Valley Hospital files complaint with court in order to seek judicial relief--

LOS ANGELES, CA – Antelope Valley Hospital ("AV Hospital"), via its legal counsel McNicholas & McNicholas and The Sutton Law Firm, filed a petition for writ of mandate and complaint against the County of Los Angeles and its Board of Supervisors for failing to properly administer and allocate billions of dollars of Measure B property tax revenue to L.A. County trauma centers, particularly AV Hospital. In April 2015, AV Hospital filed a governmental claim, a precursor to this lawsuit.

Earlier this month, the County denied a slightly amended claim, forcing AV Hospital to ask the Court to order L.A. County to properly allocate Measure B funds consistent with what the voters approved in 2002.

"We've given the County ample opportunity to right this wrong and we hoped to avoid litigation; however, we are now taking the appropriate next steps to ensure that AV Hospital receives the funding to which it is entitled," said <u>Patrick McNicholas</u>, Partner at McNicholas & McNicholas.

Approved by the County's voters in the year after 9/11, Measure B assesses taxes to provide funding for the expansion of the County's trauma centers and emergency medical services to ensure a more timely and effective response to medical emergencies and threats of biological and chemical terrorism. The claim, which followed an extremely critical State audit, alleged that the County consistently failed to conduct comprehensive assessments of its trauma system, failed to use Measure B funds to address the County's most pressing trauma needs, and failed to fulfill the intent of Measure B to expand trauma services countywide.

"Reports indicate that in 2013, the vast majority of Measure B funds were clearly directed in favor of the three L.A. County Hospitals, one of which was not a trauma-designated hospital," stated Paul Brydon, CFO of AV Hospital. "We are consciously being underfunded and ignored."

"As a not-for-profit district hospital, we want to assure that we can continue to provide critically needed health care services to the thousands of L.A. County residents who rely on us daily, as we have for the past 60 years," said Interim CEO of AV Hospital, Jack Burke.

Background on AV Hospital and Measure B

AV Hospital serves five percent of Los Angeles County's population, yet receives less than any other trauma and non-trauma center in the County – less than one-half of one percent of all Measure B funds annually.

More than 25 years ago, Los Angeles County's trauma centers began to withdraw from the system due to the increasing cost of uncompensated care for patients with no insurance or ability to pay for emergency services. Following the terrorist attacks on 9/11, Measure B's parcel tax was adopted to avoid the life-threatening shutdown of Los Angeles County's trauma network and to expand emergency medical services.

In November of 2002, Measure B, entitled "Preservation of Trauma Centers and Emergency Medical Services; Bioterrorism Response," was voted into law by more than 73% of the County's voters. According to the State Auditor's report, the County allocated more money to its own County non-trauma hospital than to all 12 non-County trauma hospitals combined.

The Board of Supervisors implemented the Measure B parcel tax of three cents per square foot on structural improvements to real property, increasing gradually over time. In Fiscal Year 2011-2012 alone, the measure generated more than \$256 million in revenue. Unfortunately, only a miniscule portion of this went toward fulfilling the voters' intent. Despite reassurances from the County that AV Hospital would receive increased funding, AV Hospital has been all but forgotten by the County – in favor of the hospitals that are closer to the County seat. AV Hospital has been seeking the funds promised by Measure B and will continue to move forward with the necessary legal action until justice has been served.

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McNicholas & McNicholas, a Los Angeles-based plaintiff's trial law firm, represents clients in the areas of catastrophic personal injury, employment law, class actions, sexual abuse and other

consumer-oriented matters such as civil rights, aviation disasters and product liability. Founded by a family of attorneys spanning three generations, McNicholas & McNicholas has been trying cases to jury verdict on behalf of their clients for more than five decades.

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The Sutton Law Firm, a California-based political and election law firm, represents businesses, individuals, candidates, ballot measures, PACs and nonprofit organizations involved in the political and legislative processes on the local, state and national levels. The firm's attorneys also litigate matters in the public interest, especially those arising out of ballot measures and elections and relating to the protection of voters and taxpayers.

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