

JACKIE LACEY
District Attorney of Los Angeles County
By: CATHERINE CHON; State Bar No. 201459
Deputy District Attorney
ORGANIZED CRIME DIVISION
210 W TEMPLE STREET
LOS ANGELES, CA 90012
(213) 974-3938

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Los Angeles Superior Court

SEP 24 2015

Sherri R. Carter, Executive Officer/Clerk
By: Joseph M. Pulido, Deputy

Attorney for Plaintiff

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES**

PEOPLE OF THE STATE OF CALIFORNIA,)
Plaintiff,) **Case No. BA425397**
v.) **PEOPLE'S OPPOSITION TO**
1. MUNIR UWAYDAH) **DEFENSE MOTION TO DEVIATE**
2. PAUL TURLEY) **FROM LA COUNTY'S STATUTORY**
3. MARIA TURLEY) **BAIL SCHEDULE; MEMORANDUM**
4. MARISA SCHERMBECK-NELSON) **OF POINTS AND AUTHORITIES**
5. PETER NELSON) **Date: September 25, 2015**
6. DAVID JOHNSON) **Time: 8:30a.m.**
7. LETICIA ALVAREZ LEMUS) **Dept: 109**
8. JEFF STEVENS)
9. WENDEE LUKE)
10. KELLY PARK)
11. RON CASE)
Defendant(s))

**TO THE HONORABLE KATHLEEN KENNEDY, JUDGE OF THE ABOVE ENTITLED
COURT, AND COUNSEL FOR THE DEFENSE:**

PLEASE TAKE NOTICE that the People hereby oppose the defense motion to deviate from the Los Angeles County statutory bail schedule. This Opposition is based on the attached Points and Authorities, and any other pleadings, records, files, documents, evidence, and argument, oral or written, that the Court may allow at the hearing of this motion.

Dated: September 24, 2015

JACKIE LACEY
District Attorney
By: CATHERINE CHON
Deputy District Attorney

1 **DEFENDANTS' BACKGROUNDS AND ROLE IN CRIMINAL ORGANIZATION**

2 **MUNIR UWAYDAH**

3 Defendant Munir Uwaydah (“Uwaydah”) is an orthopedic surgeon. On or about
4 November 15, 2004, he and codefendant Paul Turley, a chiropractor, formed Frontline Medical
5 Associates (“Frontline”), a medical corporation that operates numerous medical clinics
6 throughout Southern California. Through Frontline, which later became Firstline Health
7 (“Firstline”), defendants billed hundreds of millions of dollars in fraudulent insurance claims that
8 ranged from billing for services never provided, to fraudulent surgeries. These fraudulent
9 billings continue today.

10 Uwaydah regularly used criminal co-conspirators to create shell companies and shell
11 bank accounts to hide his assets, and he continues to do so today. In March 2007, Uwaydah,
12 through co-defendant Marisa Schermbeck-Nelson (“Schermbeck-Nelson”), formed Golden State
13 Pharmaceuticals (“GSP”). Schermbeck-Nelson’s name was used because it is against the law
14 for a doctor to own a pharmacy from which he can fill his own prescriptions. GSP was
15 incorporated to exclusively supply Uwaydah’s Frontline/Firstline patients with medications.
16 These patients were routinely prescribed unnecessary and dangerous medications to increase
17 profit, without any concern for the patients’ health. Uwaydah’s co-conspirators would use
18 preprinted prescription sheets in which all prescriptions were systematically checked off whether
19 the patients needed the medications or not.

20 In 2005, Uwaydah had surgical privileges at several California hospitals and surgery
21 centers, and he would travel to these locations with Peter Nelson (“Nelson”), a physicians
22 assistant, to conduct surgeries. By the end of 2005, the California Medical Board (Med Board)
23 opened up an investigation into allegations that Uwaydah was improperly having Nelson cut
24 open patients and perform significant “surgical procedures” on patients who had been placed
25 under general anesthesia, all while Uwaydah was outside of the operating room. Two incidents
26 were reported to have occurred at Tustin Hospital in Orange County. The Chief of Staff of
27 Tustin Hospital, Dr. Charle Morcos, wrote a letter to both Uwaydah and Nelson, admonishing
28 them that this practice was unacceptable and would not be tolerated. He also spoke these
29 warnings to them directly.

1 In April 2007, Uwaydah opened up his own surgery center, South Bay Surgical and Spine
2 Institute ("SBSSI"), where neither hospital administrators nor the Med Board would be aware of
3 his activities. Surgical billings are lucrative, and Uwaydah put a lot of pressure on Frontline staff
4 to direct patients toward surgery at SBSSI. These patients were not informed that the owner of
5 Frontline and the owner of SBSSI were the same person, who had a financial interest in their
6 surgery. At SBSSI, Uwaydah regularly and routinely had Nelson, who never attended medical
7 school and did not have the patients' consent, conduct entire surgical procedures on patients who
8 were under general anesthesia, and while there was no supervision from a qualified doctor.
9 Hundreds of patients were cut and scarred by these fraudulent practices at SBSSI between 2007
10 and 2010, although only 21 are charged in these 2 Indictments. Uwaydah would usually be
11 having meetings with other co-conspirators or conducting personal business while his patients
12 were being cut and physically manipulated, thinking they were being operated on by a board-
13 certified, Stanford and Harvard-trained orthopedic surgeon. The fact that Nelson was performing
14 these fraudulent procedures was widely known within Uwaydah's organization, and several of
15 the charged co-conspirators, including Paul and Maria Turley, Kelly Park, and Tatiana Torres
16 Arnold regularly attended meetings with Uwaydah while Nelson was cutting patients in the
17 operating room. Discussions at these meetings included plans to hide Uwaydah's name and
18 assets from creditors, insurance companies, and law enforcement, as well as discussions about
19 official Med Board allegations regarding Nelson performing surgical procedures without
20 Uwaydah's supervision.

21 The fuel for the entire billing fraud scheme was patients, and Uwaydah and his co-
22 conspirators paid kickback fees to attorneys and middle-men, known as "cappers," for illegal
23 patient referrals. Cappers were paid a premium for surgery candidates. Surgery patients were
24 very lucrative since Frontline could bill the insurance companies more for them. In addition, the
25 insurance companies were being billed as if Uwaydah were performing all the surgeries, even
26 though he was not, but rather a non-doctor was cutting open the patients and leaving a scar.

27 The illicit proceeds from the various fraudulent schemes were hidden by co-conspirators
28 in shell companies and shell bank accounts. Money from these accounts would regularly be
wired overseas to Estonia, where Uwaydah and his co-conspirators had established a medical
billing company to generate fraudulent bills. In late 2009, Uwaydah and other charged
defendants, including Paul Turley, Maria Turley, Kelly Park, Ronnie Case, Jeff Stevens, and

1 Tatiana Arnold, conspired to take over a distressed bank, Ventura County Business Bank
2 (“VCBB”), in order to facilitate the laundering of their criminal proceeds.

3 Defendant Uwaydah fled the United States in 2010 for Lebanon, a non-extraditable
4 country where he has dual citizenship, after he became a person of interest in the case of *People*
5 *v. Kelly Park*, BA361202, a murder case in which investigators were looking into the fraudulent
6 practices of Uwaydah and Frontline as a possible link to the motive for the murder,

7 **PAUL TURLEY**

8 Defendant Paul Turley is a 52 year old chiropractor. He is part owner of
9 Frontline/Firstline with Uwaydah. He served as Frontline’s Director and managed Frontline’s
10 many clinics. He was instrumental in changing the company from Frontline to Firstline.
11 Defendant Turley was active in illegally procuring patients from law offices as part of a vast
12 “capping” scheme. The evidence shows Turley was involved in the daily operations of the fraud
13 that was rampantly occurring at Frontline/Firstline, including pressuring Frontline staff to
14 authorize more surgeries, and pressuring patients to agree to surgeries.

