IN THE COURT OF COMMON PLEAS
SUMMIT COUNTY, OHIO

MEMBER WILLIAMS, Plaintiff, vs. KISLING, NESTICO & REDICK, LLC, *et al.*, Defendants.	Case No. CV-2016-09-3928 Judge James A. Brogan **Plaintiffs' Motion for Leave to File Fourth Amended Complaint**

Named Plaintiffs Member Williams, Naomi Wright, Matthew Johnson, Thera Reid, and putative Named Plaintiff Monique Norris hereby move under Civ.R. 15(A) and Civ.R. 15(E) for leave to file the proposed Fourth Amended Complaint, which is attached as **Exhibit 1**, with a redline copy showing the changes from the currently pending Third Amended Complaint attached as **Exhibit 2**. The proposed amendment is requested for three reasons:

1. First, to add Ms. Norris as a Named Plaintiff and class representative of three of the existing classes, as a former KNR client who was charged the fraudulent "investigation" and "narrative" fees, as well as interest and fees on a Liberty Capital loan, as described in the currently pending Third Amended Complaint.

2. Second, to add a new set of class-action claims, for which Ms. Norris will also serve as Named Plaintiff and class representative, regarding Sam Ghoubrial, M.D., to whom thousands of KNR clients have been funneled by the law firm primarily for "pain management" services, and who sold medical equipment to these KNR clients, including Ms. Norris, at exorbitant and unconscionable profits—for example, by charging $500 for electrical stimulation devices for which he paid $27.50—and without disclosing his financial interest in the transactions.

3. Third, for dismissal without prejudice of Named Plaintiff Naomi Wright's claims in this lawsuit due to her apparent inability to establish Civ.R. 23's numerosity requirement.

Civ.R. 15(A) requires courts to "freely give leave" to parties seeking to amend pleadings "when justice so requires." "[T]he language of Civ.R. 15(A) favors a liberal amendment policy and a motion for leave to amend should be granted absent a finding of bad faith, undue delay, or

undue prejudice to the opposing party." *State ex rel. Vindicator Printing Co. v. Wolff*, 132 Ohio St.3d 481, 487, 2012-Ohio-3328 (quoting *Hoover v. Sumlin*, 12 Ohio St.3d 1, 6 (1984)); *see also Foman v. Davis*, 371 U.S. 178, 182, 83 S.Ct. 227 (1962) (explaining that unless the party opposing the amendment can show bad faith, undue delay, or undue prejudice, "the leave sought should, as the rules require, be freely given.").

Even where a plaintiff seeks to add a new defendant or a new claim, the court should permit the amendment if it relates to the claims previously asserted against the existing defendants and "involves a common question of law or fact." *Perdue v. Morgan*, S.D.Ohio No. CV-878, 2014 U.S. Dist. LEXIS 138575, 5-6 (July 7, 2014). When a proposed amendment adds a claim or defendant, Civ.R. 15 demands similarity, not equivalence. *Mick v. Level Propane Gases, Inc.*, 203 F.R.D. 324, 327-328 (S.D.Ohio 2001) (noting that, in ruling on a motion for leave to amend after class certification, "the named Plaintiffs' claims need not be identical to the claims and defenses of the other members of the putative class").

Plaintiffs are mindful that the Court has set a class-discovery deadline of November 1, 2018, and wish to defer to the Court regarding whether the new class of claims against Defendant Ghoubrial should be a part of this action (whether on the same or a separate class-certification timeline as the current claims), or filed as a separate lawsuit. Plaintiffs would prefer, however, to proceed with these claims as part of this suit. Ms. Norris was a victim of all thereof the fraudulent schemes at issue in the currently pending Third Amended Complaint, as well as the Ghoubrial-related fraud alleged in the Fourth Amended Complaint. All four of these fraudulent charges arose from her relationship with KNR in a single case, and occurred in a single transaction upon her approval of the settlement memorandum that KNR presented to her. Many of the putative class-members that Ms. Norris seeks to represent are likely in the same situation, and it would be inconvenient at best for Ms. Norris and these class members to be

required to participate in separate lawsuits to relitigate factual and legal issues that are related to and connected with this action that all arise from the same set of facts. *See Sogevalor, SA v. Penn Cent. Corp.*, 137 F.R.D. 12, 14 (S.D.Ohio 1991) ("[J]udicial economy suggests that this action proceed now without the delay and waste precipitated by a second filing" because initiating a new case "would needlessly consume the additional resources of all the parties and of the Court.").

Here, no changes are being proposed to the existing claims that Ms. Norris seeks to join as class representative, and Ms. Norris's new claims relate to those pending in the Third Amended Complaint and involve many common issues of law and fact. For example, as the currently pending allegations show and the new allegations confirm, the KNR Defendants directed and pressured their clients to treat with their "preferred" healthcare providers as a matter of firm policy, often against the clients' wishes. Defendant Floros, a chiropractor, and new Defendant Ghoubrial, a doctor, were the two primary providers to whom the KNR clients were sent, and often shuttled by van between Floros's office and Ghoubrial's. The treatment provided as a result of KNR's referrals resulted in the fraudulent charges and self-dealing at the heart of this lawsuit, and was apparently driven by KNR's high-volume advertising and business practices that prioritized the interests of attorneys and their "partner" healthcare providers over the interests of the clients. The more clients the Defendants could funnel through their offices, collectively, the better it would be for them, regardless of the consequences for the clients, who were grist for Defendants' mill. Both Floros and Ghoubrial were instrumental to this operation, and sought to take advantage of it by nickel-and-diming the KNR clients with fraudulent transactions that were unlikely to be detected or prosecuted due to their relatively small size. The claims are all related to the same overall scheme and business practices of the KNR law firm, and are based on the same principles of Ohio law that prohibit self-dealing by fiduciaries.

Additionally, while only Ghoubrial is named as a Defendant on the new claims, it is certainly possible, if not probable, that discovery on these claims will show that Nestico and the KNR Defendants were complicit in Ghoubrial's self-dealing, knew or should have known about it, and declined to advise their clients to protect their own profitable relationship with Ghoubrial.

Further, Plaintiffs have not been dilatory in pursuing their claims, and no undue prejudice would result to any party from adding the new claims to this lawsuit. The Court permitted Plaintiffs to file the Third Amended Complaint nine months ago, in November of 2017, adding a new Plaintiff, new claims, and a new Defendant, without opposition from Defendants. Hardly any discovery had taken place to that point, and this case has effectively been stayed since then, as the parties first awaited rulings on the Defendants' motions to strike the class-action allegations and motion for summary judgment (each denied), and then engaged in extensive briefing on motions to compel discovery that were filed in February and were only decided late last month, in part due to the recusal of the third judge to preside over this case and second to recuse, and during the pendency of which nothing took place in this case at all apart from three of the Named Plaintiffs' depositions. The difficulties the parties have faced in finding a judge to preside over this case further counsel in favor of allowing the new category of claims to be a part of the existing lawsuit, as do the abusive tactics in which Defendants have engaged in filing frivolous counterclaims against the Named Plaintiffs and a strike-suit against their key witness Mr. Horton.

Finally, based on information provided by Defendants in discovery, Ms. Wright has concluded that her putative class-action claims are not worth pursuing due to her apparent inability to establish Civ.R. 23's numerosity requirement, and thus seeks dismissal of those claims.

For these reasons, the Court should grant Plaintiffs leave to file the attached Fourth

Amended Complaint, or, in the alternative, allow Plaintiffs to file a version of the Fourth Amended Complaint that omits the claims against Dr. Ghoubrial, but adds Monique Norris as a Plaintiff on the currently pending investigation-fee, narrative-fee, and Liberty Capital claims, and dismisses Plaintiff Wright's claims without prejudice. *See Spizzirri v. C.I.L. Inc.*, N.D. Ill. No. 94C1479, 1994 U.S. Dist. LEXIS 11719, 10-13 (Aug. 19, 1994) ("[C]ourts have recognized a policy freely permitting substitution of one named plaintiff for another."); *In re Thornburgh*, 276 U.S. App. D.C. 184, 869 F.2d 1503, 1509 (D.C. Cir. 1989) (collecting cases supporting same).

Dated: September 6, 2018

Respectfully submitted,

/s/ Peter Pattakos

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Certificate of Service

The foregoing document was served on all necessary parties by operation of the Court's e-filing system on September 6, 2018.

/s/ Peter Pattakos
Attorney for Plaintiff

IN THE COURT OF COMMON PLEAS
SUMMIT COUNTY, OHIO

MEMBER WILLIAMS 715 Woodcrest Drive Wadsworth, Ohio 44281 MATTHEW JOHNSON 805 Thayer Street Akron, Ohio 44310 THERA REID 28 Safer Plaza Akron, Ohio 44306 MONIQUE NORRIS 2321 19th Street SW Akron, Ohio 44314 Plaintiffs, vs. KISLING, NESTICO & REDICK, LLC 4490 Litchfield Drive Copley, Ohio 44321 ALBERTO R. NESTICO Kisling, Nestico & Redick 3412 West Market Street Fairlawn, Ohio 44333 ROBERT W. REDICK Kisling, Nestico & Redick 3412 West Market Street Fairlawn, Ohio 44333 MINAS FLOROS D.C. Akron Square Chiropractic 1419 S. Arlington Street Akron, Ohio 44306 SAM GHOUBRIAL M.D. 3454 Skye Ridge Drive Richfield, Ohio 44286 Defendants.	Case No. CV-2016-09-3928 Judge James A. Brogan **Fourth Amended Class-Action Complaint with Jury Demand**

EXHIBIT 1

I. NATURE OF THE ACTION

1. Defendants Alberto R. "Rob" Nestico and Robert W. Redick own and manage Kisling, Nestico & Redick, LLC ("KNR"), a Northeast-Ohio-based personal-injury law firm that has unlawfully grown its business by systematically violating the Ohio Rules of Professional Conduct, breaching its fiduciary duties to its clients, and engaging in calculated schemes to deceive and defraud them. By their unlawful, deceptive, fraudulent, and predatory business practices, Defendants have degraded the profession, and warped the market for legal services to the detriment of honest lawyers, consumers, and the administration of justice statewide.

2. Specifically, Nestico, Redick, and KNR have developed unlawful quid pro quo referral relationships with a network of healthcare providers—including Defendants Minas Floros of Akron Square Chiropractic, and Sam Ghoubrial, who provides so-called "pain management" services and other treatment to KNR-represented plaintiffs statewide—whose interests, along with their own, Defendants prioritize over their clients.' For example:

3. The KNR Defendants circumvent Ohio's prohibition against direct client-solicitation by unlawfully communicating through chiropractors to solicit car-accident victims without disclosing the quid pro quo nature of the relationship. By this practice, Defendants rob their clients of their right to unconflicted counsel, and do so in the wake of painful car accidents when the clients are at their most vulnerable. Defendants rope these clients in by promising them quick cash by way of an immediate high-interest loan that Defendants help to facilitate.

4. Defendants further abuse their clients by coercing them into unwanted healthcare, and by unlawfully diverting client funds to the healthcare providers to maintain the quid pro quo relationships and inflate settlement amounts—including by paying a fraudulent "narrative fee" that functions as a kickback to compensate high-referring chiropractors. Defendants also conspire to ensure that the providers to whom KNR refers its clients do not accept payment from insurance

companies. This allows the providers to take a higher percentage of the KNR clients' settlements than they would otherwise be entitled under prevailing insurance-industry standards, which further incentivizes them to send clients to and work with KNR. It also allows the Defendants to avoid scrutiny by insurance companies of the treatment that KNR clients receive from these providers.

5. Defendant Ghoubrial went as far as to sell medical supplies to KNR clients at exorbitant prices without disclosing his financial interest in the transactions. These medical supplies were distributed through a company called Tritec Distribution Services, Inc., a company that lists Nestico as an "authorized representative" on corporate documents filed with the Ohio Secretary of State, and for which Ghoubrial maintained a liability insurance policy. While electrical-nerve-stimulation devices (i.e., "TENS units") have been shown by peer-reviewed medical research to be ineffective in treating acute pain like that from car accidents, Ghoubrial routinely sent KNR clients home with these devices without informing them that they would be assessed an extra charge for it or that Ghoubrial himself would profit from the sale. Upon resolution of the clients' cases, KNR deducted $500 from each settlement to pay Ghoubrial for each TENS unit. Tritec representatives have confirmed that Ghoubrial only paid $27.50 for each of these devices and thus took an undisclosed and unconscionable profit of more than 1,800% on each of these transactions.

6. To further monetize their extreme and unlawful solicitation practices, the KNR Defendants have engaged in a deliberate scheme to defraud their clients by charging them fees for so-called "investigations" that are never actually performed. KNR's so-called "investigators" do nothing more than chase down car-accident victims at their homes and other locations to sign them to KNR fee agreements as quickly as possible, for the KNR Defendants' exclusive benefit, to keep potential clients from signing with competitors. Yet the KNR Defendants charge their clients after the fact for having been solicited in this way by adding a misleadingly named "investigation fee" to each client's settlement statement, taking advantage of their position of trust and its clients' natural

eagerness to obtain settlement funds by conditioning disbursement of such funds on the clients' unwitting approval of the fee.

7. Additionally, in 2012, the KNR Defendants established a quid pro quo relationship with a loan company, Liberty Capital Funding, LLC, that provided loans to its clients at extremely high annual rates of 49% and higher, plus fees. The KNR Defendants assisted Liberty Capital in forming its business and directed KNR clients to borrow from Liberty Capital. In turn, Liberty Capital provided unlawful kickback payments to the KNR Defendants for every client that KNR referred for a loan.

8. The fraud and self-dealing alleged in this lawsuit was apparently driven by KNR's massive advertising budget and high-volume business model that prioritized the interests of attorneys and their "partner" service providers over the interests of the clients. KNR clients routinely complained about the treatment they received from these providers, to no avail, as KNR advised its clients, as a matter of policy, that the prospects of their lawsuits would be damaged if they treated with different providers than the ones recommended by KNR, The more clients the Defendants could funnel through their offices, collectively, the better it would be for them, regardless of the consequences for the clients, who were grist for the mill, nickel-and-dimed in a series of fraudulent transactions that were unlikely to be detected or prosecuted due to their small size.

9. This is a class action under Ohio Civ.R. 23, alleging claims under Ohio law for fraud, breach of fiduciary duty, breach of contract, and unjust enrichment.

10. Unless otherwise specified, the practices described in this complaint date back to KNR's founding in 2005 and are ongoing.

11. The allegations contained in this Third Amended Complaint are based on information provided by the Named Plaintiffs and other former KNR clients, as well as former

KNR attorneys who are Plaintiffs' source of many of the documents quoted herein, and will testify to the accuracy of Plaintiffs' allegations.

II. PARTIES

12. Defendant KNR is an Ohio law firm focusing on personal-injury cases, mainly representing car-accident victims. Founded in 2005, KNR has three offices in the Cleveland area—in Independence, Beachwood, and Westlake—and a single office in each of the Akron, Canton, Cincinnati, Columbus, Dayton, Toledo, and Youngstown areas. KNR markets its services to the public through a ubiquitous multimedia advertising campaign with the tagline "Hurt in a car? Call KNR."

13. Defendant Minas Floros is the owner and manager of Akron Square Chiropractic. Dr. Floros, through his chiropractic clinic, unlawfully solicits clients on KNR's behalf in exchange for patient referrals and kickback payments, including a fraudulent "narrative fee."

14. Defendant Sam Ghoubrial is a medical doctor to whom KNR clients are funneled for "pain management" services and other medical treatment. Ghoubrial has treated thousands of KNR clients over the years, and travels throughout the State of Ohio to do so at the offices of KNR's "preferred" chiropractors.

15. Plaintiff Member Williams is a Wadsworth, Ohio resident and was a KNR client from September 2013 until August 2015. Defendants represented Williams as her attorneys under a contingency-fee agreement in connection with a car accident in which she was injured. Defendants recovered a settlement on Williams's behalf and, before disbursing settlement proceeds to her, required her to execute a Settlement Memorandum as described below. As with their other clients, Defendants fraudulently charged Ms. Williams for an "investigation fee" as described below. Ohio law requires Defendants to reimburse this illegal fee to Ms. Williams and all other current and former KNR clients who were so charged.

16. Plaintiff Thera Reid is an Akron, Ohio resident who was injured in a car accident in 2016. Defendants unlawfully solicited Ms. Reid through their associates at Akron Square Chiropractic, and deceived and coerced her into accepting a conflicted legal representation and also charged her a fraudulent "narrative fee," paid from her settlement proceeds directly to Dr. Floros, as described below.

17. Plaintiff Matthew Johnson is an Akron, Ohio resident who was injured in a car accident in 2012. Defendants recommended to Johnson that he take out a $250 loan with Liberty Capital, guaranteed by the prospective proceeds of his lawsuit, at an annual rate of 49%, compounded semi-annually, with $70 in processing fees that also accrued interest at the same rate. Defendants did not disclose to Mr. Johnson that they received a kickback payment in connection with his loan. Ohio law entitles Mr. Johnson—and all other current and former clients who have paid interest and fees in connection with Liberty Capital loans—to reimbursement by Defendants of all interest and fees paid on these loans.

18. Plaintiff Monique Norris is an Akron, Ohio resident and former KNR client to whom Defendant Ghoubrial recommended and sold a TENS Unit from Tritec. Ms. Norris was also unlawfully charged the investigation fee and narrative fee described above, and took out a loan with Liberty Capital on Defendants' recommendation, having paid interest and fees on the loan.

19. Defendants Alberto R. Nestico and Robert W. Redick are Ohio residents who, at all relevant times, owned and controlled KNR and caused the corporation to engage in the conduct alleged in this Complaint.

III. JURISDICTION AND VENUE

20. The Court has original jurisdiction under R.C. 2305.01. Removal under the Class Action Fairness Act (28 U.S.C. § 1453) would be improper because two-thirds or more of the members of the proposed class are Ohio citizens, the primary defendants are Ohio citizens, and the

primary injuries alleged occurred in Ohio.

21. Venue is proper under Ohio Civ.R. 3(B) because Defendant KNR is headquartered in Summit County and conducted activity in Summit County that gave rise to the claim for relief, including the use of a Summit County offices to solicit clients who were victims of the unlawful practices at issue.

IV. FACTUAL ALLEGATIONS

A. KNR unlawfully solicits clients through a network of chiropractors with whom it maintains unlawful quid pro quo referral relationships, at the expense of its clients.

22. Plaintiff Reid was in a car accident on April 20, 2016.

23. On or about April 21, 2016, a representative of Akron Square Chiropractic (ASC), who had apparently accessed a report of Reid's April 20 car accident, called Reid by phone, offering to pick her up in an automobile to transport her to its office on Arlington Street in Akron and provide her with chiropractic care. This ASC representative advised Wright that she was likely to be approached by other telemarketers in connection with her accident, that those telemarketers were untrustworthy, and that she should not talk to them or any other chiropractors or lawyers about her case.

24. When Reid arrived at the ASC office for treatment, she was in severe pain from her car accident. At this initial meeting, an ASC representative put her in a room with a telephone and suggested that she speak with "our attorneys." The ASC representative then dialed the phone to connect with a representative of KNR, and handed the phone to Ms. Reid, at which point the KNR representative solicited her. ASC had copies of KNR fee agreements on site, and provided one for Reid to sign. Reid trusted ASC and signed the agreement with KNR on ASC's advice.

25. ASC never advised Reid that it maintained a quid pro quo referral relationship with KNR.

26. Ms. Reid was unaware that KNR has established a quid pro quo relationship with ASC, and other healthcare providers, under which KNR and the providers exchange benefits, including referrals and guarantees of payment on behalf of KNR's unwitting clients.

27. For example, while Ohio Rule of Professional Conduct 7.3 prohibits attorneys from soliciting potential clients in person or by phone, ASC agrees to phone potential clients on KNR's behalf and to refer these clients to KNR for legal services. In turn, KNR agrees to refer its own clients to ASC for chiropractic care, pressures these clients to treat with ASC whether they want to or not, and promises ASC that its clients from KNR will pay a certain rate for their healthcare.

28. KNR's internal correspondence reveals that it routinely solicits patients through chiropractors. For example, on June 3, 2014, KNR office manager Brandy Gobrogge[1] wrote to KNR's prelitigation support staff (KNR staff who were assigned to work on the prelitigation phase of KNR-client matters): "We have two intakes today that were referred to ASC and they are signing forms there." As the email shows, it was a routine practice for KNR to keep copies of its engagement agreement at ASC offices for ASC staff to provide to potential clients. On January 14, 2014, KNR intake manager Holly Tusko wrote to all KNR attorneys and intake staff: "If a doctor calls in and asks for a specific attorney you RING THIS out to the attorney intake button. … When the doctor calls and the patient is there with them, THAT is when the intake gets completed by the attorney that will get the case." This email shows that it was routine practice for certain chiropractors to advise their clients to call KNR offices, and directly participate in these phone calls.

29. Reciprocal referral agreements like the one between KNR and ASC constitute a

[1] Ms. Gobrogge is identified as "Brandy Lamtman" in most of the emails quoted in this Fourth Amended Complaint, and had changed her last name to Lamtman from Brewer at some point during the course of conduct alleged herein. She has since changed her last name to Gobrogge. While her name appears as Brewer in some of the documents quoted in this Complaint, and Lamtman in most of them, she is referred to by her current name, Gobrogge, throughout.

conflict of interest, barred by Prof.Cond.R. 1.7. And Prof.Cond.R. 7.3, comment [5] expressly states, "A reciprocal referral agreement between lawyers, or between a lawyer and a nonlawyer, is prohibited." The Supreme Court of Ohio's Board of Professional Conduct (previously known as Commissioners on Grievances and Discipline) explained the prohibition of attorney-chiropractor reciprocal referral relationships in formal Opinion 2004-9:

> An attorney may not enter an agreement with the chiropractor for mutual referral of clients; may not reward or compensate a chiropractor for a referral; and may not request that the chiropractor recommend the attorney's legal services to the chiropractor's clients. … For example, if an attorney believes it is in the client's best interest to see a chiropractor and the client needs guidance in choosing a chiropractor, the attorney may provide several names of chiropractors so that the client may freely choose. If a chiropractor's patient needs legal services, the client should come to an attorney voluntarily having exercised free choice, not as a condition imposed by the chiropractor. The exercise of an attorney's professional independent judgment on behalf of a client demands that there be no mutual referral agreements, no rewards or compensation for recommendations or referrals, and no improper self-recommendation of legal services. Disinterested and informed recommendations are best for a client. An attorney and a chiropractor should not engage in any conduct involving or implying there is a business relationship between the two.

