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11 **SUPERIOR COURT OF THE STATE OF ARIZONA**  
12 **IN AND FOR THE COUNTY OF MARICOPA**

13 STATE OF ARIZONA, *ex rel.*  
14 KRISTIN K. MAYES, Attorney General,

15 Plaintiff,

16 -vs.-

17 HERITAGE VILLAGE BLDG2, LLC, a  
18 Delaware limited liability company; MRC  
19 VSL HV MANAGEMENT, LLC, a  
20 Delaware limited liability company; MRC  
21 VSL HV MANAGEMENT II, LLC; a  
22 Delaware limited liability company; MRC  
23 VSL HERITAGE VILLAGE, LLC; a  
24 Delaware limited liability company; MRC  
25 VSL HERITAGE VILLAGE II, LLC; a  
26 Delaware limited liability company; MRC  
HV INVESTORS, LLC, a Delaware  
limited liability company; MADISON  
REALTY COMPANIES, LLC, a  
Colorado limited liability company; RSC  
INT LLC, a Nevada limited liability  
company; RONALD M. STEWART, an  
individual; ROBERT JOHN WALSH, an  
individual; KIRK MATTHEW ARNOLD,

Case No: CV2024-005359

**FIRST AMENDED COMPLAINT**

(Endangerment of Vulnerable Adults,  
Consumer Fraud; Racketeering; Injunction  
against Unauthorized Foreign LLC;  
Receivership)

Assigned to Hon. Michael Gordon

1 an individual; TRACY LI  
2 LANGENDOEN, an individual; GARY  
3 LANGENDOEN, an individual;  
4 MELINDA LEIBFRIED, an individual;  
5 MOHAMMAD MUNZER NASSER, an  
6 individual; ANA HOSPICE CARE INC.,  
7 an Arizona corporation; JOSEPH  
8 LEIBFRIED, an individual; DARYN N.  
9 MCCLURE, an individual; EDWARD  
10 FECHSAR, an individual; ERIC  
11 ELLSWORTH, an individual;  
12 GREGORY BAIRD, an individual;  
13 JOSHUA LANCASTER, an individual;  
14 SAMUEL STOKES, an individual;  
15 MRSC AZ APACHE JUNCTION  
16 MASTER TENANT, LLC, a Delaware  
17 limited liability company; MRSC AZ  
18 MESA MASTER TENANT, LLC, a  
19 Delaware limited liability company;  
20 MRSC AZ APACHE JUNCTION, DST, a  
21 Delaware business trust; MRSC AZ  
22 MESA, DST, a Delaware business trust;  
23 MRSC AZ HOLDINGS I, LLC, a  
24 Delaware limited liability company;  
25 MRSC AZ SIGNATORY TRUSTEE I,  
26 LLC, a Delaware limited liability  
company; JOHN DOES 1-100;

Defendants.

1 For its First Amended Complaint against the defendants captioned above, the State of  
2 Arizona *ex rel.* Kristin K. Mayes, Attorney General (the “State”) alleges as follows:

3 **INTRODUCTION**

4 1. Heritage Village Assisted Living (“Heritage Village”) is an assisted living facility  
5 located in Mesa, Arizona and currently licensed by the Arizona Department of Health Services  
6 (“ADHS”) under the name Heritage Village Bldg2, LLC. The facility provides long-term care  
7 and assistance with activities of daily living to its residents, all of whom are considered  
8 “vulnerable adults” under Arizona’s Adult Protective Services Act.

9 2. On March 15, 2024, the State filed a Complaint against the persons and entities  
10 involved in the Heritage Village enterprise, alleging violations of the Arizona Consumer Fraud  
11 Act (“ACFA”) and the Adult Protective Services Act (“APSA”).

12 3. On March 22, 2024, the State filed an application for appointment of a receiver to  
13 take control of the Heritage Village facility and operation. Upon stipulation of the relevant parties,  
14 the Court appointed Peter Davis to act as Receiver on April 23, 2024.

15 4. On May 20, 2024, Defendants Madison Reality Companies, LLC (“MRC”), Gary  
16 Langendoen, and Tracy Langendoen filed a motion to dismiss the Complaint on the grounds that  
17 it did not contain enough specific information regarding the roles of those defendants in the  
18 claims, and that these defendants were protected from liability for harming vulnerable adults by  
19 the nature of the complex structure of limited liability companies established by several of the  
20 defendants.

21 5. On May 31, 2024, Defendant Kirk Matthew Arnold (“Defendant Arnold”) filed a  
22 motion to dismiss on the grounds that the courts of Arizona could not exercise jurisdiction over  
23 him because his responsibilities within the Heritage Village enterprise did not relate to the ACFA  
24 and APSA allegations.

25 6. After full briefing and oral argument on the dismissal motions, the Court ordered  
26

1 the State and Defendant Arnold to engage in a limited period of discovery relating to Defendant  
2 Arnold's contacts with the State.

3 7. Shortly before the Court issued that order, the Receiver filed a report with the Court  
4 providing the status of his team's efforts to improve the quality of resident care and investigate  
5 the finances of the Heritage Village operation.

6 8. The facts learned during the special discovery period, along with the facts learned  
7 in the Receiver's investigation, led to the realization that Heritage Village, under the control of  
8 Defendants Gary Langendoen, Tracy Li Langendoen, Melinda Leibfried, and Kirk Matthew  
9 Arnold, operated under a license obtained by fraudulent documents, and resident care suffered as  
10 the owners transferred millions of dollars meant for resident care to their other businesses or their  
11 own pockets.

12 9. The discovery that the Heritage Village license was based on fraudulent documents  
13 submitted to ADHS was consistent with the previous discovery that dozens of bedbound residents  
14 lived at Heritage Village even though the facility had not received the required certifications to  
15 care for those residents, and was also consistent with Heritage Village's prior effort to "paper  
16 over" the bedbound certification problem by submitting certifications signed by health care  
17 providers who did not understand what they were signing.

18 10. In May 2023, the ARIZONA REPUBLIC launched a series of stories about assisted  
19 living facilities in Arizona, including a searchable database of complaints against the facilities.  
20 Heritage Village featured prominently in the series, which detailed resident-on-resident violence  
21 at the facility, including a November 2023 article that reported the brutal rape of a resident by a  
22 Heritage Village employee.

23 11. After the ARIZONA REPUBLIC article detailing the sexual assault committed by a  
24 Heritage Village caretaker, ADHS conducted a series of facility surveys during which it identified  
25 dozens of violations. On or about January 12, 2024, ADHS issued a Notice of Intent to Revoke  
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1 Health Care Institution License to Heritage Village on the grounds that the life, health, and/or  
2 safety of the Heritage Village residents are in immediate danger.

3 12. After reviewing the results of one of the ADHS surveys, the Attorney General  
4 commenced an investigation to determine whether Heritage Village was endangering its residents.  
5 The investigation also sought to determine whether Heritage Village had committed consumer  
6 fraud by holding itself out as a facility capable of providing specialized care to vulnerable adults  
7 while systematically understaffing the facility, thus providing inadequate care that consistently  
8 violated Arizona law and regulations.

9 13. As a result of that investigation, the State learned that approximately 39 of the  
10 residents at the facility were unable to ambulate even with assistance, a condition commonly  
11 known as “bedbound” and/or “chairbound.”

12 14. Under the applicable regulations, assisted living facilities are not allowed to accept  
13 or retain bedbound residents unless the resident’s physician certifies in writing that the facility is  
14 capable of providing the resident with the necessary level of care, as set forth in each resident’s  
15 care plan (also known as a service plan). As part of its investigation, the State requested the  
16 written certifications and service plans for all bedbound residents.

17 15. Heritage Village produced approximately 39 written certifications for bedbound  
18 residents. Approximately 31 of those certifications were signed by the medical providers *after*  
19 the date of the State’s demand for production of the records. The service plans for the residents  
20 in many instances were not up to date, and in some instances had only been created *after* the date  
21 of the State’s demand for production.

22 16. Of the written certifications, all but four had been signed by the same three medical  
23 providers. The State subpoenaed those three providers to answer questions under oath about their  
24 certifications.

25 17. All three providers admitted that they signed the forms without understanding what  
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1 they were signing, without knowing the certification requirements, and without reviewing the  
2 service plans for the residents. One provider admitted she signed the forms without reading them.  
3 One provider admitted he had never been to Heritage Village and did not know his patients resided  
4 there. All of them testified that Heritage Village did not include copies of the corresponding  
5 service plans when it gave the certification forms to the providers for signature.

6 18. As of March 2024, approximately 25% of the vulnerable adults residing at Heritage  
7 Village were bedbound. The vast majority of them still had not received a proper evaluation by a  
8 physician who has reviewed the service plan and ensured the facility was capable of providing the  
9 care set forth in the plan prior to appointment of the Receiver to operate the facility.

10 19. Heritage Village created most of the bedbound certifications in January 2024,  
11 specifically in response to the State's investigation, and not prior to acceptance or continued  
12 acceptance of the bedbound residents as required by Arizona Law.

13 20. When it created the January 2024 bedbound certification forms, Heritage Village  
14 knew it was under investigation by the Attorney General and facing potential revocation of its  
15 license by ADHS. Nevertheless, Heritage Village did not even attempt to comply with the  
16 substance of the regulations. Instead, Heritage Village just handed stacks of pre-filled certification  
17 forms to medical providers and asked for signatures, which were provided without any attempt to  
18 determine whether the resident service plans were adequate to resident needs. Heritage Village  
19 did not do even the bare minimum to comply with the rules designed to protect vulnerable adults  
20 from abuse, neglect, and exploitation.

21 21. The events of the past several months demonstrate that the ownership and  
22 management of Heritage Village are unwilling and/or incapable of complying with the laws  
23 protecting the vulnerable adults in their care, most of whom pay Heritage Village thousands of  
24 dollars per month to reside there. Millions of dollars received by the Heritage Village enterprise  
25 to care for residents have been redirected to enterprise insiders or to other facilities owned by

1 enterprise insiders.

2 22. The State brings this action to protect vulnerable residents by removing the owners  
3 of the Heritage Village enterprise from control and ownership of any assisted living facility in the  
4 state of Arizona, and to seek restitution and civil penalties for the exorbitant amounts Heritage  
5 Village charges its residents and their families while providing dangerously substandard care.

6 **PARTIES**

7 **Plaintiff**

8 23. Plaintiff is the State of Arizona *ex rel.* Kristin K. Mayes, the Attorney General of  
9 Arizona, who is authorized to bring this action pursuant to the Adult Protective Services Act  
10 (A.R.S. §§ 46-451 to 46-474); the Arizona Consumer Fraud Act (A.R.S. §§ 44-1521 to 44-1534);  
11 Arizona’s anti-racketeering statutes (A.R.S. §§ 13-2301 to 13-2315) and the Arizona Limited  
12 Liability Company Act (A.R.S. §§ 29-1301 to 29-3123).

13 **Defendants**

14 24. Defendant Heritage Village Bldg2, LLC (“Defendant Bldg2”) is a Delaware limited  
15 liability company registered to transact business in Arizona. Defendant Bldg2 holds a license to  
16 operate as an assisted living facility issued by ADHS.

17 25. Defendant MRC VSL HV Management, LLC (“Defendant HV Management I”) is  
18 a Delaware limited liability company registered to transact business in Arizona and listed as a  
19 member and manager of Defendant Bldg2 and Defendant Heritage Village I. Defendant HV  
20 Management I holds a 35% ownership interest in Defendant Heritage Village I.

21 26. Defendant MRC VSL HV Management II, LLC (“Defendant HV Management II”) is  
22 a Delaware limited liability company registered to transact business in Arizona. Defendant HV  
23 Management II represented itself to ADHS as the manager of Defendant Bldg2 by providing  
24 documents to ADHS containing false information and forged signatures.

25 27. Defendant MRC VSL Heritage Village, LLC (“Defendant Heritage Village I”) is a  
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1 Delaware limited liability company registered to transact business in Arizona. Defendant  
2 Heritage Village I purports to be the owner of the real property on which the Heritage Village  
3 facility is located.

4 28. Defendant MRC VSL Heritage Village II, LLC (“Defendant Heritage Village II”) is a Delaware  
5 limited liability company registered to transact business in Arizona. Defendant  
6 Heritage Village II purports to be the owner of the real property on which the Heritage Village  
7 facility is located.

8 29. Defendant MRC HV Investors, LLC (“Defendant HV Investors”) is a Delaware  
9 limited liability company registered to transact business in Arizona. On information and belief,  
10 the members of Defendant HV Investors are individuals who claim an ownership interest in the  
11 Heritage Village enterprise through their ownership of HV Investors, which holds a 65%  
12 ownership stake in Defendant Heritage Village I.

13 30. Defendant Madison Realty Companies, LLC (“Defendant MRC”) is a Colorado  
14 limited liability company that is **not** registered to do business in Arizona. Defendant MRC  
15 purports to be the manager of Defendant HV Management I, Defendant HV Management II,  
16 Defendant Heritage Village II; and Defendant HV Investors. Defendant MRC is the limited  
17 liability company that sits at the top of the chain of entities that manage Defendant Bldg2.  
18 Defendant MRC directly provided care to vulnerable adults at the Heritage Village facility through  
19 a Management Agreement between Defendant Bldg2 and Defendant MRC commencing in July  
20 2022. On information and belief, all employees who provided care to residents of Heritage Village  
21 were employees of Defendant MRC as of July 2022.

22 31. Defendant RSC INT LLC (“Defendant RSC”) is a Nevada limited liability  
23 company. Defendant RSC is a member and manager of Defendant HV Management I and serves  
24 as guarantor of certain debts incurred by the Heritage Village enterprise.

25 32. Defendant Ronald M. Stewart (“Defendant Stewart”) is an individual who, on  
26

1 information and belief, resides in the state of Washington. On information and belief, Defendant  
2 Stewart is a member of, and holds a 95% ownership interest in, Defendant RSC.

3 33. Defendant Robert John Walsh (“Defendant Walsh”) is an individual licensed to  
4 practice law in the state of Nevada. On information and belief, Defendant Walsh is a member of,  
5 and holds a 5% ownership interest in Defendant RSC.

