

IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA  
COUNTY OF TULARE

TULARE REGIONAL MEDICAL CENTER  
MEDICAL STAFF, an unincorporated  
association,

Plaintiff,

v.

TULARE LOCAL HEALTHCARE  
DISTRICT, a health care district created  
pursuant to Division 23 of the California  
Health and Safety Code, itself and doing  
business as TULARE REGIONAL MEDICAL  
CENTER; HEALTHCARE  
CONGLOMERATE ASSOCIATES, LLC, a  
California limited liability company;  
PROFESSIONAL MEDICAL STAFF OF  
TULARE REGIONAL MEDICAL CENTER,  
an unincorporated association; and DOES 1  
through 100, inclusive,

Defendants.

Case No. VCU264227

*Assigned to Hon. David Mathias*  
Department 2

**STIPULATED FINAL JUDGMENT  
AND ORDER FOR EQUITABLE AND  
OTHER RELIEF**

Plaintiff Tulare Regional Medical Center Medical Staff ("Plaintiff Medical Staff") filed the above-captioned action against Defendants Tulare Local Healthcare District itself and d/b/a Tulare Regional Medical Center ("Hospital"),<sup>1</sup> Professional Medical Staff of Tulare Regional Medical Center ("Replacement Staff"), and Healthcare Conglomerate Associates, LLC ("HCCA") (collectively, the "Defendants") for violation of the Ralph M. Brown Act (First Cause of Action); violation of the Medical Practices Act (Second Cause of Action); retaliation in violation of Health & Safety Code section 1278.5 (Third Cause of Action); and declaratory relief

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<sup>1</sup> None of the current members of the Hospital's board of directors were members of its board during the events in dispute.

(Fourth Cause of Action). The second, third, and fourth causes of action were tried before the Court, but the matter has not yet been submitted to the Court and there has been no adjudication by the Court of the claims asserted, nor findings of fact made. Pursuant to a fully executed Settlement Agreement that has been presented to the Court, a true and correct copy of which is attached hereto as Exhibit 1, Plaintiff Medical Staff and the Hospital (collectively, the "Settling Parties") stipulate to entry of this Stipulated Final Judgment and Order for Equitable and Other Relief ("Stipulated Judgment") to resolve all matters in dispute in this action between them. All other defendants in this action were dismissed when the Settling Parties lodged the Stipulated Judgment with the Court, in accordance with their Settlement Agreement.

NOW THEREFORE, the Settling Parties, having requested the Court to enter this Stipulated Judgment, and the Court having considered the Settlement Agreement and Stipulated Judgment reached between the Settling Parties, good cause appearing, IT IS HEREBY ORDERED, ADJUDGED, AND DECREED as follows:

#### **I. STIPULATED FACTS BETWEEN THE PARTIES**

The Settling Parties acknowledge that the Court has not made any findings of fact or conclusions of law in this action. For the sole purpose of this Stipulated Judgment and the Settlement Agreement, the Settling Parties stipulate between themselves to the following foundational facts.

##### **A. The Parties**

1. Plaintiff Medical Staff is an unincorporated association and a medical staff created pursuant to Business and Professions Code §§ 2282 and 2282.5, and Title 22 California Code of Regulations §§ 70701 and 70703. On or around January 26, 2016, Plaintiff Medical Staff was comprised of approximately 170 physicians.

2. Defendants in this action consist of (1) the Hospital, which is governed by a five-member board of directors ("Board"); (2) HCCA, owned and controlled by Yorai Benzeevi, M.D., which entered into a management agreement with the Hospital in or about May 2014; and (3) the Replacement Staff, a group of seven physicians who formed an unincorporated

association that was then recognized by vote of the Hospital's then-existing Board on January 26, 2016, as the newly operative medical staff and medical staff leadership for the Hospital.

**B. Replacement of Plaintiff Medical Staff as the Hospital's Medical Staff**

1. On January 26, 2016, the Hospital's then-existing Board voted to remove Plaintiff Medical Staff in favor of the Replacement Staff as the medical staff of the Hospital.

Specifically, a letter from the Board Chair to all physicians on the Plaintiff Medical Staff dated January 27, 2016, announced that the Hospital's then-existing Board had "voted to terminate its relationship" with Plaintiff Medical Staff and "to enter into a new arrangement with" the Replacement Staff, which at that time consisted of seven individual physicians, including the Board Vice Chair. The letter also noted that the Replacement Staff, at the time of the Board vote, had already "adopted new bylaws and rules, which have been approved by the Board, and ha[d] elected new officers and department heads."