30. Defendants' conduct routinely and flagrantly violates these principles at the expense of their clients.

B. KNR's internal correspondence shows that it routinely directs its clients to treat with certain healthcare providers depending on KNR's business interests and without regard for its clients' interests, in violation of Ohio law.

31. To maintain its relationships with ASC and other providers, KNR tracks both its outgoing referrals and referral sources for each client to carefully monitor whether KNR and the chiropractors are meeting their obligations under their quid pro quo arrangements.

32. KNR tracks every client's referral source and uses e-mails and whiteboards, which KNR calls "chiro boards," to dictate instructions for which chiropractors and doctors KNR clients

should be sent to at any given time. KNR makes these determinations based on prearranged agreements with the providers, as well as on the number of clients the doctors or chiropractors have referred to KNR. If a certain healthcare provider has referred KNR a certain number of clients, KNR will refer a proportionate number of its clients to that provider. KNR management constantly updates its chiro boards and e-mails instructions to its staff in an effort to maintain these proportions.

33. The KNR Defendants' decisions as to which chiropractors to refer to its clients have nothing to do with clients' needs and everything to do with Defendants' desire to maintain the quid pro quo referral relationships, and its expectation that the chiropractors will send them a commensurate number of referrals in return.

34. For example, on November 15, 2012, Nestico emailed KNR staff stating: "Please make sure to refer ALL Akron cases to ASC [Akron Square Chiropractic] this month. We are 30-0." Nestico's statement that "[w]e are 30-0" meant that ASC had referred KNR 30 cases that month while KNR had not yet referred any clients to ASC.

35. On August 21, 2013, Gobrogge emailed KNR's prelitigation attorneys (KNR attorneys who were assigned to work on the prelitigation phase of KNR-client matters) about the A Plus Injury chiropractic clinic, stating, "Please do not send any more clients there this month. We are 6 to 1 on referrals."

36. On May 29, 2012, Gobrogge e-mailed KNR's attorneys and staff explaining as follows: "I had a chiropractor call me on Friday to review the number of cases she sent to us and we sent to her. I was unable to tell her how many we sent to her because this information was not in the referred to box in the case. I remembered that we did send her a couple of cases, but I wasn't sure of the details. This is why it is VERY important that this information is properly entered on the intake sheet. PLEASE make sure you are filling in ALL information on the intake sheet."

37. On January 27, 2014, Gobrogge forwarded KNR staff an email from paralegal Courtney Warner stating that, "Deaconess Chiro[practic clinic] called … wants us to email them the names of ALL clients we referred in January, and going forward email the clients we refer every time we refer."

38. On June 9, 2014, Gobrogge wrote to KNR's pre-litigation attorneys: "Please make sure you are using the chiro boards. When I left on Wednesday I switch [*sic*] Akron to Akron Injury and you sent ZERO cases there and 4 to ASC, I also added Tru Health and removed Shaker Square and you sent 3 cases to Shaker Square and ZERO to True Health. Core was removed as well and you sent a case there!"

39. On October 17, 2012, Gobrogge wrote to all KNR pre-litigation attorneys: "I just noticed that we've sent 2 cases to A Plus when these cases could've gone to Shaker, who sends us way more cases. I've sent this email three times now, please note this … ."

40. On May 22, 2013, Gobrogge sent all pre-litigation attorneys and intake staff the following admonition, copying Nestico: "I have spent a significant amount of my day fixing referral mistakes. PLEASE make sure the information that you give and receive is listed on the intake sheet. Just this month alone there were 13 mistakes made by your [*sic*] regarding the referred to's [*sic*]. This cannot happen. I work hard to maintain a close relationship with chiropractors and I am in contact with most of them several times a day. Furthermore, every single intake that gets done by attorneys, an email should be sent indicating what the referral is, where the case is referred to and how/when/who is signing case."

41. On May 17, 2013, Gobrogge wrote to all KNR attorneys: "I cannot stress the importance of this enough, you MUST put the referred to on the intake sheet. I just fixed 3 cases today!!! This is VERY VERY VERY important."

42. On June 4, 2013, KNR intake manager Holly Tusko wrote to all KNR attorneys and

intake staff: "I CANNOT express enough the importance of making sure that the referred by's [*sic*] are correct (regardless if it's chiros, directs, etc. … If they received a Direct mail YOU MUST ASK if they received a red bag on their door or if they received a mailer in their mailbox."

43. Defendants routinely send their clients to certain chiropractors even when they know that doing so will actually be detrimental to their clients. For example, ASC is part of a network of chiropractic clinics operated by Michael Plambeck that was sued in various courts by both Allstate and State Farm insurance companies. The insurance companies alleged that the chiropractors conspired with a network of lawyers and telemarketers to fraudulently inflate billings. Defendants knew about these lawsuits and knew that these insurance companies, which provided coverage for the defendants in countless KNR-clients' cases, would view client treatment at Plambeck clinics as inherently suspect and treat the KNR-clients' cases accordingly. Yet Defendants had no concern for this in continuing to pressure their clients to treat at ASC and other Plambeck clinics, thus prioritizing their own kickback arrangement with the chiropractors over the interests of their clients.

44. The KNR Defendants' special kickback relationship with Plambeck requires them to provide preferential treatment to Plambeck clinics like ASC. For example, KNR sends ASC all its so-called "red bag" referrals. Red-bag referrals are cases where the KNR Defendants located car accident victims from publicly available crash reports and would then send an employee or agent to the victim's place of residence, without consent, to hang a "red bag" of KNR promotional materials on the victim's doorknob. These materials include a fake dollar bill mocked up with KNR branding and the phrases "GET MONEY NOW" and "Kisling, Nestico and Redick Can Help You Get a CASH ADVANCE On Your Settlement." *See* **Exhibit A**. These materials also contain the phrase: "$$LET US GET MONEY FOR YOU$$." *Id.* KNR obsessively reminds its attorneys and staff by email that all red-bag referrals are to be sent to ASC.

45. The KNR Defendants' decision to send all red-bag referrals to ASC has nothing to

do with their client's needs and everything to do with their desire to maintain their quid pro quo referral relationship with ASC, and their expectation that ASC will send them a commensurate number of referrals in return.

46. For example, on July 17, 2013, Gobrogge emailed KNR's prelitigation attorneys: "Today we sent 3 to ASC ….. Please get the next Akron case to Dr. Holland at Akron Injury. Please just make sure it's not a red bag referral and not a current or former client that treated at ASC."

47. On June 19, 2014, Gobrogge emailed KNR's prelitigation attorneys: "Twice in the past week, I've learned that ASC has roped in companions from OUR referrals. You must indicate if there are companions on the intake and you MUST try to rope them in. Obviously you cannot call them, but we don't have this problem with Paul or our Columbus attorneys as they do a great job with this. This is a BIG problem in Akron." While it would not otherwise matter who "roped in" the clients, since KNR would be providing legal services to them in any event, the reason that Gobrogge was so concerned that the referral was "roped in" by ASC as opposed to KNR is that such "roping in" created a deficit as to the number of referrals that KNR then owed to ASC, as opposed to the other way around.

48. The KNR Defendants were so protective of their quid pro quo referral relationship with ASC that they would take extra care to ensure that every client who had any affiliation with ASC would be directed to treat at ASC and not at a competing clinic. For example, on December 16, 2014, Lamtman emailed KNR prelitigation attorneys: "We need to get cases over to [another chiropractic clinic located in the Akron area]. Please make sure companion to cases [*sic*] aren't at ASC, they haven't treated at ASC in the past. No affiliation whatsoever at ASC!" Here, KNR wanted to reward the other Akron-area clinic for sending it some cases, but also did not want to risk offending ASC, with whom it had a preferential kickback relationship.

49. To further protect their relationship with ASC, the KNR Defendants would screen

ASC cases for potential issues regarding insurance coverage. For example, on September 14, 2014, Lamtman emailed the following instructions to KNR prelitigation attorneys and their support staff, copying Defendant Nestico: "When there is an insurance issue or even the possibility of insurance issues on ASC cases, please send an email to akron2@csgonline.net and Katie@managedservices4u.com with the information. This MUST be done. Thank you." Here, KNR was attempting to protect ASC from providing treatment for which it might not be compensated. As with the red-bag referrals, KNR did not extend the same privilege to other chiropractors with whom it worked. This privilege had nothing to do with the quality of care provided by ASC and everything to do with KNR's kickback relationship with ASC.

50. The KNR Defendants would further reward their high-referring chiropractors like ASC by taking them on vacations to locations like Cancun, Mexico, and Punta Cana in the Dominican Republic. On November 6, 2013, Gobrogge emailed "room arrangements" for a trip to Cancun that KNR arranged for Nestico, Redick, their "prelit intake" attorneys, and their highest referring doctors and chiropractors, including Defendants Floros and Ghoubrial.

51. KNR's "partner" chiropractors, including Defendant Floros, do not accept payment from insurance companies for their services to KNR clients. This allowed them to take a higher percentage of the KNR clients' settlements than they would otherwise be entitled under prevailing insurance-industry standards, and allowed them to avoid scrutiny from insurance companies of the treatment they provided to the KNR clients.

C. KNR pressures its clients into unwanted healthcare to serve the interests of the providers with whom it maintains quid pro quo relationships.

52. As a matter of firm policy, KNR pressures its clients to obtain treatment from ASC and other chiropractors and doctors with whom it maintains quid pro quo relationships, even when the client would prefer to treat elsewhere. When clients resist this pressure, KNR tells the clients,

falsely, that their cases will be damaged if they do not treat with KNR-preferred providers, and subtly or explicitly threatens to drop the clients' cases. Thus, healthcare providers refer cases to KNR knowing that KNR will pressure these clients into continuing to treat with them, and also into making multiple billable visits to the providers.

53. For example, after Named Plaintiff Monique Norris was in a car accident in July of 2013, she retained KNR, who directed her to treat with Dr. Floros at ASC, explaining, "that's who we deal with." After visiting ASC, Ms. Norris complained to her KNR attorney about the unprofessional treatment she received from ASC's staff, and that she did not believe Dr. Floros's chiropractic treatment was helping her. When she expressed her desire to consult with another chiropractor, her KNR attorney, following the policy dictated to him by the KNR Defendants, advised her against it, saying that it would make her case more difficult and increase the time in which it would resolve. When Ms. Norris communicated the same concerns to Dr. Floros, he offered to increase her care, but similarly advised her against treating with a different chiropractor claiming that it would hurt her case.

54. Ms. Norris's experience was not unique. For example, on March 26, 2013, Gobrogge emailed all KNR attorneys: "If you do an intake and the person already has an appointment with a chiropractor we do not work with, either pull it and send to one of our doctors or call the chiropractor directly. You MUST do this on all intakes, otherwise the chiropractor will pull and send to one of their attorneys." Here, Gobrogge was instructing the attorneys to "pull" the KNR clients away from their chosen chiropractors and send them to a chiropractor that KNR "works with." As the rest of Gobrogge's message makes clear, this instruction had nothing to do with the clients' interests and everything to do with KNR's desire to maintain control over the clients and not lose them to other attorneys.

55. On May 1, 2013, Gobrogge wrote to KNR prelitigation attorneys: "This happens

frequently so we wanted to address this with all of you. When doing an intake, just [because] they tell you they are treating with PCP [a primary-care physician], doesn't mean you shouldn't refer to a chiro. Always refer to a chiro bc they can do both." Here, Gobrogge was instructing KNR attorneys to pressure their clients into chiropractic care even when the clients stated, as they "frequently" did, that they were already treating with their chosen doctor and did not want to treat with KNR's chiropractor.

56. In fact, as a matter of firm policy, KNR management instructed its staff to call the chiropractors directly to schedule appointments for their clients. On March 12, 2013, Gobrogge wrote to KNR prelitigation attorneys, copying Nestico: "PLEASE make sure you are calling the chiro and scheduling the appointment. This has been discussed before." And on A24, she wrote: I know that many of you already do this, but for those of you that do not, PLEASE put the intake on hold and call the chiropractor's office and set up the appointment for the client and then let the client know the time they need to be there. It is IMPERATIVE that this gets done. Paralegals, when you do your first phone call with the client after the case gets opened, make sure the client went to see the chiropractor."

57. The predatory nature of the KNR Defendants' relationship with the chiropractors is made clear by the fact that the KNR Defendants would not pressure certain preferred clients into chiropractic care. For example, in September 2013 Gobrogge referred one of her friends to KNR, and on September 16, 2013 wrote to then-KNR attorney Robert Horton: "Since she is a nurse, she may not want chiro. Feel her out before you refer. She may want family doc and PT." The great majority of KNR clients received no such consideration before KNR pressured them into chiropractic treatment.

D. KNR serves the interests of its preferred healthcare providers at the expense of its clients by guaranteeing its clients' payments to the providers, and failing to disclose the conflict of interest to its clients.

58. The KNR Defendants also reward their quid pro quo providers by guaranteeing the providers' fees on KNR clients' cases.

59. KNR's standard fee agreement, attached as **Exhibit B** and discussed in more detail below, contains a provision by which each KNR client "authorizes and directs [KNR] to deduct from [the client's] share of proceeds and pay, directly to any doctor, hospital, expert or other medical creditor, any unpaid balance due them for [the client's] care and treatment." By this provision, KNR unlawfully purports to contract around its duty to negotiate the best possible settlement result *for its clients*, as opposed to third parties.

60. It is standard industry practice for healthcare providers to accept significant reductions to their bills, and for personal-injury lawyers to negotiate their clients' case-related healthcare bills to the lowest amount possible before finalizing a settlement. The idea, of course, is to maximize value for the client—the sole person to whom the lawyer owes a duty of loyalty.

61. The KNR Defendants fail to advise their clients of this standard industry practice, and fail to advise their clients of their quid pro quo relationship with the providers, thus failing to disclose their conflict of interest between their clients and the providers, and breaching their fiduciary duties to their clients. Due to this undisclosed conflict of interest, the KNR Defendants fail to negotiate industry-standard reductions to their clients' healthcare bills.

E. KNR charges fraudulent "narrative fees" to its clients as part of a scheme to reward chiropractors who solicit and refer clients to KNR

62. To further incentivize chiropractors, including those at ASC, to refer clients to KNR, the KNR Defendants devised a way to divert even more of their clients' money to these providers. They do so by paying certain providers a "narrative fee" for every referred client, and then fraudulently deducting that fee as an expense from the amounts recovered on each client's behalf, as with the "investigation fee" described below. These narrative fees are ostensibly paid to the

chiropractors in exchange for a narrative summary of the client's injuries to use in negotiating a settlement with the opposing party.

63. But these narratives are worthless. In most if not all cases, the narratives consist entirely of material cut directly from the client's medical records and pasted into a form. The narratives never contain any information that is not readily apparent and easily accessible from the client's medical records. Defendants know the narratives do not make an opposing party any more likely to settle a client's case, that the narratives would not make a finder of fact any more likely to resolve an issue in a client's favor, and that the narratives add no value to their client's cases.

64. The narrative fees are nothing more than kickback payments to referral sources. The KNR Defendants' decision to pay these fees—and then charge their clients for them—has nothing to do with individual clients' needs and everything to do with the KNR Defendants' desire to maintain their quid pro quo/kickback relationships with the chiropractors. Indeed, the KNR Defendants selectively paid narrative fees only to certain cherry-picked group of high-referring chiropractors, including Defendant Floros, as KNR management dictated to the firm's rank-and-file attorneys. KNR paid these fees out of its clients settlement funds as a matter of policy, as a secret kickback to compensate referral sources, regardless of any benefit to the client.

65. For example, on October 2, 2013, Gobrogge sent a "High Priority" email to all of KNR's litigation and pre-litigation attorneys and support staff stating, "[t]hese are the only Narrative Fees that get paid," before listing a series of chiropractors and instructions for payment of the narrative fees. Evidently, "narratives" from other chiropractors were of no value.

66. Defendant Rob Nestico would travel to certain chiropractors' offices in Ohio to inform these chiropractors of KNR's willingness to pay the narrative fee on every referral, no questions asked and regardless of the client's needs, in exchange for a steady stream of referrals. KNR paid the narrative fee out of its clients' settlement funds

67. The KNR Defendants took deliberate steps to ensure that the narrative fees would avoid scrutiny, including by maintaining a policy that narrative fees would not be paid in cases involving clients under 18 years old. The KNR Defendants adopted this policy because Ohio law provides that settlements for minors are subject to a county probate court's review and approval under R.C. 2111.05 and 2111.18, and Sup. R. 67–68.

68. Because the KNR Defendants knew that their narrative-fee scam would not withstand probate-court scrutiny, they routinely reminded KNR attorneys and staff that narrative fees should not to be paid on cases involving clients under 18 years old. For example, on April 2, 2014, Gobrogge emailed all KNR pre-litigation attorneys and staff to instruct them in capital letters: "NO NARRATIVES ARE TO BE PAID ON ANY MINOR PATIENT!"

69. KNR's rank-and-file attorneys knew these narrative fees were fraudulent and expressed their disapproval of these fees to KNR management.

70. For example, before he joined KNR in March of 2012 as a pre-litigation attorney, Gary Petti became aware that KNR paid the "narrative fee" as a kickback to certain chiropractors. When he spoke with certain chiropractors from Plambeck-owned clinics who would occasionally refer him cases, they told him that KNR paid them a narrative-report fee every time they referred a case to KNR and asked if he would do the same. Petti refused, and did not understand at the time that this was KNR's firm-wide policy, as opposed to a practice followed by certain KNR attorneys. When he went to work for KNR, he assumed he would not be required to charge his clients for unnecessary narrative-fee expenses.

71. When he began working at KNR, Petti primarily worked on the cases that he had brought to the firm, and when he closed these cases, no narrative fee was charged to these clients because Petti never ordered narrative reports for them. It was always his understanding that the decision as to whether a narrative report was worthwhile was the attorney's decision to make, upon

consultation with the client. Petti always understood that narrative reports were only properly used to allow a medical professional to explain why the plaintiff's injuries were different or more challenging than they might appear from the contents of the medical records, and in doing so, provide information that was not included in the records.

72. As Petti began to work on cases from KNR that had been taken in and previously worked on by other KNR attorneys, he would see the narrative fee appear on the client's settlement statement. He assumed that these fees were for narrative reports that were ordered by the previous KNR attorney who worked on the case. He soon learned that these narrative reports ordered by KNR were very different from the narrative reports that he was accustomed to using, and were essentially worthless, containing no information that was not already apparent from the client's medical records. The narrative reports provided by Defendant Floros, of Akron Square Chiropractic, were especially bad, and the worst narrative reports Petti had ever seen. They appeared to follow a basic formula of a few sentences where Floros merely filled in the blanks with information that was readily apparent from the medical records. It was clear to Petti that virtually no time or effort could have been expended on his worthless narratives-certainly no effort remotely justifiable by the narrative fees being paid

73. In approximately mid-to-late November of 2012, Petti's paralegal Megan Jennings, who was also KNR's "intake coordinator," began to collect a package of documentation on a case that was to be submitted to the defendant's insurance company for evaluation, including police reports, and medical records. When she submitted this package to Petti for his approval, he noticed a charge for a narrative report in the documents. Petti immediately expressed his surprise and disapproval that the narrative fee would be included in this package, and asked Jennings why this was the case. He also told her that he is the lawyer, so he is the one who gets to advise the client as to whether the narrative report is a justifiable expense. In response, Jennings informed him that

narrative fees are paid on every case that comes in from Akron Square Chiropractic and other Plambeck-owned clinics, and that the check is made out to the chiropractor personally and sent directly to the chiropractor's house. Petti then told her that he would not approve of any such fees being charged to his clients without his express approval.

74. Within a few days, Petti was working with Jennings on another case that was affiliated with Akron Square Chiropractic. On November 28, 2012, Petti e-mailed Jennings about this case to instruct her that no narrative fee was to be paid on it. He wrote, "Remember, no reports from doktor flooroes," deliberately misspelling Dr. Floros' name in an effort to defuse tension with humor. He also wrote, as a follow-up to their previous conversation about the narrative fees, "I've asked a number of [insurance] adjusters about the importance of those [narrative] reports and the most common response is nearly uncontrolled laughter."

75. The KNR Defendants terminated Petti's employment within weeks of his having sent this e-mail complaining about the narrative reports. KNR had no legitimate business reason for terminating him, simply telling Petti that he was "not a good fit" at the firm. KNR terminated Petti in retaliation for his complaint about the narrative fees and to avoid further internal scrutiny of its fraudulent business practices.

76. The KNR Defendants deducted a $150 narrative fee from Plaintiff Reid's settlement, and a $200 narrative fee from Plaintiff Norris's settlement, and paid these fees directly to Dr. Floros.

77. ASC never advised Reid or Norris that it maintained a quid pro quo referral relationship with KNR.

78. Ms. Reid and Ms. Norris were unaware that KNR has established a quid pro quo relationship with ASC, and other healthcare providers, under which KNR and the providers exchange benefits, including referrals and guarantees of payment on behalf of KNR's unwitting clients.

79. After all the deductions KNR made from Ms. Reid's settlement proceeds to pay attorneys fees and other expenses incurred at KNR's direction, including to doctors, chiropractors, loan companies, and medical imaging and billing companies, Ms. Reid received only $12,349.70 of the $48,720 that KNR recovered on her behalf. Ms. Norris received $1,845.91 of her $6,732.55 settlement.

F. Defendant Ghoubrial takes exorbitant profits from selling medical devices to KNR clients and fails to disclose his financial interest in the transactions.

80. During Ms. Norris's treatment by Dr. Floros at Akron Square Chiropractic, which she received at the KNR Defendants' instruction, Dr. Floros told Ms. Norris that he intended to refer her to "pain management," and that Defendant Sam Ghoubrial, M.D. was "who we use for that."