15 Turley is accused of paying money to reluctant surgery candidates in order to convince
16 them to allow the surgery to proceed, and forging or directing others to alter surgery
17 authorization requests and MRI reports in order to perform and bill for more surgeries. Turley
18 also conspired with Uwaydah and others to take over VCBB in order to facilitate the laundering
19 of money. As recently as January 2015, Turley bragged to a confidential informant that he
20 (Turley) and Uwaydah were still in business together, running Firstline and related entities as
21 “silents.”

22 **MARIA TURLEY**

23 Defendant Maria Turley, 47 years old, started off as an office manager for Frontline but
24 rose to Surgical Director for SBSSI in 2009. She is the wife of co-defendant Paul Turley. Maria
25 Turley was directly involved in facilitating the fraudulent surgeries and fraudulent billings by
26 directing employees to add items to patients’ charts, such as medication refills and surgeries,
27 after each appointment. She altered, or directed others to alter, surgery authorization requests
28 and MRI reports to perform and bill for unnecessary surgeries.

1 **MARISA SCHERMBECK-NELSON**

2 Defendant Marisa Schermbeck-Nelson (“Schermbeck-Nelson”) is 37 years old and
3 worked as defendant Uwaydah’s personal assistant for many years. Between 2004 and 2010, she
4 controlled a majority of the Uwaydah-funded bank accounts and she managed the flow of money
5 between those accounts. In addition, she was active in paying cappers for patients. She actively
6 participated in forming shell companies to perpetuate the fraud and launder money. She is
7 married to co-defendant Nelson.

8 **PETER NELSON**

9 Defendant Nelson is a 43 year old licensed physician’s assistant (“PA”). Prior to the
10 creation of SBSSI in 2007, he traveled with Uwaydah to perform surgeries at hospitals and
11 clinics throughout Southern California. In 2005, at Tustin Hospital in Orange County, Nelson
12 was caught attempting to perform surgeries on his own without any qualified doctor’s
13 supervision. He was warned and reprimanded by the hospital’s Chief of Staff, Dr. Morcos, not
14 to conduct surgical procedures on patients under general anesthesia while defendant Uwaydah
15 was absent from the room. Despite these warnings, and despite the fact that he has no formal
16 medical school training, Nelson routinely conducted entire purported “operations” on patients at
17 SBSSI between 2007 and 2010 with no proper supervision. It is alleged he also conducted entire
18 “surgeries” on Uwaydah’s patients at Mission Hospital in San Fernando, including named victim
19 Jenniffer Milone (Count 54). These patients were all told that Dr. Uwaydah, and only Dr.
20 Uwaydah, would be performing the operation, and they consented with that understanding.

21 This organized and systematic scheme to utilize Nelson for surgeries so Uwaydah and
22 other co-conspirators could directly engage in other fraudulent activities caused irreparable
23 psychological and physical injury to unsuspecting victims. Some victims had to undergo
24 multiple corrective surgeries. The 21 victims alleged in the aggravated mayhem charges are but
25 a small representation of the number of patients harmed by the conspirators in this case.
26 Defendant Nelson actively participated in the fraud by falsifying medical records or by failing to
27 maintain adequate records, steering patients into unnecessary surgeries for the sake of making
28 more money, and knowingly performing purported surgeries on patients when he was neither
qualified nor licensed to do so.

1 **DAVID JOHNSON**

2 Defendant David Johnson (“Johnson”) is an 80 year old licensed physician. He has been
3 the staff doctor for Frontline and Firstline for many years. His name appears as the treating
4 physician on thousands of fraudulent billings received by insurance companies over the course of
5 many years. California Secretary of State documents show that Johnson became the CEO of
6 Firstline in 2010. There is evidence that defendant Johnson was named CEO on paper only to
7 deflect attention from defendant Uwaydah who was under scrutiny by law enforcement for
8 billing fraud and his possible involvement in the *People v. Kelly Park* case. The company name
9 changed, and Johnson was named as CEO, on paper only, to continue the perpetuation of the
10 massive fraud that was in place.

11 The BOI conducted surveillance over several days on defendant Johnson in 2014 and
12 then compared their surveillance with billings that came in to insurance companies for those
13 same days. The investigation revealed that defendant Johnson was billing for days in which he
14 did not even go to any medical clinics. Also in 2014, the BOI did an undercover investigation
15 wherein a DA Investigator posed as an injured worker in need of medical care, and set an
16 appointment to be examined by defendant Johnson at a Firstline clinic. The investigator
17 surreptitiously audio and video-taped several sessions that were supposed to be with Johnson, but
18 the investigator was actually seen by another doctor. Each session lasted a few minutes. The
19 investigation revealed that the insurance billings from these sessions falsely indicated that
20 Johnson had given the “patient” extensive examinations lasting up to an hour each. In addition,
21 Johnson submitted false reports to justify the billings. Johnson was an integral part of the fraud
22 because he allowed his name to be used on documents to perpetuate the fraud, he aided in
23 causing patients to receive unnecessary and dangerous surgeries and medications by allowing his
24 name to be used on falsified medical records and reports.

25 When he was confronted in 2011 during a deposition for a lawsuit, he claimed that
26 although he was President and Secretary of Frontline in 2010, he had no idea that patients were
27 procured by capping and had no idea how patients were billed. He continued to work for
28 Frontline and when Frontline became Firstline he became CEO in 2010 and continues to be CEO
to this day. In a deposition in 2014 with an insurance company regarding fraudulent billing by
Firstline under defendant Johnson’s name, defendant Johnson claimed he was the owner of
Frontline and had been for four years but did not know who the corporate officers were, how the

1 billing of patients occurred, whether there were Board of Director meetings, or who filed the
2 corporate taxes. To this date, Firstline is still billing under the defendant's name. (See
3 Attachment 1 and 1A) Although Johnson today is claiming in court that he cannot and does not
4 work, and he has many infirmities, the investigation revealed that Johnson still sees patients, and
5 still files numerous medical bills to insurance companies for payments as if he is actively
6 working. (See Attachment 2)

6 **LETICIA ALVAREZ LEMUS**

7 Defendant Leticia Alvarez Lemus ("Lemus") is 38 years old and an office manager for
8 Frontline and Firstline. She also served as a personal assistant to Dr. Uwaydah. Former
9 Frontline employees have described Lemus as having an extraordinary amount of power and
10 control at the clinics based on her close relationship with Uwaydah. One former employee
11 described seeing Lemus shredding large amounts of patient files shortly after the 2010 murder
12 investigation of Kelly Park ("Park"). The witness also described seeing Lemus, and one other
13 person, writing out prescriptions with Johnson's signature on them. She is known to travel with
14 Johnson to various clinics. She had a similar role with Uwaydah when he traveled to various
15 surgery centers to see patients. The investigation has also revealed that a large storage unit
16 which contained thousands of prescriptions for Frontline patients was rented out by Lemus
17 through her husband.

17 **JEFF STEVENS**

18 Defendant Jeff Stevens ("Stevens") is 64 years old and Uwaydah's former business
19 associate. Stevens assisted the conspiracy by working as a "capper," that is, a person who
20 brought in patients to the medical practice from lawyers offices in return for illegal kickbacks.
21 Stevens brought patients to Frontline from various law firms and followed up on the patient's
22 treatment and reported back to the attorneys. In addition, Stevens operated various shell
23 companies for Uwaydah, including California MRI, and a nerve center facility. He also
24 participated in Uwaydah's scheme to take over the VCBB.