2. Neither Plaintiff Medical Staff nor its leaders, had prior notice of, input into, or consented to, the replacement of Plaintiff Medical Staff, its leadership, or its bylaws as the medical staff of the Hospital. Likewise, neither Plaintiff Medical Staff nor its leaders had prior notice of, input into, or consented to the bylaws and appointed leaders adopted by the Replacement Staff.

**C. Violation of Medical Staff Self-Governance**

By its actions on and around January 26, 2016, in replacing Plaintiff Medical Staff as the medical staff at the Hospital, the Hospital's then-existing Board violated Plaintiff Medical Staff's rights to medical staff self-governance, as provided for in California law.

**II. STIPULATED RELIEF**

Based upon the foregoing stipulated facts between the Settling Parties, pursuant to the Settling Parties' Settlement Agreement, the Parties stipulate to the following:

**A. Dissolution of the Replacement Staff**

The Hospital shall not recognize or give any effect to the Replacement Staff, its leaders, or its bylaws.

B. Reinstatement of the Plaintiff Medical Staff

The Hospital shall immediately reinstate and recognize Plaintiff Medical Staff, including its duly-elected officers, as the organized medical staff of the Hospital, with all privileges, rights, and status (including the remaining length of officers' and members' terms) that pre-existed the January 26, 2016 actions of the Hospital's then-existing Board.

C. Medical Staff Bylaws, Rules, and Policies

The Hospital shall immediately reinstate Plaintiff Medical Staff's bylaws, rules, and policies that pre-existed the January 26, 2016, actions of the Hospital's then-existing Board.

**III. MISCELLANEOUS PROVISIONS**

A. Attorney's Fees

1. Except as specified herein, the Settling Parties shall bear their own costs and fees and waive all rights to collect such costs and fees.

2. The Hospital has agreed to settle Plaintiff Medical Staff's claim for reasonable attorneys' fees and costs for the sum of \$300,000. Accordingly, the Hospital shall pay to Plaintiff Medical Staff's counsel the sum of \$300,000 pursuant to the terms of the Settling Parties' Settlement Agreement.

B. Finality of Stipulated Judgment

1. The Settling Parties agree that the Court shall retain jurisdiction over the Settling Parties to interpret, modify, and enforce the terms and conditions of this Stipulated Judgment.

2. The Hospital waives all rights to appeal or otherwise challenge or contest the validity of this Stipulated Judgment.

C. Resolution of Claims

This Stipulated Judgment resolves all disputes and claims in this action between Plaintiff Medical Staff and Hospital.

D. Modification and Termination

1. The terms and provisions of this Stipulated Judgment may be amended, modified or expanded only by written agreement of the Settling Parties and their respective attorneys. If,

for any reason, this Stipulated Judgment fails to become effective, the Settling Parties will be returned to their positions status quo ante with respect to the Action as if this Stipulated Judgment had never been entered into.

2. To the extent that the Court makes immaterial changes to the terms of the Stipulated Judgment and/or related documentation, the Settling Parties shall nonetheless be bound to proceed. To the extent that the Court makes material changes, each of the Settling Parties shall have the right to withdraw from this Stipulated Judgment. In such event, the Settling Parties will be returned to their positions status quo ante as if this Stipulated Judgment had not been entered into.

E. Authority to Bind

The undersigned each represent and warrant that they are authorized to sign on behalf of, and to bind, Plaintiff Medical Staff and Hospital.

F. Cooperation

The Settling Parties agree to cooperate and execute any documents or take any action to effectuate this Stipulated Judgment in a timely and expeditious manner. The Settling Parties agree to cooperate in obtaining Court approval of the Stipulated Judgment and complying with the provisions herein in a timely and expeditious manner.

**IT IS SO ADJUDGED AND ORDERED.**

Dated:

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Hon. David Mathias  
Judge of the Superior Court

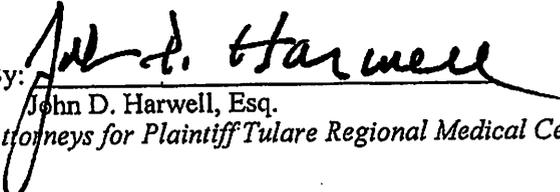
**APPROVED AS TO FORM AND CONTENT:**

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