81. According to testimony given by another former KNR client, Debbie Andrews, in Summit County Court of Common Pleas Case No. CV-2013-08-4148, KNR clients are shuttled by a van from Akron Square Chiropractic directly to Ghoubrial's office.[2] Ms. Andrews testified that she "filled out her KNR paperwork" at Akron Square after having been picked up by a van owned by ASC, and was then taken by the same van ("the van takes you everywhere," she said) to Dr. Ghoubrial's office after "the chiropractor," Dr. Floros, told her that "she would be going to a doctor" "for medicine." According to Ms. Andrews, "they put you on a little table," "the doctor [Ghoubrial] comes in and shakes your hand and meets you, and he feels where it hurts and all," "and then he puts shots in my back," "cortisone shots," and "then he gives you, when you leave there,

[2] The relevant testimony from the Andrews case is summarized in the defendant's response in opposition to Ghoubrial's motion for a protective order filed on August 18, 2014 in that case (CV-2013-08-4148) and publicly available for review on the Summit County Clerk of Courts' online docket along with the deposition transcripts and other exhibits attached to the defendant's brief.

you go out front and they give you the prescriptions and an appointment card for next time." According to Ms. Andrews, her interactions with Dr. Ghoubrial lasted between 5 and 15 minutes.

82. Former KNR attorneys have informed Plaintiffs that Ghoubrial would often travel to the offices of KNR's "preferred" chiropractors statewide to treat KNR clients, and testimony in the *Andrews* case suggests that Ghoubrial would travel by private plane to do so.

83. Peer-reviewed research published in the Annals of Internal Medicine in April of 2017, showed "no difference in pain or function between a single intramuscular injection of [corticosteroids] compared with placebo in patients with acute low back pain."[3] A review of peer-reviewed research published in the Journal of Family Practice in May of 2011 concluded that, "short courses of systemic steroids [such as cortisone] ... are ineffective."[4]

84. Despite their dubious efficacy, Ghoubrial administered cortisone shots as a matter of policy to KNR clients who were directed to treat with him by the firm because the administration of shots required a medical procedure—as opposed to simply issuing a prescription for pills—for which he could obtain a higher fee for services. Like, KNR's "partner" chiropractors, Ghoubrial does not accept payment from insurance companies for his services to KNR clients, which, like the chiropractors, allows him to take a higher percentage of the KNR clients' settlements than he would otherwise be entitled under prevailing insurance-industry standards, and allows him to avoid scrutiny from insurance companies of the treatment he provided to the KNR clients.

85. Ms. Andrews's testimony regarding Ghoubrial, quoted above, is consistent with

[3] Qaseem A, Wilt TJ, McLean RM, Forciea MA, for the Clinical Guidelines Committee of the American College of Physicians. "Noninvasive Treatments for Acute, Subacute, and Chronic Low Back Pain: A Clinical Practice Guideline From the American College of Physicians," *Ann Intern Med.* 2017;166:514–530. doi: 10.7326/M16-2367

[4] Mark Johnson, DO, Jon O. Neher, MD, Leilani St. Anna, MLS, AHIP, "How effective—and safe—are systemic steroids for acute low back pain?" *J Fam Pract.* 2011 May; 60(5): 297-298.

Named Plaintiff Norris's experience. Ms. Norris was sent by Dr. Floros to meet Dr. Ghoubrial at an unmarked facility on Brown Street and Cole Avenue in Akron. The facility was crowded with more than a dozen other people who were apparently there for treatment. Ms. Norris was shocked that this facility was a doctor's office given its condition. Ms. Norris met with Dr. Ghoubrial for approximately 15 minutes at this facility, during which Dr. Ghoubrial examined her briefly, handed her an electrical-nerve-stimulation device (a "TENS unit") telling her that it would "help her nerves" and "make her feel better," and briefly instructed her on how to use the device.

86. According to the April 2017 peer-reviewed study published in the Annals of Internal Medicine quoted above (*See* FN2, above), TENS Units "had no effect on pain or function compared with control [or 'sham'] treatments."

87. In concluding his first appointment with Ms. Norris, Dr. Ghoubrial asked Ms. Norris, "what kind of medicine do you want?," apparently offering to write her a prescription for a drug of her choice. Ms. Norris, who works in the healthcare industry, currently as a pharmacy technician, was disappointed that this doctor was apparently liberally offering to prescribe her addictive narcotics regardless of her need for them.

88. Another former KNR client, Naomi Wright, has informed Plaintiffs that at her initial appointment with Dr. Ghoubrial, he offered to prescribe her Oxycontin, a painkiller widely known to be highly and dangerously addictive. When Ms. Wright told Dr. Ghoubrial that she would be fine taking Ibuprofen, a non-addictive anti-inflammatory, Dr. Ghoubrial scoffed and said that Ibuprofen "wouldn't make a dent" in her pain.

89. Ms. Norris shortly complained to her KNR attorney about the treatment that she received from Dr. Ghoubrial and the condition of the Brown Street facility and told him that she wanted to see another physician at the Akron General Health and Wellness Center in Green. Her KNR attorney advised her not to do this, saying of Ghoubrial and Floros that, "we all work together

in partnership," and that it would hurt her case if she saw another doctor. The KNR attorney also told Ms. Norris that the other people at the crowded Brown Street facility were "just people who are having problems with their accidents."

90. Dr. Ghoubrial did not tell Ms. Norris that she would be charged for the TENS unit that he sent her home with, though $500 was ultimately deducted from her KNR settlement to pay Dr. Ghoubrial for it through Clearwater Billing Services, as reflected on the settlement memorandum attached as **Exhibit D**. TENS units are readily available for purchase at various outlets, easily located by an internet search, for prices ranging from $34.99 to $150.00.

91. In the aforementioned *Andrews* case (Summit County C.P. No. CV-2013-08-4148), the following pertinent facts were established regarding Dr. Ghoubrial and his distribution of TENS Units to KNR clients: (A) It was undisputed that Ghoubrial had provided a TENS unit to the plaintiff in January 2013, for which he charged her $500.00. Ms. Andrews further testified that Ghoubrial's receptionist "handed her a TENS unit on the way out the door and said that the directions were included, but otherwise provided no instruction on how to use the TENS unit. ... Dr. Ghoubrial never sent the Plaintiff a bill for his medical care, or for the cost of the TENS unit;" (B) As part of his application for the license required to sell a TENS unit, Ghoubrial provided the State of Ohio with a Certificate of Insurance from Nationwide Insurance indicating that the "Certificate Holder" was "Sam N. Ghoubrial, Inc. and Clearwater Billing, LLC." The same Certificate of insurance indicated that the "insured" was "Tritec Sales, Inc."; (C) The Ohio Secretary of State's records reveal that there is an Ohio corporation called Tritec Distribution Services, Inc., and a Reinstatement and Appointment of Agent for that corporation was filed on November 4, 2011 and signed by two "authorized representatives," one of which was Defendant Nestico; (D) The Defendants in the *Andrews* case submitted a photograph of a TENS unit that they believed to have been provided to another Ghoubrial patient reflecting that the TENS unit came from "Tritec

Medical Supply" on Eagon Street, in Barberton, Ohio, the same street address identified in the Certificate of Insurance that Dr. Ghoubrial provided to the State of Ohio in his application for the license to sell TENS units.

92. Documents filed in the *Andrews* case also show that Dr. Ghoubrial provided other Tritec products to KNR clients, including neck, knee, and back braces for which KNR clients were charged from their settlement proceeds just as Ms. Norris was for the TENS unit. Former KNR attorney Gary Petti has further informed the Plaintiffs that KNR clients were routinely charged for neck, knee, and back braces provided by or through Ghoubrial's office. This equipment was all distributed through Tritec.

93. At Dr. Ghoubrial's deposition in the *Andrews* case, he did not have an issue with a single question posed to him until the issue of Tritec and its ownership came up. When the defense attorneys attempted to question Dr. Ghoubrial about Tritec, Ghoubrial refused to answer any more questions, postponed the remainder of the deposition, and filed a motion for protective order asking the court to excuse him from answering any further questions about Tritec. The *Andrews* case shortly resolved before any additional facts were discovered about Tritec.

94. Plaintiffs have since discovered, through information provided to them by Tritec representatives, that Ghoubrial paid Tritec $27.50 for each of the TENS units that Ghoubrial then sold to KNR clients for $500, a profit margin of more than 1,800%. KNR clients, including Ms. Norris, were never informed of Ghoubrial's financial interest in these transactions. These KNR clients were not informed that Ghoubrial took a profit from these transactions at all, let alone at such an exorbitant level.

G. KNR fraudulently charges clients "investigation fees" for investigations that never take place.

95. Since its founding in 2005, KNR has entered into contingency-fee agreements with

its clients which contain the following standard language authorizing recovery of reasonable advanced expenses:

> The Attorneys shall receive as a fee for their services, one-third of the total gross amount of recovery of any and all amounts recovered, and Client hereby assigns said amount to Attorneys and authorizes Attorneys to deduct said amount from the proceeds recovered. Attorney shall have a charging lien upon the proceeds of any insurance proceeds, settlement, judgment, verdict award or property obtained on your behalf. IN THE EVENT OF NO RECOVERY, CLIENT SHALL OWE ATTORNEYS NOTHING FOR SERVICES RENDERED.
>
> Client agrees and authorizes Attorneys to deduct, from any proceeds recovered, any expenses which may have been advanced by Attorneys in preparation for settlement and/or trial of Clients [*sic*] case. IN THE EVENT OF NO RECOVERY, CLIENT SHALL OWE ATTORNEYS NOTHING FOR SUCH ADVANCED EXPENSES.
>
> Client authorizes and directs attorneys to deduct from Clients [*sic*] share of proceeds and pay, directly to any doctor, hospital, expert or other medical creditor, any unpaid balance due them for Clients [*sic*] care and treatment.

(**Exhibit B**, emphasis in original.)

96. To the extent that KNR and its clients have entered into contingency-fee agreements with differing language, this differing language was substantially similar to the language quoted in the preceding paragraph, and KNR drafted this differing language with the same intended legal effect as this language.

97. KNR's contingency-fee agreements expressly or impliedly provided that KNR could deduct only reasonable expenses from a client's share of proceeds—that is, reasonably priced services that were actually and reasonably undertaken to advance the client's case, and not a KNR overhead expense that was already subsumed in KNR's contingency fee percentage. All class members understood that KNR would not incur expenses unreasonably and would not charge them for unreasonable expenses.

98. In all cases where KNR recovered money for a client in a judgment or settlement, KNR followed the standard practice of requiring client to execute a "Settlement Memorandum" that the firm prepared before distribution.

99. KNR's Settlement Memoranda purport to set forth the expenses that KNR incurred or advanced on each client's behalf and the corresponding amounts that KNR deducted and retained from each client's recovery to pay for those expenses.

100. When itemizing the amounts deducted and retained from the recovery amount, KNR represented to its clients on each Settlement Memorandum that the deductions were only for reasonable expenses—that is, for reasonably priced services that were reasonably and actually undertaken in furtherance of the client's legal matter, and not a KNR overhead expense that was already subsumed in KNR's contingency fee percentage.

101. In requiring the client's signature on each Settlement Memorandum, KNR purported to obtain the client's written approval for KNR's deductions and conditioned the disbursement of the client's money on KNR's receipt of this purported approval.

102. During the class period, KNR aggressively pursued prospective clients, subjecting its attorneys and staff to discipline if prospective clients were not signed up within 24 hours of the prospective client's first contact with KNR. If a prospective client would not come to a KNR office to sign a fee agreement within 24 hours, KNR attorneys and staff were instructed to "send an investigator" to the client.

103. During the class period, KNR's promotional material promised prospective clients a free consultation, and promised that if a prospective client could not travel to a KNR office, KNR would "come to them." *See* **Exhibit A at 5** ("Call now for a free consultation – If you can't come to us, we'll come to you."). Neither KNR's promotional material nor fee agreement stated or implied that KNR would charge prospective clients a fee for KNR's coming to them. KNR never disclosed

to its clients or prospective clients that they would be so charged.

104. But KNR charged its clients a fee of approximately $50 and more (an "investigation fee") for sending employees to clients' homes, places of employment, chiropractors' offices, doctors' offices, or other locations for the purpose of obtaining their signature on KNR's contingency-fee agreement.

105. KNR, as a matter of policy, deducted and retained from clients' recoveries as a case expense this investigation fee that KNR never disclosed to clients in KNR's promotional materials, in clients' contingency-fee agreements, or in any other way. The charge for the investigation fee appears on the client Settlement Memoranda, as charged to "AMC Investigations, Inc.," "MRS Investigations, Inc," or to other corporations or people purporting to provide investigative services. Defendant Nestico personally reviews every KNR client's Settlement Memorandum before it is submitted to the client for approval, including to personally approve reductions to chiropractic charges, as stated in a July 31, 2013 email from Gobrogge to all KNR attorneys.

106. AMC Investigations, Inc. is an Ohio corporation registered to Aaron M. Czetli, a personal friend of Defendant Nestico, KNR's managing partner. Since 2005, KNR has employed Czetli as an employee or independent contractor, mainly to stuff envelopes for promotional mailers and to perform other odd jobs, in addition to meeting prospective clients to sign them to contingency-fee agreements.

107. MRS Investigations, Inc. is an Ohio corporation registered to Michael R. Simpson, who, like Aaron Czetli, is Nestico's personal friend. Like Czetli, KNR has employed Simpson since 2005 as an employee or independent contractor, mainly to stuff envelopes for promotional mailers and to perform other odd jobs, in addition to meeting prospective clients to sign them to contingency-fee agreements.

108. Czetli and Simpson are not licensed as private investigators by the Ohio Department

of Public Safety. Nor are any of the other so-called "investigators" KNR engaged.

109. Although registered with the Ohio Secretary of State, AMC Investigations and MRS Investigations do not do any business apart from Czetli's and Simpson's employment with KNR as described above—nor does any other investigation entity whose fees KNR charges to its clients.

110. In some cases, Czetli, Simpson, or other "investigators," such as Wesley Steele in the Columbus area, or Gary Monto in the Toledo area, traveled to prospective clients' homes, places of employment, chiropractors' offices, doctors' offices, or other locations to obtain signatures on fee agreements and, in some cases, to obtain copies of case-related documents from the potential client. This was the only task that Czetli, Simpson, or the other investigator ever performed in connection with any KNR client's file, and it was the only task performed in connection with the "investigation fee" that KNR charged every class member. All of KNR's so-called "investigators" held themselves out to clients and consumers as KNR employees and all of them had KNR email addresses. For example, Czetli's and Simpson's email addresses were aczetli@knrlegal.com and msimpson@knrlegal.com, respectively.

111. In other cases, KNR's clients sign their fee agreement at a KNR office or a chiropractor's office, or otherwise provide the signed agreement by fax, mail, or email. In these instances, neither Czetli, Simpson, nor any other investigator performs any task at all in connection with the client. But KNR still deducts the investigation fee from the settlement or judgment proceeds obtained on behalf of these clients, and pays the fee either to Czetli or Simpson on a rotating basis.

112. In rare cases, such as when a court or outside attorney reviewed a client's Settlement Memorandum, KNR removed the investigation fee to avoid scrutiny of it. On some of these occasions, senior KNR attorneys specifically instructed junior KNR attorneys and staff to remove references to the investigation fee from Settlement Memoranda.

113. In no case was the investigation fee properly chargeable to any KNR client as a case expense. Even in the cases where the so-called "investigator" travelled to meet the prospective client to obtain a signature or documentation, the prospective client—who was promised a free consultation—never agreed to be charged for the so-called service. By passing this charge off as a fee for an "investigation," Defendants defrauded KNR clients into paying KNR's overhead expenses above and beyond the level properly subsumed in KNR's contingency fee.

114. Ohio law expressly prohibits attorneys from charging basic administrative services, like KNR's "investigation" or "sign-up" fee, as a separate case expense. For example, in *Columbus Bar Assn. v. Brooks*, 87 Ohio St.3d 344, 346, 721 N.E.2d 23 (1999), the Supreme Court of Ohio found that an attorney breached his fee agreement and charged an excessive fee in violation of the Ohio Code of Professional Responsibility, DR 2-106(A) (since replaced by Prof.Cond.R. 1.5), by collecting for secretarial and law clerk expenses in addition to filing fees, deposition fees, and thirty-three percent contingency fee on a settlement. The court explained its holding as follows:

> Costs of litigation generally do not include secretarial charges or fees of paraprofessionals. Those costs are considered to be normal overhead subsumed in the percentage fee. In cases where legal services are contracted for at an hourly rate, an attorney's secretarial costs, except in unusual circumstances and then only when clearly agreed to, are part of overhead and should be reflected in the hourly rate. If an attorney charges separately for a legal assistant, the legal assistant's hourly charges should be stated and agreed to in writing.

115. The Supreme Court of Ohio's holding in *Brooks* is consistent with Formal Opinion 93-379 of the American Bar Association's Committee on Ethics and Professional Responsibility, which reads in part as follows:

> In the absence of disclosure to the client in advance of the engagement to the contrary, the client should reasonably expect that the lawyer's cost in maintaining a library, securing malpractice insurance, renting of office space, purchasing utilities and the like would be subsumed within the charges the lawyer is making for professional services. ... [I]n the absence of an agreement to the

> contrary, it is impermissible for a lawyer to create an additional source of profit for the law firm beyond that which is contained in the provision of professional services themselves. The lawyer's stock in trade is the sale of legal services, not photocopy paper, tuna fish sandwiches, computer time or messenger services.

116. KNR's practice of sending so-called "investigators" to obtain client signatures on fee agreements is a basic administrative service that is not properly chargeable as a separate expense. By charging their clients for this practice after the fact, after having promised a free consultation and that "if you can't come to us, we'll come to you," and cloaking the charge under the guise of an "investigation," the KNR Defendants have intentionally misled their clients in an unlawful attempt to create a profit source beyond the provision of legal services

117. KNR deducted an investigation fee from the settlement it obtained on behalf of Named Plaintiff Member Williams as a $50 expense payable to MRS Investigations, Inc., as reflected on the Settlement Memorandum attached as **Exhibit C**. Williams never had any interaction with any representative of MRS Investigations, Inc. When Williams signed up as a KNR client, she traveled herself to a KNR office to sign up in person. KNR never advised Williams as to the purpose of the charge to MRS Investigations, Inc., and never obtained Williams's consent for the charge. No services were ever provided to Williams in connection with the $50 payment to MRS Investigations, Inc.

118. When Named Plaintiff Monique Norris first contacted KNR about potentially retaining the firm in connection with her car accident, the firm sent an "investigator" to her home that evening. The investigator told Ms. Norris that he could not speak with her about the case until she signed an engagement agreement with KNR. Ms. Norris signed the agreement on an electronic device and was not provided with a copy of the document. KNR deducted an investigation fee from the settlement it obtained on behalf of Ms. Norris as a $50 expense payable to MRS Investigations, Inc., as reflected on the Settlement Memorandum attached as **Exhibit D**.

G. Internal KNR correspondence reveals the fraudulent nature of the "investigation fee."

119. The KNR Defendants' internal correspondence reveals that the investigation fee is a fraud.

120. For example, on May 6, 3013, Gobrogge wrote to KNR prelitigation attorneys, copying Nestico: "We MUST send an investigator to sign up clients!! We cannot refer to Chiro and have them sign forms there. This is why we have investigators. We are losing too many cases doing this!!!!!!!" This email makes clear that KNR's purpose in "having" the so-called investigators was not to perform any investigations, but rather simply to chase down potential clients to have them sign forms so that KNR did not lose the potential clients' business.

121. A December 7, 2012 email from Defendant Robert Redick further clarifies that the so-called "investigation fee" has nothing to do with investigations, but rather amounts only to a "sign up" fee, *i.e.*, a fee to the client for having been "signed up." In his email, Redick wrote to all KNR staff, copying Nestico: "Please be advised that if the attorney on the case requests any investigator – WHO IS NOT MIKE [Simpson] OR AARON [Czetli] – to do something for a case that has already been opened. I.E. – Pick up records - knock on the door to verify address - they CAN be paid on a case by case basis depending on the task performed. However, no checks for anything other than the SU fee should ever be requested without getting in-writing approval from the handling attorney, myself and/or Brandy. Under no circumstances should any additional checks to MRS or AMC be requested other than at the time the case is set-up. Please see me if you have any questions."

122. By his reference to "the SU fee" in his December 7, 2012 email, Redick was referring to the "sign up fee" or, in other words, the fraudulent "investigation fee" that every KNR client was charged as a matter of firm policy. Redick's email made clear that any task beyond the basic "sign-up" could be charged separately and paid to the investigator on a case by case basis depending on the

task performed, unless it was Czetli or Simpson who performed the task. The reason that Czetli and Simpson were not to be so paid is that they were already paid on a rotating basis for the "sign-ups," such as those that occurred at chiropractors' offices where a so-called investigator never participated. Because Czetli and Simpson were already well compensated enough by the fraudulent payments for doing nothing at all on these additional sign-ups, KNR did not pay them for performing additional tasks.

123. KNR's intake department sent a daily email containing a chart of each day's intakes. These daily emails confirm that KNR paid an "investigator" as a matter of policy on every single case it took in, and paid Czetli and Simpson on cases in which they had no involvement at all. For example, KNR's daily intake email for October 14, 2014 confirms that Czetli and Simpson, Akron-based "investigators," were paid on cases that came in from a chiropractic clinic in Toledo, and by direct mail to the Columbus office, despite the fact that KNR has Toledo and Columbus-based investigators on staff. On this same day, Czetli and Simpson were paid on a total of 22 cases that came in from Akron, Canton, Shaker Heights, Elyria, and Youngstown, and other undisclosed locations.

124. The daily intake email for May 30, 2014 confirms that Simpson was paid on two cases from the Sycamore Spine & Rehabilitation clinic in Dayton, Ohio, while also being paid on two cases from Cleveland (200 miles away from Dayton), two from Akron, one from Stark County, and four more from undisclosed sources.

125. Emails by KNR employees routinely use the terms "sign-up" or "sign-ups" when referring to investigators. For example, on June 19, 2013, KNR secretary Amber Angelilli, in an email to all KNR staff titled "Investigator info," advised that "[Investigator] Jeff Allen is back on duty. Please contact him for sign-ups." On March 8, 2013, KNR attorney Kristen Lewis wrote to all KNR attorneys: "Once the intake screening form is completed by the attorney, an investigator will

handle the signups. They will have our fee agreement signed and leave a more detailed medical questionnaire for the client to complete."

126. Emails by KNR attorneys further confirm that KNR does not use its so-called "investigators" to perform actual investigations.

127. For example, on February 24, 2012, KNR attorney Ken Zerrusen wrote to all KNR staff: "I need a private investigator to find a driver when we only have the license plate # Who do we use for this?"