6 34. Defendant Matthew Arnold (“Defendant Arnold”) is a resident of the state of  
7 Colorado who served as both the organizer and co-manager of Defendant MRC. Defendant  
8 Arnold executed the operating agreement for Defendant Bldg2 and executed multiple applications  
9 to secure ADHS licenses for the buildings at the Heritage Village facility. Defendant Arnold also  
10 played an active role in the operations of the Heritage Village enterprise, including financing of  
11 facility construction and operation, monitoring of the enterprise’s financial condition,  
12 participating in discussions regarding the strategy for securing licensure from ADHS, assisting  
13 with the effort to secure professional liability insurance for the facility, and assisting with the  
14 effort to certify Heritage Village as an in-network health care provider with United Healthcare.  
15 Defendant Arnold executed an ADHS application on October 14, 2022, and in doing so, falsely  
16 attested that the application was true and correct despite never reading or even seeing the entire  
17 application. Defendant Arnold also falsely attested that he had read and understood the statutes  
18 and regulations governing the operation of Heritage Village, even though as co-manager of  
19 Defendant MRC he had been jointly responsible for all operations at Heritage Village under a  
20 Management Agreement. Defendant Arnold did not consider his contacts with the Heritage  
21 Village facility to be so attenuated that he could not serve as co-manager of Defendant MRC until  
22 late 2023, at which time Defendant Arnold claims to have resigned as co-manager of Defendant  
23 MRC.

24 35. Defendant Tracy Li Langendoen (“Defendant T. Langendoen”), formerly known as  
25 Xun Ying Li, is an individual who, on information and belief, resides in the state of California.

1 Defendant T. Langendoen is a member and co-manager of Defendant MRC. On information and  
2 belief, Defendant T. Langendoen was directly involved in the operations of the Heritage Village  
3 facility and the accounting functions of Defendant MRC.

4 36. Defendant Gary Langendoen (“Defendant G. Langendoen”) is an individual who,  
5 on information and belief, resides in the state of California. Defendant G. Langendoen is a  
6 member and co-manager of Defendant MRC. On information and belief, Defendant G.  
7 Langendoen is the highest-ranking natural person in the Heritage Village enterprise. Defendant  
8 G. Langendoen is the spouse of Defendant T. Langendoen.

9 37. Defendant Melinda Leibfried (“Defendant M. Leibfried”), also known as Linde  
10 Leibfried, is a resident of the state of Arizona. During the times relevant to the allegations in this  
11 First Amended Complaint, Defendant M. Leibfried was licensed in Arizona as a Certified Assisted  
12 Living Facility Manager, although that license was terminated subsequent to the filing of this  
13 action. Defendant M. Leibfried was known alternatively as the Executive Director and the  
14 Administrator of Heritage Village, and served in the role of Manager for the facility as that term  
15 is defined in A.A.C. § R9-10-801(5). In 2023 Defendant M. Leibfried received three separate  
16 disciplinary orders imposing stayed suspension and probation for “incompetency or gross  
17 negligence in the performance of administrative duties” from the Arizona State Board of  
18 Examiners of Nursing Care Institution Administrators and Assisted Living Facility Managers,  
19 ultimately leading to the termination of her license.

20 38. Defendant Mohammad Munzer Nasser (“Defendant Nasser”) is a medical doctor  
21 licensed to practice medicine in Arizona. On information and belief, Defendant Nasser served as  
22 the Medical Director for Heritage Village on a contractual basis.

23 39. Defendant ANA Hospice Care Inc. (“Defendant ANA Hospice” or “Defendant  
24 Ability Hospice”) is an Arizona corporation doing business under the registered trade name  
25 “Ability Hospice.” Defendant ANA Hospice holds a license issued by ADHS to provide hospice  
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1 care in Arizona, which it does under the trade name Ability Hospice. On information and belief,  
2 Defendant ANA Hospice sometimes uses the unregistered trade name “Ability Home Health &  
3 Hospice.”

4 40. Defendant Joseph Leibfried (“Defendant J. Leibfried”) is an individual residing in  
5 Arizona. Since 2022, Defendant J. Leibfried has been the Director of Defendant ANA Hospice.  
6 Defendant J. Leibfried is the spouse of Defendant M. Leibfried.

7 41. Defendant Daryn N. McClure (“Defendant McClure”) is a resident of the state of  
8 Arizona and holds a license to practice medicine in the state of Arizona. Defendant McClure is  
9 the medical director for Defendant Ability Hospice, and in that role provided medical care to  
10 multiple Heritage Village residents.

11 42. Defendant Edward Fechsar (“Defendant Fechsar”) is an individual listed as an  
12 officer of Defendant ANA Hospice.

13 43. Defendant Eric Ellsworth (“Defendant Ellsworth”) is an individual listed as an  
14 officer of Defendant ANA Hospice. On information and belief, Defendant Ellsworth is a medical  
15 doctor licensed to practice in Arizona.

16 44. Defendant Gregory Baird (“Defendant Baird”) is an individual listed as an officer  
17 of Defendant ANA Hospice.

18 45. Defendant Joshua Lancaster (“Defendant Lancaster”) is an individual listed as an  
19 officer of Defendant ANA Hospice.

20 46. Defendant Samuel Stokes (“Defendant Stokes”) is an individual listed as an officer  
21 of Defendant ANA Hospice.

22 47. Defendant MRSC AZ Apache Junction Master Tenant, LLC (Defendant “Apache  
23 Junction Master Tenant”) is a Delaware limited liability company registered to do business in  
24 Arizona. Defendant MRC is listed as a manager and member of Defendant Apache Junction  
25 Master Tenant. Defendant Apache Junction Master Tenant is licensed by ADHS to operate two  
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1 Arizona assisted living facilities under the trade names “Visions Senior Living at Apache Junction  
2 1” and “Visions Senior Living at Apache Junction 2.”

3 48. Defendant MRSC AZ Mesa Master Tenant, LLC (Defendant “Mesa Master  
4 Tenant”) is a Delaware limited liability company registered to do business in Arizona. Defendant  
5 MRC is listed as a manager and member of Defendant Mesa Master Tenant. Defendant Mesa  
6 Master Tenant is licensed by ADHS to operate two Arizona assisted living facilities under the  
7 trade names “Visions Senior Living at Mesa 1” and “Visions Senior Living at Mesa 2.”

8 49. Defendant MRSC AZ Signatory Trustee I, LLC (“Defendant Signatory Trustee”) is  
9 a Delaware limited liability company that is not registered to do business in the state of Arizona.  
10 On information and belief, Defendant Signatory Trustee is the trustee authorized to execute  
11 documents on behalf of the Delaware Statutory Trusts named as defendants in this action.  
12 Defendant MRC is the manager of Defendant Signatory Trustee.

13 50. Defendant MRSC AZ Apache Junction, DST (Defendant “Apache Junction DST”)  
14 is a Delaware Statutory Trust registered to do business in Arizona. On information and belief,  
15 Defendant Apache Junction DST was established for the purpose of ownership of real property  
16 on which the Visions Apache Junction assisted living facility operates.

17 51. Defendant MRSC AZ Mesa, DST (Defendant “Mesa DST”) is a Delaware Statutory  
18 Trust registered to do business in Arizona. On information and belief, Defendant Mesa DST was  
19 established for the purpose of ownership of real property on which the Visions Mesa assisted  
20 living facility operates.

21 52. Defendant MRSC AZ Holdings I, LLC (Defendant “MRSC AZ Holdings I”) is a  
22 Delaware limited liability company. On information and belief, Defendant MRSC Holdings I has  
23 a property interest in the Visions Apache Junction facility and/or the Visions Mesa facility.

24 53. Defendants JOHN DOES 1-100 are fictitiously named individuals and entities  
25 currently unknown to the State who are a part of or have an ownership interest in the Heritage  
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1 Village enterprise. If and when the actual identities of these individuals and entities become  
2 known to the State, they will be joined to this action to provide notice and an opportunity to be  
3 heard regarding the remedies sought by the State.

4 **JURISDICTION AND VENUE**

5 54. The State brings this action pursuant to the Adult Protective Services Act (“APSA”);  
6 A.R.S. §§ 46-451 to 46-474; the Arizona Consumer Fraud Act (“ACFA”), A.R.S. §§ 44-1521 to  
7 44-1534; Arizona’s anti-racketeering statutes (A.R.S. §§ 13-2301 to 13-2315) and the Arizona  
8 Limited Liability Company Act (“Arizona LLC Act”) (A.R.S. §§ 29-1301 to 29-3123).

9 55. This Court has subject-matter jurisdiction pursuant to A.R.S. § 12-123.

10 56. Venue is proper in Maricopa County pursuant to A.R.S. § 12-401(17).

11 57. The State’s claims set forth herein are not barred by any statute of limitations  
12 pursuant to A.R.S. § 12-510.

13 **HERITAGE VILLAGE LICENSURE BACKGROUND**

14 58. Heritage Village is a long-term care facility located in Mesa, Arizona. It is licensed  
15 by ADHS under license number AL12412C as an Assisted Living Center, as that term is defined  
16 in A.R.S. § 36-401(A)(8). Heritage Village is licensed to provide directed care services (the  
17 highest level of care) as that term is defined in A.R.S. § 36-401(A)(16). The license authorizes  
18 Heritage Village to operate 192 beds across eight different buildings, with a maximum of 24 beds  
19 per building.

20 59. The Heritage Village facility and the ownership entities are currently under  
21 receivership pursuant to an order of the Court dated April 23, 2024 appointing Peter Davis as  
22 Receiver.

23 60. Heritage Village advertises for sale and sells residential long-term care services for  
24 vulnerable adults. This advertisement occurs by means of, *inter alia*, a web site  
25 ([www.heritagevillageassistedliving.com](http://www.heritagevillageassistedliving.com)) that solicits potential residents and their families to visit  
26

1 the Heritage Village campus, as well as face-to-face sales pitches.

2 61. Prior to the current license, which consolidates all of the Heritage Village buildings  
3 under one license number, Heritage Village operated each building under a separate license, which  
4 were granted to specific-purpose limited liability companies named after each building number.  
5 On or about August 18, 2023, Heritage Village consolidated all of the buildings under one single  
6 license, issued to Defendant Bldg2. The August 2023 license was issued to “Heritage Village  
7 Bldg 2, LLC dba Heritage Village Bldg 2, LLC.” On information and belief, no entity named  
8 “Heritage Village Bldg 2, LLC” with a space between the abbreviation “Bldg” and the number  
9 “2,” has ever existed in Delaware or Arizona.

10 62. Prior to the issuance of licenses in 2023, Building 2 of Heritage Village operated  
11 under license AL10534C, issued in 2017. That license expired on August 31, 2022 and was closed  
12 by ADHS due to non-payment of licensure fees on October 1, 2022, along with licenses for three  
13 other buildings. From October 1, 2022 to February 7, 2023, Heritage Village operated Defendant  
14 Bldg2 without a valid license. ADHS ultimately imposed a civil penalty of \$12,900 for operating  
15 four buildings without licenses for over four months.

16 63. On or about October 6, 2022, Defendant Bldg2 (along with three other Heritage  
17 Village building entities) submitted an application to ADHS to restore the terminated license. The  
18 applications were executed by Defendant G. Langendoen and Defendant M. Leibfried on October  
19 5, 2022.

20 64. On or about October 13, 2022, ADHS sent Defendant Bldg2 a request for  
21 information noting numerous deficiencies and factual inaccuracies in the October 5 application.  
22 The letter noted that Defendant Bldg2 had failed to submit several documents necessary for the  
23 application to be considered administratively complete, including a lease showing that Defendant  
24 Bldg2 had exclusive rights of possession of the leased facility, and limited liability company  
25 documents that would show who is authorized to sign on behalf of Defendant Bldg2.

1           65.     Because ADHS did not have the proper information regarding the abstruse web of  
2 limited liability companies that comprise the Heritage Village enterprise, and because Defendant  
3 Arnold had previously signed license applications on behalf of Heritage Village entities, the  
4 October 13 letter from ADHS stated incorrectly that Defendant Arnold should sign the Bldg2  
5 application. Defendant Arnold knew or should have known that he had no legal right to sign the  
6 application, because the statutory requirements were in boldface type on the signature page. At  
7 the time he signed the form, Defendant Arnold was unaware that ADHS had mistakenly asked for  
8 his signature.

9           66.     On October 14, 2022, Defendant Arnold emailed a signature page for a license  
10 application to Defendant M. Leibfried in Arizona at her request. Defendant Arnold intended for  
11 his signature to be appended to an application to consolidate all of the individual building licenses  
12 into a single license for the entire facility, and for that consolidated application to be submitted to  
13 ADHS. Defendant M. Leibfried did append the signature page to a consolidation application and  
14 submitted it to ADHS on October 14, 2022, just as Defendant Arnold intended.

15           67.     That same day, Defendant M. Leibfried transmitted revised application packages  
16 for Defendant Bldg2 and three other buildings that were operating without a license. For each of  
17 these four individual applications, Defendant M. Leibfried appended the October 14 signature  
18 page supplied by Defendant Arnold for the consolidated license. Defendant M. Leibfried did not  
19 have Defendant Arnold's permission to use his signature on the individual applications.

20           68.     Defendant Arnold claims that he did not know his signature was used on the  
21 individual applications submitted on October 14, 2022, and further claims that he did not even  
22 know the licenses for the four buildings had been terminated by ADHS. On information and  
23 belief, Defendants G. Langendoen and T. Langendoen intentionally concealed information about  
24 the license terminations and subsequent individual applications in order to conceal a breach of the  
25 loan documents between the Heritage Village enterprise and two secured creditors.

1           69.    The October 14 consolidated application included a Master Lease between  
2 Defendant Heritage Village II and Defendant HV Management II. This Master Lease was dated  
3 October 14, 2022 (the “October 14 Master Lease”).

4           70.    The October 14 Master Lease purported to be signed by Defendant Arnold.  
5 Defendant Arnold testified under oath that he did not sign the document and that his signature was  
6 forged by a person unknown to him.

7           71.    The October 14 Master Lease also contained a legal description of the property  
8 showing all separate building parcels consolidated in one large re-plat, which was characterized  
9 in the legal description as “approved by the City of Mesa, AZ.” This was false, as the re-plat  
10 application was still ongoing and the modified plat would not be recorded until April 20, 2023.