25 **WENDEE LUKE**

26 Defendant Wendee Luke ("Luke") is 41 years old and currently serves as a manager and
27 director for Firstline. It is believed that she is currently in Estonia, where a large billing
28 operation is in place. Evidence shows that co-conspirators in Southern California, including her

1 father, Terry Luke (“Terry”), and Tatiana Arnold (“Arnold”), regularly wired proceeds from the
2 criminal organizations to Estonia and Lebanon to further facilitate the conspiracy. Gladys Ross
3 informed investigators that while she was doing some consulting work for Uwaydah in Estonia,
4 she observed fraudulent billing taking place. She confronted Uwaydah about the practices, and
5 she was told by Uwaydah that Luke and Lemus were aware of the fraudulent billing and he
6 trusted Luke and Lemus to keep it a secret. Defendant Luke rose in prominence in the
7 organization after Uwaydah fled the U.S. in 2010, after Schermbeck-Nelson cooperated with the
8 murder investigation in the case of *People v. Kelly Park*.

9 **KELLY SOO PARK**

10 Defendant Kelly Park is 50 years old and Uwaydah’s former office manager, as well as
11 his former personal assistant. Former Frontline employees describe her as having very close
12 access to Uwaydah. According to witness Shelly Rosekelly, Park attended weekly meetings with
13 Uwaydah and other close associates of the organization. At these meetings, Uwaydah discussed
14 hiding assets from creditors, insurance companies, and law enforcement. In addition, Uwaydah
15 would discuss at these meetings the ongoing Med Board allegations which had been filed against
16 him, charging him with allowing Nelson to perform unsupervised surgeries on patients who were
17 under general anesthesia. While these meetings were taking place, the participants in the
18 meeting were well aware that Nelson was in the operating room, engaged in the very practice
19 that the medical profession’s regulatory agency had clearly stated was inappropriate.

20 Park participated in the conspiracy by placing her name on shell companies and shell
21 bank accounts that were designed to hide Uwaydah’s identity. Also, Park was active in
22 controlling the billing for Frontline entities, especially GSP. A review of documents seized
23 during the investigation into the murder of Juliana Redding show that Park was actively involved
24 in forging documents for the benefit of the criminal organization. Park and other co-conspirators
25 referred to the forging of documents as “Moorparking.” References to Moorparking are
26 contained in Park’s computer in a folder entitled “Pinochio,” and in a notebook recovered from
27 her house.

28 The forging of documents extended to Uwaydah’s anticipated defense of his practice of
allowing Nelson to perform surgical operations in Uwaydah’s absence. The evidence from
Park’s computer shows that she was actively investigating witnesses who were scheduled to
testify against Uwaydah, and she conspired to create false documents to destroy their credibility.

1 In addition, surgery report templates and actual patient medical reports were discovered at Park's
2 house. A fraudulent bill for surgery victim Jaime Frias (Counts 33-34) was also discovered at
3 Park's house. Park was also instrumental in coordinating the co-conspirators' investments into
4 VCBB.

5 **RON CASE**

6 Defendant Ron Case ("Case") is 39 years old and a former billing manager for Frontline.
7 Former Frontline employees described Case as always present in the office whenever Park was
8 also present. Recovered emails indicate that Case was instrumental in streamlining Frontline's
9 billing operations. He was arrested, along with Park, in June 2010 in connection into the murder
10 of Juliana Redding. At the time of his arrest, Case was driving away from his house with his
11 truck filled with hundreds of prescription medications labeled for Frontline patients. These
12 prescriptions were fraudulently billed to insurance companies, and the patients never received
13 them. Case was also a fraudulent investor into the VCBB, which was Uwaydah's plan to launder
14 money through his own bank. In Park's computer, investigators recovered a typed message
15 which they believe to be between Park and Case. In that communication, Park solicits Case to be
16 an investor of Uwaydah's money towards the purchase of a bank. Case received a misdemeanor
17 conviction in Ventura County for his June 2010 possession of the prescription medications.

17 **TATIANA TORRES ARNOLD**

18 Defendant Tatiana Torres Arnold ("Arnold") is 45 years old, and acted as Dr. Uwaydah's
19 personal attorney. However, she also held various positions within some of Uwaydah's shell
20 companies. Arnold helped hide Uwaydah's assets by creating shell companies, participating in
21 money laundering, and negotiating and signing contracts on behalf of Uwaydah's businesses.
22 One such shell company was Controlled Health Management ("CHM"), and Arnold served as its
23 President and CEO. As such, she managed CHM's bank accounts and used those accounts to
24 pay co-conspirators, including Tony Folgar ("Folgar") and Yolanda Groscost ("Groscost"), and
25 wire criminal proceeds overseas, including to Estonia. She listed her law office as the office for
26 CHM and other Uwaydah companies. According to witness Shelly Rosekelly, Arnold
27 participated in weekly meetings where the hiding of Uwaydah's assets was discussed, as well as
28 the Med Board's investigation into allegations that Nelson was operating on patients while
Uwaydah was not present. Arnold discussed these allegations with Uwaydah while Nelson was

1 actually performing surgeries at the same time, in another part of the building. Arnold also
2 participated in Uwaydah's scheme to launder money through ownership of VCBB. Arnold
3 invested over a million dollars, and she signed an affidavit under the penalty of perjury, stating
4 she did not have any business or personal relationship with any of the other investors, including
5 Paul Turley, Ron Case, and Uwaydah's mother, Farihan Uwaydah.

6 **TERRY LUKE**

7 Defendant Terry Luke ("Terry") is the 70 year old father of defendant Wendee Luke. The
8 investigation revealed that Terry held various positions for Uwaydah's companies and that he
9 controlled bank accounts for some of Uwaydah's shell companies. Terry regularly would wire
10 criminal proceeds to foreign countries for Uwaydah, including wires to Lebanon where Uwaydah
11 is believed to currently reside. Terry also paid various cappers from the bank accounts,
12 including defendants Folgar and Groscost, and he established mail box addresses to facilitate the
13 criminal conspiracy.

14 **TONY FOLGAR**

15 Tony Folgar ("Folgar") is 58 years old. He works as a paralegal for a law firm and also is
16 the owner of AGD Marketing. Folgar participated in the conspiracy by illegally referring
17 patients to Uwaydah, Frontline, and Firstline for a fee, or a kickback. During the course of the
18 investigation, numerous checks and capping sheets were recovered, and a Frontline employee
19 confirmed that Folgar was being paid for his referrals. A search warrant executed on Folgar's
20 residence in 2011 resulted in additional evidence being seized, including over \$200,000 in cash.
21 The evidence corroborated the fact that he had a lengthy criminal association with Uwaydah.
22 Folgar has a previous fraud conviction.

23 **YOLANDA GROSCOST**

24 Yolanda Groscot ("Groscot") is 49 years old, and the owner of YDG Marketing, a
25 marketing firm which specialized in illegal referrals to medical offices. During the course of the
26 investigation into Frontline, checks made out to YDG Marketing and capping sheets were
27 discovered. On May 25, 2011, search warrants were executed at her home and business. She told
28 investigators that she was contacted by Uwaydah in early 2005. She had a signed agreement with
Uwaydah to provide a set number of patients to Frontline in exchange for a payment of

1 \$10,000.00 per month, plus a bonus for each patient who was deemed a potential surgery patient.
2 She typically received her monthly payments from defendant Turley. A review of bank
3 documents revealed that, as late as June 2014, Groscoast continued to receive payments from
4 Firstline, including checks written by defendants Terry and Arnold.

5 **I. ARGUMENT**

6 A. BAIL IS NOT EXCESSIVE AS SET AND SHOULD REMAIN BECAUSE IT IS ALREADY
7 SET BELOW THE PRESUMPTIVE BAIL FOR THE CHARGES, PER THE BAIL SCHEDULE.

8 Under Penal Code section 1275, the amount of bail is determined by considering the
9 seriousness of the offense charged, the previous criminal record of the defendant, and the
10 probability of the defendant appearing at trial or hearing of the case. (See *People v. Marghza*
11 (1987) 192 Cal.App.3d 1129, 1141 [trial court did not abuse its discretion in setting bail at
12 \$200,000 pending appeal, based on weighing statutorily enumerated factors and concern of
13 defendants flight if not committed immediately].