128. On December 23, 2013, KNR attorney Kristen Lewis wrote to all KNR attorneys: "Is there someone that we regularly use when trying to locate a MIA client?"

129. On August 27, 2014, KNR attorney Joshua Angelotta wrote to all KNR attorneys: "Any recommendations for an Akron area investigator we can hire to get potential fact witness statements?"

130. In short, Czetli, Simpson, and Co. weren't really "investigators." They were Defendant's employees who performed a basic intake function, among other odd jobs, and were paid via fraud against Defendants' clients.

H. KNR directed its clients to take out high-interest loans with Liberty Capital Funding, a company in which Defendants maintained a financial interest.

131. An attorney's professional obligations require the exercise of caution in referring clients to loan or financing companies, and any self-dealing with respect to such referrals is strictly prohibited by law. These considerations were explained by the Supreme Court of Ohio's Board of Commissioners on Grievances and Discipline, in formal Opinion 94-11, which states, in part, as follows:

> [B]efore referral to a financing company, a lawyer must carefully consider whether the referral is in the client's best interest. A lawyer should consider whether he or she could provide pro bono representation or whether the client might be eligible to receive pro

> bono representation elsewhere. A lawyer should assist the client in determining whether payment of the legal services or costs and expenses of litigation could be accomplished through the use of the client's already established credit cards, particularly if the interest rates are lower. *See* Opinion 91-12 (1991). A lawyer should encourage a client to consider other possible sources of loans that might carry lower interest rates, such as bank loans or personal loans from family or friends. An attorney should consider whether or not to advance or guarantee the expenses of litigation as permitted under DR 5-103 (B). *See* Op. 87-001 (1987) ("[i]t is ethically proper for an attorney to advance expenses of litigation on behalf of a client, provided the client remains ultimately liable for such expenses"); Op. 94-5 (1994) (advising on the issue of settling a lawsuit against a client for expenses of litigation). Finally, the attorney must be satisfied that the terms and conditions of the financing company do not involve the attorney in a violation of the Ohio Code of Professional Responsibility.

132. KNR routinely and flagrantly violates these principles in recommending loan companies to its clients, and engaging in self-dealing regarding these loans.

133. On May 2, 2012, Defendant Nestico emailed all KNR attorneys and staff requesting "a copy of the questionnaire sent to us when a client asks for a loan … from Oasis or [P]referred [C]apital," two companies that KNR was recommending to its clients at the time.

134. On May 10, 2012, Nestico sent an email to all KNR attorneys, introducing them to a new loan company, Liberty Capital Funding, and instructing them that "For any Plambeck patients only please use the below company for cash advances." The next day, Nestico clarified his instruction by an email stating, "Sorry applies to all cases not just Plambeck."

135. On May 14, 2012, Gobrogge emailed all KNR staff on the subject of "Loans": "For today or until further notice, please use Preferred Capital instead of new company. We are ironing out some glitches."

136. Documents from the Florida and Ohio Secretaries of State confirm that Liberty Capital Funding was registered as a corporation on April 16, 2012, just under two weeks before Nestico requested copies of forms used by other loan companies, and just under three weeks before

Nestico instructed his staff to refer KNR clients to Liberty Capital for all cash advances.

137. On May 21, 2012, KNR attorney Paul Steele, at Defendants' direction, provided KNR staff with further instructions about working with Liberty Capital. He wrote: "When clients call in about a loan – send them to Liberty Capital Funding. If they contact Pref Capital or Oasis first, let them stay with PCF or Oasis. When you give them liberty Funding [*sic*] info, tell them to call and ask for Ciro at 866-612-6000. Liberty Funding will then email you for case info just like Pref Cap does. Use this template when responding. They are matching Pref Cap rates + fee for Western Union."

138. On November 27, 2012, Gobrogge's assistant Sarah Rucker emailed KNR prelitigation attorneys, copying Nestico, to instruct them that, "Tomorrow there will be a lunch with Ciro Cerrato from Liberty Capital. Rob [Nestico] would like each Pre-Lit Attorney to attend. If you are unable to attend please have your paralegal attend in your place. Thanks!"

139. On November 30, 2012, Nestico emailed KNR prelitigation attorneys on the subject, "Lending co": "Please use [L]iberty [C]apital until further notice."

140. Liberty Capital's rates were extremely high. According to the agreement that KNR advised Named Plaintiff Matthew Johnson to enter, Liberty Capital charged an annual interest rate of 49%, which was topped by a $50 purported "delivery fee" and a $20 purported "processing fee" that also accrued interest at the same 49% rate.[5] Thus, a client who took out a loan for just $250, would pay $566.01 in total after one year, $838.82 after two years, and $1,261.69 after three years. Mr. Johnson paid his loan back with fees and accrued interest after approximately one year.

141. Ms. Norris also took out a loan from Liberty Capital on similar terms, based on

[5] Mr. Johnson's agreement with Liberty Capital is not attached under Civ.R. 10(D)(1) because the Court's June 27, 2017 Order granting Plaintiffs leave to file the Second Amended Complaint (at 1) states that "Plaintiff is barred from attaching any documents to her Second Amended Complaint **unless** the document is the subject of a **breach of contract claim**." (Emphasis in original.)

Defendants' recommendation, and $800 in principal, interest, and fees was deducted from her settlement and paid to Liberty Capital for a $500 cash advance that she received.

142. The KNR Defendants knew that many KNR clients would be unable to repay their Liberty Capital loans until their lawsuits resolved, a process that often takes years.

143. Liberty Capital and the KNR Defendants required KNR clients, in taking out a Liberty Capital Loan, to authorize KNR—who also signed to its clients' Liberty Capital loan agreements—to deduct any amounts due to Liberty Capital from the clients' settlement or judgment amounts and pay those amounts directly to Liberty Capital. For example, the agreement requires the KNR clients to represent as follows: "I understand that I am instructed to follow Matthew Johnson's Irrevocable direction and authorization to pay such sums that shall be due and owing at the time of the resolution of the above Legal Claim."). The Liberty Capital loan agreements that Defendants advised KNR clients to sign also expressly prohibited KNR from "disbursing any proceeds" to the client or to anyone else on the client's behalf as long as any "dispute" was pending "over the amount owed [to Liberty Capital]," except to KNR for its own attorneys fees and advanced expenses. *Id.* By this provision, the KNR Defendants agreed up front to protect Liberty Capital's interests at the expense of KNR clients, and also carved out an exception under which the KNR Defendants could pay themselves from KNR clients' lawsuit proceeds, before ever disbursing any funds to the clients, without breaching any obligations to Liberty Capital.

144. Liberty Capital's loan agreements with KNR clients, to which KNR was a signatory, also contained the following false representation by a KNR attorney, intended to falsely disclaim and thus insulate Defendants from liability for their involvement in the transactions: "I am not endorsing or recommending this transaction." *Id.* This representation is directly contradicted by Defendants' repeated orders to their staff to recommend Liberty Capital to KNR clients, and is also directly contradicted by KNR advertisements promising potential clients that they can "GET

MONEY NOW" and that "Kisling, Nestico and Redick Can Help You Get a CASH ADVANCE On Your Settlement." *See* **Exhibit A**.

145. Defendants subjected KNR attorneys and staff to harsh discipline if they disbursed settlement or judgment funds to a client without paying amounts owed to Liberty Capital, including deduction of the amounts owed to Liberty Capital from the KNR attorneys' and staff members' paychecks.

146. Liberty Capital stopped making loans in 2014, and ceased operations shortly thereafter. KNR clients were Liberty Capital's only customers, or the great majority of its customers, throughout the history of its operations.

147. According to Liberty Capital's annual reports filed with the Florida Secretary of State, its "principal place of business" throughout its existence was a 3,392 square-foot residential property owned by Cerrato at 8275 Calabria Lakes Drive, Boynton Beach, Florida 33473. This property is or was at all relevant times, Cerrato's residence. Cerrato served as the registered agent, manager, CEO, and sole managing member of Liberty Capital, and was Liberty Capital's only apparent employee. As shown by KNR attorney Paul Steele's May 21, 2012 email quoted in Paragraph 104 above, the KNR Defendants instructed KNR clients "to call and ask for Ciro at 866-612-6000" to obtain their loans.

148. According to Cerrato's LinkedIn profile, he was a health-insurance broker for Paychex Insurance Agency in South Florida from May 2007 until October 2011, immediately before becoming Liberty Capital's "CEO" in November 2011, where he remained until November 2015, when he took a position as an employee-benefits advisor with Gulfshore Insurance, Inc., in South Florida. In October 2016, according to his LinkedIn profile, Cerrato went to work as an employee-benefits advisor for USI Insurance Services, also in South Florida, where he is currently employed.

149. On October 30, 2012, about a month before KNR prelitigation attorneys were instructed to attend a lunch with Cerrato, Nestico emailed all KNR attorneys and litigation and

prelitigation support staff: "If anyone has been having problems with [Liberty Capital] please email me what has happened and be as specific as possible. Thank you." This email shows that Nestico had a significant influence on Liberty Capital and its operations.

150. The KNR Defendants had no legitimate reason for their blanket policy directing all KNR clients to take out loans with Liberty Capital—a brand new company with no track record, run out of the home of its so-called CEO and only apparent employee, who himself had most recently worked as an insurance broker—as opposed to any of a number of established financing companies that existed at the time. In fact, Liberty Capital's rates were more expensive than some of these other companies', including Preferred Capital, to whom the KNR Defendants would refer clients for loans before Liberty Capital's formation. This is because Preferred Capital did not charge any itemized fees to lenders like Liberty Capital did with its $50 "delivery fee" and $20 "processing fee." Thus, Defendants advised their clients to use a loan company whose loans were more expensive than other options on the market of which Defendants were aware.

151. As with all of the unlawful practices described in this document, KNR's unlawful relationship with Liberty Capital was a routine subject of discussion among KNR's rank-and-file attorneys. These attorneys were fearful of raising their concerns with Defendants Nestico & Redick, who ruled the firm with an iron fist and swiftly dismissed any dissenters like former KNR attorney Gary Petti who raised concerns about the chiropractor "narrative fees" as described in Paragraphs 61-62 above. The depressed market for law jobs in Ohio and throughout the United States since 2008 also contributed to this lack of effective dissent. *See* Richard A. Westin, "The Need for Prompt Action to Revise American Law Schools," 46 Akron L. Rev. 137 (2013); Noam Schieber, "An Expensive Law Degree and No Place to Use It," *New York Times* (June 19, 2016) BU1, available at https://www.nytimes.com/2016/06/19/business/dealbook/an-expensive-law-degree-and-no-place-to-use-it.html (accessed March 22, 2017).

152. By early 2015, the KNR Defendants had apparently become concerned about the exposure to liability created by their brazen self-dealing with Liberty Capital at the expense of their clients. On February 3, 2015, Gobrogge emailed all KNR staff stating: "Please be sure to offer two different companies to your clients, only if they request a loan." This was a sharp turn from Defendants' prior practice of baiting clients with promises to help obtain quick cash via loans, and directing all of their clients to obtain these loans through Liberty Capital.

153. The allegations above support a strong inference that Defendants assisted in Liberty Capital's formation.

154. The allegations above support a strong inference that Defendants retained an ownership interest in Liberty Capital or obtained kickback benefits for referring KNR clients for loans.

H. Defendants Nestico and Redick are personally responsible for KNR's unlawful acts.

155. Since KNR's founding in 2005 until 2012, Defendants Nestico and Redick were the sole equity partners and controlling shareholders of KNR, along with their partner Gary Kisling. In 2012, when Kisling retired from the firm, Nestico purchased Kisling's and Redick's respective interests in KNR, and became the sole equity partner and sole controlling shareholder of the firm. In or around January 2016, Nestico granted "shareholder" status to four KNR attorneys, but this shareholder status only permits these attorneys to share in a percentage of KNR's profits. It does not grant the shareholders any control over the firm. Since 2012, Nestico has retained complete control over the firm and its policies.

156. KNR's equity partners are solely responsible for setting and enforcing the firm's policies, and have the sole discretion to retain and allocate the firm's profits and other resources. KNR did not enter any contracts or agreements and did not enact any policy without the equity partners' knowledge and approval. When KNR managers or staff, like Gobrogge and Tusko, issued

directives to KNR attorneys or staff, they did so with the knowledge of and at the direction of the equity partners.

157. During their respective tenures as equity partners, Nestico and Redick were not only aware of all of the conduct alleged in this Third Amended Complaint, but directed and approved of this conduct for the purpose of enriching themselves. During their respective tenures as equity partners, Nestico and Redick personally profited from the unlawful conduct at issue in this Third Amended Complaint and intended KNR clients to rely on the misrepresentations at issue for their own personal benefit. Since KNR's founding in 2005, Nestico and Redick owed all KNR clients a fiduciary duty and intentionally breached that fiduciary duty, as alleged in this Third Amended Complaint, for their own personal benefit.

V. CLASS ALLEGATIONS

158. Plaintiffs Williams, Johnson, Reid, and Norris bring claims under Ohio Civ.R. 23(A) and (B)(3) on behalf of themselves and the following Classes of all others similarly situated:

A. All current and former KNR clients to whom KNR charged sign-up fees paid to AMC Investigations, Inc., MRS Investigations, Inc., or any other so-called "investigator" or "investigation" company ("investigation fees");

B. All current and former KNR clients who had a narrative fee deducted by KNR from their settlement proceeds to be paid to a chiropractor.

C. All current and former KNR clients who paid interest or fees on a loan taken through Liberty Capital Funding, LLC.

D. All current and former KNR clients who had fees for medical equipment manufactured or distributed by Tritec deducted from their KNR settlement proceeds.

159. The Classes are so large that joinder of all Class members is impracticable. And while Plaintiff is unable to state at this time the exact size of the potential Classes, based on KNR's extensive public advertising and high-volume business model, Plaintiff believes each Class consists of thousands of people. Each class is readily ascertainable from KNR and client records, including

client settlement statements, KNR's "Needles" computer system,[6] and Liberty Capital loan agreements.

160. Common legal or factual issues predominate individual issues affecting the Classes. These issues include determinations as to whether,

A. for Class A,

i. the so-called "investigators" never performed any investigations;

ii. in the majority of instances where the investigation fee was charged, the so-called "investigators" never performed any task at all in connection with the client;

iii. the so-called "investigators" never performed any services that were properly chargeable to clients as separate case expenses, as opposed to an overhead expense that was subsumed in KNR's contingency fee percentage;

iv. Defendants never properly disclosed to their clients what the investigation fee was for;

v. Defendants never obtained their clients' consent for the investigation fee;

vi. Defendants intended to mislead KNR clients into paying the investigation fee;

vii. KNR breached its fee agreement with its clients in assessing and collecting the investigation fee;

viii. Defendants' undisclosed self-dealing in collecting the fee renders the fee void as a matter of law as to all Class A members;

ix. Defendants breached their fiduciary duty to their clients in assessing and collecting the investigation fee, causing injury to the Class in the amount of the investigation fee;

B. for Class B, whether

[6] Needles is the name of the computer system by which KNR stores all information about its client matters. On January 28, 2014, Lamtman emailed KNR staff: "Make sure you are noting EVERYTHING you do on a case in Needles." This includes referral sources, as shown by Lamtman's December 1, 2014 email to KNR staff ("NOBODY should change the referred by's in Needles"), and her May 29, 2012 email to KNR attorneys and staff quoted in Paragraph 30, above ("I had a chiropractor call me on Friday to review the number of cases she sent to us and we sent to her. I was unable to tell her how many we sent to her because this information was not in the referred to box in the case.").

i. Defendants maintained arrangements with ASC and other chiropractors from Plambeck-owned clinics ("the chiropractors") by which Defendants and ASC split certain marketing costs to target clients for both KNR and the chiropractors;

ii. Defendants maintained arrangements with the chiropractors by which Defendants would use the chiropractors' representatives to circumvent the Ohio Rules of Professional Conduct by directly soliciting KNR clients on KNR's behalf;

iii. Defendants, as a matter of KNR firm policy, directed their clients to treat with certain chiropractors regardless of their clients' preferences or needs;

iv. Defendants, as a matter of KNR firm policy, directed their clients to treat with the chiropractors based on a quid pro quo referral relationship with the chiropractors;

v. Defendants, as a matter of KNR firm policy, deducted a "narrative fee" from client settlements as a kickback to reward certain chiropractors.

vi. Defendants received kickbacks in the form of referrals and other benefits in exchange for referring cases to the chiropractors;

vii. Defendants, as a matter of KNR firm policy, failed to disclose to their clients that they maintained a quid pro quo relationship with the chiropractors;

viii. Defendants knew that advising their clients to treat with the chiropractors would be detrimental to their clients' cases due to various fraud lawsuits by major insurance carriers against the owner of the chiropractors' clinics;

ix. Defendants had no legitimate justification for directing their clients to treat with these chiropractors;

x. Defendants' breached their fiduciary duty to Class B members by this conduct;

xi. Defendants' undisclosed self-dealing renders all related agreements with Class B members, including fees deducted from and liens asserted by Defendants on the proceeds of Class B members' lawsuits, void as a matter of law;

xii. Class B members are entitled to rescission of all agreements with KNR as a result of these breaches, including rescission of all liens asserted by KNR on Class members' settlement proceeds and disgorgement of all fees collected under such liens and under such agreements;

C. for Class C, whether

i. Defendants, as a matter of KNR firm policy, recommended to their clients that they obtain loans with Liberty Capital;

ii. Defendants received kickback payments for every loan transaction that Liberty Capital completed with KNR clients;

iii. Defendants failed to advise their clients of their financial interest in the Liberty Capital loans;

iv. Defendants failed to consider whether the loan was in their clients' best interest, and failed to encourage their clients to consider other possible sources of funds that carried lower interest rates and fees;

v. Defendants conduct constituted a breach of fiduciary duty under Ohio law that injured the Class of KNR clients in the same manner;

vi. Defendants' undisclosed self-dealing renders all related agreements with Class C members void as a matter of law;

vii. Class C members are entitled to damages as a result of these breaches, including in the amount of fees and interest paid on all Liberty Capital loans and disgorgement of all such fees and interest retained by Defendants in connection with such agreements.

D. for Class D, whether

i. Defendant Ghoubrial earned a profit from selling Tritec equipment to Plaintiff Norris and Class D members;

ii. Defendant Ghoubrial failed to disclose his interest in the sales of Tritec equipment to Plaintiff Norris and Class D members;

iii. Defendant Ghoubrial's conduct constitutes a breach of fiduciary duty under Ohio law that injured the Class D members in the same manner;

iv. Defendant Ghoubrial's undisclosed self-dealing requires him to disgorge the money taken from Class D members for the Tritec goods and repay those funds to Class D members;

v. By taking an undisclosed profit of up to 1,800% for the distribution of Tritec medical equipment to Ms. Norris and Class D members through a contract, Ghoubrial enforced contract terms that were unreasonably favorable to him and were not commercially reasonable in any sense, and did so in a situation where Ms. Norris and Class D members did not have a meaningful opportunity to decline the charge;

vi. Class D members are entitled to damages as a result of these breaches,

including in the amount deducted from their settlements for the Tritec goods at issue.

161. The claims of Plaintiffs Williams, Johnson, Reid, and Norris are typical of Class members' claims. Plaintiffs' claims arise out of the same course of conduct by Defendants and are based on the same legal theories as Class members' claims.

162. Plaintiffs will fairly and adequately protect Class members' interests. Plaintiffs' interests are not antagonistic to, but instead comport with, the interests of the other Class members. Plaintiffs' counsel are adequate class counsel under Civ.R. 23(F)(1) and (4) and are fully qualified and prepared to fairly and adequately represent the Class's interests.

163. The questions of law or fact that are common to the Class, including those listed above, predominate over any questions affecting only individual members.

164. A class action is superior to other available methods for the fair and efficient adjudication of this controversy. Requiring Class members to pursue their claims individually would entail a host of separate suits, with concomitant duplication of costs, attorneys' fees, and demands on court resources. The Class members' claims are sufficiently small that it would be impracticable for them to incur the substantial cost, expense, and risk of pursuing their claims individually. Certification of this case under Civ.R. 23 will enable the issues to be adjudicated for all class members with the efficiencies of class litigation.

VI. CLASS-ACTION CLAIMS

Claim 1—Fraud
Investigation Fees
Plaintiffs Williams and Norris and Class A

165. Plaintiffs Williams and Norris incorporate all previous allegations.

166. Plaintiffs Williams and Norris assert this claim under Civ.R. 23(B)(3) against Defendants KNR, Nestico, and Redick on behalf of all current and former KNR clients whom

KNR charged the investigation fee (Class A).

167. Defendants induced Plaintiffs Williams and Norris and Class A to pay the investigation fees knowing that no investigation ever took place, and that the so-called "investigators" never performed any services that were properly chargeable to clients.

168. Defendants made false representations of fact to KNR clients about what the investigation fees were for, with knowledge or with utter disregard and recklessness about the falsity of these statements. By charging KNR clients for the investigation fees, Defendants misrepresented to KNR clients that those fees were for investigative services that were actually performed and properly charged as a separate case expense as opposed to an overhead expense that was subsumed in KNR's contingency fee percentage.

169. Defendants knowingly concealed facts about the investigation fees, including their knowledge that these fees were not incurred for investigative services or any services that were properly chargeable as a separate case expense.

170. Defendants' misrepresentations about and concealment of facts regarding the investigation fees were material to Plaintiff Williams's, Plaintiff Norris's and the Class's decision to approve their Settlement Memoranda and thus pay these fees.

171. Defendants' misrepresentations about and concealment of facts regarding the investigation fees were made with the intent of misleading Plaintiff Williams and the Class into relying upon them.

172. KNR's clients, including Plaintiff Williams, Plaintiff Norris, and Class A members, reposed a special trust and confidence in Defendants, who were in a position of superiority or influence over their clients as a result of this position of trust. Thus, Defendants owed their clients a fiduciary duty.

173. Defendants knew that KNR clients were more likely to approve the fraudulent

expenses when receipt of their settlement or judgment proceeds was dependent on such approval.

174. The actions, omissions, and course of conduct and dealing of Defendants as alleged above were undertaken knowingly and intentionally, by standardized and routinized procedures, with a conscious disregard of the rights and interests of Plaintiff Williams, Plaintiff Norris, and the Class, and with certainty of inflicting harm and damage on Named Plaintiffs and the Class.

