

PRESS RELEASE

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CLAIM FILED AGAINST L.A. COUNTY AND BOARD OF SUPERVISORS FOR FAILURE TO PROPERLY ADMINISTER AND ALLOCATE BILLIONS OF TAX DOLLARS TO TRAUMA CENTERS

-- Antelope Valley Hospital receives less than one-half of one percent of Measure B funds annually, yet has the second highest volume of emergency patients in County --

LOS ANGELES, CA – Antelope Valley Hospital ("AV Hospital"), via its attorneys <u>McNicholas &</u> <u>McNicholas</u> and <u>The Sutton Law Firm</u>, filed a claim against the County of Los Angeles and its Board of Supervisors for failing to properly administer and allocate billions of dollars of property tax revenue per Measure B to L.A. County trauma centers, particularly AV Hospital. Approved by the County's voters in the year after the 9/11 disaster, 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.

AV Hospital's claim, filed in the wake of a State audit that was extremely critical of the County, alleges 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.

The claim is a precursor to a lawsuit that will seek equitable relief, economic damages and other appropriate relief on behalf of AV Hospital.

"This is not how the voters intended their tax dollars to be allocated when they voted for Measure B," said <u>Patrick McNicholas</u>, Partner at McNicholas & McNicholas. "The harm inflicted on AV Hospital and its community is exactly what Measure B was trying to prevent when it was enacted. The time has come for AV Hospital to stand up for the funding to which it is legally entitled."

"The County and Board of Supervisors quickly disbanded Measure B's mandatory Oversight Committee – established to ensure proper distribution of the billions of dollars generated – leaving no independent oversight whatsoever," said Dr. Larry Stock, Medical Director of the AV Hospital Emergency Department. "Further, while other hospitals such as Ronald Reagan UCLA and LAC + USC Medical Center are being funded by the State and County, AV Hospital is consciously being underfunded and ignored."

"As a not-for-profit district hospital, we are hopeful that litigation can be avoided," said CEO of AV Hospital Dennis Knox. "However, we will take the necessary steps 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."

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. In response to the terrorist attacks on 9/11, Measure B's parcel tax was created 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 gave more money in the past few years to its own County non-trauma hospital than it gave to all 12 non-County trauma hospitals combined.

The Board of Supervisors implemented the Measure B parcel tax of 3 cents per square foot on structural improvements to real property, increasing this tax 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. Unless the County comes to the bargaining table in a meaningful way and rights the wrongs that AV Hospital has suffered, a lawsuit will follow this week's claim.

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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 attorneys of The Sutton Law Firm help their clients achieve their political_and public policy goals while avoiding legal pitfalls.

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