14 Here, the presumptive bail per schedule for the charges based on multiple victims on separate
15 dates are as follows:

16 **(*People v. Uwaydah et al*, BA425397)**

17 PC 182-550(a)(6) over \$1,000,000	Bail Schedule \$125,000	Total: \$125,000.
18 PC 550(a)(7) Counts 2 – 21	Bail Schedule \$20,000	Total: \$200,000.
19 PC 550(a)(6) Counts 22 – 30	Bail Schedule \$20,000	Total: \$180,000.
20 PC 550(a)(6) Counts 31 – 32	Bail Schedule \$20,000	Total: \$40,000.
21 PC 550(a)(5) Counts 33	Bail Schedule \$20,000	Total: \$20,000.
22 PC 205 Counts 34-36 (Defendants 1-4 only)	Bail Schedule \$1,000,000	Total: \$3,000,000.
23 PC 205 Counts 36 – 54	Bail Schedule \$1,000,000	Total: \$18,000,000.
24 LC 3215 Counts 55-57	Bail Schedule \$20,000	Total: \$60,000.
25 PC 186.11 over \$500,000	Bail Schedule \$250,000	Total: \$250,000
26 PC 12022.6 over \$3,200,000	Bail Schedule \$500,000	Total: \$500,000

27 01-Munir Uwaydah

Total Bail: \$22,375,000

1	02-Paul Turley	Total Bail: \$22,375,000
2	03-Maria Turley	Total Bail: \$22,375,000
3	04-Marisa Nelson	Total Bail: \$22,375,000
4	05-Peter Nelson	Total Bail: \$22,375,000
5	06-David Johnson	Total Bail: \$19,375,000
6	07-Leticia Alvarez Lemus	Total Bail: \$19,375,000
7	08-Jeff Stevens	Total Bail: \$19,375,000
8	09-Wendee Luke	Total Bail: \$19,375,000
9	10-Kelly Park	Total Bail: \$19,375,000
10	11-Ron Case	Total Bail: \$19,375,000

11 **(People v. Arnold et al, BA435339)**

12 Here, the presumptive bail per schedule for the charges are as follows:

13	PC 182-550(a)(6) over \$1,000,000	Bail Schedule \$125,000
14	PC 186.10(a) Counts 2 – 27	Bail Schedule \$25,000
15	LC 3215 Counts 28-57	Bail Schedule \$20,000
16	RT 19705(a) Counts 58-69	Bail Schedule \$20,000
17	RT 19706(a) Counts 70-74	Bail Schedule \$20,000
18	PC 186.11 over \$500,000	Bail Schedule \$250,000
19	PC 12022.6 over \$3,200,000	Bail Schedule \$500,000
20	PC 186.10 over \$2,500,000	Bail Schedule \$250,000

21	01-Tatiana Torres Arnold	Total Bail: \$2,730,000
22	02-Terry Luke	Total Bail: \$1,215,000
23	03-Tony Folgar	Total Bail: \$1,020,000
24	04-Yolanda Grosco	Total Bail: \$1,340,000

25 The presumptive bail originally set and requested was inadvertently less than per
 26 schedule in both cases. Here, the defendants should not have the additional benefit of having
 27 their bail reduced further. The bail is not excessive as to any of the defendants for the
 28 seriousness of the charges and the number of victims.

1 B. DEFENDANTS HAVE FAILED TO SHOW AN USUAL CIRCUMSTANCE
2 SUFFICIENT TO DEVIATE FROM THE PRESUMPTIVE BAIL, AS IS REQUIRED
3 WHEN THE DEFENDANT IS CHARGED WITH A VIOLENT FELONY.

4 *The Defendants Are a Danger to Society*

5 These cases before the court are not the “typical” white collar fraud case. The defendants
6 are all charged with serious and violent felonies. As stated above, each defendant either directly,
7 as an aider and abettor, or as a co-conspirator, put money and greed before the care of the
8 patients they were all entrusted with. Each defendant aided in creating an environment where the
9 patients’ health was compromised unbeknownst to the patient to make a profit. The patients
10 were basically sold by the “cappers,” Stevens, Folgar, and Groscost, to Frontline/Firstline for a
11 price. The patients’ health or care was never taken into account. A premium was paid for
12 patients who were potential surgery candidates because Frontline/Firstline could bill more for
them to the insurance companies.

13 The defendants who worked at the Frontline/Firstline clinics, Paul and Maria Turley,
14 Marisa and Peter Nelson, Johnson, Lemus, Wendee Luke, Park, Case, and Arnold, all either
15 directly, as an aider and abettor, or as a coconspirator forged medical records and reports to steer
16 patients towards surgery whether it was best for the patient or not. They routinely either forged
17 or knowingly allowed to be forged documents prescribing unwarranted medications endangering
18 the health of numerous patients for a profit. They knowingly conspired, aided and abetted, or
19 directly participated in patients being operated on by Peter Nelson who had no medical training.
20 They, including Terry Luke, aided in making the fraud thrive by helping to set up shell
21 companies, paying cappers, and by laundering money. The People are still identifying bank
22 accounts associated with the fraud. Millions of dollars to date have been transferred overseas to
Lebanon and Estonia. Each defendant played a role in the grand scheme that put greed and
money before the care and health of hundreds of patients.

23 Penal Code section 1275 subdivision (e) provides that:

24 "Before a court reduces bail below the amount established by the bail schedule approved for the
25 County, for a person charged with a serious felony, the Court shall make a finding of unusual
26 circumstances and shall set forth those facts on the record. For purposes of this subdivision,
27 'unusual circumstances' does not include the fact that the defendant has made all prior court
28 appearances or has not committed any new offenses."

1 Here, all the defendants in the BA425397 case are charged with 18 to 21 counts of
2 aggravated mayhem that carries a life term and Tatiana Arnold in case BA435339, is charged
3 with one count of aggravated mayhem. Defendants Park and Folgar argue their bail should be
4 reduced because it is excessive. However, the bail is per schedule. Park's role in the fraud that
5 lead to the aggravated mayhems as explained previously is substantial. Folgar's participation in
6 the fraud is integral because without cappers like him there would not be patients for companies
7 like Frontline/Firstline to exploit. Neither defendant has made a showing of unusual
8 circumstance.

9 Defendant Johnson argues his bail should be lowered due to his health. However, there is
10 no evidence he could not receive the care that he needs while in custody. Moreover, although
11 Johnson claims his medical condition renders him unable to function, he is still the named CEO
12 for Firstline in California Secretary of State documents, when he was arrested on September 14,
13 2015, he was coherent and functional and told investigators he had to go to work the following
14 day (Tuesday) because that's when he sees his patients at the clinic, there was no nurse at the
15 home providing care, and he was able to walk 50-60 feet to the investigator's car by himself.
16 Investigators confirmed with Johnson's medical office staff that Johnson was last there the
17 previous Tuesday seeing patients all day (See Attachment 2).

18 As stated above, Johnson played and **stills plays** a significant role in the fraud that
19 resulted in the aggravated mayhem. Johnson and other defendants continue to actively
20 participate in the fraudulent billing practices and Johnson allows his name to be used to
21 perpetuate the fraud. Firstline is now operating under the name U.S. Health and Orthopedics.
22 Attached is a bill to Zenith Insurance Company for services rendered by Johnson while he has
23 been in custody. (See Attachments 1 and 1A). Thus, it is clear that Firstline is still operating and
24 is engaged in the same type of dangerous and harmful behavior.