175. Plaintiffs Williams, Norris, and the Class were justified in relying on Defendants' uniform misrepresentations and concealment of facts, and did, in fact, so rely.

176. Plaintiffs Williams, Norris, and the Class were injured and their injury was directly and proximately caused by their reliance on Defendants' uniform misrepresentations about and concealment of facts regarding the investigation fees.

177. Where a fiduciary takes a secret profit in a transaction involving his client, as Defendants have here with respect to the investigation fee, such dealing is fraudulent and void as a matter of law, whether or not there is a causal relation between the self-dealing and the plaintiff's loss. *In re Binder: Squire v. Emsley*, 137 Ohio St. 26, 57-58, 27 N.E.2d 939 (1940); *Myer v. Preferred Credit*, 117 Ohio Misc. 2d 8, 9, 2001-Ohio-4190, ¶ 23, 766 N.E.2d 612 (C.P. 2001) citing 3 OHIO JURISPRUDENCE 3D (1998) 136, 134, Agency, §§ 117, 115.

178. Plaintiff Williams only became aware of Defendants' misrepresentations and concealment of facts in November of 2015, and Plaintiff Norris as of November 2017. The other class members remain unaware as of the filing of this Complaint.

179. Plaintiff Williams, Plaintiff Norris, and the Class are entitled to compensation for the damages caused by Defendants' fraud, disgorgement of the benefit conferred upon Defendants as a result of their fraud, punitive damages, and attorneys' fees.

Claim 2—Breach of Contract
Investigation Fees
Plaintiffs Williams and Norris, and Class A

180. Plaintiffs Williams and Norris incorporate all previous allegations.

181. Plaintiffs Williams and Norris assert this claim under Civ.R. 23(B)(3) against Defendant KNR on behalf of all current and former KNR clients whom KNR charged the investigation fee (Class A).

182. Every fee agreement that KNR has ever entered with its clients provides, whether expressly or impliedly, that KNR may deduct only reasonable expenses from a client's share of proceeds—that is, KNR may only deduct fees for reasonably priced services that were actually and reasonably undertaken in furtherance of the client's legal matter, and properly chargeable as a separate case expense as opposed to an overhead expense that was subsumed in KNR's contingency fee percentage. In all cases, the parties to the agreement understood that KNR would not be permitted to incur expenses unreasonably and then charge their clients for those unreasonable expenses.

183. By collecting the investigation fees from their clients when these fees were for expenses not reasonably undertaken for so-called "services" that were not properly chargeable as a separate case expense, or were never performed at all, KNR materially breached its fee agreements with its clients, including its agreements with Named Plaintiffs and the Class.

184. Plaintiffs Williams and Norris and Class A have suffered monetary damages as a result of these breaches in the amount of the investigation fees paid, and are entitled to repayment of these amounts.

Claim 3—Breach of Fiduciary Duty
Investigation Fees
Plaintiffs Williams and Norris, and Class A

185. Plaintiffs Williams and Norris incorporate all previous allegations.

186. Plaintiffs Williams and Norris assert this claim under Civ.R. 23(B)(3) against

Defendants KNR, Nestico, and Redick on behalf of all current and former KNR clients whom KNR charged the investigation fee (Class A).

187. KNR's clients reposed a special trust and confidence in Defendants, who were in a position of superiority or influence over their clients as a result of this position of trust. Thus, KNR owed its clients a fiduciary duty.

188. KNR's conduct in charging its clients the investigation fees was intentionally deceptive, undertaken by standardized and routinized procedures, and constitutes a breach of fiduciary duty.

189. Plaintiffs Williams and Norris and Class A have suffered damages as a direct and proximate result of this breach.

190. Where a fiduciary takes a secret profit in a transaction involving his client, as Defendants have here with respect to the investigation fee, such dealing is fraudulent and void as a matter of law, whether or not there is a causal relation between the self-dealing and the plaintiff's loss. *In re Binder: Squire v. Emsley*, 137 Ohio St. 26, 57–58, 27 N.E.2d 939 (1940); *Myer v. Preferred Credit*, 117 Ohio Misc. 2d 8, 9, 2001-Ohio-4190, ¶ 23, 766 N.E.2d 612 (C.P. 2001) citing 3 OHIO JURISPRUDENCE 3D (1998) 136, 134, Agency, §§ 117, 115.

191. Plaintiffs Williams and Norris and the Class are entitled to compensation for the damages caused by Defendants' breach, disgorgement of the benefit conferred upon Defendants as a result of their breach, punitive damages, and attorneys' fees.

Claim 4—Unjust Enrichment
Investigation Fees
Plaintiffs Williams and Norris **and Class A**

192. Plaintiffs Williams and Norris incorporate all previous allegations.

193. Plaintiffs Williams and Norris assert this claim under Civ.R. 23(B)(3) against Defendants KNR, Nestico, and Redick on behalf of all current and former KNR clients whom

KNR charged the investigation fee (Class A).

194. By unwittingly allowing KNR to deduct the investigation fees from their lawsuit proceeds, Plaintiff Williams and Class A have, to their substantial detriment, conferred a substantial benefit on Defendants of which Defendants are aware.

195. Due to Defendants' intentionally deceptive conduct in collecting these fees from their clients, retention of these funds by Defendants without repayment to Plaintiff Williams and the Class would be unjust and inequitable.

196. Equity entitles Plaintiffs Williams and Norris and the Class to disgorgement of the fee by Defendants, as well as punitive damages and attorneys fees for Defendants' intentionally deceptive conduct.

Claim 5—Breach of Fiduciary Duty
Undisclosed Self-Dealing with Chiropractors—Narrative Fee
Plaintiffs Reid and Norris and Class B

197. Plaintiffs Reid and Norris incorporate all previous allegations

198. Plaintiffs Reid and Norris assert this claim under Civ.R. 23(B)(2) and (3) against all Defendants on behalf of all current and former KNR clients who had a narrative fee deducted by KNR from their settlement proceeds to be paid to a chiropractor (Class B).

199. KNR's clients, including Plaintiffs Reid and Norris, reposed a special trust and confidence in Defendants, who were in a position of superiority or influence over their clients as a result of this position of trust. Thus, Defendants owed their clients a fiduciary duty.

200. Defendants' conduct in charging and collecting the narrative fee from their clients as a kickback to reward referring chiropractors, and in failing to disclose their quid pro quo relationship with one another, was intentionally deceptive, was undertaken by standardized and routinized procedures, and constitutes a breach of Defendants' fiduciary duty to Plaintiffs Reid and Norris and Class B.

201. No KNR client would have agreed to have the fee deducted from their settlement had they been advised of the quid pro quo relationship between KNR and the chiropractors and the true nature of the fee.

202. Plaintiffs Reid and Norris and Class B have suffered damages as a direct and proximate result of these breaches due to KNR's assertion of liens on their settlement proceeds, and collecting on these liens.

203. Where a fiduciary takes a secret profit in a transaction involving his client, as Defendants have here with respect to their failure to disclose their quid pro quo relationship with the chiropractors and the true nature of the narrative fees, such a transaction is fraudulent and void as a matter of law, whether or not there is a causal relation between the self-dealing and the plaintiff's loss. *In re Binder: Squire v. Emsley*, 137 Ohio St. 26, 57-58, 27 N.E.2d 939 (1940); *Myer v. Preferred Credit*, 117 Ohio Misc. 2d 8, 9, 2001-Ohio-4190, ¶ 23, 766 N.E.2d 612 (C.P. 2001) citing 3 OHIO JURISPRUDENCE 3D (1998) 136, 134, Agency, §§ 117, 115.

204. Plaintiffs Reid and Norris and Class B are entitled to relief as a result of Defendants' breach, including rescission and reimbursement of the narrative fee, disgorgement of all narrative fees collected by the chiropractors, including Defendant Floros, on Plaintiffs Reid and Norris and Class B members' claims, and punitive damages, and attorneys' fees for Defendants' intentionally deceptive conduct.

Claim 6—Unjust Enrichment
Undisclosed Self-Dealing with Chiropractors—Narrative Fees
Plaintiffs Reid and Norris and Class B

205. Plaintiffs Reid and Norris incorporate all previous allegations.

206. Plaintiffs Reid and Norris assert this claim under Civ.R. 23(B)(2) and (3) against Defendant Floros and other chiropractors to be identified through discovery on behalf of all current and former KNR clients who had a narrative fee deducted by KNR from their settlement proceeds

to be paid to a chiropractor (Class B).

207. By unwittingly allowing Defendants to deduct and pay a narrative fee to Defendant Floros and the chiropractors from their settlement proceeds, without knowledge of KNR's quid pro quo relationship with Floros and the chiropractors, Plaintiffs Reid and Norris and Class B have, to their substantial detriment, conferred a substantial benefit on Defendant Floros and the chiropractors of which Defendant Floros and the chiropractors are aware.

208. Due to Defendants' conduct in charging and collecting the narrative fee from their clients as a kickback to reward referring chiropractors, and in failing to disclose their quid pro quo relationship with one another, Defendants' retention of the narrative fee paid by Reid and Norris and Class B members' lawsuit proceeds would be unjust and inequitable.

209. Equity entitles Plaintiffs Reid and Norris and the Class to rescission of the narrative fee, disgorgement of all narrative fees collected by the chiropractors, including Defendant Floros, on Plaintiffs Reid and Norris and Class B members' claims, and punitive damages, and attorneys' fees for Defendants' intentionally deceptive conduct.

Claim 7—Fraud
Undisclosed Self-Dealing with Liberty Capital Funding, LLC
Plaintiff Johnson and Class C

210. Plaintiff Johnson incorporates all previous allegations.

211. Plaintiff Johnson asserts this claim under Civ.R. 23(B)(3) against Defendant KNR, on behalf of all current and former KNR clients who paid interest or fees on a loan taken through Liberty Capital Funding (Class C).

212. Defendant induced Plaintiff Johnson and Class C to take out loans with Liberty Capital, representing to its clients that Liberty Capital was the best source of loan funding for its clients, without disclosing Defendant's financial interest in the Liberty Capital Loans, and without disclosing that lower-cost sources of loans were available to the clients. Defendant knowingly

concealed these facts from Plaintiff Johnson and the Class.

213. Defendant's misrepresentations about and concealment of facts regarding the investigation fees were material to Plaintiff Williams's and the Class's decision to approve their Settlement Memoranda and thus pay these fees.

214. Defendant's misrepresentations about and concealment of facts regarding the investigation fees were made with the intent of misleading Plaintiff Williams and the Class into relying upon them.

215. KNR's clients, including Plaintiff Johnson and Class C members, reposed a special trust and confidence in Defendant's, who were in a position of superiority or influence over their clients as a result of this position of trust. Thus, Defendant's owed their clients a fiduciary duty.

216. The actions, omissions, and course of conduct and dealing of Defendants as alleged above were undertaken knowingly and intentionally, by standardized and routinized procedures, with a conscious disregard of the rights and interests of Plaintiff Johnson and the Class, and with certainty of inflicting harm and damage on Plaintiff and the Class.

217. Plaintiff Johnson and the Class were justified in relying on Defendant's uniform misrepresentations and concealment of facts, and did, in fact, so rely.

218. Plaintiff Johnson and the Class were injured and their injury was directly and proximately caused by their reliance on Defendant's uniform misrepresentations about and concealment of facts regarding the Liberty Capital loans.

219. Defendant's conduct in recommending Liberty Capital to KNR clients, failing to disclose lower-cost sources of loans, and failing to disclose that they stood to benefit from each Liberty Capital transaction, was intentionally deceptive and constitutes a breach of Defendant's fiduciary duty to Plaintiff Johnson and Class C.

220. No KNR client would have taken out a loan with Liberty Capital were it not for

Defendant's recommendation, or had they been advised of Defendant's secret kickback arrangement with Liberty Capital.

221. Plaintiff Johnson and the Class were injured and their injury was directly and proximately caused by their reliance on Defendant's misrepresentations about and concealment of facts regarding the Liberty Capital loans.

222. Where a fiduciary takes a secret profit in a transaction involving his client, as Defendants have here, such dealing is fraudulent and void as a matter of law, whether or not there is a causal relation between the self-dealing and the plaintiff's loss. *In re Binder: Squire v. Emsley*, 137 Ohio St. 26, 57–58, 27 N.E.2d 939 (1940); *Myer v. Preferred Credit*, 117 Ohio Misc. 2d 8, 9, 2001-Ohio-4190, ¶ 23, 766 N.E.2d 612 (C.P. 2001) citing 3 OHIO JURISPRUDENCE 3D (1998) 136, 134, Agency, §§ 117, 115.

223. Plaintiff Johnson became aware of Defendant's misrepresentations and concealment of facts no earlier than August of 2016. The other class members remain unaware as of the filing of this Complaint.

224. Plaintiff Johnson and the Class are entitled to compensation for the damages caused by Defendant's fraud, including fees and interest paid on the loans, as well as disgorgement of the benefit conferred upon Defendant's as a result of their breach, punitive damages, and attorneys' fees.

Claim 8—Breach of Fiduciary Duty
Undisclosed Self-Dealing with Liberty Capital Funding, LLC
Plaintiff Johnson and Norris and Class C

225. Plaintiff Johnson and Norris incorporate all previous allegations.

226. Plaintiff Johnson and Norris assert this claim under Civ.R. 23(B)(3) against Defendants KNR, Nestico, and Redick on behalf of all current and former KNR clients who paid interest or fees on a loan taken through Liberty Capital Funding (Class C).

227. KNR's clients, including Plaintiffs Johnson and Norris, reposed a special trust and

confidence in Defendants, who were in a position of superiority or influence over their clients as a result of this position of trust. Thus, Defendants owed their clients a fiduciary duty.

228. Defendants' conduct in recommending Liberty Capital to KNR clients, failing to disclose lower-cost sources of loans, and failing to disclose that they stood to benefit from each Liberty Capital transaction, was intentionally deceptive, was undertaken by standardized and routinized procedures, and constitutes a breach of Defendants' fiduciary duty to Plaintiff Johnson and Class C.

229. No KNR client would have taken out a loan with Liberty Capital were it not for Defendants' recommendation, or had they been advised of Defendants' secret kickback arrangement with Liberty Capital.

230. Plaintiffs Johnson and Norris and Class C have suffered damages as a direct and proximate result of these breaches in the amount of interest and fees paid on these loans.

231. Where a fiduciary takes a secret profit in a transaction involving his client, as Defendants have here, such dealing is fraudulent and void as a matter of law, whether or not there is a causal relation between the self-dealing and the plaintiff's loss. *In re Binder: Squire v. Emsley*, 137 Ohio St. 26, 57–58, 27 N.E.2d 939 (1940); *Myer v. Preferred Credit*, 117 Ohio Misc. 2d 8, 9, 2001-Ohio-4190, ¶ 23, 766 N.E.2d 612 (C.P. 2001) citing 3 OHIO JURISPRUDENCE 3D (1998) 136, 134, Agency, §§ 117, 115.

232. Plaintiffs Johnson and Norris and the Class are entitled to compensation for the damages caused by Defendants' breach, including fees and interest paid on the loans, as well as disgorgement of the benefit conferred upon Defendants as a result of their breach, punitive damages, and attorneys' fees.

Claim 9—Unjust Enrichment
Undisclosed Self-Dealing with Liberty Capital Funding, LLC
Plaintiffs Johnson and Norris and Class C

233. Plaintiffs Johnson and Norris incorporate all previous allegations.

234. Plaintiffs Johnson and Norris assert this claim under Civ.R. 23(B)(3) against Defendants KNR, Nestico, and Redick on behalf of all current and former KNR clients who paid interest or fees on a loan taken through Liberty Capital Funding (Class C).

235. By unwittingly entering loan agreements with Liberty Capital at Defendants' recommendation for high-interest loans in which Defendants retained a financial interest, Plaintiffs Johnson and Norris and Class C have, to their substantial detriment, conferred a substantial benefit on Defendants of which Defendants are aware.

236. Due to Defendants' intentionally deceptive conduct in recommending Liberty Capital to KNR clients, failing to disclose lower-cost sources of loans, and failing to disclose that they stood to benefit from each Liberty Capital transaction, Defendants' retention of any portion of the fees or interest on these loans without repayment to Plaintiffs Johnson and Norris and the Class would be unjust and inequitable.

237. Equity entitles Plaintiffs Johnson and Norris and the Class to disgorgement of all such funds by Defendants, as well as punitive damages and attorneys' fees for Defendants' intentionally deceptive conduct.

Claim 10—Fraud
Undisclosed Self-Dealing/Tritec Medical Supplies
Plaintiff Norris and Class D

238. Plaintiff Norris incorporates all previous allegations.

239. Plaintiff Norris asserts this claim under Civ.R. 23(B)(3) against Defendant Ghoubrial, on behalf of all current and former KNR clients who had fees for medical equipment manufactured or distributed by Tritec deducted from their KNR settlement proceeds (Class D).

240. Defendant induced Plaintiff Norris and Class D to pay for medical equipment

manufactured or distributed by Tritec without disclosing Defendant's financial interest in the transactions. Defendant knowingly concealed these facts from Plaintiff Norris and the Class.

241. Defendant's misrepresentations about and concealment of facts regarding the Tritec equipment were material to Plaintiff Norris's and the Class's decision to approve their Settlement Memoranda and thus pay these fees.

242. Defendant's misrepresentations about and concealment of facts regarding the investigation fees were made with the intent of misleading Plaintiff Norris and the Class into relying upon them.

243. KNR's clients, including Plaintiff Norris and Class D members, reposed a special trust and confidence in Defendant, who was in a position of superiority or influence over their clients as a result of this position of trust. Thus, Defendant owed his clients a fiduciary duty.

244. The actions, omissions, and course of conduct and dealing of Defendant Ghoubrial as alleged above were undertaken knowingly and intentionally, by standardized and routinized procedures, with a conscious disregard of the rights and interests of Plaintiff Norris and the Class, and with certainty of inflicting harm and damage on Plaintiff and the Class.

245. Plaintiff Norris and the Class were justified in relying on Defendant's uniform misrepresentations and concealment of facts, and did, in fact, so rely.

246. Plaintiff Norris and the Class were injured and their injury was directly and proximately caused by their reliance on Defendant's uniform misrepresentations about and concealment of facts regarding his interest in the transactions.

247. Defendant Ghoubrial's conduct in inducing Plaintiff Norris and Class D to pay for medical equipment manufactured or distributed by Tritec without disclosing his financial interest in the transactions, was intentionally deceptive and constitutes a breach of Defendants' fiduciary duty to Plaintiff Norris and Class D.

248. Plaintiff Norris and the Class were injured and their injury was directly and proximately caused by their reliance on Defendant Ghoubrial's misrepresentations about and concealment of facts regarding his interest in the sale of Tritec equipment.

249. Where a fiduciary takes a secret profit in a transaction involving his client, as Defendant has here, such dealing is fraudulent and void as a matter of law, whether or not there is a causal relation between the self-dealing and the plaintiff's loss. *In re Binder: Squire v. Emsley*, 137 Ohio St. 26, 57–58, 27 N.E.2d 939 (1940); *Myer v. Preferred Credit*, 117 Ohio Misc. 2d 8, 9, 2001-Ohio-4190, ¶ 23, 766 N.E.2d 612 (C.P. 2001) citing 3 OHIO JURISPRUDENCE 3D (1998) 136, 134, Agency, §§ 117, 115.

250. Plaintiff Norris became aware of Defendant's misrepresentations and concealment of facts no earlier than November of 2017. The other class members remain unaware as of the filing of this Complaint.

251. Plaintiff Norris and the Class are entitled to compensation for the damages caused by Defendant Ghoubrial's fraud, including fees paid out of their KNR settlements for Tritec equipment, as well as disgorgement of the benefit conferred upon Defendant Ghoubrial as a result of his breach, punitive damages, and attorneys' fees.

Claim 11—Breach of Fiduciary Duty
Undisclosed Self-Dealing/Tritec Medical Supplies
Plaintiff Norris and Class D

252. Plaintiff Norris incorporates all previous allegations.

253. Plaintiff Norris asserts this claim under Civ.R. 23(B)(3) against Defendant Ghoubrial, on behalf of all current and former KNR clients who had fees for medical equipment manufactured or distributed by Tritec deducted from their KNR settlement proceeds (Class D).

254. KNR's clients, including Plaintiff Norris, reposed a special trust and confidence in Defendant, who was in a position of superiority or influence over their clients as a result of this

position of trust. Thus, Ghoubrial owed these clients a fiduciary duty.

255. Ghoubrial's conduct in inducing Plaintiff Norris and Class D to pay for medical equipment manufactured or distributed by Tritec and failing to disclose his financial interest in in the transactions was intentionally deceptive, was undertaken by standardized and routinized procedures, and constitutes a breach of Ghoubrial's fiduciary duty to Plaintiff Norris and Class D.

256. Plaintiff Norris and Class D have suffered damages as a direct and proximate result of these breaches in the amount of interest and fees paid on these loans.

257. Where a fiduciary takes a secret profit in a transaction involving his client, as Defendant has here, such dealing is fraudulent and void as a matter of law, whether or not there is a causal relation between the self-dealing and the plaintiff's loss. *In re Binder: Squire v. Emsley*, 137 Ohio St. 26, 57–58, 27 N.E.2d 939 (1940); *Myer v. Preferred Credit*, 117 Ohio Misc. 2d 8, 9, 2001-Ohio-4190, ¶ 23, 766 N.E.2d 612 (C.P. 2001) citing 3 OHIO JURISPRUDENCE 3D (1998) 136, 134, Agency, §§ 117, 115.

258. Plaintiff Norris and the Class are entitled to compensation for the damages caused by Defendant's breach, including fees and interest paid on the loans, as well as disgorgement of the benefit conferred upon Defendants as a result of their breach, punitive damages, and attorneys' fees.

Claim 12—Unjust Enrichment
Undisclosed Self-Dealing/Tritec Medical Supplies
Plaintiff Norris and Class D

259. Plaintiff Norris incorporates all previous allegations.

260. Plaintiff Norris asserts this claim under Civ.R. 23(B)(3) against Defendant Ghoubrial on behalf of all current and former KNR clients who had fees for medical equipment manufactured or distributed by Tritec deducted from their KNR settlement proceeds (Class D).