11          72.    On October 18, 2023, Defendant M. Leibfried emailed the Residential Licensing  
12 department of ADHS, thanking ADHS for withdrawing the October 14 individual applications  
13 and considering instead the October 14 consolidated application. In this email, Defendant M.  
14 Leibfried falsely stated that the re-plat had “received approval from the City of Mesa engineer.”  
15 The email also stated that the prior lease agreements had all been revised to create the October 14  
16 Master Lease applicable to the re-plat, even though the re-plat did not exist as of that date. Based  
17 on the false information and fake signature by Defendant Arnold, the October 14 Master Lease  
18 was a forged instrument.

19          73.    On or about October 20, 2022, ADHS received confirmation from the City of Mesa  
20 that the re-plat upon which the October 14 consolidated application relied was not yet approved  
21 and would not be for at least “a couple more months.”

22          74.    On October 21, 2022, Defendant M. Leibfried sent at least five separate emails to  
23 ADHS regarding the individual licenses. On information and belief, Defendant M. Leibfried told  
24 ADHS to cancel the October 14 consolidated application, and to reinstate the October 14  
25 individual applications that she had withdrawn days earlier.

1           75.    The October 21 email also included operating agreements for Defendant Bldg2 and  
2 three other building entities. All of these operating agreements are dated February 21, 2017.  
3 Although the operating agreement for Defendant Bldg2 was drafted so poorly that it does not even  
4 contain the correct name for the company, the document appears to be genuine and the signature  
5 by Defendant Arnold is authentic.

6           76.    The genuine operating agreement for Defendant Bldg2 expressly prohibits  
7 commingling of funds and assets with other companies, and expressly requires observance of  
8 corporate formalities.

9           77.    On October 26, 2022, Defendant M. Leibfried sent four “updated leases” for each  
10 of the four individual applications. These leases were all dated October 14, 2022 (the same date  
11 as the October 14 Master Lease from the consolidated application) and all purported to be between  
12 Defendant Heritage Village II as Owner/Lessor and the individual building LLCs as Lessees.

13           78.    Each of these individual leases contains a signature purporting to be from Defendant  
14 Arnold signing on behalf of the Lessees. Defendant Arnold asserts that all four signatures are  
15 forgeries, that he never signed any of the individual leases, and that he was not aware that his  
16 signature was being appended to these purported leases.

17           79.    All four individual leases contain terms that fundamentally conflict with the October  
18 14 Master Lease, even though all five lease documents allegedly were created on the same day.  
19 The individual leases also contain terms related to a master lease-sublease structure that makes no  
20 sense in the context of the allegedly revised individual leases.

21           80.    After several additional months of communication between the Heritage Village  
22 enterprise and ADHS, including submission of additional documents, ADHS issued individual  
23 licenses to Defendant Bldg2 and three other individual building entities on February 7, 2023.  
24 Soon thereafter, ADHS sought to impose penalties on the individual buildings for operating  
25 without licenses for over four months.

1           81.    On April 20, 2023, the property re-plat received its final required approval (relating  
2 to assured water supply) and was recorded with the Maricopa County Recorder’s Office that same  
3 day. The re-plat was executed by Defendant G. Langendoen on behalf of Defendant Heritage  
4 Village I, which in turn expressly warranted that Defendant Heritage Village I was the sole owner  
5 of all property contained within the re-plat. On information and belief, no documents  
6 memorializing the transfer of the parcels owned by Defendant Heritage Village II to Defendant  
7 Heritage Village I were recorded prior to recordation of the re-plat.

8           82.    On April 24, 2023, Defendant G. Langendoen executed a document that purported  
9 to ratify the re-plat on behalf of Defendant Heritage Village II. This document was submitted to  
10 ADHS in support of a new license application on April 25, 2023, but was not recorded in Maricopa  
11 County until June 6, 2023.

12           83.    On April 25, 2023, Defendant M. Leibfried submitted a new application to ADHS  
13 seeking to consolidate the existing individual licenses into a single license, just as the October 14  
14 consolidated application had done. The April 25 consolidated application named Defendant  
15 Heritage Village II as the Health Care Institution and Defendant Bldg2 as the Owner.

16           84.    The signature page of the April 25 consolidated application is the same signature  
17 page signed and presented by Defendant Arnold on October 14, 2022. For the April 25  
18 consolidated application, however, the typewritten signature date was covered over with some  
19 kind of correction tape or correction fluid, and the date “4-24-23” was handwritten in its place.  
20 Defendant Arnold did not make the handwritten date change.

21           85.    Defendant Arnold asserts under penalty of perjury that he did not give permission  
22 for his signature to be used on the April 25, 2023 consolidated application. Defendant Arnold  
23 submitted his signature for the October 14, 2022 consolidated application, but did not intend for  
24 the signature to be used in the revised application. Defendant Arnold testified that in April 2023  
25 he did not know the October 14, 2022 consolidated application had been withdrawn in favor of  
26

1 the four individual license applications.

2 86. The April 25, 2023 consolidated application appeared to use the same forged lease  
3 document as the October 14, 2022 consolidated application, except that the draft re-plat was  
4 replaced with an official copy of the recorded re-plat.

5 87. On or about May 23, 2023, ADHS informed an attorney representing Heritage  
6 Village that the April 25 consolidation application would be treated as a “CHOW” (change of  
7 ownership) application because Defendant Heritage Village II was not a current owner or license  
8 holder. ADHS further advised counsel for Heritage Village that the application would be treated  
9 as a modification rather than a CHOW if one existing license holder became the sole license holder  
10 for all buildings, with the other seven buildings relinquishing their own individual licenses.

11 88. On May 26, 2023, Defendant G. Langendoen, Defendant M. Leibfried, and  
12 Defendant Arnold exchanged emails regarding the strategy for altering the April 25, 2023  
13 consolidation application so it would not be treated as a CHOW application and would also offer  
14 the greatest financial benefit to Defendant MRC.

15 89. In the May 26, 2023 email exchange, Defendant Arnold suggested using Defendant  
16 Bldg2 as the consolidated license holder because Defendant Bldg2 was wholly owned by  
17 Defendant HV Management I, which in turn held all accounting history for all buildings.  
18 Defendant Arnold noted that Defendant HV Management II “doesn’t really have any [accounting]  
19 activity since our financials are consolidated.”

20 90. In the May 26, 2023 email exchange, Defendant M. Leibfried noted that the re-plat  
21 had listed Defendant Heritage Village I as the sole owner of the property. Defendant M. Leibfried  
22 suggested that the new license holder be Defendant Heritage Village I.

23 91. On or about June 10, 2023, ADHS issued a letter to Defendant Heritage Village II,  
24 listing the deficiencies in the April 25, 2023 consolidation application. The letter requested more  
25 information, including a compliant lease agreement and LLC documents supporting the

1 application. This letter apparently was not discovered by anyone related to Heritage Village until  
2 June 22, 2023.

3 92. In an email dated June 22, 2023, Defendant Arnold suggested to Defendant G.  
4 Langendoen that the enterprise should consolidate the licenses into one of the older license  
5 holders, and that they should decide which building would serve as the consolidated license holder  
6 based on “the cleanest history of inspections.” Defendant Arnold also recognized that all of the  
7 existing leases would need to be revised to reflect the change.

8 93. On July 12, 2023, ADHS sent another deficiency letter to Heritage Village noting  
9 that the lease submitted with the application must list Defendant Heritage Village II as the Lessor  
10 and Defendant Bldg2 as the Lessee, along with other changes.

11 94. On August 9, 2023, ADHS sent one final deficiency letter demanding that the  
12 applicant entity be changed to Defendant Bldg2, as well as demanding proof of Defendant G.  
13 Langendoen’s authority to sign on behalf of the entities. On information and belief, as of August  
14 9, 2023 no documents had been presented to ADHS showing the ownership interest of Defendant  
15 G. Langendoen, because no documents containing his name existed with respect to the entities in  
16 the lower part of the LLC chain. Defendant G. Langendoen’s authority would only be clear from  
17 the operating agreement for Defendant MRC, which no defendant provided to ADHS.

18 95. On August 10, 2023, Defendant M. Leibfried emailed ADHS with three documents  
19 responding to the previous deficiency letters.

20 96. One of the documents submitted by Defendant M. Leibfried was an operating  
21 agreement for Defendant Bldg2. Unlike the genuine operating agreement submitted to ADHS in  
22 October 2022, this operating agreement was a crude forgery. The document gave a purported  
23 effective date of June 15, 2020, and stated that Defendant Bldg2 was organized in Delaware on  
24 June 15, 2020. This statement was false, because Defendant Bldg2 was organized on February  
25 21, 2017, and the genuine (albeit poorly drafted) operating agreement was also dated February 21,  
26

1 2017. The forged operating agreement contained no statement that it was amending a previous  
2 operating agreement, but rather purported to be the original operating agreement executed on the  
3 same day of formation.

4 97. The forged operating agreement also contained language stating that the sole  
5 member of Defendant Bldg2 was Defendant HV Management II, which was false. Defendant HV  
6 Management I was the owner of Defendant Bldg2 pursuant to the genuine operating agreement,  
7 a fact recognized by both Defendant Arnold and Defendant M. Leibfried in the emails where they  
8 actively participated in developing the license consolidation strategy.

9 98. The August 10, 2023 email to ADHS also contained a one-page document that  
10 purports to amend the forged operating agreement for Defendant Bldg2. The purported  
11 amendment was dated August 9, 2023, and purported to both make Defendant HV Management  
12 II the manager of Defendant Bldg2, and also name Defendant G. Langendoen, Defendant T.  
13 Langendoen, and Defendant Arnold as co-managers authorized to sign on behalf of Defendant  
14 HV Management II.

15 99. This purported amendment to the forged operating agreement contains the  
16 signatures of Defendant G. Langendoen, Defendant T. Langendoen, and Defendant Arnold.  
17 Defendant Arnold contends that he did not sign this document, and he did not give his permission  
18 to use his signature on the document. Defendant Arnold does not deny that he knew about the  
19 forged operating agreement or the amendment with his forged signature.

20 100. On August 15, 2023, Defendant M. Leibfried emailed ADHS to submit a revised  
21 lease agreement between Defendant Heritage Village II as Lessor and Defendant Bldg2 as Lessee.  
22 In her email, Defendant M. Leibfried informed ADHS that this version of the lease contained  
23 “Matt Arnold’s signature on both.” On information and belief, this refers to the fact that  
24 Defendant Arnold purportedly signed for both Lessor and Lessee on this version of the lease.  
25 Defendant Arnold denies that either signature is his, and he denies giving permission to use his  
26

1 signature on this version of the lease.

2 101. The lease submitted to ADHS on August 15, 2023, purports to have been effective  
3 as of June 6, 2023. However, the creation date of the PDF was August 15, 2023. On information  
4 and belief, someone associated with Defendant MRC altered the lease document on August 15,  
5 2023, and made it appear that the document had been created in June 2023 to avoid arousing  
6 suspicion about the genuineness of the document.

7 102. On information and belief, Defendant M. Leibfried informed Defendant G.  
8 Langendoen that ADHS demanded a version of the lease where Defendant Arnold signed for both  
9 parties, because ADHS did not accept the forged operating agreement or the forged amendment  
10 to the forged operating agreement due to lack of recordation. On information and belief, shortly  
11 thereafter Defendant G. Langendoen provided a copy of the lease to Defendant M. Leibfried with  
12 the signatures Defendant Arnold denies making.

13 103. Based on these documents containing false information and forged signatures,  
14 ADHS issued a consolidated license to Defendant Bldg2 on August 18, 2023.

15 104. When issuing the August 2023 consolidated license, ADHS created a new facility  
16 ID number rather than retain the existing facility number for Building 2.

17 105. As a result of consolidating the licenses from eight different buildings into a single  
18 Building 2 license, and giving Building 2 a new facility ID number and license number, prior  
19 negative information about Heritage Village in the ADHS database was separated from the current  
20 active license for the facility. If a member of the public looking for current information searches  
21 the phrase "Heritage Village" and restricts the search to active licenses (which is the default search  
22 setting), only one record appears: the current license for Defendant Bldg2. However, changing  
23 the search parameters to include closed licenses reveals 11 additional results for Heritage Village,  
24 including the prior license for Building 2.

25 106. As a result, a person searching the ADHS database in March 2024 looking for the  
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1 active Heritage Village license would find the consolidated 2023 license only. The database  
2 would report Heritage Village as having 56 total citations from ADHS (48 of which were  
3 discovered between December 6, 2023 and January 22, 2024), with civil penalties imposed for a  
4 total of \$13,900.

5 107. A search of the closed licenses associated with Heritage Village would reveal a total  
6 of 113 additional citations across all buildings, with an additional \$14,750 in civil penalties  
7 imposed. By consolidating the licenses into a single license, these additional citations and  
8 penalties were effectively hidden from Arizona consumers searching for information about the  
9 quality of care at Heritage Village.

10 108. This effective concealment of the prior citations against the Heritage Village  
11 individual licenses is consistent with the suggestion from Defendant Arnold that the license be  
12 consolidated into an existing entity with a relatively clean record of citations from ADHS.

13 109. Following the issuance of the consolidated license, on August 23, 2023, Defendant  
14 Arnold emailed an insurance representative noting the consolidated license and seeking changes  
15 in the professional liability policy. Defendant Arnold knew that the insurance policy covered  
16 negligence in the provision of health care services, and that the policy would cover health care  
17 services provided at the Heritage Village facility in Arizona.

18 110. On or about October 25, 2023, United Healthcare (“UHC”) contacted Heritage  
19 Village regarding the scheduled renewal of the facility’s credentials to be part of the UHC  
20 network. Defendant Arnold provided documents and assisted with that process.

#### 21 **ADHS CITATIONS OF HERITAGE VILLAGE**

22 111. On or about December 5 and 6, 2023, ADHS conducted a compliance inspection of  
23 the Heritage Village facility. During that inspection ADHS found 36 deficiencies. During three  
24 additional inspections conducted in January 2024, ADHS found an additional 12 deficiencies.

25 112. On or about January 12, 2024, ADHS issued a “Notice of Intent to Revoke Health  
26

1 Care Institution License and Notice of Right to Request Administrative Hearing” to Defendant  
2 Bldg2. ADHS noted that the type, severity, and number of violations “results in a direct risk to  
3 the life, health, and safety” of Heritage Village residents.