25 *The Defendants Are a Significant Flight Risk*

26 Each defendant in this case poses a significant flight risk. As stated previously, the
27 investigation is still ongoing regarding locating the millions of dollars that has been feloniously
28 obtained. In addition to the 13 co-conspirators that now appear before this court, investigators
believe that there are possibly another dozen co-conspirators currently working to move illicit
funds and hide bank accounts here in the United States, and throughout the world. If released,
these defendants could have access to hundreds of millions of dollars with which to facilitate an
escape from the court's jurisdiction. Furthermore, this criminal organization has co-conspirators,

1 bank accounts, offices, and property in various foreign countries, including Germany, Estonia,
2 and Lebanon. It is important to note that Lebanon currently does not have an extradition treaty
3 with the United States, and there is a real threat that some defendants will try to escape to that
4 location. The People have evidence that several of the defendants appearing before this court
5 have traveled to Lebanon previously, including Paul Turley, Maria Turley, David Johnson, and
6 Tatiana Torres Arnold. Moreover, evidence shows that when the investigation into the
7 fraudulent activities which are the subject of these cases first came to light in 2010, Defendant
8 Munir Uwaydah escaped to Lebanon by going through Mexico.

9 It is also important for the Court to take notice that Defendant Wendee Luke is believed
10 to be in Estonia, and she has made no efforts to surrender herself. It is believed that she is
11 continuing to engage in fraudulent activities despite her knowledge of the current charges.

12 Therefore, based on the seriousness of the crimes, the defendants' integral participation in
13 the fraud that resulted in the aggravated mayhems, and potential flight risk, under the
14 circumstances presented here there are no unusual circumstances which would justify a reduction
15 in bail.

16 Based on the foregoing the People respectfully request that defendants' motion to reduce
17 bail be denied.

18 Dated this 24th day of September, 2015

Respectfully submitted,

19 JACKIE LACEY
20 District Attorney of Los Angeles County

21 By 

22 CATHERINE CHON
23 Deputy District Attorney
24 Attorney for the People
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ATTACHMENTS

PROOF OF SERVICE

A copy of this motion was emailed to the following defense attorneys on September 24, 2015:

Amanda Touchton, Attorney for David Johnson: amanda@twcounsel.com

Richard Moss, Attorney for Jeff Stevens: rmoss@rmosslaw.com

Mark Kassabian, Attorney for Kelly Park: mkassabian@buehlerkassabian.com

Alan Jackson, Attorney of Terry Luke: ajackson@werksmanjackson.com

Mark Hathaway, Attorney for Tony Folgar: mhathaway@werksmanjackson.com



DECLARANT


ATTACHMENT 1

DECLARATION OF INVESTIGATOR TIM MCCRILLIS

1. I, TIM MCCRILLIS, declare that:
2. I am employed as a Senior Investigator by the Los Angeles County District Attorney’s Office, currently assigned to the Major Crimes/Organized Crimes Unit of the Special Operations Division;
3. I have been a California Peace Officer (830.1 PC) for twenty (20) years. I was a Los Angeles County Deputy Sheriff for five (5) years and worked investigative and undercover assignments in narcotics, as well as custody and court services. I have been an investigator for the Los Angeles County District Attorney’s Office, Bureau of Investigation, for fifteen (15) years.
4. I am the assigned lead investigator in the case of People v. Munir Uwaydah et al, case number BA427397 and in the companion case of People v. Tatiana Torres Arnold et al, case number BA435339;
5. On September 23, 2015, I received a patient billing from Oliver Glover, manager of the Complex Case Analytics Team of Zenith Insurance, one of our named victims in the aforementioned cases;
6. This patient billing was for the services of Dr. David Johnson with the date of service of September 15, 2015, on behalf of U.S Health and Orthopedics, a Frontline/Firstline affiliated entity.
7. Defendant Dr. David Johnson was arrested on an indictment warrant for this case on Monday, September 14, 2015. Thus, Defendant David Johnson was in custody at the time of the alleged date of service and issuance of the “Letter of Medical Necessity” for the prescription medications for which Zenith Insurance was billed.

I DECLARE UNDER PENALTY OF PERJURY that the foregoing is true and correct.

DATED: September 24, 2015


Senior Investigator Tim McCrillis
Declarant

ATTACHMENT 1-A



ZENITH INSURANCE COMPANY
PO BOX 9055

VAN NUYS, CA 914099055

100022688925
Claim Nbr: JJJJJJJJJ
Vendor Nbr: 1000215007

Pay Code: MED

Recv Date: 20150919

HEALTH INSURANCE CLAIM FORM

APPROVED BY NATIONAL UNIFORM CLAIM COMMITTEE (NUCC) 02/12

Page 1 of 1 PKA

1. MEDICARE MEDICAID TRICARE CHAMPVA GROUP HEALTH PLAN FECA BLK LUNG OTHER

1a INSURED'S ID NUMBER (For Program in Item 1)
607309373

2. PATIENT'S NAME (Last Name, First Name, Middle Initial)
HWANG, TAI

3. PATIENT'S BIRTH DATE (MM DD YY) SEX
09 24 1955 M F

4 INSURED'S NAME (Last Name, First Name, Middle Initial)
VITATIV INTERNATIONAL

5. PATIENT'S ADDRESS (No., Street)
7215 BRIGHT AVE #817

6. PATIENT RELATIONSHIP TO INSURED
Self Spouse Child Other

7 INSURED'S ADDRESS (No., Street)
CITY STATE

8 RESERVED FOR NUCC USE

9. OTHER INSURED'S NAME (Last Name, First Name, Middle Initial)
a. OTHER INSURED'S POLICY OR GROUP NUMBER

10 IS PATIENT'S CONDITION RELATED TO
a. EMPLOYMENT? (Current or Previous)
 YES NO

11 INSURED'S DATE OF BIRTH (MM DD YY) SEX
M F

b. OTHER CLAIM ID (Designated by NUCC)
SV 607309373

c. RESERVED FOR NUCC USE

c. OTHER ACCIDENT? PLACE (State)
 YES NO CA

d. INSURANCE PLAN NAME OR PROGRAM NAME
ZENITH INSURANCE COMPANY

d. IS THERE ANOTHER HEALTH BENEFIT PLAN?
 YES NO If yes, complete Items 9, 9a, and 9d

12 PATIENT'S OR AUTHORIZED PERSON'S SIGNATURE I authorize the release of any medical or other information necessary to process this claim. I also request payment of government benefits either to myself or to the party who accepts assignment below.

SIGNED Signature on File DATE

13 INSURED'S OR AUTHORIZED PERSON'S SIGNATURE I authorize payment of medical benefits to the undersigned physician or supplier for services described below.

SIGNED Signature on File

14. DATE OF CURRENT ILLNESS, INJURY, or PREGNANCY (LMP)
MM DD YY QUAL 04 10 2012 QUAL 439

15 OTHER DATE (MM DD YY) QUAL

16 DATES PATIENT UNABLE TO WORK IN CURRENT OCCUPATION
FROM MM DD YY TO MM DD YY

17. NAME OF REFERRING PROVIDER OR OTHER SOURCE
17a. Name 17b. NPI

18 HOSPITALIZATION DATES RELATED TO CURRENT SERVICES
FROM MM DD YY TO MM DD YY

19. ADDITIONAL CLAIM INFORMATION (Designated by NUCC)
PWKOZELAC1026746276

20 OUTSIDE LAB? CHARGES
 YES NO

21. DIAGNOSIS OR NATURE OF ILLNESS OR INJURY Relate A-L to service line below (24E) ICD Ind. 9
A 724.2 B 847.2 C 722.10 D 724.4

22 RESUBMISSION CODE ORIGINAL REF NO

23 PRIOR AUTHORIZATION NUMBER

24 A DATE(S) OF SERVICE From To B PLACE OF SERVICE C ICD-9 CODE D ICD-10 CODE E DIAGNOSIS POINTER F CHARGES G LAYE OR UNITS H ICD-9 CODE I ICD-10 CODE J RENDERING PROVIDER ID. #