261. By unwittingly paying fees for medical equipment in which Defendant Ghoubrial retained an undisclosed profit interest, Plaintiff Norris and Class D have, to their substantial

detriment, conferred a substantial benefit on Defendant Ghoubrial of which he is aware.

262. Due to Defendant Ghoubrial's intentionally deceptive conduct in inducing Plaintiff Norris and Class D to pay for medical equipment manufactured or distributed by Tritec without disclosing his financial interest in the transaction, Ghoubrial's retention of any portion of the fees or interest on these loans without repayment to Plaintiff Norris and the Class would be unjust and inequitable.

263. Equity entitles Plaintiff Norris and the Class to disgorgement of all such funds by Defendants, as well as punitive damages and attorneys' fees for Defendants' intentionally deceptive conduct.

Claim 13—Unconscionable Contract
Undisclosed Self-Dealing/Tritec Medical Supplies
Plaintiff Norris and Class D

264. Plaintiff Norris incorporates all previous allegations.

265. Plaintiff Norris asserts this claim under Civ.R. 23(B)(3) against Defendant Ghoubrial on behalf of all current and former KNR clients who had fees for medical equipment manufactured or distributed by Tritec deducted from their KNR settlement proceeds (Class D).

266. Ms. Norris and Class D members paid fees for medical equipment pursuant to a contract with Defendant Ghoubrial by which Ms. Norris and Class D members were obligated to pay Ghoubrial reasonable fees and expenses in exchange for his services.

267. By taking an undisclosed profit of up to 1,800% for the distribution of Tritec medical equipment to Ms. Norris and Class D members through this contract, Ghoubrial enforced contract terms that were unreasonably favorable to him and were not commercially reasonable in any sense, and did so in a situation where Ms. Norris and Class D members did not have a meaningful opportunity to decline the charge.

268. The contract terms by which Plaintiff Norris and the Class were charged for the

Tritec medical equipment are invalid as unconscionable, and Plaintiff Norris and the Class are therefore entitled by Ohio law and equity to disgorgement and reimbursement of the profits that Ghoubrial took pursuant to these transactions.

VIII. PRAYER FOR RELIEF

Plaintiff, and all those similarly situated, collectively request that this Court provide the following relief:

(1) An order permitting this litigation to proceed as a class action, and certifying the Classes under Civ.R. 23(A), (B)(2), and (B)(3);

(2) An order to promptly notify to all class members that this litigation is pending;

(3) Declaratory and injunctive relief against Defendants' unlawful conduct, including declaratory judgments that the conduct at issue is unfair and deceptive in violation of R.C. 1345.02, and a declaratory judgment under Civ.R. 23(B)(2) that all liens asserted by Defendants against Class B members' lawsuit proceeds are void as a matter of law due to Defendants' fraudulent undisclosed self-dealing;

(3) Compensatory and rescissionary damages for Plaintiffs Williams, Johnson, Reid, and Norris and the classes represented, in excess of $25,000;

(4) Punitive damages, attorneys' fees, costs, and pre-judgment interest; and

(5) Such other relief in law or equity as this Court deems just and proper.

VIII. JURY DEMAND

Plaintiffs demand a trial by jury on all issues within this Complaint.

Respectfully submitted,

/s/ Peter Pattakos

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REQUEST FOR SERVICE

To the Clerk of Courts:

Please issue the Summons and Complaint and serve the Fourth Amended Complaint and accompanying exhibits to Sam Ghoubrial, M.D. at the address listed below, making return according to law.

Sam Ghoubrial, M.D.
3454 Skye Ridge Drive
Richfield, Ohio 44286

/s/ Peter Pattakos
Attorney for Plaintiffs

CERTIFICATE OF SERVICE

The foregoing document was served on all other parties by operation of the Court's e-filing system on _____, 2018.

/s/ Peter Pattakos
Attorney for Plaintiffs

QUESTIONS PEOPLE HAVE AFTER A CAR ACCIDENT

DON'T TALK TO THE INSURANCE COMPANY, TALK TO US FIRST!

'HO PAYS FOR MY CAR?

hen you're in an accident, if the other person was at fault, their
surance company will pay for the damage to your car.

'HO PAYS FOR MY MEDICAL BILLS?

the other person has insurance, they will pay. If they don't have
surance, make sure you tell us. We can help with this problem.

'I HURT BUT CAN'T AFFORD TO GO TO THE DOCTOR

hen you're in an accident, it's important to go to the emergency room
your family doctor to document your injuries so the insurance
mpany can't say, "they aren't hurt, they didn't even see a doctor." If
cessary, we have contacts within the medical field who will wait to get
id from the settlement.

THE PARTY WHO HIT ME HAS NO INSURANCE

If the party at fault has no insurance, but you do, we can usually process a claim with your insurance company who will then get their money back from the person cited. This is called uninsured motorist coverage.

ATTORNEY FEES

The KNR "**NO FEE GUARANTEE.**" If we don't get you money, we don't get paid.

MEETING WITH US

If you can't make it to our office, we will come to your house to meet wit you and discuss your case.

KNR Kisling, Nestico & Redick
OHIO INJURY ATTORNEYS

HURT IN A CAR...CALL KNR! 1-800-HURT-NOW (1-800-487-8669)

1-800 HURT NOW

PLAINTIFF'S EXHIBIT A
tabbies

KISLING, NESTICO & REDICK, LLC
ATTORNEYS AT LAW

$$LET US GET MONEY FOR YOU$$

Dear Sir or Madam,

It has come to our attention from a police accident report that you have been the victim of an automobile collision. We are very sorry that you have been involved in this accident and we want to help.

Since that time, you probably find yourself dealing with issues and problems that you have never had to deal with in the past. You will be asked many questions and be forced to make many important decisions. That is where we can help.

Do NOT talk to the insurance company, talk to us first. You may give them information that will hurt your case without realizing it.

You will receive multiple solicitations from attorneys all over the state, but we ask that you consider calling **Kisling, Nestico & Redick** for the following reasons:

- ***The KNR "no fee guarantee."*** If we don't get you MONEY, we don't get paid
- We offer property damage help
- Our firm's sole focus is personal injury
- We have local offices
- Our Staff is comprised of former insurance representatives and former insurance defense attorneys
- We have 20 experienced attorneys and over 45 support staff

Please review the insert and **DVD**, which will answer a number of frequently asked questions about an accident case. You should also review the enclosed "Understanding Your Rights" as the Supreme Court of Ohio wants to be sure you have a clear understanding of the rights you have after you've been injured in an accident.

We are confident that we can help you. **For a free consultation, please call us today at 1-800-HURT-NOW (1-800-487-8669).** Remember, the insurance company is already protecting the person that caused your injuries. Please allow us to protect you.

Very truly yours,
KISLING, NESTICO & REDICK, LLC

Alberto R. Nestico
Attorney at Law

P.S. Please remember that once you become a client of KNR, we will help you get a rental car and help get your property damage paid without **charging any attorney's fees for this service.**

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KISLING, NESTICO & REDICK

READ ABOUT OUR SUPER LAWYERS

TRACK RECORD OF SUCCESS Kisling, Nestico & Redick first garnered national attention with managing partner Alberto Nestico's $27.5 million settlement of Van Horn et al v. Nationwide Property and Casualty et al, a class action in which Nestico represented more than 200,000 individuals. Other recent successes include a $1.7 million settlement for the family of a 22-year-old Marine killed in an auto accident, an $875,000 settlement for a client hit by a tractor-trailer, and a $778,000 verdict for a car accident victim. To date, the firm has secured more than $100 million in settlements and verdicts and has helped more than 10,000 clients.

A UNIQUE ADVANTAGE Kisling, Nestico & Redick's litigation prowess is due largely to its many lawyers with backgrounds in insurance defense. Bolstering an already impressive roster that includes Alberto Nestico, Robert Redick, John Reagan, Nomiki Tsarnas and Joshua Angelotta, KNR now brings even more insiders' knowledge with the addition of Jason St. George, Devin Oddo, Kristen Lewis and Christopher Van Blargan. To accommodate its continued growth, KNR has expanded its office space to more than 20,000 square-feet.

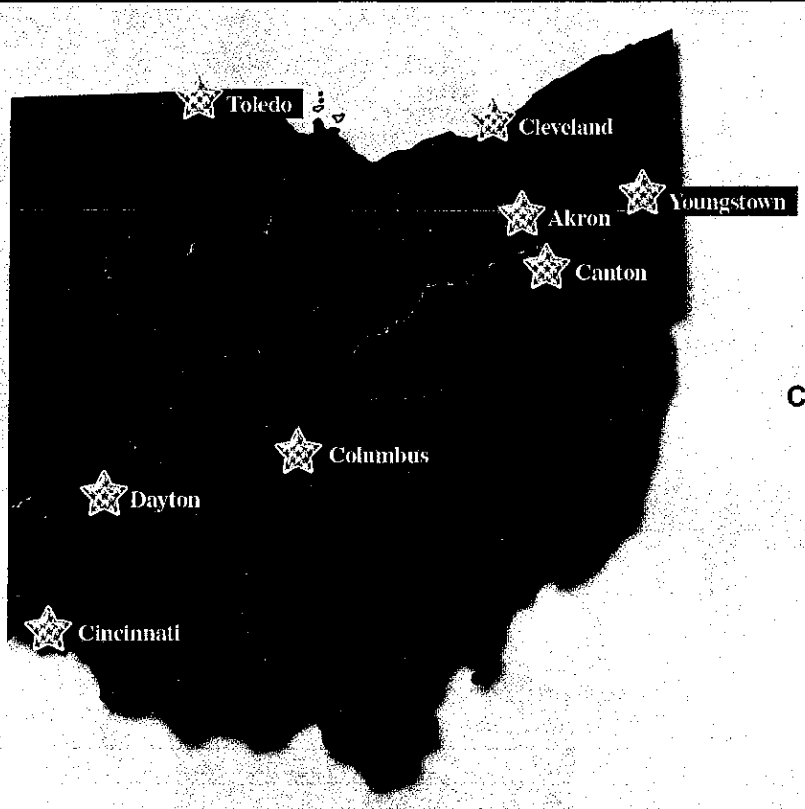
Proving great employees are the root of success, the KNR team continues to receive accolades from the field's top organizations. Nestico and litigation chairman Reagan were named to 2012 Ohio Super Lawyers® and are members of the Multi-Million Dollar Advocates Forum. Nestico is also recognized as a Top 100 Trial Lawyer. In addition, Nomiki Tsarnas and Paul W. Steele III continue their streak of Rising Stars recognition in 2012.

HURT IN A CAR ... CALL KNR!

Despite KNR's excellent reputation, its lawyers acknowledge obstacles in finding due justice. Nestico says one such reality is that courts are being increasingly stacked "with judges who protect the insurance companies over people." He says, "Individuals are sacrificed at the expense of insurance company profits. The courts and legislatures have allowed insurance companies to write whatever they want in their policies." A prime example is the intrafamily exclusion, which states the insurance company of the at-fault driver does not provide coverage for any family members injured in the vehicle.

JUSTICE & COMPENSATION FOR THE INJURED "Innocent people are injured every day," says Nestico. "Their lives are turned upside down due to forces beyond their control." KNR cares deeply about its clients and works tirelessly to provide the means to put their lives back together. "We fight hard to get them every dollar they deserve."

Kisling, Nestico & Redick
ATTORNEYS AT LAW



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Kisling, Nestico & Redick, LLC
Attorneys at Law

CONTINGENCY FEE AGREEMENT

_____, hereinafter called Client, request and authorize Kisling, Nestico & Redick, LLC, hereinafter called Attorneys, to represent _____ for all purposes in connection with clients injuries and damages arising out of an incident which occurred on the ____ day of_____, ____ in _____, County, Ohio, on the following conditions:

1) Attorneys will devote their full professional abilities to Clients case and Client agrees to fully cooperate with Attorneys. In the event of an appeal, an additional agreement for services shall be made by the parties hereto. No appeal will be made without both parties agreeing thereto. I understand that my case may be handled by any one or more of the members of the firm of Kisling, Nestico & Redick, LLC and different members may handle the case at different times. Client understands and agrees that Attorneys are not representing Client for any Workers Compensation, medical malpractice, disability, or employment related claims arising from this incident, injuries or damages, unless separate written contingency fee agreements have been signed for such claims.

2) The Attorneys shall receive as a fee for their services, one-third *(1/3)* of the total gross amount of recovery of any and all amounts recovered, and Client hereby assigns said amount to Attorneys and authorizes Attorneys to deduct said amount from the proceeds recovered. Attorney shall have a charging lien upon the proceeds of any insurance proceeds, settlement, judgment, verdict award or property obtained on your behalf. IN THE EVENT OF NO RECOVERY, CLIENT SHALL OWE ATTORNEYS NOTHING FOR SERVICES RENDERED.

3) Client agrees and authorizes Attorneys to deduct, from any proceeds recovered, any expenses which may have been advanced by Attorneys in preparation for settlement and/or trial of Clients case. IN THE EVENT OF NO RECOVERY, CLIENT SHALL OWE ATTORNEYS NOTHING FOR SUCH ADVANCED EXPENSES.

Client authorizes and directs Attorneys to deduct from Clients share of proceeds and pay, directly to any doctor, hospital, expert or other medical creditor, any unpaid balance due them for Clients care and treatment.

4) Client agrees that Attorneys have made no promises or guarantees regarding the outcome of Clients claim. Client understands Attorneys will investigate Clients claim and then Attorneys shall have the right to withdraw from representation.

Signed this _____day of _____, _____

_____
CLIENT

_____
ATTORNEY

Sandra Kurt, Summit County Clerk of Courts

CV-2016-09-3928 GALLAGHER, PAUL 09/06/2016 10:39:27 AM MLEA Page 75 of 147

233588 / Member Williams

Settlement Memorandum

Recovery:

REC	State Farm Insurance		$ 9,965.30
			$ 9,965.30

DEDUCT AND RETAIN TO PAY:

Kisling, Nestico & Redick, LLC		
MRS Investigations, Inc.;	$ 50.00	
Selson Clinics Neurology; /bd	$ 43.44	
Selson Clinics Neurology; /bd	$ 15.32	
Summa Wadsworth-Rittman Hospital; /bd	$ 5.00	
UHMP; 2128/bc	$ 42.78	
IOD Incorporated (Crystal Clinic); 28447554/bc	$ 33.56	
Total Due	$ 190.10	

DEDUCT AND RETAIN TO PAY TO OTHERS:

Kisling, Nestico & Redick, LLC		$ 3,321.76
Selson Clinics Neurology	MW	$ 121.10
Summa Wadsworth-Rittman Hospital		$ 463.80
Total Due Others		$ 3,906.66

Total Deductions	$ 4,096.76
Total Amount Due to Client	$ 5,868.54
Less Previously Paid to Client	$ 0.00
Amount to be paid by Client	$121.10
Net Amount Due to Client	$ 5,989.64

I hereby approve the above settlement and distribution of proceeds. I have reviewed the above information and I acknowledge that it accurately reflects all outstanding expenses associated with my injury claim. I further understand that the itemized bills listed above will be deducted and paid from the gross amount of my settlement except as otherwise indicated. Finally, I understand that any bills not listed above, including but not limited to Health Insurance or Medical Payments Subrogation and/or those initialed by me to indicate that they are not being paid from the settlement are my responsibility and not the responsibility of Kisling, Nestico & Redick, LLC.

Date: 8/7/15 Name: [signature]
Member Williams

Firm: ______________________
Kisling, Nestico & Redick, LLC

PLAINTIFF'S EXHIBIT
C
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Sandra Kurt, Summit County Clerk of Courts

232154 / Monique Norris

Settlement Memorandum

Recovery:

REC	Motorists Mutual Insurance Company	$ 250.00
MP	Motorists Insurance Group	$ 1,000.00
REC	Nationwide Insurance*	$ 4,982.55
REC	Liberty Capital Funding LLC	$ 500.00
		$ 6,732.55

DEDUCT AND RETAIN TO PAY:

Kisling, Nestico & Redick, LLC		
Akron General Medical Center	$ 6.00	
Clearwater Billing Services, LLC	$ 50.00	
First Healthcare	$ 12.00	
Floros, Dr. Minas	$ 200.00	
Mercy Health Partners	$ 15.00	
MRS Investigations, Inc.	$ 50.00	
Professional Receivables Control, Inc.	$ 16.00	
Akron General Medical Center	$ 40.89	
Total Due	$ 389.89	

DEDUCT AND RETAIN TO PAY TO OTHERS:

Akron Square Chiropractic	$ 500.00	
Clearwater Billing Services, LLC	$ 600.00	
CNS Center for Neuro and Spine	$ 260.00	
Kisling, Nestico & Redick, LLC	($2,077.51) $ 1,750.00	
Liberty Capital Funding LLC	$ 800.00	
National Diagnostic Imaging Consultants	$ 80.00	
Ohio Tort Recovery Unit*	$ 506.75	
Total Due Others	$ 4,496.75	

Total Deductions	$ 4,886.64
Total Amount Due to Client	$ 1,845.91
Less Previously Paid to Client	$ 1,500.00
Net Amount Due to Client	$ 345.91

I hereby approve the above settlement and distribution of proceeds. I have reviewed the above information and I acknowledge that it accurately reflects all outstanding expenses associated with my injury claim. I further understand that the itemized bills listed above will be deducted and paid from the gross amount of my settlement except as otherwise indicated. Finally, I understand that any bills not listed above, including but not limited to Health Insurance or Medical Payments Subrogation and/or those initialed by me to indicate that they are not being paid from the settlement are my responsibility and not the responsibility of Kisling, Nestico & Redick, LLC.

Date: 5/25/14

Name: Monique Norris

Monique Norris

Firm:

Kisling, Nestico & Redick, LLC

EXHIBIT D

IN THE COURT OF COMMON PLEAS
SUMMIT COUNTY, OHIO

MEMBER WILLIAMS 715 Woodcrest Drive Wadsworth, Ohio 44281 MATTHEW JOHNSON 805 Thayer Street Akron, Ohio 44310 THERA REID 28 Safer Plaza Akron, Ohio 44306 MONIQUE NORRIS 2321 19th Street SW Akron, Ohio 44314 Plaintiffs, vs. KISLING, NESTICO & REDICK, LLC 4490 Litchfield Drive Copley, Ohio 44321 ALBERTO R. NESTICO Kisling, Nestico & Redick 3412 West Market Street Fairlawn, Ohio 44333 ROBERT W. REDICK Kisling, Nestico & Redick 3412 West Market Street Fairlawn, Ohio 44333 MINAS FLOROS D.C. Akron Square Chiropractic 1419 S. Arlington Street Akron, Ohio 44306 SAM GHOUBRIAL M.D. 3454 Skye Ridge Drive Richfield, Ohio 44286 Defendants.	Case No. CV-2016-09-3928 Judge James A. Brogan **Fourth Amended Class-Action Complaint with Jury Demand**

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EXHIBIT 2

I. NATURE OF THE ACTION

1. Defendants Alberto R. "Rob" Nestico and Robert W. Redick own and manage Kisling, Nestico & Redick, LLC ("KNR"), a Northeast-Ohio-based personal-injury law firm that has unlawfully grown its business by systematically violating the Ohio Rules of Professional Conduct, breaching its fiduciary duties to its clients, and engaging in calculated schemes to deceive and defraud them. By their unlawful, deceptive, fraudulent, and predatory business practices, Defendants have degraded the profession, and warped the market for legal services to the detriment of honest lawyers, consumers, and the administration of justice statewide.

2. Specifically, Nestico, Redick, and KNR have developed unlawful quid pro quo referral relationships with a network of healthcare providers—including Defendants Minas Floros of Akron Square Chiropractic, and Sam Ghoubrial, who provides so-called "pain management" services and other treatment to KNR-represented plaintiffs statewide—whose interests, along with their own, Defendants prioritize over their clients.' For example:

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3. The KNR Defendants circumvent Ohio's prohibition against direct client-solicitation by unlawfully communicating through chiropractors to solicit car-accident victims without disclosing the quid pro quo nature of the relationship. By this practice, Defendants rob their clients of their right to unconflicted counsel, and do so in the wake of painful car accidents when the clients are at their most vulnerable. Defendants rope these clients in by promising them quick cash by way of an immediate high-interest loan that Defendants help to facilitate.

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4. Defendants further abuse their clients by coercing them into unwanted healthcare, and by unlawfully diverting client funds to the healthcare providers to maintain the quid pro quo relationships and inflate settlement amounts—including by paying a fraudulent "narrative fee" that functions as a kickback to compensate high-referring chiropractors. Defendants also conspire to ensure that the providers to whom KNR refers its clients do not accept payment from insurance

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companies. This allows the providers to take a higher percentage of the KNR clients' settlements than they would otherwise be entitled under prevailing insurance-industry standards, which further incentivizes them to send clients to and work with KNR. It also allows the Defendants to avoid scrutiny by insurance companies of the treatment that KNR clients receive from these providers.

5. Defendant Ghoubrial went as far as to sell medical supplies to KNR clients at exorbitant prices without disclosing his financial interest in the transactions. These medical supplies were distributed through a company called Tritec Distribution Services, Inc., a company that lists Nestico as an "authorized representative" on corporate documents filed with the Ohio Secretary of State, and for which Ghoubrial maintained a liability insurance policy. While electrical-nerve-stimulation devices (i.e., "TENS units") have been shown by peer-reviewed medical research to be ineffective in treating acute pain like that from car accidents, Ghoubrial routinely sent KNR clients home with these devices without informing them that they would be assessed an extra charge for it or that Ghoubrial himself would profit from the sale. Upon resolution of the clients' cases, KNR deducted $500 from each settlement to pay Ghoubrial for each TENS unit. Tritec representatives have confirmed that Ghoubrial only paid $27.50 for each of these devices and thus took an undisclosed and unconscionable profit of more than 1,800% on each of these transactions.

6. To further monetize their extreme and unlawful solicitation practices, the KNR Defendants have engaged in a deliberate scheme to defraud their clients by charging them fees for so-called "investigations" that are never actually performed. KNR's so-called "investigators" do nothing more than chase down car-accident victims at their homes and other locations to sign them to KNR fee agreements as quickly as possible, for the KNR Defendants' exclusive benefit, to keep potential clients from signing with competitors. Yet the KNR Defendants charge their clients after the fact for having been solicited in this way by adding a misleadingly named "investigation fee" to each client's settlement statement, taking advantage of their position of trust and its clients' natural

eagerness to obtain settlement funds by conditioning disbursement of such funds on the clients' unwitting approval of the fee.