4 113. During the December 2023 inspection, ADHS discovered that a Heritage Village  
5 resident had suffered a fall at the facility, resulting in an injury requiring hospitalization. Heritage  
6 Village did not document the fall as required by law. When asked to produce the facility’s incident  
7 reporting policy, Heritage Village failed to do so, despite being required to produce the policy  
8 within two hours of the ADHS request. *See* A.A.C. § R9-10-803(E)(1)

9 114. During the December 2023 inspection, ADHS discovered that a caregiver employed  
10 by Heritage Village had never completed an approved caregiver training program as required by  
11 law. The only evidence of the caregiver’s formal training was an online certificate from  
12 something called “Caregiver Training University” dated more than two months after the employee  
13 began working at Heritage Village. Examination of work schedules revealed this unqualified  
14 caregiver mainly worked alone, at night.

15 115. During the December 2023 inspection, ADHS discovered that at least one caregiver  
16 had not received a certification of training for cardiopulmonary resuscitation (“CPR”) specific to  
17 adults, as required by law. Instead, the caregiver had only a certificate from an online CPR course  
18 that did not include a demonstration of the caregiver’s ability to perform CPR.

19 116. During the December 2023 inspection, ADHS discovered that at least one employee  
20 and at least one resident had no medical documentation of freedom from infectious tuberculosis,  
21 as required by law.

22 117. During the December 2023 inspection, ADHS discovered that the forms for  
23 documenting the services provided to at least three residents were completely blank for multiple  
24 day and night shifts, including no recorded services at all for three residents during the period  
25 from December 1-6, 2023. ADHS noted that it had already cited Heritage Village for this type of  
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1 violation in October 2023, and in November 2023 sent Heritage Village a written demand to come  
2 into compliance with the service documentation requirements. Heritage Village did not come into  
3 compliance.

4 118. During the December 2023 inspection, ADHS found a plastic box full of  
5 medications that had been prescribed for a former resident. The plastic box was located in a public  
6 area, where any visitor to the facility would be able to read the labels to learn private health  
7 information about the former resident and/or steal the drugs. This action violated both state and  
8 federal law, as well as common sense notions about safe storage of prescription medication.

9 119. During the December 2023 inspection, ADHS discovered that at least three  
10 residents had no documentation on file designating representatives to make decisions on behalf of  
11 those residents, as required by law.

12 120. During the December 2023 inspection, ADHS discovered that the files of at least  
13 two residents contained no documentation that vaccines for influenza and pneumonia had been  
14 made available to the residents, as required by law.

15 121. During the December 2023 inspection, ADHS discovered that at least two residents  
16 had no documentation that Heritage Village had provided skin care services for prevention of  
17 pressure sores and infections, as required by law.

18 122. During the December 2023 inspection, ADHS discovered that some residents had  
19 no bell, intercom, or other mechanical means to alert Heritage Village caregivers of emergencies  
20 such as falls, as required by law. One resident informed ADHS that their remote call pendant had  
21 been taken by Heritage Village staff to replace a battery, but the call pendant was never returned  
22 to the resident.

23 123. During the December 2023 inspection, ADHS discovered that the door alarm on a  
24 door leading to a back patio—a safety measure designed to alert staff when a dementia patient  
25 wanders outside—was rendered useless because the door was propped open with a chair. In  
26

1 addition, the gate on the fence surrounding the patio area was unlocked, meaning a resident could  
2 wander completely outside the facility without any alert to caretakers.

3 124. During the December 2023 inspection, ADHS discovered that at least four residents  
4 did not receive some of their prescribed medications because the medications were not available  
5 at the facility. Some residents went days or weeks without taking their daily medications because  
6 Heritage Village did not have the medication available. At least one resident was given pills that  
7 were double the prescribed dosage, because the larger dose pills were the only ones available at  
8 the facility.

9 125. During the December 2023 inspection, ADHS discovered at least one resident  
10 whose doctor had submitted an order to stop taking the current dosage of a medication and start  
11 taking a higher dosage. In reviewing the limited records for the resident's drug administration,  
12 ADHS discovered that rather than stopping the original dosage, caretakers at Heritage Village  
13 administered both dosages, resulting in a dose 150% higher than prescribed by the resident's  
14 doctor.

15 126. During the December 2023 inspection, ADHS discovered that Heritage Village did  
16 not provide a current drug reference guide or a current toxicology reference guide for use by staff,  
17 as required by law. Heritage Village did make drug reference guides available, but those reference  
18 books were out of date. In place of a current toxicology reference guide Heritage Village directed  
19 staff to a web site operated by the National Library of Medicine called Toxnet, but that web site  
20 is no longer operational, with most of the information disbursed among multiple other products  
21 and services of the National Library of Medicine.

22 127. During the December 2023 inspection, ADHS discovered that Heritage Village  
23 failed to comply with regulations regarding food service for residents. Meal menus were posted  
24 in areas off-limits to residents, rather than in a conspicuous location as required by law. Heritage  
25 Village also failed to serve snacks to residents, instead placing snacks in a location where residents  
26

1 could help themselves (except for the bedbound residents, who were unable to reach the snack  
2 locations without assistance and who numbered in the dozens at the time of the inspection).

3 128. During the December 2023 inspection, ADHS discovered that a resident had  
4 suffered a fall requiring hospitalization on October 7, 2023. Although the resident's medical  
5 record noted that the resident was "out of the facility," Heritage Village did not document the  
6 October 7 fall and did not immediately contact the resident's representative, as required by law.  
7 The resident returned to Heritage Village on October 21, 2023, and then suffered another fall  
8 resulting in injury just nine days later.

9 129. During the December 2023 inspection, ADHS discovered that hot water  
10 temperatures in areas used by residents were not maintained between 95°F and 120°F, as required  
11 by law. ADHS tests revealed multiple sinks dispensing water at temperatures above the legal  
12 limit, including several with temperatures in the range of 130°F to 139°F, a range that can easily  
13 cause serious burns and injuries to elderly residents.

14 130. During the December 2023 inspection, ADHS discovered numerous environmental  
15 hazards at Heritage Village, including uncovered garbage receptacles, uncovered soiled linens,  
16 unsecured oxygen containers, and toxic cleaning chemicals stored in unlocked cabinets.

17 131. During the December 2023 inspection, ADHS discovered that at least three  
18 residents had no service plan detailing the resident's needs and care requirements, as required by  
19 law. ADHS also discovered at least five residents had service plans created more than 14 days  
20 after the residents were accepted at the facility, and at least three residents had service plans that  
21 were not updated with the frequency required by law.

22 132. During the December 2023 inspection, ADHS discovered that the service plans of  
23 at least ten residents that were not signed by the resident or the resident's representative, as  
24 required by law.

25 133. During the December 2023 inspection, ADHS discovered that at least eight  
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1 residents were “unable to ambulate even with assistance” but their records did not contain forms  
2 from their primary care providers certifying that the facility was able to care for the residents  
3 within the scope of their service plans, as required by law.

4 134. Follow-up inspections conducted by ADHS during January 2024 revealed that  
5 multiple previous citations had not been corrected, including deficient training of caretakers,  
6 improper administration of medications, and lack of proper documentation of services and resident  
7 incidents.

8 135. During the January 9, 2024 inspection, ADHS discovered that Heritage Village had  
9 failed to notify Adult Protective Services about mandatory reporting incidents, including an  
10 incident of resident-on-resident violence and an incident of caregiver-on-resident abuse.

11 136. During the January 9, 2024 inspection, ADHS discovered that Heritage Village had  
12 attempted to prevent residents from entering one resident’s room by placing a “Dreambaby Lever  
13 Door Child Safety Lock” on the outside handle facing the hallway. This left the resident secluded  
14 and trapped inside the bedroom with no means of egress, in violation of law and all common sense  
15 notions of emergency preparedness.

16 **FINANCIAL WRONGDOING DISCOVERED BY RECEIVER**

17 137. On July 17, 2024, the Receiver filed an Initial Status Report with the Court  
18 explaining the actions taken during the receivership as of that date. Those actions included  
19 engaging a consulting company that specializes in improving care provided by assisted living  
20 facilities, and beginning the process of finding a buyer for the Heritage Village facility. The  
21 Receiver also conducted a preliminary investigation into the accounting and finances of the  
22 facility.

23 138. The Receiver found that the Heritage Village enterprise had terminated its  
24 relationship with a professional management company, and instead entered into a Management  
25 Agreement with Defendant MRC as of July 1, 2022. This Management Agreement effectively  
26

1 gave direct and total control over all operations at Heritage Village to Defendant MRC. From  
2 July 1, 2022 until an unspecified date in late 2023, the co-managers of Defendant MRC were  
3 Defendant G. Langendoen, Defendant T. Langendoen, and Defendant Arnold.

4 139. The Management Agreement required Defendant Bldg2 to pay a startup fee of  
5 \$6,000 to Defendant MRC, and also to pay a transition fee of \$5,000 upon termination of the  
6 Management Agreement. It also required Defendant Bldg2 to pay Defendant MRC the greater of  
7 \$17,500 or 5 percent of gross income every month as a management fee. The Management  
8 Agreement also increased the monthly payment to Defendant MRC for accounting services from  
9 approximately \$3,500 per month to \$8,000 per month. Although Defendant Arnold declared  
10 under penalty of perjury none of his duties as co-manager of Defendant MRC “related to the  
11 provision of health care in any respect,” Defendant Arnold testified that he knew the 5 percent  
12 management fee to be “standard for the industry.”

13 140. On information and belief, Defendant MRC did nothing to replace the personnel or  
14 expertise lost when it fired the professional management company. On information and belief,  
15 Defendant MRC failed to maintain an adequately skilled accounting staff and instead employed  
16 accountants that would take orders directly from Defendant G. Langendoen and Defendant T.  
17 Langendoen in order to hide the financial wrongdoing by Defendant MRC.

18 141. The Management Agreement vested total control over finances, collections,  
19 staffing, training, budgeting, and all other aspects of running the Heritage Village facility with  
20 Defendant MRC.

21 142. Among the duties were the preparation of monthly financial reports. Defendant  
22 Arnold admits that in his role of co-manager of Defendant MRC he received at least some monthly  
23 financial reports due to his responsibility to update lenders on the financial status of the facility.  
24 Defendant Arnold admits that in his role he had “a pretty good idea of what the financial situation  
25 was of Heritage Village at any given time.”

1           143. A member of the Receiver’s staff visited the offices of Defendant MRC in Pasadena,  
2 California on April 25, 2024 to interview Eddie Siu, the Chief Financial Officer for Defendant  
3 MRC (“CFO Siu”).

4           144. During the visit, CFO Siu failed to provide any real insight into the financial  
5 operations of Heritage Village, and could not even provide a cash forecast for the facility.

6           145. The accounting records for Heritage Village had fallen far behind during the  
7 previous four months because an accountant hired in December 2023 had a medical event that  
8 kept him out of the office through the end of February 2024. Despite the fact that Defendant MRC  
9 was taking \$8,000 per month from the Heritage Village operating account for accounting services,  
10 Defendant MRC never replaced the accountant who could not work and instead allowed the  
11 financial records to become grossly inaccurate.

12           146. While acting under the Management Agreement in complete control of the facility  
13 finances, Defendant MRC refused to renew the professional and general liability insurance policy  
14 that expired on January 31, 2024. The Heritage Village enterprise operated without liability  
15 insurance from February 1, 2024 until the Receiver took over and managed to secure insurance  
16 from a “carrier of last resort.”

17           147. Although Defendant MRC could have secured a policy with an annual premium of  
18 \$310,247 if it had bound coverage by the middle of April 2024, Defendant MRC refused to do so,  
19 and the result was a policy with an annual premium of \$534,318. This additional expense of  
20 \$224,071 was caused entirely by co-managers Defendant G. Langendoen and Defendant T.  
21 Langendoen failing to perform Defendant MRC’s express duty to maintain insurance coverage  
22 under the terms of the Management Agreement and applicable law and regulations.

23           148. Defendant MRC, under the control of Defendant G. Langendoen and Defendant T.  
24 Langendoen, also failed to make payments on a passenger van leased for the use of Heritage  
25 Village, and failed to make payments on the auto insurance policy covering the passenger van,  
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1 leading to the cancelation of auto insurance coverage as of April 1, 2024.

2 149. Defendant MRC failed to maintain accurate accounting records, which resulted in  
3 certain payments made in lump sums by payors affiliated with the Arizona Long Term Care  
4 System (“ALTCS”) failing to be credited to the accounts of individual residents.

5 150. CFO Siu admitted that Defendant MRC commingled funds between the various  
6 assisted living facilities it owned around the country as part of its standard operating procedure.  
7 CFO Siu admitted that he regularly moved funds from “the entities that have money to those that  
8 need money” because all of the companies are “one big family.” CFO Siu also admitted that these  
9 transfers between companies controlled by Defendant MRC are not formally documented, and  
10 that the transfers do not accrue interest because the companies are “all in the family.”

11 151. Because of the admitted commingling of funds, the Receiver undertook a study of  
12 net transfers to related parties spanning from January 1, 2020 through April 17, 2024.

13 152. The study revealed a shocking number of transfers to insiders and other companies  
14 owned by Defendant G. Langendoen and Defendant T. Langendoen. Unexplained transfers to  
15 other entities removed approximately \$2.9 million from the Heritage Village operating account.  
16 Those funds should have been used for resident care and facility operations, but were used to prop  
17 up other failing businesses controlled by Defendant MRC, Defendant G. Langendoen, and  
18 Defendant T. Langendoen.

19 153. The Receiver also identified \$530,143 in transfers to Defendant MRC, Defendant  
20 G. Langendoen, and Defendant T. Langendoen. These expenses purportedly were paid as  
21 management fees and reimbursements, but Defendant MRC breached the Management  
22 Agreement by failing to properly manage Heritage Village.

23 154. These transfers included a total of \$686,526 paid on January 27, 2023 to a title  
24 insurance company and Sunwest Bank on behalf of Defendant Apache Junction Master Tenant; a  
25 total of \$59,000 paid on May 21, 2020 to a payroll provider for the benefit of Defendant Apache  
26

1 Junction Master Tenant and Defendant Mesa Master Tenant; a total of \$26,230 paid February 12,  
2 2024 to a refinancing consultant on behalf of Defendant Mesa Master Tenant; a total of \$26,728  
3 paid on March 6, 2024 to a refinancing broker on behalf of Defendant Mesa Master Tenant; a total  
4 of \$778,830 paid on various dates to Defendant HV Investors; and a total of \$441,652 in loans  
5 from the Heritage Village operating account to Defendant MRC.