1 N443093-0102-01 UN250-000 Depriazine 99070 ABCD 43055 250 ZZ 207X00000X 1700062775

2 N443093-0104-01 UN150-000 Diclopanol 99070 ABCD 41810 150 ZZ 207X00000X 1700062775

3 N443093-0105-01 UN420-000 Panatyrax 99070 ABCD 43885 420 ZZ 207X00000X 1700062775

4 N443093-0100-01 UN500-000 Synapryn 99070 ABCD 42142 500 ZZ 207X00000X 1700062775

5 N443093-0101-01 UN250-000 Tabradol 99070 ABCD 37992 250 ZZ 207X00000X 1700062775

25. FEDERAL TAX I.D. NUMBER SSN EIN 364667645

26. PATIENT'S ACCOUNT NO HWAN000006

27. ACCEPT ASSIGNMENT? YES NO

28 TOTAL CHARGE \$ 208884

29 AMOUNT PAID \$

30 Rsvd for NUCC Use

31. SIGNATURE OF PHYSICIAN OR SUPPLIER INCLUDING DEGREES OR CREDENTIALS (I certify that the statements on the reverse apply to this bill and are made a part thereof)
DAVID R JOHNSON MD
A20315 207X00000X
SIGNED 09/19/2015 DATE

32. SERVICE FACILITY LOCATION INFORMATION
US HEALTH & ORTHOPEDIC
330 S GARFIELD AVE. #228
ALHAMBRA, CA 91801
a 1932422003

33 BILLING PROVIDER INFO & PH # (310) 954-9901
US HEALTH ORTHOPEDIC
10801 NATIONAL BLVD 401
LOS ANGELES, CA 90064
a 1932422003 POBA20315

Recv'd Date: 20150919

Bill ID: 100022688925

Claim Nbr: JJJJJJJJ

2014-12-12T14:59:50.1
921835

FDB MedKnowledge Product Update Report -- Standard - Active and obsolete NDCs with last price verification more than 6 months ago --
Includes NDCs without prices Prepared by First Databank, Inc.
Data from FDB MedKnowledge 12/11/2014, TAD v.5 Copyright © 2014

NDC	Label Name	Case Pack	Package Size	Drug Form	WAC Price Effective Date	WAC Price	Direct Price Effective Date	Direct Price	SWP Price Effective Date	SWP Price	Format	ONC	Manufacture Message
43093-0101-01	TABRADOL ORAL	1	250.000	ML	1/1/2012	\$439.00	1/1/2012	\$449.00	1/1/2012	\$449.00	NDC	ZB	
43093-0100-01	SYNAPRYN ORAL	1	500.000	ML	1/1/2012	\$459.00	1/1/2012	\$499.00	1/1/2012	\$499.00	NDC	ZB	
43093-0105-01	FANATREX ORAL	1	420.000	ML	1/1/2012	\$490.00	1/1/2012	\$520.00	1/1/2012	\$520.00	NDC	ZB	
43093-0104-01	DICOPANOL ORAL	1	150.000	ML	1/1/2012	\$455.00	1/1/2012	\$495.00	1/1/2012	\$495.00	NDC	ZB	
43093-0102-01	DEPRIZINE ORAL	1	250.000	ML	1/1/2012	\$470.00	1/1/2012	\$510.00	1/1/2012	\$510.00	NDC	ZB	

US Health and Orthopedic Medical Clinics Inc.

DAVID R JOHNSON MD Lic# A20315 DEA# FJ0521941

Clinic Location:

US HEALTH & ORTHOPEDIC
330 S GARFIELD AVE. #228
ALHAMBRA CA 91801

- #1 Ketoprofen 20% cream, 167 grams
SIG- apply a thin layer to affected area(s) 3 times a day for inflammation
- #2 Cyclobenzaprine 5% cream, 110 grams
SIG- apply a thin layer to affected area(s) 3 times a day for muscle spasms
- #3 Synapryn (10mg/1ml oral suspension 500ml
SIG Take 1 tsp (5ml) 3 times a day or as directed by your physician for pain, unresponsive to firstline treatment
- #4 Tabradol 1mg/ml oral suspension 250ml
SIG Take 1 tsp (5ml) 2-3 times a day or as directed by your physician for muscle spasms
- #5 Deprizine 15mg/ml oral suspension 250ml
SIG Take 2 tsp (10ml) once daily or as directed by your physician for GI pain and as a prophylaxis against the development of gastric ulcer
- #6 Dicopanol (diphenhydramine) 5mg/ml oral suspension 150ml
SIG Take 1ml po at bedtime, may increase as tolerated to a max of 5ml ud by MD for insomnia
- #7 Fanatrex (gabapentin) 25mg/ml oral suspension 420ml
SIG Take 1 tsp (5ml) tid or as directed by your physician for chronic neuropathic pain

Patient RX Information

New Follow-Up English Spanish

Date: 8/04/2015

Patient's Name: (Print): HWANG, TAI DOB: 9/24/1955

Allergies: Relills:
SEE ATTACHED MEDICAL INFORMATION SHEET FOR PATIENT DEMOGRAPHICS, HISTORY, DIAGNOSIS, AND INSURANCE

Physician Signature:  Date: 8/04/2015

LETTER OF MEDICAL NECESSITY
DAVID R JOHNSON MD
US Health and Orthopedic Medical
Clinics 10801 National Blvd., Suite 401
Los Angeles, CA 90064

Patient Name: HWANG, TAI
Patient DOB: 9/24/1955

Claim No.: HWAN000006
Date of Issue: 9/15/2015

Description: Dicopanol

Strength: 5mg/ml oral suspension 150ml

Dosage: 1 ml

Quantity: 1

Simple Directions For Use: *1ml po at bedtime.*

I am the treating physician for the above-referenced patient and I am duly licensed to practice medicine in the State of California. I have met with, examined and questioned this patient regarding the history of the injury and the symptoms, as well as how the injury is affecting quality of life and functional capacity. I have also examined the patient's records.

This patient presented to me with a history of an irregular sleeping pattern, complaining of rarely getting a continuous night of sleep, and often of difficulty in falling asleep. Based on the information provided by the patient it is reasonable to diagnose the patient as having mild to moderate insomnia. I have found in the general patient population that I have treated a general aversion for swallowing pills which is a "red flag" indicator against long term compliance with a pharmacological treatment plan that utilizes standard oral tablet ingestion. Page 7 of the Chronic Pain Medical Treatment Guidelines, (2009), is particularly relevant.

Dicopanol contains diphenhydramine and other proprietary ingredients. Many pharmacological agents currently on the market for the treatment of insomnia include benzodiazepines (i.e. temazepam) and non-benzodiazepine (i.e. zolpidem) hypnotics. Many of them carry the potential risk of addiction, cause withdrawal symptoms, or trigger rebound insomnia. Zolpidem, a commonly prescribed medication is categorized as a scheduled IV controlled substance by the DEA. It carries a warning label for abnormal thinking, behavioral changes, and/or amnesia-like symptoms. Diphenhydramine's sedative properties make it a great alternative which is far less dangerous in the long term to the patient's health. It is widely used in many non-prescription sleep aids and cold medications. It has been shown to be safe and effective in the treatment of mild to moderate insomnia.

Patient adherence to medical treatment is a challenge, especially in chronic conditions. It is known that reduction of treatment complexity and pill burden are good strategies to increase patient compliance. I have found empirically that patients with chronic conditions have responded well to oral solutions, possibly because of the flavoring and/or the general aversion among patients to swallowing tablets, and are more compliant with pharmacological treatment plans which do not require continuous pill taking on a long term basis. As stated on page 47 of the ACOEM Practice Guidelines. "[c]onsideration of comorbid

conditions, side effects, cost, and efficacy of medication versus physical methods, provider and patient preferences should guide the physician's choice of recommendations,"

In addition, I have also found empirically that extended use of insomnia treatment generic drugs, such as Zolpidem, carry a risk of addiction and rebound insomnia. It is my opinion as primary treating physician that Dicopanol is reasonable and necessary to cure and/or relieve the effects of the insomnia for this patient. [per LC section 4600.2 (b)]

Dicopanol is drug for which there is no therapeutically equivalent drug as is confirmed by the Center for Drug Evaluation and Research (CDER) I. [See attached communication with CDER].