7. Additionally, in 2012, the KNR Defendants established a quid pro quo relationship with a loan company, Liberty Capital Funding, LLC, that provided loans to its clients at extremely high annual rates of 49% and higher, plus fees. The KNR Defendants assisted Liberty Capital in forming its business and directed KNR clients to borrow from Liberty Capital. In turn, Liberty Capital provided unlawful kickback payments to the KNR Defendants for every client that KNR referred for a loan.

8. The fraud and self-dealing alleged in this lawsuit was apparently driven by KNR's massive advertising budget and high-volume business model that prioritized the interests of attorneys and their "partner" service providers over the interests of the clients. KNR clients routinely complained about the treatment they received from these providers, to no avail, as KNR advised its clients, as a matter of policy, that the prospects of their lawsuits would be damaged if they treated with different providers than the ones recommended by KNR. The more clients the Defendants could funnel through their offices, collectively, the better it would be for them, regardless of the consequences for the clients, who were grist for the mill, nickel-and-dimed in a series of fraudulent transactions that were unlikely to be detected or prosecuted due to their small size.

9. This is a class action under Ohio Civ.R. 23, alleging claims under Ohio law for fraud, breach of fiduciary duty, breach of contract, and unjust enrichment.

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10. Unless otherwise specified, the practices described in this complaint date back to KNR's founding in 2005 and are ongoing.

11. The allegations contained in this Third Amended Complaint are based on information provided by the Named Plaintiffs and other former KNR clients, as well as former

KNR attorneys who are Plaintiffs' source of many of the documents quoted herein, and will testify to the accuracy of Plaintiffs' allegations.

II. PARTIES

12. Defendant KNR is an Ohio law firm focusing on personal-injury cases, mainly representing car-accident victims. Founded in 2005, KNR has three offices in the Cleveland area—in Independence, Beachwood, and Westlake—and a single office in each of the Akron, Canton, Cincinnati, Columbus, Dayton, Toledo, and Youngstown areas. KNR markets its services to the public through a ubiquitous multimedia advertising campaign with the tagline "Hurt in a car? Call KNR."

13. Defendant Minas Floros is the owner and manager of Akron Square Chiropractic. Dr. Floros, through his chiropractic clinic, unlawfully solicits clients on KNR's behalf in exchange for patient referrals and kickback payments, including a fraudulent "narrative fee."

14. Defendant Sam Ghoubrial is a medical doctor to whom KNR clients are funneled for "pain management" services and other medical treatment. Ghoubrial has treated thousands of KNR clients over the years, and travels throughout the State of Ohio to do so at the offices of KNR's "preferred" chiropractors.

15. Plaintiff Member Williams is a Wadsworth, Ohio resident and was a KNR client from September 2013 until August 2015. Defendants represented Williams as her attorneys under a contingency-fee agreement in connection with a car accident in which she was injured. Defendants recovered a settlement on Williams's behalf and, before disbursing settlement proceeds to her, required her to execute a Settlement Memorandum as described below. As with their other clients, Defendants fraudulently charged Ms. Williams for an "investigation fee" as described below. Ohio law requires Defendants to reimburse this illegal fee to Ms. Williams and all other current and former KNR clients who were so charged.

16. Plaintiff Thera Reid is an Akron, Ohio resident who was injured in a car accident in 2016. Defendants unlawfully solicited Ms. Reid through their associates at Akron Square Chiropractic, and deceived and coerced her into accepting a conflicted legal representation and also charged her a fraudulent "narrative fee," paid from her settlement proceeds directly to Dr. Floros, as described below.

17. Plaintiff Matthew Johnson is an Akron, Ohio resident who was injured in a car accident in 2012. Defendants recommended to Johnson that he take out a $250 loan with Liberty Capital, guaranteed by the prospective proceeds of his lawsuit, at an annual rate of 49%, compounded semi-annually, with $70 in processing fees that also accrued interest at the same rate. Defendants did not disclose to Mr. Johnson that they received a kickback payment in connection with his loan. Ohio law entitles Mr. Johnson—and all other current and former clients who have paid interest and fees in connection with Liberty Capital loans—to reimbursement by Defendants of all interest and fees paid on these loans.

18. Plaintiff Monique Norris is an Akron, Ohio resident and former KNR client to whom Defendant Ghoubrial recommended and sold a TENS Unit from Tritec. Ms. Norris was also unlawfully charged the investigation fee and narrative fee described above, and took out a loan with Liberty Capital on Defendants' recommendation, having paid interest and fees on the loan.

19. Defendants Alberto R. Nestico and Robert W. Redick are Ohio residents who, at all relevant times, owned and controlled KNR and caused the corporation to engage in the conduct alleged in this Complaint.

III. JURISDICTION AND VENUE

20. The Court has original jurisdiction under R.C. 2305.01. Removal under the Class Action Fairness Act (28 U.S.C. § 1453) would be improper because two-thirds or more of the members of the proposed class are Ohio citizens, the primary defendants are Ohio citizens, and the

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primary injuries alleged occurred in Ohio.

21. Venue is proper under Ohio Civ.R. 3(B) because Defendant KNR is headquartered in Summit County and conducted activity in Summit County that gave rise to the claim for relief, including the use of a Summit County offices to solicit clients who were victims of the unlawful practices at issue.

IV. FACTUAL ALLEGATIONS

A. KNR unlawfully solicits clients through a network of chiropractors with whom it maintains unlawful quid pro quo referral relationships, at the expense of its clients.

22. Plaintiff Reid was in a car accident on April 20, 2016.

23. On or about April 21, 2016, a representative of Akron Square Chiropractic (ASC), who had apparently accessed a report of Reid's April 20 car accident, called Reid by phone, offering to pick her up in an automobile to transport her to its office on Arlington Street in Akron and provide her with chiropractic care. This ASC representative advised Wright that she was likely to be approached by other telemarketers in connection with her accident, that those telemarketers were untrustworthy, and that she should not talk to them or any other chiropractors or lawyers about her case.

24. When Reid arrived at the ASC office for treatment, she was in severe pain from her car accident. At this initial meeting, an ASC representative put her in a room with a telephone and suggested that she speak with "our attorneys." The ASC representative then dialed the phone to connect with a representative of KNR, and handed the phone to Ms. Reid, at which point the KNR representative solicited her. ASC had copies of KNR fee agreements on site, and provided one for Reid to sign. Reid trusted ASC and signed the agreement with KNR on ASC's advice.

25. ASC never advised Reid that it maintained a quid pro quo referral relationship with KNR.

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26. Ms. Reid was unaware that KNR has established a quid pro quo relationship with ASC, and other healthcare providers, under which KNR and the providers exchange benefits, including referrals and guarantees of payment on behalf of KNR's unwitting clients.

27. For example, while Ohio Rule of Professional Conduct 7.3 prohibits attorneys from soliciting potential clients in person or by phone, ASC agrees to phone potential clients on KNR's behalf and to refer these clients to KNR for legal services. In turn, KNR agrees to refer its own clients to ASC for chiropractic care, pressures these clients to treat with ASC whether they want to or not, and promises ASC that its clients from KNR will pay a certain rate for their healthcare.

28. KNR's internal correspondence reveals that it routinely solicits patients through chiropractors. For example, on June 3, 2014, KNR office manager Brandy Gobrogge[1] wrote to KNR's prelitigation support staff (KNR staff who were assigned to work on the prelitigation phase of KNR-client matters): "We have two intakes today that were referred to ASC and they are signing forms there." As the email shows, it was a routine practice for KNR to keep copies of its engagement agreement at ASC offices for ASC staff to provide to potential clients. On January 14, 2014, KNR intake manager Holly Tusko wrote to all KNR attorneys and intake staff: "If a doctor calls in and asks for a specific attorney you RING THIS out to the attorney intake button. … When the doctor calls and the patient is there with them, THAT is when the intake gets completed by the attorney that will get the case." This email shows that it was routine practice for certain chiropractors to advise their clients to call KNR offices, and directly participate in these phone calls.

29. Reciprocal referral agreements like the one between KNR and ASC constitute a

[1] Ms. Gobrogge is identified as "Brandy Lamtman" in most of the emails quoted in this Fourth Amended Complaint, and had changed her last name to Lamtman from Brewer at some point during the course of conduct alleged herein. She has since changed her last name to Gobrogge. While her name appears as Brewer in some of the documents quoted in this Complaint, and Lamtman in most of them, she is referred to by her current name, Gobrogge, throughout.

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conflict of interest, barred by Prof.Cond.R. 1.7. And Prof.Cond.R. 7.3, comment [5] expressly states, "A reciprocal referral agreement between lawyers, or between a lawyer and a nonlawyer, is prohibited." The Supreme Court of Ohio's Board of Professional Conduct (previously known as Commissioners on Grievances and Discipline) explained the prohibition of attorney-chiropractor reciprocal referral relationships in formal Opinion 2004-9:

> An attorney may not enter an agreement with the chiropractor for mutual referral of clients; may not reward or compensate a chiropractor for a referral; and may not request that the chiropractor recommend the attorney's legal services to the chiropractor's clients. … For example, if an attorney believes it is in the client's best interest to see a chiropractor and the client needs guidance in choosing a chiropractor, the attorney may provide several names of chiropractors so that the client may freely choose. If a chiropractor's patient needs legal services, the client should come to an attorney voluntarily having exercised free choice, not as a condition imposed by the chiropractor. The exercise of an attorney's professional independent judgment on behalf of a client demands that there be no mutual referral agreements, no rewards or compensation for recommendations or referrals, and no improper self-recommendation of legal services. Disinterested and informed recommendations are best for a client. An attorney and a chiropractor should not engage in any conduct involving or implying there is a business relationship between the two.

30. Defendants' conduct routinely and flagrantly violates these principles at the expense of their clients.

B. KNR's internal correspondence shows that it routinely directs its clients to treat with certain healthcare providers depending on KNR's business interests and without regard for its clients' interests, in violation of Ohio law.

31. To maintain its relationships with ASC and other providers, KNR tracks both its outgoing referrals and referral sources for each client to carefully monitor whether KNR and the chiropractors are meeting their obligations under their quid pro quo arrangements.

32. KNR tracks every client's referral source and uses e-mails and whiteboards, which KNR calls "chiro boards," to dictate instructions for which chiropractors and doctors KNR clients

should be sent to at any given time. KNR makes these determinations based on prearranged agreements with the providers, as well as on the number of clients the doctors or chiropractors have referred to KNR. If a certain healthcare provider has referred KNR a certain number of clients, KNR will refer a proportionate number of its clients to that provider. KNR management constantly updates its chiro boards and e-mails instructions to its staff in an effort to maintain these proportions.

33. The KNR Defendants' decisions as to which chiropractors to refer to its clients have nothing to do with clients' needs and everything to do with Defendants' desire to maintain the quid pro quo referral relationships, and its expectation that the chiropractors will send them a commensurate number of referrals in return.

34. For example, on November 15, 2012, Nestico emailed KNR staff stating: "Please make sure to refer ALL Akron cases to ASC [Akron Square Chiropractic] this month. We are 30-0." Nestico's statement that "[w]e are 30-0" meant that ASC had referred KNR 30 cases that month while KNR had not yet referred any clients to ASC.

35. On August 21, 2013, Gobrogge emailed KNR's prelitigation attorneys (KNR attorneys who were assigned to work on the prelitigation phase of KNR-client matters) about the A Plus Injury chiropractic clinic, stating, "Please do not send any more clients there this month. We are 6 to 1 on referrals."

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36. On May 29, 2012, Gobrogge e-mailed KNR's attorneys and staff explaining as follows: "I had a chiropractor call me on Friday to review the number of cases she sent to us and we sent to her. I was unable to tell her how many we sent to her because this information was not in the referred to box in the case. I remembered that we did send her a couple of cases, but I wasn't sure of the details. This is why it is VERY important that this information is properly entered on the intake sheet. PLEASE make sure you are filling in ALL information on the intake sheet."

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37. On January 27, 2014, Gobrogge forwarded KNR staff an email from paralegal Courtney Warner stating that, "Deaconess Chiro[practic clinic] called … wants us to email them the names of ALL clients we referred in January, and going forward email the clients we refer every time we refer."

38. On June 9, 2014, Gobrogge wrote to KNR's pre-litigation attorneys: "Please make sure you are using the chiro boards. When I left on Wednesday I switch [*sic*] Akron to Akron Injury and you sent ZERO cases there and 4 to ASC, I also added Tru Health and removed Shaker Square and you sent 3 cases to Shaker Square and ZERO to True Health. Core was removed as well and you sent a case there!"

39. On October 17, 2012, Gobrogge wrote to all KNR pre-litigation attorneys: "I just noticed that we've sent 2 cases to A Plus when these cases could've gone to Shaker, who sends us way more cases. I've sent this email three times now, please note this … ."

40. On May 22, 2013, Gobrogge sent all pre-litigation attorneys and intake staff the following admonition, copying Nestico: "I have spent a significant amount of my day fixing referral mistakes. PLEASE make sure the information that you give and receive is listed on the intake sheet. Just this month alone there were 13 mistakes made by your [*sic*] regarding the referred to's [*sic*]. This cannot happen. I work hard to maintain a close relationship with chiropractors and I am in contact with most of them several times a day. Furthermore, every single intake that gets done by attorneys, an email should be sent indicating what the referral is, where the case is referred to and how/when/who is signing case."

41. On May 17, 2013, Gobrogge wrote to all KNR attorneys: "I cannot stress the importance of this enough, you MUST put the referred to on the intake sheet. I just fixed 3 cases today!!! This is VERY VERY VERY important."

42. On June 4, 2013, KNR intake manager Holly Tusko wrote to all KNR attorneys and

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intake staff: "I CANNOT express enough the importance of making sure that the referred by's [*sic*] are correct (regardless if it's chiros, directs, etc. … If they received a Direct mail YOU MUST ASK if they received a red bag on their door or if they received a mailer in their mailbox."

43. Defendants routinely send their clients to certain chiropractors even when they know that doing so will actually be detrimental to their clients. For example, ASC is part of a network of chiropractic clinics operated by Michael Plambeck that was sued in various courts by both Allstate and State Farm insurance companies. The insurance companies alleged that the chiropractors conspired with a network of lawyers and telemarketers to fraudulently inflate billings. Defendants knew about these lawsuits and knew that these insurance companies, which provided coverage for the defendants in countless KNR-clients' cases, would view client treatment at Plambeck clinics as inherently suspect and treat the KNR-clients' cases accordingly. Yet Defendants had no concern for this in continuing to pressure their clients to treat at ASC and other Plambeck clinics, thus prioritizing their own kickback arrangement with the chiropractors over the interests of their clients.

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44. The KNR Defendants' special kickback relationship with Plambeck requires them to provide preferential treatment to Plambeck clinics like ASC. For example, KNR sends ASC all its so-called "red bag" referrals. Red-bag referrals are cases where the KNR Defendants located car accident victims from publicly available crash reports and would then send an employee or agent to the victim's place of residence, without consent, to hang a "red bag" of KNR promotional materials on the victim's doorknob. These materials include a fake dollar bill mocked up with KNR branding and the phrases "GET MONEY NOW" and "Kisling, Nestico and Redick Can Help You Get a CASH ADVANCE On Your Settlement." *See* **Exhibit A**. These materials also contain the phrase: "$$LET US GET MONEY FOR YOU$$." *Id.* KNR obsessively reminds its attorneys and staff by email that all red-bag referrals are to be sent to ASC.

45. The KNR Defendants' decision to send all red-bag referrals to ASC has nothing to

do with their client's needs and everything to do with their desire to maintain their quid pro quo referral relationship with ASC, and their expectation that ASC will send them a commensurate number of referrals in return.

46. For example, on July 17, 2013, Gobrogge emailed KNR's prelitigation attorneys: "Today we sent 3 to ASC ….. Please get the next Akron case to Dr. Holland at Akron Injury. Please just make sure it's not a red bag referral and not a current or former client that treated at ASC."

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47. On June 19, 2014, Gobrogge emailed KNR's prelitigation attorneys: "Twice in the past week, I've learned that ASC has roped in companions from OUR referrals. You must indicate if there are companions on the intake and you MUST try to rope them in. Obviously you cannot call them, but we don't have this problem with Paul or our Columbus attorneys as they do a great job with this. This is a BIG problem in Akron." While it would not otherwise matter who "roped in" the clients, since KNR would be providing legal services to them in any event, the reason that Gobrogge was so concerned that the referral was "roped in" by ASC as opposed to KNR is that such "roping in" created a deficit as to the number of referrals that KNR then owed to ASC, as opposed to the other way around.

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48. The KNR Defendants were so protective of their quid pro quo referral relationship with ASC that they would take extra care to ensure that every client who had any affiliation with ASC would be directed to treat at ASC and not at a competing clinic. For example, on December 16, 2014, Lamtman emailed KNR prelitigation attorneys: "We need to get cases over to [another chiropractic clinic located in the Akron area]. Please make sure companion to cases [*sic*] aren't at ASC, they haven't treated at ASC in the past. No affiliation whatsoever at ASC!" Here, KNR wanted to reward the other Akron-area clinic for sending it some cases, but also did not want to risk offending ASC, with whom it had a preferential kickback relationship.

49. To further protect their relationship with ASC, the KNR Defendants would screen

ASC cases for potential issues regarding insurance coverage. For example, on September 14, 2014, Lamtman emailed the following instructions to KNR prelitigation attorneys and their support staff, copying Defendant Nestico: "When there is an insurance issue or even the possibility of insurance issues on ASC cases, please send an email to akron2@csgonline.net and Katie@managedservices4u.com with the information. This MUST be done. Thank you." Here, KNR was attempting to protect ASC from providing treatment for which it might not be compensated. As with the red-bag referrals, KNR did not extend the same privilege to other chiropractors with whom it worked. This privilege had nothing to do with the quality of care provided by ASC and everything to do with KNR's kickback relationship with ASC.

50. The KNR Defendants would further reward their high-referring chiropractors like ASC by taking them on vacations to locations like Cancun, Mexico, and Punta Cana in the Dominican Republic. On November 6, 2013, Gobrogge emailed "room arrangements" for a trip to Cancun that KNR arranged for Nestico, Redick, their "prelit intake" attorneys, and their highest referring doctors and chiropractors, including Defendants Floros and Ghoubrial.

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51. KNR's "partner" chiropractors, including Defendant Floros, do not accept payment from insurance companies for their services to KNR clients. This allowed them to take a higher percentage of the KNR clients' settlements than they would otherwise be entitled under prevailing insurance-industry standards, and allowed them to avoid scrutiny from insurance companies of the treatment they provided to the KNR clients.

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C. KNR pressures its clients into unwanted healthcare to serve the interests of the providers with whom it maintains quid pro quo relationships.

52. As a matter of firm policy, KNR pressures its clients to obtain treatment from ASC and other chiropractors and doctors with whom it maintains quid pro quo relationships, even when the client would prefer to treat elsewhere. When clients resist this pressure, KNR tells the clients,

falsely, that their cases will be damaged if they do not treat with KNR-preferred providers, and subtly or explicitly threatens to drop the clients' cases. Thus, healthcare providers refer cases to KNR knowing that KNR will pressure these clients into continuing to treat with them, and also into making multiple billable visits to the providers.

53. For example, after Named Plaintiff Monique Norris was in a car accident in July of 2013, she retained KNR, who directed her to treat with Dr. Floros at ASC, explaining, "that's who we deal with." After visiting ASC, Ms. Norris complained to her KNR attorney about the unprofessional treatment she received from ASC's staff, and that she did not believe Dr. Floros's chiropractic treatment was helping her. When she expressed her desire to consult with another chiropractor, her KNR attorney, following the policy dictated to him by the KNR Defendants, advised her against it, saying that it would make her case more difficult and increase the time in which it would resolve. When Ms. Norris communicated the same concerns to Dr. Floros, he offered to increase her care, but similarly advised her against treating with a different chiropractor claiming that it would hurt her case.

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54. Ms. Norris's experience was not unique. For example, on March 26, 2013, Gobrogge emailed all KNR attorneys: "If you do an intake and the person already has an appointment with a chiropractor we do not work with, either pull it and send to one of our doctors or call the chiropractor directly. You MUST do this on all intakes, otherwise the chiropractor will pull and send to one of their attorneys." Here, Gobrogge was instructing the attorneys to "pull" the KNR clients away from their chosen chiropractors and send them to a chiropractor that KNR "works with." As the rest of Gobrogge's message makes clear, this instruction had nothing to do with the clients' interests and everything to do with KNR's desire to maintain control over the clients and not lose them to other attorneys.

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55. On May 1, 2013, Gobrogge wrote to KNR prelitigation attorneys: "This happens

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frequently so we wanted to address this with all of you. When doing an intake, just [because] they tell you they are treating with PCP [a primary-care physician], doesn't mean you shouldn't refer to a chiro. Always refer to a chiro bc they can do both." Here, Gobrogge was instructing KNR attorneys to pressure their clients into chiropractic care even when the clients stated, as they "frequently" did, that they were already treating with their chosen doctor and did not want to treat with KNR's chiropractor.

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56. In fact, as a matter of firm policy, KNR management instructed its staff to call the chiropractors directly to schedule appointments for their clients. On March 12, 2013, Gobrogge wrote to KNR prelitigation attorneys, copying Nestico: "PLEASE make sure you are calling the chiro and scheduling the appointment. This has been discussed before." And on A24, she wrote: I know that many of you already do this, but for those of you that do not, PLEASE put the intake on hold and call the chiropractor's office and set up the appointment for the client and then let the client know the time they need to be there. It is IMPERATIVE that this gets done. Paralegals, when you do your first phone call with the client after the case gets opened, make sure the client went to see the chiropractor."

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57. The predatory nature of the KNR Defendants' relationship with the chiropractors is made clear by the fact that the KNR Defendants would not pressure certain preferred clients into chiropractic care. For example, in September 2013 Gobrogge referred one of her friends to KNR, and on September 16, 2013 wrote to then-KNR attorney Robert Horton: "Since she is a nurse, she may not want chiro. Feel her out before you refer. She may want family doc and PT." The great majority of KNR clients received no such consideration before KNR pressured them into chiropractic treatment.