6 155. Defendant MRC, under the control of co-managers Defendant G. Langendoen,  
7 Defendant T. Langendoen, and Defendant Arnold, also paid hundreds of thousands of dollars for  
8 the benefit of other companies operating outside of Arizona.

9 156. The Receiver determined that “Langendoen and [Defendant MRC] effectively  
10 stripped Heritage Village of its working capital, causing unnecessary risk to the business and its  
11 residents, lenders, and investors.”

12 157. In a May 2, 2024 Zoom meeting with individuals who invested in Defendant HV  
13 Investors, Defendant G. Langendoen spoke about raising \$200,000 from investors in a cash call  
14 in order to reinstate the lapsed liability insurance policy for Heritage Village. Defendant G.  
15 Langendoen promised investors that those individuals who contributed to the cash call for liability  
16 insurance would be the “top priority for getting repaid.”

17 158. The \$200,000 raised in the cash call was not used to reinstate liability insurance.  
18 On information and belief, the \$200,000 raised in the cash call was not used for the benefit of  
19 Heritage Village or its residents at all, and instead was diverted to other unknown persons or  
20 entities connected to Defendant MRC.

21 159. On information and belief, Defendant MRC, acting through its co-managers  
22 Defendant G. Langendoen and Defendant T. Langendoen, made the cash call to investors after  
23 the Court entered the receivership order, when Defendant MRC would play no role in the  
24 acquisition or maintenance of liability insurance for Heritage Village because the Receiver had  
25 taken over that responsibility. On information and belief, Defendant G. Langendoen and  
26

1 Defendant T. Langendoen knew at the time of the cash call that any funds raised from Heritage  
2 Village investors would be used for some other purpose.

3 160. Defendant G. Langendoen also made numerous false and fraudulent claims to  
4 Heritage Village investors in a June 26, 2024 Zoom conference, during which Defendant G.  
5 Langendoen understated the amount of debt Defendant MRC had placed upon the Heritage  
6 Village enterprise, and overstated the value of the purchase offers made for the Heritage Village  
7 enterprise.

8 161. On April 22, 2024, four days after the Court signed the stipulated Receivership  
9 Order and one day before the Clerk of the Court filed the Receivership Order to formally  
10 commence the receivership, Defendant G. Langendoen coordinated the efforts of Defendant MRC  
11 to remove \$80,000 from the Heritage Village operating account and transfer the funds to  
12 Defendant Apache Junction Master Tenant and Defendant Mesa Master Tenant. This improper  
13 transfer of funds left the Heritage Village operating account desperately short of cash as the  
14 Receiver took control of the operation, and forced the Receiver to borrow money from secured  
15 creditor First Interstate Bank in order to protect the health and safety of the Heritage Village  
16 residents.

17 162. On information and belief, Defendant G. Langendoen and Defendant T.  
18 Langendoen continue to direct and control the fraudulent accounting practices of Defendant MRC,  
19 which poses a substantial threat to the financial viability of the Visions facilities operating in Mesa  
20 and Apache Junction.

21 **IMMINENT RISK TO VISIONS FACILITIES**

22 163. Operating under the control of member and manager Defendant MRC, which in turn  
23 operated under the control of co-managers Defendant G. Langendoen, Defendant T. Langendoen,  
24 and Defendant Arnold, the Visions facilities have also engaged in conduct similar to the Heritage  
25 Village enterprise conduct that led to the initiation of this action.



1 Defendant T. Langendoen, and Defendant Arnold.

2 169. According to reports filed by the receiver in the Sunwest Bank lawsuit, at the time  
3 the owners of the Visions Mesa facility also owned multiple “related Utah facilities” that were  
4 also in receivership.

5 170. Taken together, the allegations regarding the Visions facilities in Apache Junction  
6 and Mesa indicate that the controlling owners placed the lives of the residents in danger, loaded  
7 the facilities with unsustainable debt, defaulted on the debt while moving cash from the facility to  
8 their own pockets, and faced simultaneous receiverships for facilities in both Arizona and Utah.

9 171. The ongoing financial crisis among entities controlled by Defendant MRC poses an  
10 immediate risk to the health and safety of the vulnerable adults residing in the Visions facilities.  
11 Only through expansion of the receivership to remove Defendant MRC from control of the  
12 Visions facilities can the risk to the residents be properly evaluated and ameliorated.

13 **CIVIL INVESTIGATION AND COVER-UP**

14 172. After the ADHS citations became public, the Attorney General initiated a broad-  
15 based civil investigation of Heritage Village’s operations, with a special focus on the bedbound  
16 residents.

17 173. As noted by ADHS, under its current license Heritage Village is unable to accept or  
18 retain any bedbound residents at all, unless each resident has the individual approval of a medical  
19 provider who has assessed the resident, assessed the resident’s service plan, and certified that the  
20 facility is capable of meeting the resident’s needs.

21 174. In December 2023, the Attorney General acting on behalf of the State sought  
22 information about the facility’s compliance with applicable statutes and regulations and  
23 demanding a response by January 5, 2024. At the request of counsel for Heritage Village, the  
24 State agreed to extend the deadline and allow for rolling production of documents, with priority  
25 given to producing a list of bedbound residents, along with the service plans and medical

1 certifications for each of them. On January 16, 2024, counsel for Heritage Village committed to  
2 providing those documents within one week.

3 175. Two weeks later, on January 31, 2024, Heritage Village produced the bedbound  
4 certification forms signed by medical providers, but still did not produce the corresponding service  
5 plans.

6 176. The failure to timely produce the bedbound certifications and service plans was  
7 consistent with prior efforts by Heritage Village to delay production of documents while creating  
8 a record that seems to demonstrate cooperation. For example, Heritage Village produced copies  
9 of staff schedules as demanded, but printed the schedules in a way that made it impossible to read  
10 the names of the staff members who worked particular shifts. Despite promises to produce new  
11 copies of the staff schedules with readable information, Heritage Village never did so.

12 177. Heritage Village finally completed the production of the requested bedbound  
13 resident documentation in February 2024, and the reason for the delay became clear. Heritage  
14 Village had not produced the documents sooner because most of the documents did not already  
15 exist and needed to be created. Approximately two-thirds of the certification forms were signed  
16 by medical providers after the January 16, 2024 production promise.

17 178. Although the certification forms stated that the signing medical providers had  
18 evaluated the service plans for the bedbound residents, several of the service plans produced by  
19 Heritage Village were created after the signature dates on the certification forms.

20 **MEDICAL PROVIDER TESTIMONY ABOUT BEDBOUND CERTIFICATIONS**

21 179. The vast majority of the bedbound certification forms were signed by just three  
22 medical providers, and each provider signed most documents on a single date. Heritage Village  
23 sent the providers a stack of forms and asked for signatures on all of them immediately.

24 180. As part of the ongoing civil investigation, the State subpoenaed the three providers  
25 to obtain their sworn testimony about how they came to sign the bedbound certification forms.

1           181. The first witness (“Witness 1”) is a family nurse practitioner employed by a third-  
2 party health care company. [See Excerpts from Examination Under Oath for Witness 1, attached  
3 hereto as **Exhibit 1**, at 4:20-25; 13:1-3; 13:19-25.] Witness 1 serves as the primary care provider  
4 for approximately 70 of the residents at Heritage Village, which represents approximately half of  
5 the current residents at the facility. [See **Ex. 1** at 17:14-18:2.] Since May 2022, Witness 1 has  
6 performed patient care rounds at Heritage Village two days per week, and her company maintains  
7 an office on the Heritage Village campus where she also sees residents. [See **Ex. 1** at 16:11-17:1;  
8 53:6-23.] Witness 1 signed 12 bedbound certification forms, all on January 22, 2024.

9           182. The second witness (“Witness 2”) is a physician’s assistant employed by a third-  
10 party mobile medicine company. [See Excerpts from Examination Under Oath for Witness 2,  
11 attached hereto as **Exhibit 2**, at 4:16-17.] Witness 2 has been seeing patients at Heritage Village  
12 since April 2022, and currently provides primary care for approximately 40 residents. [See **Ex. 2**  
13 at 13:22-14:13.] Witness 2 signed 12 bedbound certification forms, eight of which were signed  
14 on June 22, 2023, and four of which were signed on January 22, 2024.

15           183. The third witness (“Witness 3”) is Defendant McClure, a physician employed by  
16 Defendant Ability Hospice as Medical Director. [See Excerpts from Examination Under Oath for  
17 Witness 3, attached hereto as **Exhibit 3**, at 4:15-24; 7:7-21.] Since October 2022, Defendant  
18 McClure has conducted virtual visits with patients through an online video link, but has never  
19 visited the Heritage Village facility and does not necessarily know whether his patients are  
20 residents at Heritage Village or another care facility. [See **Ex. 3** at 11:23-13:21.] Defendant  
21 McClure signed nine bedbound certification forms, seven of which were signed on January 19,  
22 2024, and two of which were signed on January 22, 2024.

23           184. Together these three witnesses signed at least 33 bedbound consent forms. All three  
24 witnesses testified that they harbored incorrect understandings of what they were signing. All  
25 three witnesses testified that they were not aware of the regulations that govern the bedbound  
26

1 certifications. All three witnesses said that they never reviewed the service plans for any of the  
2 patients for whom they signed bedbound certification forms.

3 185. Witness 1 testified that despite treating numerous bedbound patients at Heritage  
4 Village since May 2022, she had never been asked to sign a bedbound certification form until  
5 January 2024. [See **Ex. 1** at 18:17-19:21.] Witness 1 also testified that she was not familiar with  
6 the applicable regulation and that nobody had ever explained to her what requirements must be  
7 met before signing the form. [See **Ex. 1** at 24:5-18.] Witness 1 testified that she had never been  
8 given copies of her patients' service plans so she could evaluate the scope of services as required  
9 by law, and therefore had never reviewed the scope of services for any of the bedbound patients.  
10 [See **Ex. 1** at 31:1-15.]

11 186. Witness 2 testified that although she has signed bedbound certification forms for  
12 Heritage Village and other facilities, she was not aware of the requirements for the certification  
13 because, "I honestly don't really read it. I just sign it." [See **Ex. 2** at 23:12-24:1.] Witness 2 also  
14 testified that she believed the certification forms only confirmed the fact that the patients were  
15 bedbound, rather than certify that the facility can meet the patients' needs. [See **Ex. 2** at 24:2-12.]  
16 Witness 2 testified that she does not review service plans before signing bedbound certification  
17 forms, and in fact she has never even seen a service plan for any Heritage Village resident. [See  
18 **Ex. 2** at 25:2-26:4.]

19 187. Defendant McClure testified that although he had signed the bedbound certification  
20 forms for Heritage Village, he had never reviewed any patient service plans and was not sure what  
21 a service plan is. [See **Ex. 3** at 21:2-8.] Defendant McClure testified that he believed the  
22 bedbound certification forms were intended to grant permission to Heritage Village to confine the  
23 patients to a bed or wheelchair, rather than certifying that the patients' needs could be met by  
24 Heritage Village. [See **Ex. 3** at 19:1-12.] When asked how he was able to certify that the patients'  
25 needs could be met by Heritage Village when he had never visited Heritage Village, never spoken  
26

1 to Heritage Village employees, and never reviewed the patient service plans, Defendant McClure  
2 responded, “It looks like I shouldn’t have, quite frankly.” [See Ex. 3 at 22:16-23:3.]

3 188. Based on the testimony of these three witnesses, at least 33 bedbound residents at  
4 Heritage Village did not receive a proper medical evaluation to determine whether Heritage  
5 Village can meet their needs prior to the receivership. When faced with a choice between bringing  
6 the facility into substantial compliance with Arizona law or merely generating paperwork that  
7 creates an illusion of compliance, Heritage Village chose the latter option.

8 189. This decision to generate paperwork creating an illusion of compliance rather than  
9 actually complying with applicable regulations is consistent with the decisions made by Defendant  
10 MRC, under the control of co-managers Defendant G. Langendoen, Defendant T. Langendoen,  
11 and Defendant Arnold, to secure ADHS licenses by presenting forged documents to ADHS, rather  
12 than taking the actions necessary to receive a license without resorting to fraud.

13 190. Despite their long history of failing to comply with state law, including over 170  
14 ADHS citations and tens of thousands of dollars in previous civil penalties, Heritage Village  
15 continued to put the health, safety, and well-being of their vulnerable adult residents at risk until  
16 the Receiver took control of the facility and brought in management consultants to bring the  
17 facility into substantial compliance.

18 191. The discovery of widespread mismanagement and financial chicanery by Defendant  
19 MRC, under the control of co-managers Defendant G. Langendoen, Defendant T. Langendoen,  
20 and Defendant Arnold, along with the prior litigation and receivership initiated by the lenders,  
21 strongly implies similar financial wrongdoing at the Visions facilities. The residents of the  
22 Visions facilities face the same risks that the residents of Heritage Village faced when Heritage  
23 Village was controlled by Defendant MRC and its co-managers.

24 192. For these reasons, the State is filing this action to protect the residents who are  
25 endangered by Heritage Village’s ongoing failure to comply with applicable laws, and to prevent,  
26

1 restrain, and remedy the abuse, neglect, and exploitation of these vulnerable adults.

2 **COUNT 1 – ABUSE, NEGLECT, AND EXPLOITATION OF**  
3 **VULNERABLE ADULTS – ADULT PROTECTIVE SERVICES ACT**

4 **(DEFENDANTS BLDG2, HV MANAGEMENT I, HV MANAGEMENT II, HERITAGE**  
5 **VILLAGE I, HERITAGE VILLAGE II, HV INVESTORS, MRC, RSC, STEWART,**  
6 **WALSH, ARNOLD, T. LANGENDOEN, G. LANGENDOEN, M. LEIBFRIED, NASSER,**  
7 **ANA HOSPICE, J. LEIBFRIED, MCCLURE, FECHSAR, ELLSWORTH, BAIRD,**  
8 **LANCASTER, AND STOKES)**

9 193. The allegations in paragraphs 1 through 192 are restated and incorporated as if fully  
10 set forth herein.

11 194. All residents of Heritage Village are over the age of 18.

12 195. All residents of Heritage Village are vulnerable adults because they are unable to  
13 protect themselves from abuse, neglect, or exploitation due to physical and/or mental impairments.

14 196. The bedbound residents of Heritage Village are particularly vulnerable, because  
15 they are unable to ambulate even with assistance, and therefore rely entirely on Heritage Village  
16 to meet their daily needs and protect them in emergency situations such as building fires.