Subject to Labor Code Section 4600.1 (b): "A person or entity shall not be required to dispense a generic drug equivalent under either of the following circumstances:

- (1) When a generic drug equivalent is unavailable.
- (2) When the prescribing physician specifically provides in writing that a nongeneric drug must be dispensed."

Description: Deprizine

Strength: 5mg/ml oral suspension 250ml

Dosage: 10ml (2tsp)

Quantity: 1

Simple Directions For Use: 10ml once daily

This patient presented to me with a history of taking multiple medications for the pain caused by the injury, including chronically taking over-the-counter non steroidal anti inflammatory medications. The patient is therefore at an increased risk of gastrointestinal perforation/hemorrhage. I have found in the general patient population that I have treated a general aversion for swallowing pills which is a "red flag" indicator against long term compliance with a pharmacological treatment plan that utilizes standard oral tablet ingestion, according to the Chronic Pain Medical Treatment Guidelines, (2009), page 7 it is advisable to take into consideration all psychosocial factors, such as the above, when making pharmacological treatment recommendations.

Deprizine contains ranitidine and other proprietary ingredients. Histamine-2 receptor antagonists (H2RA) such as Ranitidine play an important role in the prophylactic treatment of NSAID-induced GI ulcer/bleeds.

In conclusion, patient adherence to medical treatment is a challenge, especially in chronic conditions. It is known that reduction of treatment complexity and pill burden are good strategies to increase patient compliance. I have found empirically that patients with chronic conditions have responded better to oral solutions, possibly because of the flavoring and/or a general aversion to swallowing tablets, and are more compliant with pharmacological treatment plans which do not require continuous pill taking.

Deprizine is drug for which there is no therapeutically equivalent drug as is confirmed by the Center for Drug Evaluation and Research (CDER). [See attached communication with CDER].

Subject to Labor Code Section 4600 I (b) "A person or entity shall not be required to dispense a generic drug equivalent under either of the following circumstances:

- (1) When a generic drug equivalent is unavailable.
- (2) When the prescribing physician specifically provides in writing that a nongeneric drug must be dispensed."

Description: Fanatrex

Strength: 25mg/ml oral suspension 420ml

Dosage: 5ml (1tsp)

Quantity: 1

Simple Directions For Use: 5ml (1tsp) tid

This patient presented to me with a clear history of neuropathic pain. The patient found it difficult to describe their pain precisely.

I have found in the general patient population that I have treated a general aversion for swallowing pills which is a "red flag" indicator against long term compliance with a pharmacological treatment plan that utilizes standard oral tablet ingestion, according to the Chronic Pain Medical Treatment Guidelines, (2009), page 7 it is advisable to take into consideration all psychosocial factors, such as the above, when making pharmacological treatment recommendations.

Fanatrex oral solution contains gabapentin and other proprietary ingredients including glucosamine. Please refer to the Chronic Pain Medical Treatment Guidelines, (2009), Gabapentin (Neurontin) Section, pages 16-19 and page 49, which are also incorporated into the MTUS. It indicates that gabapentin may be used for a first-line treatment for neuropathic pain. I have chosen Fanatrex as the preferred medication because it contains gabapentin yet it does not contain tricyclic antidepressant, which have unwanted side effects such as lowered gastrointestinal motility, constipation, urinary retention, memory impairment and increased body temperature and may pose a risk of cardiovascular problems, in worst case scenario leading to mortality. Fanatrex is also chosen before opioid analgesics which carry higher risk of abuse, dependency and withdrawal issues. Fanatrex contains glucosamine which is considered a nutraceutical by the FDA and as such is not regulated. However, based on my empirical observations made in the course of my practice I feel that it has a very positive synergistic effect when combined with certain pharmacological agents such as gabapentin.

In conclusion, patient adherence to medical treatment is a challenge, especially in chronic conditions. It is known that reduction of treatment complexity and pill burden are good strategies to increase patient compliance. I have found empirically that patients with chronic conditions have responded well to oral solutions, possibly because of the flavoring and/or the general aversion among patients to swallowing tablets. Therefore, I have found patients to be more compliant with pharmacological treatment plans which do not require continuous pill taking in a long term basis.

I found the publication Neuropathic Pain, Magrinelli 2013 to be relevant also.

Description: Synapryn

Strength: 10mg/1ml oral suspension 500ml

Dosage: 5ml (1tsp)

Quantity: 1

Simple Directions For Use: 3 times a day as directed.

This patient presented to me with a long history of taking various medications for pain, including chronically taking over-the-counter non steroid anti inflammatory medications. I have found in the general patient population that I have treated a general aversion for swallowing pills which is a "red flag" indicator against long term compliance with a pharmacological treatment plan that utilizes standard oral tablet ingestion, according to the Chronic Pain Medical Treatment Guidelines, (2009), page 7 it is advisable to take into consideration all psychosocial factors, such as the above, when making pharmacological treatment recommendations.

Synapryn contains tramadol as well as other proprietary ingredients. Tramadol is considered a unique compound with both a weak mu-opioid effect in comparison to opioids and a weak monaminergic effect in comparison to tricyclic antidepressants. At the same time, it does not have tolerance, dependency, depression and/or withdrawal issues like more generic opioids (such as Codeine or Lyrica) nor does it carry the same side effect profile as tricyclic antidepressants. Hence the reason why this component is commonly used in the treatment of neuropathic/fibromyalgia pain.

Synapryn also contains glucosamine sulfate, as well as other proprietary ingredients. As stated on page 50 of the Chronic Pain Medical Treatment Guidelines, (2009) it is "[r]ecommended as an option given its low risk, in patients with moderate arthritis pain. Studies have demonstrated a highly significant efficacy for crystalline glucosamine sulphate (GS) on all outcomes including joint space narrowing, pain, mobility, safety, and response to treatment

In conclusion, patient adherence to medical treatment is a challenge, especially in chronic conditions. It is known that reduction of treatment complexity and pill burden are good strategies to increase patient compliance. I have found empirically that patients with chronic conditions have responded well to oral solutions, possibly because of the flavoring and/or the general aversion among patients to swallowing tablets. I have found patients to be more compliant with pharmacological treatment plans which do not require continuous pill taking on a long term basis.

Synapryn is drug for which there is no therapeutically equivalent drug as is confirmed by the Center for Drug Evaluation and Research (CDER). [See attached communication with CDER].

Subject to Labor Code Section 4600.1 (b): "A person or entity shall not be required to dispense a generic drug equivalent under either of the following circumstances:

(1) When a generic drug equivalent is unavailable.

(2) When the prescribing physician specifically provides in writing that a nongeneric drug must be dispensed."

Description: Tabradol

Strength: 1mg/ml oral suspension 250ml

Dosage: 5ml (1tsp)

Quantity: 1

Simple Directions For Use: 2-3 times a day.

This patient presented to me with a history of musculoskeletal problems, complaining of chronic pain and muscle spasms in different body parts occurring extensively enough to interfere with day-to-day activities.

This patient also presented to me with a long history of taking various medications for pain, including chronically taking over-the-counter non steroid anti inflammatory medications. I have found in the general patient population that I have treated a general aversion for swallowing pills which is a "red flag" indicator against long term compliance with a pain management treatment plan that utilizes standard oral tablet ingestion, according to the Chronic Pain Medical Treatment Guidelines, (2009), page 7 it is advisable to take into consideration all psychosocial factors, such as the above, when making pharmacological treatment recommendations.