17 197. The acts and omissions of the listed defendants have resulted in abuse of Heritage  
18 Village residents, including but not limited to injuries caused by negligent acts or omissions,  
19 unreasonable confinement, and sexual assault.

20 198. The numerous ADHS citations received by Heritage Village demonstrate that the  
21 Count 1 defendants failed to operate the Heritage Village enterprise in substantial compliance  
22 with Arizona laws and regulations. The citations have always been public records, and therefore  
23 all Count 1 defendants knew or should have known about the repeated failures of Heritage Village  
24 to come into substantial compliance. All Count 1 defendants had a duty to prevent harm to  
25 vulnerable adults, and all failed in that duty.

26 199. As a direct result of failing to properly vet and train caretaker employees, Defendant  
MRC (acting through co-managers Defendant G. Langendoen, Defendant T. Langendoen, and

1 Defendant Arnold), Defendant M. Leibfried, and Defendant Nasser caused unqualified  
2 individuals to have direct contact with vulnerable adults. In turn this led to resident injuries from  
3 abuse such as sexual assault; injuries from neglect such as bedsores and falls; and injuries from  
4 exploitation such as overcharging Heritage Village residents for services Heritage Village never  
5 provided or intended to provide.

6 200. On information and belief, Defendant J. Leibfried acquired Defendant Ability  
7 Hospice for the express purpose of working with his spouse, Defendant M. Leibfried, to steer  
8 Heritage Village residents to Ability Hospice, whether or not those residents qualified for or  
9 needed hospice care. This resulted in Ability Hospice providing certain services to Heritage  
10 Village residents and receiving compensation from third-party payors (including ALTCS) while  
11 Defendant MRC simultaneously charged the residents for providing those same services. This  
12 double-billing resulted not only in false claims to third-party payors (including the State) but also  
13 exploitation of vulnerable adults, as residents paid for services already paid for by other parties.

14 201. The acts and omissions of the listed defendants have resulted in neglect of Heritage  
15 Village residents, including but not limited to the failure to provide adequate supervision and other  
16 services necessary to maintain the minimum physical and mental health of residents. This neglect  
17 is the direct result of the looting of over \$3 million from the Heritage Village operating account  
18 through transfers intended to benefit Defendant MRC, as Heritage Village would have been able  
19 to hire more staff and more experienced staff if the fees collected from residents had not been  
20 commingled with other funds of Defendant MRC and siphoned away from Heritage Village by  
21 the co-managers of Defendant MRC.

22 202. The acts and omissions of the Count 1 defendants have resulted in exploitation of  
23 Heritage Village residents, including but not limited to charging large fees to residents for care  
24 services that Defendants never provided and/or never intended to provide. Defendants RSC,  
25 Stewart, Walsh, Fechsar, Ellsworth, Baird, Lancaster, and Stokes all benefitted financially from  
26

1 passive collection of profits gained through this exploitation of vulnerable adults. Defendants  
2 RSC, Stewart, Walsh, Fechsar, Ellsworth, Baird, Lancaster, and Stokes never took any steps to  
3 prevent the exploitation of the vulnerable adults in the care of the Heritage Village enterprise.

4 203. Defendant McClure's acts and omissions led to the neglect and exploitation of the  
5 bedbound residents of Heritage Village who had been placed under the care of Defendant Ability  
6 Hospice. Defendant McClure falsely certified that Heritage Village was capable of providing  
7 adequate care to several of his patients, when in fact he did not even know those patients resided  
8 at Heritage Village, much less whether Heritage Village was capable of providing adequate care  
9 to dozens of bedbound residents simultaneously. On information and belief, Defendant McClure  
10 is currently under investigation for neglectful care of Heritage Village residents.

11 204. The Count 1 defendants are legal entities and natural persons associated in fact as  
12 the Heritage Village enterprise, which is involved with providing care to vulnerable adults. All  
13 Count 1 defendants have either been employed to provide care for vulnerable adults; assumed a  
14 legal duty to provide care for vulnerable adults by seeking licensure to operate the enterprise from  
15 ADHS and/or entering into contractual agreements with the residents or legal representatives of  
16 the residents; or personally profited from the abuse, neglect, and exploitation of vulnerable adults  
17 through ownership of defendant entities by allowing abuse, neglect, and exploitation to occur.

18 205. The State, acting on behalf of all vulnerable adults currently residing at Heritage  
19 Village and those who might do so in the future, is entitled to appropriate orders from the Court  
20 pursuant to the Adult Protective Services Act to prevent, restrain, and remedy the endangerment  
21 of vulnerable adults by the Count 1 defendants.



1           211. The Heritage Village web site presents potential residents and their families with  
2 numerous positive reviews copied and pasted from other unidentified sites on the internet, without  
3 attribution and without including any negative reviews. On information and belief, some of the  
4 positive reviews posted on the Heritage Village web site are from people with close business or  
5 personal connections to the Heritage Village enterprise, including but not limited to Joe Leibfried  
6 (believed to be Defendant J. Leibfried), Mike Leibfried, George Conney, and Lynn Conney. The  
7 web site omits any information that would explain the connection of these individuals to Heritage  
8 Village.

9           212. By consolidating all prior licenses under one new license, and by changing the entity  
10 name on the license to create a new facility number, Heritage Village concealed and suppressed  
11 more than 100 citations from public view by making those citations invisible when searching the  
12 public database for active licenses only. This action was consistent with Defendant Arnold's  
13 strategy set forth in his emails regarding license consolidation.

14           213. Heritage Village's extensive history of citations and penalties for failing to comply  
15 with Arizona law, as well as the irregular licensing history of the facility effectively concealing  
16 the vast majority of the citations and penalties from prospective residents, are material facts to  
17 anyone considering moving to Heritage Village or placing a loved one in the facility.

18           214. Republication of positive reviews while omitting negative reviews, as well as  
19 having people connected with the facility submit positive reviews while concealing their  
20 connection to the facility, are material facts to anyone considering moving to Heritage Village or  
21 placing a loved one in the facility.

22           215. On information and belief, all Count 2 defendants allowed the Heritage Village  
23 enterprise to continue collecting fees from residents, and to continue bringing in new residents,  
24 while concealing the material fact that half of the buildings at Heritage Village were operating  
25 without a valid license. All Count 2 defendants knew or should have known that four buildings  
26

1 were operating without licenses, because Defendant M. Leibfried knew that information and was  
2 free to share the information with Defendant J. Leibfried, who in turn was free to share the  
3 information with all Ana Hospice defendants.

4 216. Defendant MRC continued to collect fees from residents during the period four  
5 buildings were operating without a license in violation of Arizona law, and none of the Count 2  
6 defendants made any effort to inform the residents or refrain from taking their money.

7 217. Taken together, these practices caused or were likely to cause substantial injury to  
8 Heritage Village residents.

9 218. As vulnerable adults unable to protect themselves from exploitation by reason of  
10 physical or mental impairment, the injuries were not reasonably avoidable by Heritage Village  
11 residents.

12 219. The unfair financial profits reaped by the Count 2 defendants, and the practices  
13 described herein to obtain those profits, are not outweighed by countervailing benefits to the  
14 Heritage Village residents or to assisted living facility residents more broadly.

15 220. Taken together, the practices constitute unfair practices, deceptive practices,  
16 misrepresentation, and omission of material facts under the Arizona Consumer Fraud Act.

17 221. The Count 2 defendants intended for potential residents and their families to rely on  
18 the concealment, suppression, and omission of these negative facts.

19 222. The Count 2 defendants used deceptive and unfair trade practices that unjustly  
20 enriched the enterprise at the expense of Heritage Village's vulnerable adult residents, or failed to  
21 make any effort to prevent the unfair and deceptive practices from harming vulnerable adults.

22 **COUNT 3 – RACKETEERING (FORGERY; SCHEME OR ARTIFICE TO DEFRAUD)**  
23 **(DEFENDANTS G. LANGENDOEN, T. LANGENDOEN, M. LEIBFRIED, AND**  
24 **ARNOLD)**

25 223. The allegations in paragraphs 1 through 222 are restated and incorporated as if fully  
26 set forth herein.

1           224. On October 14, 2022, Defendant Arnold executed the signature page of an ADHS  
2 license application with a false attestation. Defendant Arnold attested that he read and understood  
3 the Arizona Revised Statutes and the Arizona Administrative Code regulations that govern  
4 Heritage Village. Defendant Arnold later admitted under oath that he did not read or understand  
5 the applicable statutes and regulations.

6           225. On October 14, 2022, Defendant Arnold also attested that the information provided  
7 in the license application was true, accurate, and complete. Defendant Arnold later admitted under  
8 oath that he never even saw the other pages and documents for the application, much less reviewed  
9 them to ensure they were true, accurate, and complete. In fact, the application as submitted to  
10 ADHS contained many falsehoods, including but not limited to the fact of Defendant Arnold's  
11 signature itself, as Defendant Arnold was not authorized to sign the application under Arizona  
12 law.

13           226. On October 14, 2022, Defendant Arnold transmitted his false attestation to  
14 Defendant M. Leibfried, who he knew to be located in the state of Arizona. Defendant Arnold  
15 intended that his false attestation be appended to other pages and documents he did not review,  
16 and then submitted to ADHS for the purpose of acquiring a consolidated license covering all  
17 buildings in the Heritage Village facility in "furtherance of the operations of the facility."  
18 Defendant Arnold intentionally targeted his false attestation to the state of Arizona, with the intent  
19 that ADHS rely on his false attestation and issue a consolidated license.

20           227. Defendant M. Leibfried accepted Defendant Arnold's false attestation, and  
21 appended it to an application she knew or should have known contained false information.  
22 Defendant Leibfried transmitted the application package to ADHS along with a fraudulent copy  
23 of a lease that fraudulently claimed the City of Mesa had already approved the re-plat of the  
24 facility from multiple individual parcels into one single parcel. Defendant M. Leibfried intended  
25 for ADHS to rely on this false information (including Defendant Arnold's false attestation) to  
26

1 issue a consolidated license.

2 228. On October 14, 2022, Defendant M. Leibfried appended the false attestation of  
3 Defendant Arnold to four individual applications, which she also submitted to ADHS with the  
4 intent that ADHS would rely on the individual applications to restore the expired licenses of the  
5 four buildings that were operating illegally. Defendant M. Leibfried knew or should have known  
6 that she did not have Defendant Arnold's permission to reuse his false attestation on the individual  
7 applications.

8 229. Between October 14, 2022 and August 15, 2023, Defendant M. Leibfried presented  
9 multiple documents to ADHS (including an operating agreement, an amended operating  
10 agreement, and at least six different lease agreements) that contained false information. Several  
11 of the documents included signatures that purported to be from Defendant Arnold, but Defendant  
12 Arnold never signed the documents. On information and belief, on or about April 24, 2023,  
13 Defendant M. Leibfried altered the date of the October 14, 2022 false attestation from Defendant  
14 Arnold in order to resubmit the signature to ADHS in a second attempt to secure a consolidated  
15 license.

16 230. On August 9, 2023, Defendant T. Langendoen executed an amendment to the  
17 operating agreement for Defendant Bldg2 that Defendant T. Langendoen knew or should have  
18 known to be false. Defendant T. Langendoen executed the fraudulent amendment intending for  
19 it to be presented to ADHS to secure a consolidated license.

20 231. On information and belief, Defendant G. Langendoen was responsible for altering  
21 (or causing someone else to alter) the forged operating agreement, the forged leases, the forged  
22 operating agreement amendment. Defendant G. Langendoen committed these acts with the intent  
23 that his forgeries be presented to ADHS to secure both individual and consolidated licenses.

24 232. Defendant G. Langendoen presented a re-plat document to the City of Mesa with a  
25 false attestation regarding the ownership of the parcels that were to be consolidated into a single  
26

1 parcel under the re-plat.

2 233. The presentation of these documents with false information was intended to  
3 financially benefit Defendant MRC, and therefore financially benefit Defendant G. Langendoen,  
4 Defendant T. Langendoen, Defendant M. Leibfried, and Defendant Arnold. The financial benefit  
5 these defendants sought came from allowing the four buildings with terminated licenses to resume  
6 legal operations, improving resident recruitment by concealing prior ADHS citations through  
7 license consolidation, and preventing the secured lenders from learning that the loan agreements  
8 had been breached through failure to maintain active licensure.

9 234. By creating and presenting documents with false information to ADHS, the listed  
10 defendants committed forgery, a class 4 felony punishable by more than one year of  
11 imprisonment. A.R.S. §§ 132002; -702(D). Forgery is an enumerated predicate offense under  
12 Arizona's anti-racketeering statute. A.R.S. § 13-2301(D)(4)(b)(iv).

13 235. At various points in time, Defendant G. Langendoen and Defendant M. Leibfried  
14 each had at least five forged instruments in their possession with the intention of presenting those  
15 forged instruments to ADHS to secure licensure.

16 236. The Count 3 defendants knowingly made false representations to ADHS as part of  
17 a plan to obtain licenses to operate part or all of the Heritage Village facility.

18 237. Defendants G. Langendoen, M. Leibfried, and Arnold collaborated to develop an  
19 artful strategy to obtain the licenses, which included efforts to conceal previous citations issued  
20 by ADHS to the facility and efforts to maximize revenue from government payors as a result of  
21 the license consolidation.

22 238. ADHS issued at least five separate licenses based on the fraudulent applications and  
23 fraudulent supporting documents presented to ADHS by the Count 3 defendants.

24 239. By using false representations pursuant to a plan or strategy to defraud and obtaining  
25 a benefit therefrom, the listed defendants have engaged in fraudulent schemes and artifices, a class

1 2 felony punishable by more than one year of imprisonment. A.R.S. §§ 13-2310; -702(D).  
2 Scheme or artifice to defraud is an enumerated predicate offense under Arizona's anti-  
3 racketeering statute. A.R.S. § 13-2301(D)(4)(b)(xx).

4 240. These racketeering activities directly and proximately harmed Heritage Village  
5 residents, by causing those residents (or the third-party payors who paid the fees for the residents)  
6 to continue paying for services provided in violation of Arizona law.

7 241. These racketeering activities directly and proximately harmed the secured lenders  
8 by blocking them from taking action to exercise their rights under the loan agreements at a time  
9 when millions of dollars had not yet been embezzled from the Heritage Village operating account  
10 by Defendant MRC, acting through its co-managers Defendant G. Langendoen, Defendant T.  
11 Langendoen, and Defendant Arnold.

12 **COUNT 4 – RACKETEERING (ILLEGAL CONDUCT OF ENTERPRISE)**  
13 **(DEFENDANTS G. LANGENDOEN, T. LANGENDOEN, M. LEIBFRIED, AND**  
14 **ARNOLD)**

15 242. The allegations in paragraphs 1 through 241 are restated and incorporated as if fully  
16 set forth herein.

17 243. The Count 4 defendants are associated-in-fact as persons working for or through  
18 Defendant MRC to operate the Heritage Village facility for financial gain.

19 244. The Count 4 defendants participated both directly and indirectly in the conduct of  
20 Defendant MRC through racketeering, as alleged in Count 3. The Count 4 defendants knew or  
21 should have known that certain documents submitted to ADHS were forgeries, and that their  
22 actions in support of the operation were a scheme or artifice to defraud.

23 245. The Count 4 defendants knew or should have known that the business of Defendant  
24 MRC was conducted through racketeering. The Count 4 defendants knew or should have known  
25 that Defendant MRC would face enormous financial difficulty if the Heritage Village facility  
26 could not secure a license to operate from ADHS.

1           246. By advancing the financial interests of Defendant MRC through racketeering, the  
2 Count 4 defendants have engaged in illegally conducting an enterprise, a class 3 felony punishable  
3 by more than one year of imprisonment. A.R.S. §§ 13-2312(D); -702(D).

4           247. These racketeering activities directly and proximately harmed Heritage Village  
5 residents, by causing those residents (or the third-party payors who paid the fees for the residents)  
6 to continue paying for services provided in violation of Arizona law.

7           248. These racketeering activities directly and proximately harmed the secured lenders  
8 by blocking them from taking action to exercise their rights under the loan agreements at a time  
9 when millions of dollars had not yet been embezzled from the Heritage Village operating account  
10 by Defendant MRC, acting through its co-managers Defendant G. Langendoen, Defendant T.  
11 Langendoen, and Defendant Arnold.

12                   **COUNT 5 – INJUNCTION AGAINST UNAUTHORIZED FOREIGN LLC**  
13                                   **(DEFENDANT MRC)**

14           249. The allegations in paragraphs 1 through 248 are restated and incorporated as if fully  
15 set forth herein.

16           250. Defendant MRC directly contracted with Defendant Bldg2 to manage operations at  
17 Heritage Village on July 1, 2022. The contract remained in effect until the Receiver took control  
18 of the facility in April 2023.

19           251. On information and belief, Defendant MRC has similar management agreements  
20 with the Visions facilities in Apache Junction and Mesa, and is actively managing those facilities  
21 pursuant to those agreements.

22           252. Performing services for vulnerable adults without registering to do business in this  
23 state violates A.R.S. § 29-3902. The services performed under the management agreements do  
24 not fall within the enumerated exceptions of A.R.S. § 29-3905.

25           253. The Attorney General is authorized to maintain an action to enjoin a foreign limited  
26

1 liability company from doing business in this state in violations of title 29, chapter 7, article 9 of  
2 the Arizona Revised Statutes. A.R.S. § 29-3912.

3 254. The State seeks a preliminary and permanent injunction against Defendant MRC for  
4 doing business in this state without filing the required registration statement with the Arizona  
5 Corporation Commission.

6 **COUNT 6 – EXPANSION OF RECEIVERSHIP**

7 **(DEFENDANTS APACHE JUNCTION MASTER TENANT, MESA MASTER TENANT,**  
8 **SIGNATORY TRUSTEE, APACHE JUNCTION DST, MESA DST, AND MRSC AZ**  
9 **HOLDINGS I)**

10 255. The allegations in paragraphs 1 through 254 are restated and incorporated as if fully  
11 set forth herein.

12 256. As set forth herein and in the Receiver’s report to the Court, Defendant MRC, as  
13 controlled by Defendant G. Langendoen and Defendant T. Langendoen, engaged in widespread  
14 and varied financial fraud with respect to Heritage Village.

15 257. The Visions facilities in Apache Junction and Mesa have recently been sued by their  
16 lenders and placed into limited financial receivership due breach of loan agreements.

17 258. Defendant MRC does not maintain adequate accounting records of the facilities  
18 under its control.

19 259. In light of their previous fraudulent conduct, Defendants G. Langendoen and T.  
20 Langendoen cannot make credible statements regarding the financial status of the Visions  
21 facilities.

22 260. On information and belief, the larger fraudulent scheme concocted and run by  
23 Defendants G. Langendoen, T. Langendoen, and Arnold may be on the verge of collapse due to  
24 civil and/or criminal actions against the controlling parties.

25 261. An abrupt financial collapse would put the residents of the Visions facilities in  
26 immediate danger, or increase the level of danger under which they currently live.

1           262. To protect the health, safety, and property of the vulnerable adults who reside at the  
2 Visions facilities in Apache Junction and Mesa, the Court’s order appointing the Receiver should  
3 be expanded to allow the Receiver to take control of the Visions facilities, determine their  
4 financial condition, ensure proper care for the residents, and determine whether selling the  
5 facilities to qualified operators is in the best interests of the vulnerable adults who reside in those  
6 facilities.

7  
8 **WHEREFORE** Plaintiff State of Arizona prays for:

- 9           a. Upon proper application and hearing, an order amending the current orders  
10           under which the receivership is operating to expand the receivership to take  
11           control of the entities that own and operate the Visions assisted living facilities  
12           in Apache Junction and Mesa, protect the vulnerable adults currently residing at  
13           the facility, and bring the facility into compliance with all applicable laws and  
14           regulations;
- 15           b. A judgment holding the defendants listed in Count 1 liable for abuse, neglect,  
16           and exploitation of vulnerable adults in violation of APSA;
- 17           c. A judgment holding the defendants listed in Count 2 liable for consumer fraud  
18           in violation of ACFA;
- 19           d. A judgment holding the defendants listed in Counts 3 liable for racketeering;
- 20           e. A judgment holding the defendants listed in Count 4 liable for illegally  
21           conducting an enterprise;
- 22           f. A judgment requiring the defendants listed in Counts 1 and 2 to pay restitution  
23           to current and former Heritage Village residents and/or their families, in an  
24           amount to be determined at trial;
- 25           g. A judgment requiring the defendants listed in Counts 3 and 4 to pay treble

1 damages for damages suffered by Heritage Village residents and secured  
2 creditors, in an amount to be proven at trial;

3 h. A judgment requiring the defendants listed in Counts 1 and 2 to pay civil  
4 penalties in an amount to be determined at trial;

5 i. Upon proper application and hearing, a preliminary and permanent injunction  
6 against Defendant MRC prohibiting the company from conducting business in  
7 the state of Arizona without filing the required registration forms;

8 j. A judgment requiring all defendants with an ownership interest in the Heritage  
9 Village enterprise and Does 1-100 to divest themselves of any direct or indirect  
10 interest in the Heritage Village enterprise pursuant to A.R.S. § 46-455(H)(1);

11 k. A judgment prohibiting defendants listed in Count 1 from engaging in any  
12 activities or investments involving the provision of care to vulnerable adults in  
13 the State of Arizona, pursuant to A.R.S. § 46-455(H)(2), including an order to  
14 divest themselves of any direct or indirect interest in any health care facility or  
15 assisted living facility in the State of Arizona;

16 l. A judgment requiring all defendants listed in Counts 1, 2, 3, 4 and 5 to pay all  
17 costs and expenses of the State's investigation of the conduct described herein;

18 m. An order directing the Attorney General to list the disposition of this matter in  
19 the Elder Abuse Central Registry;

20 n. An order referring the Court's findings to the Arizona Department of Economic  
21 Security as substantiated findings of abuse, neglect, and exploitation for the  
22 purpose of placing all liable Defendants who are natural persons and Does 1-100  
23 on the Adult Protective Services Registry pursuant to A.R.S. § 46-459; and

24 o. Such other relief as the Court deems just and proper

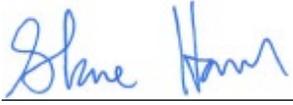
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1 DATED this 2nd day of October, 2024.

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**KRISTIN K. MAYES**  
ATTORNEY GENERAL

By:   
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Assistant Attorney General  
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1 **CERTIFICATE OF SERVICE**

2 Document electronically transmitted  
3 to the Clerk of the Court for filing using  
4 AZTurboCourt this 2nd day of October, 2024.

5 COPY of the foregoing served via AZTurboCourt  
6 and courtesy copy e-mailed this 2nd day of October, 2024 to:

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**EXHIBIT 1**

EXCERPTS FROM  
EXAMINATION UNDER OATH  
“WITNESS 1”

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In Re the Matter of:	)	
	)	CLU-INV-2023-0056
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Heritage Village.	)	
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EXAMINATION UNDER OATH OF [REDACTED]

PHOENIX, ARIZONA

February 20, 2024

Prepared by:  
Deborah L. Tucker, RPR  
Certified Reporter  
Certification No. 50464





14:16:39 1 Q. Okay. And can you tell me the name of your  
14:16:43 2 current employer?

14:16:44 3 A. [REDACTED].

14:16:46 4 [REDACTED]

14:16:50 5 [REDACTED]

14:16:57 6 [REDACTED]

14:17:02 7 [REDACTED]

14:17:05 8 [REDACTED]

14:17:07 9 [REDACTED]

14:17:09 10 [REDACTED]

14:17:13 11 [REDACTED]

14:17:15 12 [REDACTED]

14:17:15 13 [REDACTED]

14:17:18 14 [REDACTED]

14:17:19 15 [REDACTED]

14:17:20 16 [REDACTED]

14:17:21 17 [REDACTED]

14:17:24 18 [REDACTED]

14:17:25 19 Q. And then what does [REDACTED] do?

14:17:27 20 A. We provide medical care services to different  
14:17:32 21 populations. For instance, I work in the primary care  
14:17:39 22 side like you normally would go and see your own primary  
14:17:42 23 care doctor. And I'm on the grounds of Heritage Village,  
14:17:46 24 so I round as a mobile primary care provider in Heritage  
14:17:52 25 Village and two other assisted living facilities.

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[REDACTED]

Q. In the average week, how many days are you on site at Heritage Village?

A. Can you please clarify for me? On site seeing their patients or just on site on the campus?

Q. On site visiting with patients.

A. I am currently rounding two days a week.

Q. And do you go to Heritage Village on other days besides those two days a week?

A. I do not. My office is located on the grounds of Heritage Village, and I do see patients from outside the facility two days a week.

Q. Where on the grounds of Heritage Village is your office located?

A. We are just -- so, the same building as their main office, just one door to the, I guess, left of their

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main office.

Q. Okay. How many patients at Heritage Village do you currently see?

A. I don't -- I can't give you an exact number. I can give you a ball park.

Q. Okay. What's the ball park?

A. I would say I see about 70 patients at Heritage Village.

Q. And if I understand correctly, there are currently around 150 residents at Heritage Village. Does that seem accurate to you?

A. That seems accurate.

Q. So, approximately half of them are under your

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direct care?  
A. Correct.  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]ts  
[REDACTED]  
(Deposition Exhibit 1 was marked for  
identification.)  
BY MR. HAM:  
Q. Okay. I have just handed you what has been  
marked as Exhibit Number 1 for this examination. It is a  
stack of documents that have been stapled together. Are  
you familiar with these documents?  
A. Yes.  
Q. What are they?

14:25:16 1 A. These are documents that I was asked to sign by  
14:25:23 2 Heritage Village on all of their bedbound or wheel-bound  
14:25:27 3 patients.

14:25:27 4 Q. And what is a bedbound patient and what is a  
14:25:31 5 wheel-bound patient?

14:25:32 6 A. A bedbound patient would be somebody that would  
14:25:37 7 require the support of, like, a lift or three or more  
14:25:43 8 people to transfer.

14:25:45 9 A wheelchair bound patient is somebody that  
14:25:49 10 can transfer with maybe one-person assistance into a  
14:25:53 11 wheelchair for mobility, to move around the facility.

14:25:57 12 Q. Okay. Had you ever signed forms like these forms  
14:26:04 13 before the date that you signed these?

14:26:06 14 A. No.

14:26:07 15 Q. This is your first time signing these forms?

14:26:09 16 A. This is my first time signing these forms.

14:26:11 17 Q. So, you had started doing rounding at Heritage  
14:26:17 18 Village in May of 2022, but they had never asked you to  
14:26:20 19 sign any of these bedbound consent forms until January of  
14:26:24 20 2024?

14:26:25 21 A. Correct.

14:26:25 22 [REDACTED]

14:26:30 23 [REDACTED]

14:26:35 24 [REDACTED]

14:26:41 25 [REDACTED]

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[REDACTED]

Q. And you had never signed any like this for Heritage Village either?

A. No.

Q. Okay. You see the title of the documents there on Exhibit 1 it says "Bedbound Consent," and then underneath that it says "AZ Regulation R9-10-814(B)? Do you see that?

A. Yes.

Q. Are you familiar with that regulation?

A. I am not, no.

Q. Has anybody ever explained to you what the requirements are for signing off on one of these forms that you see in Exhibit 1?

A. No, they have not.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

14:40:15 1 Q. Okay. And then Point Number 2, it says, "Reviews  
14:40:20 2 the assisted living facility's scope of services."

14:40:24 3 Have you ever been given any of the scope of  
14:40:26 4 service documents from the assisted living facility to  
14:40:26 5 review?

14:40:31 6 A. I have not.

14:40:32 7 Q. Okay. And then the last one says, "Signs and  
14:40:37 8 dates a determination stating that the resident's needs  
14:40:39 9 can be met by the assisted living facility within the  
14:40:43 10 assisted facility's scope of services and, for a retention  
14:40:48 11 of a resident, are being met by the assisted living  
14:40:48 12 facility."

14:40:51 13 So, I understand your testimony is that you  
14:40:53 14 did not review the facility's scope of services?

14:40:56 15 A. I did not.