Tabradol contains cyclobenzaprine, methylsulfonylmethane and other proprietary ingredients. Cyclobenzaprine is a skeletal muscle relaxant and a central nervous system (CNS) depressant effective in the treatment of musculoskeletal conditions such as low back pain, neck pain, fibrositis syndrome, muscle spasms, neuropathic pain, and chronic persistent pain. Cyclobenzaprine is more effective than placebo in the management of back pain. In patients with musculoskeletal conditions, cyclobenzaprine has consistently been found to be effective in most clinical trials compared to other drugs in its class. There is a risk for dependence/abuse and withdrawal symptoms associated with narcotic drugs, making cyclobenzaprine a better alternative. (Adverse effects of cyclobenzaprine as indicated in the WHO Medication Tables include drowsiness, dry mouth, dizziness, fatigue, nausea/vomiting and confusion, all of which have not been reported by the patient). The patient did not present with any known arrhythmias, heart block, heart failure or recent history of myocardial infarction. The patient will be closely monitored for adverse effects.

Methyl sulfonyl methane, which is one of the ingredients of Tabradol, is a nutraceutical, widely used for the treatment of arthritis and when taken with glucosamine is an excellent source of sulphur and a building block of proteins in muscle and connective tissue in joints. Methyl sulfonyl methane has been shown to decrease swelling and pain in affected areas while promoting physical function. It is well tolerated and accepted by the medical community as an alternative to pharmacological treatments for arthritic type pain.

In conclusion, I have found empirically that patients with chronic conditions have responded well to oral solutions, possibly because of the flavoring and/or the general aversion among patients to swallowing tablets, and are more compliant with pharmacological treatment plans which do not require continuous pill taking on a long term basis.

Tabradol is drug for which there is no therapeutically equivalent drug as is confirmed by the Center for Drug Evaluation and Research (CDER). [See attached communication with CDER].

Subject to Labor Code Section 4600.1 (b): "A person or entity shall not be required to dispense a generic drug equivalent under either of the following circumstances:

- (1) When a generic drug equivalent is unavailable.
- (2) When the prescribing physician specifically provides in writing that a nongeneric drug must be dispensed."

In my professional medical opinion, the medications ordered by me was/were medically necessary and appropriate to the care of this patient in treatment. Based on the clinical presentation and medical documentation, I certify that these medications was/were prescribed and dispensed based upon reasonable and appropriate medical necessity.

I further certify that this dispensation complied with all requirements of federal and state law, including without limitation the requirements of California Business and Professions Code Section 4170. Specifically, the above referenced medications was/were prescribed by a physician. All of the labeling, recordkeeping and packaging requirements imposed upon pharmacists by law and good pharmaceutical practice were fulfilled, including the use of childproof containers. I disclosed to the patient in writing that he or she had a choice of obtaining the prescription from a pharmacy of his or her own choice.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

By:



Dated:

9/15/2015

Form **W-9**
(Rev. August 2013)
Department of the Treasury
Internal Revenue Service

**Request for Taxpayer
Identification Number and Certification**

Give Form to the requester. Do not send to the IRS.

Name (as shown on your income tax return)
FirstLine Health, Inc

Business name/disregarded entity name, if different from above
US Health and Orthopedic Medical Clinics

Check appropriate box for federal tax classification:
 Individual/sole proprietor
 C Corporation
 S Corporation
 Partnership
 Trust/estate
 Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) _____
 Other (see instructions) _____

Exemptions (see instructions):
 Exempt payee code (if any) _____
 Exemption from FATCA reporting code (if any) _____

Address (number, street, and apt. or suite (if))
10801 National Blvd. Suite 401

City, state, and ZIP code
Los Angeles, CA 90064

List account number(s) here (optional)

Requester's name and address (optional)

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on the "Name" line to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Note: If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

Social security number										
				-						
Employer identification number										
3	6		-	4	6	6	7	6	4	5

Part II Certification

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
- I am a U.S. citizen or other U.S. person (defined below), and
- The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions on page 2.

Sign Here Signature of U.S. person *[Signature]* Date **9/15/14**

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. The IRS has created a page on irs.gov for information about Form W-9, at www.irs.gov/w9. Information about any future developments affecting Form W-9 (such as legislation enacted after we released it) will be posted on that page.

Purpose of Form

A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, payments made to you in settlement of payment card and third party network transactions, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

- Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
- Certify that you are not subject to backup withholding, or
- Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person your allowable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' shares of effectively connected income, and

4. Certify that FATCA code(s) entered on this form (if any) indicating that you are exempt from the FATCA reporting, is correct.

Note: If you are a U.S. person and a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States,
- An estate (either from a foreign estate), or
- A domestic trust (as defined in Regulations section 301.7701-7).

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax under section 1446 on any foreign partners' share of effectively connected taxable income from such business. Further, in certain cases where a Form W-9 has not been received, the rules under section 1446 require a partnership to presume that a partner is a foreign person, and pay the section 1446 withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid section 1446 withholding on your share of partnership income.

PROOF OF SERVICE

STATE OF NEW YORK, COUNTY OF SUFFOLK

I am employed in the County of Suffolk, State Of New York. I am over the age of 18 and not a party to the within action. My business address is:

WorkCompEDI Inc., 4250 Veterans Memorial Hwy, Suite 301, Holbrook, NY 11741.

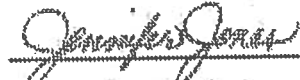
On September 18, 2015 I served the foregoing documents described as **REQUEST FOR AUTHORIZATION, MEDICAL REPORTS, ITEMIZED BILLING STATEMENT, AND ANY SUPPORTING DOCUMENTATION** for HWANG, TAI DOS: 9/15/2015 on the

interested parties in this action by electronic transmission to:

ZENITH INSURANCE COMPANY

State: I declare under penalty of perjury under the laws of the State of New York that the above is true and correct

Executed on September 18, 2015, at Holbrook, New York


J Jones - Operations

ATTACHMENT 2

DECLARATION OF INVESTIGATOR DUKE NGUYEN

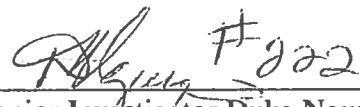
1. I, DUKE NGUYEN, declare that:
2. I am employed as a Senior Investigator by the Los Angeles County District Attorney's Office, currently assigned to the Workers' Compensation Unit of the Specialized Fraud Division;
3. I have been a California Peace Officer (830.1 PC) for nineteenth (19) years. I was a Los Angeles County Deputy Sheriff for ten (10) years and worked investigative and patrol division, as well as custody and court services. I have been an investigator for the Los Angeles County District Attorney's Office, Bureau of Investigation, for fifteen (9) years.
4. On September 14, 2015, I was part of a team of District Attorney Investigators that went to the home of Dr. David Johnson, located at 4303 Crown Ranch Road, Corona, CA 92881, for the purpose of arresting him on an indictment warrant in the case of People v. Munir Uwaydah et al, case number BA427397.
5. Investigators met with Odette Johnson, David Johnson wife, at the residence. Odette Johnson directed investigators to the master bedroom where we identified that the male in the master bedroom was defendant Dr. David Johnson.
6. Upon making contact with defendant Johnson, I explained to him that we had a warrant for his arrest. In response, defendant Johnson stated the following:
 - a. That he was going to work the next day.
 - b. That he goes to the clinic at least twice a week.
 - c. That his wife helps him get dressed and that he does not have a nurse for in home care.
7. Defendant Johnson answered all of our questions without difficulty.
8. At the time of our contact with defendant Johnson, he was walking on his own, with the aid of a cane. There was no wheelchair at the residence.
9. Did not inform us that he was scheduled for back surgery on Wednesday, September 16, 2015.

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10. Defendant Johnson was able to walk approximately 40' - 50' to our car without difficulty while using a cane.

I DECLARE UNDER PENALTY OF PERJURY that the foregoing is true and correct.

DATED: September 24, 2015



Senior Investigator Duke Nguyen
Declarant