14:40:56 16 [REDACTED]  
14:41:00 17 [REDACTED]  
14:41:01 18 [REDACTED]  
14:41:04 19 [REDACTED]  
14:41:07 20 [REDACTED]  
14:41:09 21 [REDACTED]  
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14:41:15 23 [REDACTED]  
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14:41:19 25 [REDACTED]

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[REDACTED]

BY MR. HAM:

Q. Do you see any of the Heritage Village residents outside of the Heritage Village campus?

A. I have on occasion, yes, where they've come in to see me in clinic on clinic days.

Q. In general, would those patients come to your Tempe clinic?

A. No, the Mesa where I'm on grounds. We have a doctor's office on the grounds of Heritage Village.

Q. So, if I understand your testimony then, you're saying that sometimes instead of you visiting them in their rooms they come to your office on the Heritage Village campus?

A. Yes.

Q. Do they ever -- Have you ever seen any Heritage Village patients outside of the Heritage Village campus, which I'm defining to include your office there?

A. No. So, like, meaning do they come over to Tempe to see me? No, they do not.

[REDACTED]

[REDACTED]

**EXHIBIT 2**

EXCERPTS FROM  
EXAMINATION UNDER OATH  
“WITNESS 2”

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In Re the Matter of: )  
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EXAMINATION UNDER OATH OF [REDACTED]

PHOENIX, ARIZONA  
February 21, 2024

Prepared by:  
Deborah L. Tucker, RPR  
Certified Reporter  
Certification No. 50464



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[REDACTED]  
the witness herein, having been first duly sworn by the  
Certified Reporter, was examined and testified as follows:

EXAMINATION

BY MR. HAM:

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[REDACTED]  
Q. Can you tell me, what is your current occupation?  
A. I'm a physician assistant doing mobile medicine.  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
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[REDACTED]

Q. When did you first start having interactions with Heritage Village?

A. April of '22.

Q. How did that come to be?

09:49:42 1 A. So, basically, my company assigns each provider  
09:49:48 2 different facilities and depending on how many patients  
09:49:52 3 you desire to see. So, Heritage Village was actually  
09:49:55 4 close to my home and so it was an easy transition.

09:50:01 5 So, initially I saw some of the patients at  
09:50:04 6 Heritage Village. And then -- for [REDACTED] And then I had  
09:50:08 7 transitioned to seeing all of the patients at Heritage  
09:50:11 8 Village for [REDACTED].

09:50:12 9 Q. How many of the residents at Heritage Village are  
09:50:17 10 patients of [REDACTED]?

09:50:19 11 A. I don't know that. The number has gone down  
09:50:23 12 significantly. Estimate, maybe around 40 patients right  
09:50:29 13 now.

09:50:30 14 [REDACTED]

09:50:37 15 [REDACTED]

09:50:39 16 [REDACTED]

09:50:40 17 [REDACTED]

09:50:42 18 Q. How often are you on site at Heritage Village?

09:50:45 19 A. Once a week.

09:50:50 20 Q. Is it the same day every week?

09:50:52 21 A. Yes.

09:50:52 22 [REDACTED]

09:50:53 23 [REDACTED]

09:50:54 24 [REDACTED]

09:51:04 25 [REDACTED]

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[REDACTED]

Q. Okay. In total, for these four facilities, [REDACTED], [REDACTED], [REDACTED], and Heritage Village, how many total bedbound consent forms do you think you've signed?

A. I wouldn't have a clue. It's one of those situations that I go through, I look at the name and say, yep, they're in a wheelchair or bed all the time, and I just sign it.

Q. Are the bedbound consent forms that you've signed for other facilities substantially similar to the ones that are here in Exhibit 1 --

A. Yes.

Q. -- in terms of the wording of them?

A. I wouldn't know for sure. I honestly don't

10:03:49 1 really read it. I just sign it.

10:03:52 2 Q. Okay. When you say you don't really read it, you  
10:03:57 3 just sign it, what do you believe are the criteria  
10:04:01 4 necessary for you to sign the form?

10:04:04 5 A. Basically, that -- that these are my patients,  
10:04:09 6 and I verify that they're either in a bed or in a  
10:04:15 7 wheelchair continuously, but they're non-ambulatory.

10:04:20 8 Q. So, as far as you're concerned, when you sign one  
10:04:22 9 of these forms all you're really saying is that you are  
10:04:26 10 confirming the patient is unable to ambulate even with  
10:04:28 11 assistance?

10:04:29 12 A. Correct.

10:04:29 13 [REDACTED]  
10:04:33 14 [REDACTED]  
10:04:35 15 [REDACTED]  
10:04:42 16 [REDACTED]  
10:04:43 17 [REDACTED]  
10:04:44 18 [REDACTED]  
10:04:48 19 [REDACTED]  
10:04:49 20 [REDACTED]  
10:04:51 21 [REDACTED]  
10:04:55 22 [REDACTED]  
10:04:58 23 [REDACTED]  
10:05:02 24 [REDACTED]  
10:05:05 25 [REDACTED]

10:05:08 1

[REDACTED]

10:05:09 2

Q. It says, "I certify that the resident needs can

10:05:12 3

be met by this assisted living facility."

10:05:17 4

So, just on that phrase there then, I

10:05:19 5

understand your testimony that you are not really

10:05:23 6

certifying that their needs can be met so much as you're

10:05:26 7

certifying your confirmation that they are indeed

10:05:29 8

bedbound?

10:05:30 9

A. Yes.

10:05:30 10

Q. And then the sentence goes on to say, "within the

10:05:33 11

scope of service, open parentheses, as per service plan,

10:05:37 12

close parentheses," do you see that?

10:05:38 13

A. Correct.

10:05:39 14

Q. What do you believe "scope of service" means?

10:05:43 15

A. That the facility can meet the needs of this

10:05:48 16

patient.

10:05:49 17

Q. And when it says "as per service plan," what does

10:05:52 18

that mean?

10:05:53 19

A. Each patient has a service plan that is written

10:05:57 20

by the facility signed by the family members.

10:06:01 21

Q. And do you review these service plans before

10:06:05 22

signing the forms?

10:06:05 23

A. I do not.

10:06:06 24

Q. Have you ever seen any of the service plans for

10:06:08 25

any of your patients at Heritage Village?

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10:07:01 12  
10:07:04 13  
10:07:08 14  
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A. No.

Q. Do you have any input whatsoever as to what the service plans say?

A. I don't.

[REDACTED]

**EXHIBIT 3**

EXCERPTS FROM  
EXAMINATION UNDER OATH  
“WITNESS 3”

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In Re the Matter of:	)	
	)	CLU-INV-2023-0056
	)	
Heritage Village.	)	
	)	
	)	

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EXAMINATION UNDER OATH OF [REDACTED]

PHOENIX, ARIZONA  
February 23, 2024

Prepared by:  
Deborah L. Tucker, RPR  
Certified Reporter  
Certification No. 50464



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[REDACTED]  
the witness herein, having been first duly sworn by the  
Certified Reporter, was examined and testified as follows:

EXAMINATION

BY MR. HAM:

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Q. What is your current occupation?

A. Physician.

Q. Do you hold a license to practice medicine in  
Arizona?

A. Yes.

Q. What kind of license do you hold?

A. Medical doctor, allopathic medicine.

Q. How long have you been licensed to practice in  
Arizona?

A. 20, 21 -- almost 21 years. 2003.

[REDACTED]

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09:38:08 25

[REDACTED]

Q. I'm going to be asking you some questions about documents you signed regarding the residents at the Heritage Village Assisted Living facility. Are you familiar with that facility?

A. I do take care of Hospice patients at that facility.

Q. How long have you been doing that?

A. I think October of 20-- October of '22, I think is the date that I started doing that.

Q. October of 2022?

A. Um-hum. 2022, yes, um-hum. I would have to check to know for sure, but that's roughly it.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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[REDACTED]

Q. And what is the company that you work for?

A. Ability Hospice.

Q. Is that the only company that you work for?

A. No. I work for [REDACTED], is my primary employer.

Q. Can you explain a little bit about the relationship between your job with [REDACTED] and your job with Ability Hospice?

A. They're separate, separate employment. So, I work for [REDACTED], is my primary role. As a secondary employment, second job, so to speak, I work as a medical director for Ability Hospice.

Q. Okay. So you are -- Your title with Ability Hospice is Medical Director?

A. Yes.

[REDACTED]

[REDACTED]

[REDACTED]



09:43:42 1 pretty limited. My interaction with them is basically  
09:43:46 2 seeing patients virtually. We -- With Hospice, you're  
09:43:51 3 required to do a face-to-face visit with them. And we do  
09:43:59 4 that as required by the Hospice regulations.

09:44:02 5 So, I've never actually been to Heritage  
09:44:04 6 Village. I've seen individuals, but I don't know where  
09:44:07 7 they are.

09:44:07 8 The nurse will message me and say, "Can you  
09:44:10 9 do a face-to-face with this patient?"

09:44:12 10 They give me the patient's name, and I'll  
09:44:16 11 say, "Sure. Let's do it at noon," or whatever. And I do  
09:44:16 12 those usually on my lunch time when I'm at work with  
09:44:19 13 [REDACTED].

09:44:20 14 And then they'll get on the video and  
09:44:21 15 they'll say, "Oh, this is Mrs. [REDACTED]." And I'll talk to  
09:44:25 16 Mrs. [REDACTED] for a few minutes and see how she's doing, see  
09:44:28 17 if she has any concerns. And then we'll end the visit.

09:44:32 18 So, I don't actually know where that patient  
09:44:34 19 is necessarily. So, that's . . .

09:44:39 20 Q. When you say you don't know where the patient is  
09:44:42 21 necessarily, you mean you don't know if they're at  
09:44:45 22 Heritage Village or you don't know what building and bed  
09:44:48 23 they're in?

09:44:48 24 A. I don't know what facility they're at. I mean, I  
09:44:51 25 don't know where these patients are necessarily. They may

09:44:54 1 be at Heritage Village. They may be elsewhere. They  
09:44:57 2 don't really say, "Hey, I'm here at Heritage Village. I'm  
09:44:59 3 doing this visit with you."

09:45:01 4 So, wherever they happen to be is where I do  
09:45:04 5 the visit, so& . . .

09:45:05 6 Q. I see. So, the folks at Ability ask you to do a  
09:45:10 7 Zoom meeting with a patient?

09:45:11 8 A. Correct.

09:45:12 9 Q. And you don't really know where the patient is  
09:45:14 10 located, you just do the Zoom meeting?

09:45:16 11 A. Yeah. They'll say, you know, "Can you do this  
09:45:19 12 for these two patients tomorrow at noon?"

09:45:21 13 I'll say, "Sure."

09:45:22 14 And then they'll patch me in. And it  
09:45:25 15 appears that they're in some sort of assisted living  
09:45:27 16 facility because they're in, you know, kind of a  
09:45:30 17 residential-appearing place based on the background. But  
09:45:33 18 they don't say, "I'm here at Heritage Village."

09:45:35 19 I believe we have patients elsewhere, as  
09:45:39 20 well, so I don't know where they're streaming from, so to  
09:45:42 21 speak.

09:45:42 22 [REDACTED]

09:45:45 23 [REDACTED]

09:45:47 24 [REDACTED]

09:45:47 25 [REDACTED]

09:53:32 1 Q. And so what did you understand that you were  
09:53:35 2 certifying when you signed the forms?

09:53:40 3 A. That this individual was a fall risk and that --  
09:53:46 4 that in order to have them confined to a bed or confined  
09:53:55 5 to a wheelchair, they needed a doctor's signature. And so  
09:54:00 6 that's . . .

09:54:02 7 Q. And who was it that told you that this was the  
09:54:04 8 purpose for the form?

09:54:05 9 A. I recall the e-mail saying that these forms  
09:54:10 10 needed to be signed to meet regulations, or something to  
09:54:13 11 that effect. So, I can't remember, again, who the e-mail  
09:54:16 12 was from.

09:54:16 13 [REDACTED]

09:54:23 14 [REDACTED]

09:54:27 15 [REDACTED]

09:54:31 16 [REDACTED]

09:54:32 17 [REDACTED]

09:54:32 18 [REDACTED]

09:54:35 19 [REDACTED]

09:54:37 20 [REDACTED]

09:54:37 21 [REDACTED]

09:54:42 22 [REDACTED]

09:54:44 23 [REDACTED]

09:54:49 24 [REDACTED]

09:54:50 25 [REDACTED]

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[REDACTED]

Q. And those needs are as per the service plan as said here in parentheses?

A. Yeah. And I'm not sure what that service plan is, so . . .

Q. Have you ever seen any service plans for any of the patients at Heritage Village?

A. No, I haven't.

Q. And you've said already that you've never been to Heritage Village?

A. No.

Q. You've never spoken to anyone at Heritage Village?

A. Not that -- Beyond what we do -- If someone's at Heritage Village and someone's there on our end from Ability Hospice, but an employee of Heritage Village that I'm aware of, I do not.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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[REDACTED]

Q. When I say whether you've spoken to anyone at Heritage Village, what I mean is, have you spoken to anyone who is employed by Heritage Village?

A. Not that I'm aware of.

Q. Okay. So, how were you able to determine, if you had never been there and never spoken to any of the employees and never reviewed any of the service plans, how were you able to certify that Heritage Village was able to meet the patient's needs within the scope of service defined in the service plans?

A. It looks like I shouldn't have, quite frankly. I thought this was part of our -- this was part of our Ability Hospice, kind of, contract with them, or whatever. But now that you put it in that light, I probably should

09:58:05 1 not have signed this, quite frankly --

09:58:07 2 Q. Okay.

09:58:08 3 A. -- without having more information.

09:58:11 4 Q. Did anyone explain to you the purpose for the  
09:58:17 5 form?

09:58:18 6 A. Not specifically beyond what this is. They said,  
09:58:21 7 you know, "These" -- "These are our patients. We need to  
09:58:25 8 have an order on file that they can be confined to a bed."

09:58:29 9 And so I said "Okay."

09:58:31 10 Q. Did anyone make an offer to you to provide  
09:58:34 11 additional information about the patients that you didn't  
09:58:38 12 already have?

09:58:38 13 A. No.

09:58:39 14 Q. Have you ever had access to the medical record  
09:58:43 15 system at Heritage Village?

09:58:45 16 A. No.

09:58:45 17 [REDACTED]

09:58:45 18 [REDACTED]

09:59:04 19 [REDACTED]

09:59:04 20 [REDACTED]

09:59:07 21 [REDACTED]

09:59:09 22 [REDACTED]

09:59:10 23 [REDACTED]

09:59:12 24 [REDACTED]

09:59:15 25 [REDACTED]