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As for Ms. Wright, after she terminated KNR's representation due to the pressure it placed on her to obtain what she viewed as substandard chiropractic care, KNR wrote a letter dated January 11, 2017, to Safe Auto Insurance Company, who insured the parties who caused Wright's car-accident. In this letter, KNR "assert[ed] a charging lien" of "33 1/3% [of] … whatever final settlement amount is paid" to Wright, plus "verified case expenses in the amount of $348.87." On March 15, 2017, KNR wrote to Wright's new attorney, Matthew Ameer, "asserting a charging lien for … the contractually agreed upon percentage quantum meruit [*sic*] of $2,430.00 on [Wright's] 8/2/16 accident and $900 on [her] 8/29/16 accident … in addition to verified case expenses" in the amount of $348.87. These lien letters are representative of the liens that KNR has asserted against the lawsuit proceeds of every client who terminate its services.

D. KNR serves the interests of its preferred healthcare providers at the expense of its clients by guaranteeing its clients' payments to the providers, and failing to disclose the conflict of interest to its clients.

58. The KNR Defendants also reward their quid pro quo providers by guaranteeing the providers' fees on KNR clients' cases.

59. KNR's standard fee agreement, attached as **Exhibit B** and discussed in more detail below, contains a provision by which each KNR client "authorizes and directs [KNR] to deduct from [the client's] share of proceeds and pay, directly to any doctor, hospital, expert or other medical creditor, any unpaid balance due them for [the client's] care and treatment." By this provision, KNR unlawfully purports to contract around its duty to negotiate the best possible settlement result *for its clients*, as opposed to third parties.

60. It is standard industry practice for healthcare providers to accept significant reductions to their bills, and for personal-injury lawyers to negotiate their clients' case-related healthcare bills to the lowest amount possible before finalizing a settlement. The idea, of course, is to maximize value for the client—the sole person to whom the lawyer owes a duty of loyalty.

61. The KNR Defendants fail to advise their clients of this standard industry practice, and fail to advise their clients of their quid pro quo relationship with the providers, thus failing to disclose their conflict of interest between their clients and the providers, and breaching their fiduciary duties to their clients. Due to this undisclosed conflict of interest, the KNR Defendants fail to negotiate industry-standard reductions to their clients' healthcare bills.

E. KNR charges fraudulent "narrative fees" to its clients as part of a scheme to reward chiropractors who solicit and refer clients to KNR

62. To further incentivize chiropractors, including those at ASC, to refer clients to KNR, the KNR Defendants devised a way to divert even more of their clients' money to these providers. They do so by paying certain providers a "narrative fee" for every referred client, and then fraudulently deducting that fee as an expense from the amounts recovered on each client's behalf, as with the "investigation fee" described below. These narrative fees are ostensibly paid to the

chiropractors in exchange for a narrative summary of the client's injuries to use in negotiating a settlement with the opposing party.

63. But these narratives are worthless. In most if not all cases, the narratives consist entirely of material cut directly from the client's medical records and pasted into a form. The narratives never contain any information that is not readily apparent and easily accessible from the client's medical records. Defendants know the narratives do not make an opposing party any more likely to settle a client's case, that the narratives would not make a finder of fact any more likely to resolve an issue in a client's favor, and that the narratives add no value to their client's cases.

64. The narrative fees are nothing more than kickback payments to referral sources. The KNR Defendants' decision to pay these fees—and then charge their clients for them—has nothing to do with individual clients' needs and everything to do with the KNR Defendants' desire to maintain their quid pro quo/kickback relationships with the chiropractors. Indeed, the KNR Defendants selectively paid narrative fees only to certain cherry-picked group of high-referring chiropractors, including Defendant Floros, as KNR management dictated to the firm's rank-and-file attorneys. KNR paid these fees out of its clients settlement funds as a matter of policy, as a secret kickback to compensate referral sources, regardless of any benefit to the client.

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65. For example, on October 2, 2013, Gobrogge sent a "High Priority" email to all of KNR's litigation and pre-litigation attorneys and support staff stating, "[t]hese are the only Narrative Fees that get paid," before listing a series of chiropractors and instructions for payment of the narrative fees. Evidently, "narratives" from other chiropractors were of no value.

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66. Defendant Rob Nestico would travel to certain chiropractors' offices in Ohio to inform these chiropractors of KNR's willingness to pay the narrative fee on every referral, no questions asked and regardless of the client's needs, in exchange for a steady stream of referrals. KNR paid the narrative fee out of its clients' settlement funds

67. The KNR Defendants took deliberate steps to ensure that the narrative fees would avoid scrutiny, including by maintaining a policy that narrative fees would not be paid in cases involving clients under 18 years old. The KNR Defendants adopted this policy because Ohio law provides that settlements for minors are subject to a county probate court's review and approval under R.C. 2111.05 and 2111.18, and Sup. R. 67–68.

68. Because the KNR Defendants knew that their narrative-fee scam would not withstand probate-court scrutiny, they routinely reminded KNR attorneys and staff that narrative fees should not to be paid on cases involving clients under 18 years old. For example, on April 2, 2014, Gobrogge emailed all KNR pre-litigation attorneys and staff to instruct them in capital letters: "NO NARRATIVES ARE TO BE PAID ON ANY MINOR PATIENT!"

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69. KNR's rank-and-file attorneys knew these narrative fees were fraudulent and expressed their disapproval of these fees to KNR management.

70. For example, before he joined KNR in March of 2012 as a pre-litigation attorney, Gary Petti became aware that KNR paid the "narrative fee" as a kickback to certain chiropractors. When he spoke with certain chiropractors from Plambeck-owned clinics who would occasionally refer him cases, they told him that KNR paid them a narrative-report fee every time they referred a case to KNR and asked if he would do the same. Petti refused, and did not understand at the time that this was KNR's firm-wide policy, as opposed to a practice followed by certain KNR attorneys. When he went to work for KNR, he assumed he would not be required to charge his clients for unnecessary narrative-fee expenses.

71. When he began working at KNR, Petti primarily worked on the cases that he had brought to the firm, and when he closed these cases, no narrative fee was charged to these clients because Petti never ordered narrative reports for them. It was always his understanding that the decision as to whether a narrative report was worthwhile was the attorney's decision to make, upon

consultation with the client. Petti always understood that narrative reports were only properly used to allow a medical professional to explain why the plaintiff's injuries were different or more challenging than they might appear from the contents of the medical records, and in doing so, provide information that was not included in the records.

72. As Petti began to work on cases from KNR that had been taken in and previously worked on by other KNR attorneys, he would see the narrative fee appear on the client's settlement statement. He assumed that these fees were for narrative reports that were ordered by the previous KNR attorney who worked on the case. He soon learned that these narrative reports ordered by KNR were very different from the narrative reports that he was accustomed to using, and were essentially worthless, containing no information that was not already apparent from the client's medical records. The narrative reports provided by Defendant Floros, of Akron Square Chiropractic, were especially bad, and the worst narrative reports Petti had ever seen. They appeared to follow a basic formula of a few sentences where Floros merely filled in the blanks with information that was readily apparent from the medical records. It was clear to Petti that virtually no time or effort could have been expended on his worthless narratives-certainly no effort remotely justifiable by the narrative fees being paid

73. In approximately mid-to-late November of 2012, Petti's paralegal Megan Jennings, who was also KNR's "intake coordinator," began to collect a package of documentation on a case that was to be submitted to the defendant's insurance company for evaluation, including police reports, and medical records. When she submitted this package to Petti for his approval, he noticed a charge for a narrative report in the documents. Petti immediately expressed his surprise and disapproval that the narrative fee would be included in this package, and asked Jennings why this was the case. He also told her that he is the lawyer, so he is the one who gets to advise the client as to whether the narrative report is a justifiable expense. In response, Jennings informed him that

narrative fees are paid on every case that comes in from Akron Square Chiropractic and other Plambeck-owned clinics, and that the check is made out to the chiropractor personally and sent directly to the chiropractor's house. Petti then told her that he would not approve of any such fees being charged to his clients without his express approval.

74. Within a few days, Petti was working with Jennings on another case that was affiliated with Akron Square Chiropractic. On November 28, 2012, Petti e-mailed Jennings about this case to instruct her that no narrative fee was to be paid on it. He wrote, "Remember, no reports from doktor flooroes," deliberately misspelling Dr. Floros' name in an effort to defuse tension with humor. He also wrote, as a follow-up to their previous conversation about the narrative fees, "I've asked a number of [insurance] adjusters about the importance of those [narrative] reports and the most common response is nearly uncontrolled laughter."

75. The KNR Defendants terminated Petti's employment within weeks of his having sent this e-mail complaining about the narrative reports. KNR had no legitimate business reason for terminating him, simply telling Petti that he was "not a good fit" at the firm. KNR terminated Petti in retaliation for his complaint about the narrative fees and to avoid further internal scrutiny of its fraudulent business practices.

76. The KNR Defendants deducted a $150 narrative fee from Plaintiff Reid's settlement, and a $200 narrative fee from Plaintiff Norris's settlement, and paid these fees directly to Dr. Floros.

77. ASC never advised Reid or Norris that it maintained a quid pro quo referral relationship with KNR.

78. Ms. Reid and Ms. Norris were unaware that KNR has established a quid pro quo relationship with ASC, and other healthcare providers, under which KNR and the providers exchange benefits, including referrals and guarantees of payment on behalf of KNR's unwitting clients.

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79. After all the deductions KNR made from Ms. Reid's settlement proceeds to pay attorneys fees and other expenses incurred at KNR's direction, including to doctors, chiropractors, loan companies, and medical imaging and billing companies, Ms. Reid received only $12,349.70 of the $48,720 that KNR recovered on her behalf. Ms. Norris received $1,845.91 of her $6,732.55 settlement.

F. Defendant Ghoubrial takes exorbitant profits from selling medical devices to KNR clients and fails to disclose his financial interest in the transactions.

80. During Ms. Norris's treatment by Dr. Floros at Akron Square Chiropractic, which she received at the KNR Defendants' instruction, Dr. Floros told Ms. Norris that he intended to refer her to "pain management," and that Defendant Sam Ghoubrial, M.D. was "who we use for that."

81. According to testimony given by another former KNR client, Debbie Andrews, in Summit County Court of Common Pleas Case No. CV-2013-08-4148, KNR clients are shuttled by a van from Akron Square Chiropractic directly to Ghoubrial's office.[2] Ms. Andrews testified that she "filled out her KNR paperwork" at Akron Square after having been picked up by a van owned by ASC, and was then taken by the same van ("the van takes you everywhere," she said) to Dr. Ghoubrial's office after "the chiropractor," Dr. Floros, told her that "she would be going to a doctor" "for medicine." According to Ms. Andrews, "they put you on a little table," "the doctor [Ghoubrial] comes in and shakes your hand and meets you, and he feels where it hurts and all," "and then he puts shots in my back," "cortisone shots," and "then he gives you, when you leave there,

[2] The relevant testimony from the Andrews case is summarized in the defendant's response in opposition to Ghoubrial's motion for a protective order filed on August 18, 2014 in that case (CV-2013-08-4148) and publicly available for review on the Summit County Clerk of Courts' online docket along with the deposition transcripts and other exhibits attached to the defendant's brief.

you go out front and they give you the prescriptions and an appointment card for next time." According to Ms. Andrews, her interactions with Dr. Ghoubrial lasted between 5 and 15 minutes.

82. Former KNR attorneys have informed Plaintiffs that Ghoubrial would often travel to the offices of KNR's "preferred" chiropractors statewide to treat KNR clients, and testimony in the *Andrews* case suggests that Ghoubrial would travel by private plane to do so.

83. Peer-reviewed research published in the Annals of Internal Medicine in April of 2017, showed "no difference in pain or function between a single intramuscular injection of [corticosteroids] compared with placebo in patients with acute low back pain."[3] A review of peer-reviewed research published in the Journal of Family Practice in May of 2011 concluded that, "short courses of systemic steroids [such as cortisone] ... are ineffective."[4]

84. Despite their dubious efficacy, Ghoubrial administered cortisone shots as a matter of policy to KNR clients who were directed to treat with him by the firm because the administration of shots required a medical procedure—as opposed to simply issuing a prescription for pills—for which he could obtain a higher fee for services. Like, KNR's "partner" chiropractors, Ghoubrial does not accept payment from insurance companies for his services to KNR clients, which, like the chiropractors, allows him to take a higher percentage of the KNR clients' settlements than he would otherwise be entitled under prevailing insurance-industry standards, and allows him to avoid scrutiny from insurance companies of the treatment he provided to the KNR clients.

85. Ms. Andrews's testimony regarding Ghoubrial, quoted above, is consistent with

[3] Qaseem A, Wilt TJ, McLean RM, Forciea MA, for the Clinical Guidelines Committee of the American College of Physicians. "Noninvasive Treatments for Acute, Subacute, and Chronic Low Back Pain: A Clinical Practice Guideline From the American College of Physicians," *Ann Intern Med.* 2017;166:514–530. doi: 10.7326/M16-2367

[4] Mark Johnson, DO, Jon O. Neher, MD, Leilani St. Anna, MLS, AHIP, "How effective—and safe—are systemic steroids for acute low back pain?" *J Fam Pract.* 2011 May; 60(5): 297-298.

Named Plaintiff Norris's experience. Ms. Norris was sent by Dr. Floros to meet Dr. Ghoubrial at an unmarked facility on Brown Street and Cole Avenue in Akron. The facility was crowded with more than a dozen other people who were apparently there for treatment. Ms. Norris was shocked that this facility was a doctor's office given its condition. Ms. Norris met with Dr. Ghoubrial for approximately 15 minutes at this facility, during which Dr. Ghoubrial examined her briefly, handed her an electrical-nerve-stimulation device (a "TENS unit") telling her that it would "help her nerves" and "make her feel better," and briefly instructed her on how to use the device.

86. According to the April 2017 peer-reviewed study published in the Annals of Internal Medicine quoted above (*See* FN2, above), TENS Units "had no effect on pain or function compared with control [or 'sham'] treatments."

87. In concluding his first appointment with Ms. Norris, Dr. Ghoubrial asked Ms. Norris, "what kind of medicine do you want?," apparently offering to write her a prescription for a drug of her choice. Ms. Norris, who works in the healthcare industry, currently as a pharmacy technician, was disappointed that this doctor was apparently liberally offering to prescribe her addictive narcotics regardless of her need for them.

88. Another former KNR client, Naomi Wright, has informed Plaintiffs that at her initial appointment with Dr. Ghoubrial, he offered to prescribe her Oxycontin, a painkiller widely known to be highly and dangerously addictive. When Ms. Wright told Dr. Ghoubrial that she would be fine taking Ibuprofen, a non-addictive anti-inflammatory, Dr. Ghoubrial scoffed and said that Ibuprofen "wouldn't make a dent" in her pain.

89. Ms. Norris shortly complained to her KNR attorney about the treatment that she received from Dr. Ghoubrial and the condition of the Brown Street facility and told him that she wanted to see another physician at the Akron General Health and Wellness Center in Green. Her KNR attorney advised her not to do this, saying of Ghoubrial and Floros that, "we all work together

in partnership," and that it would hurt her case if she saw another doctor. The KNR attorney also told Ms. Norris that the other people at the crowded Brown Street facility were "just people who are having problems with their accidents."

90. Dr. Ghoubrial did not tell Ms. Norris that she would be charged for the TENS unit that he sent her home with, though $500 was ultimately deducted from her KNR settlement to pay Dr. Ghoubrial for it through Clearwater Billing Services, as reflected on the settlement memorandum attached as **Exhibit D**. TENS units are readily available for purchase at various outlets, easily located by an internet search, for prices ranging from $34.99 to $150.00.

91. In the aforementioned *Andrews* case (Summit County C.P. No. CV-2013-08-4148), the following pertinent facts were established regarding Dr. Ghoubrial and his distribution of TENS Units to KNR clients: (A) It was undisputed that Ghoubrial had provided a TENS unit to the plaintiff in January 2013, for which he charged her $500.00. Ms. Andrews further testified that Ghoubrial's receptionist "handed her a TENS unit on the way out the door and said that the directions were included, but otherwise provided no instruction on how to use the TENS unit. ... Dr. Ghoubrial never sent the Plaintiff a bill for his medical care, or for the cost of the TENS unit;" (B) As part of his application for the license required to sell a TENS unit, Ghoubrial provided the State of Ohio with a Certificate of Insurance from Nationwide Insurance indicating that the "Certificate Holder" was "Sam N. Ghoubrial, Inc. and Clearwater Billing, LLC." The same Certificate of insurance indicated that the "insured" was "Tritec Sales, Inc."; (C) The Ohio Secretary of State's records reveal that there is an Ohio corporation called Tritec Distribution Services, Inc., and a Reinstatement and Appointment of Agent for that corporation was filed on November 4, 2011 and signed by two "authorized representatives," one of which was Defendant Nestico; (D) The Defendants in the *Andrews* case submitted a photograph of a TENS unit that they believed to have been provided to another Ghoubrial patient reflecting that the TENS unit came from "Tritec

Medical Supply" on Eagon Street, in Barberton, Ohio, the same street address identified in the Certificate of Insurance that Dr. Ghoubrial provided to the State of Ohio in his application for the license to sell TENS units.

92. Documents filed in the *Andrews* case also show that Dr. Ghoubrial provided other Tritec products to KNR clients, including neck, knee, and back braces for which KNR clients were charged from their settlement proceeds just as Ms. Norris was for the TENS unit. Former KNR attorney Gary Petti has further informed the Plaintiffs that KNR clients were routinely charged for neck, knee, and back braces provided by or through Ghoubrial's office. This equipment was all distributed through Tritec.

93. At Dr. Ghoubrial's deposition in the *Andrews* case, he did not have an issue with a single question posed to him until the issue of Tritec and its ownership came up. When the defense attorneys attempted to question Dr. Ghoubrial about Tritec, Ghoubrial refused to answer any more questions, postponed the remainder of the deposition, and filed a motion for protective order asking the court to excuse him from answering any further questions about Tritec. The *Andrews* case shortly resolved before any additional facts were discovered about Tritec.

94. Plaintiffs have since discovered, through information provided to them by Tritec representatives, that Ghoubrial paid Tritec $27.50 for each of the TENS units that Ghoubrial then sold to KNR clients for $500, a profit margin of more than 1,800%. KNR clients, including Ms. Norris, were never informed of Ghoubrial's financial interest in these transactions. These KNR clients were not informed that Ghoubrial took a profit from these transactions at all, let alone at such an exorbitant level.

G. KNR fraudulently charges clients "investigation fees" for investigations that never take place.

95. Since its founding in 2005, KNR has entered into contingency-fee agreements with

its clients which contain the following standard language authorizing recovery of reasonable advanced expenses:

> The Attorneys shall receive as a fee for their services, one-third of the total gross amount of recovery of any and all amounts recovered, and Client hereby assigns said amount to Attorneys and authorizes Attorneys to deduct said amount from the proceeds recovered. Attorney shall have a charging lien upon the proceeds of any insurance proceeds, settlement, judgment, verdict award or property obtained on your behalf. IN THE EVENT OF NO RECOVERY, CLIENT SHALL OWE ATTORNEYS NOTHING FOR SERVICES RENDERED.
>
> Client agrees and authorizes Attorneys to deduct, from any proceeds recovered, any expenses which may have been advanced by Attorneys in preparation for settlement and/or trial of Clients [*sic*] case. IN THE EVENT OF NO RECOVERY, CLIENT SHALL OWE ATTORNEYS NOTHING FOR SUCH ADVANCED EXPENSES.
>
> Client authorizes and directs attorneys to deduct from Clients [*sic*] share of proceeds and pay, directly to any doctor, hospital, expert or other medical creditor, any unpaid balance due them for Clients [*sic*] care and treatment.

(**Exhibit B**, emphasis in original.)

96. To the extent that KNR and its clients have entered into contingency-fee agreements with differing language, this differing language was substantially similar to the language quoted in the preceding paragraph, and KNR drafted this differing language with the same intended legal effect as this language.

97. KNR's contingency-fee agreements expressly or impliedly provided that KNR could deduct only reasonable expenses from a client's share of proceeds—that is, reasonably priced services that were actually and reasonably undertaken to advance the client's case, and not a KNR overhead expense that was already subsumed in KNR's contingency fee percentage. All class members understood that KNR would not incur expenses unreasonably and would not charge them for unreasonable expenses.

98. In all cases where KNR recovered money for a client in a judgment or settlement, KNR followed the standard practice of requiring client to execute a "Settlement Memorandum" that the firm prepared before distribution.

99. KNR's Settlement Memoranda purport to set forth the expenses that KNR incurred or advanced on each client's behalf and the corresponding amounts that KNR deducted and retained from each client's recovery to pay for those expenses.

100. When itemizing the amounts deducted and retained from the recovery amount, KNR represented to its clients on each Settlement Memorandum that the deductions were only for reasonable expenses—that is, for reasonably priced services that were reasonably and actually undertaken in furtherance of the client's legal matter, and not a KNR overhead expense that was already subsumed in KNR's contingency fee percentage.

101. In requiring the client's signature on each Settlement Memorandum, KNR purported to obtain the client's written approval for KNR's deductions and conditioned the disbursement of the client's money on KNR's receipt of this purported approval.

102. During the class period, KNR aggressively pursued prospective clients, subjecting its attorneys and staff to discipline if prospective clients were not signed up within 24 hours of the prospective client's first contact with KNR. If a prospective client would not come to a KNR office to sign a fee agreement within 24 hours, KNR attorneys and staff were instructed to "send an investigator" to the client.

103. During the class period, KNR's promotional material promised prospective clients a free consultation, and promised that if a prospective client could not travel to a KNR office, KNR would "come to them." *See* **Exhibit A at 5** ("Call now for a free consultation – If you can't come to us, we'll come to you."). Neither KNR's promotional material nor fee agreement stated or implied that KNR would charge prospective clients a fee for KNR's coming to them. KNR never disclosed

to its clients or prospective clients that they would be so charged.

104. But KNR charged its clients a fee of approximately $50 and more (an "investigation fee") for sending employees to clients' homes, places of employment, chiropractors' offices, doctors' offices, or other locations for the purpose of obtaining their signature on KNR's contingency-fee agreement.

105. KNR, as a matter of policy, deducted and retained from clients' recoveries as a case expense this investigation fee that KNR never disclosed to clients in KNR's promotional materials, in clients' contingency-fee agreements, or in any other way. The charge for the investigation fee appears on the client Settlement Memoranda, as charged to "AMC Investigations, Inc.," "MRS Investigations, Inc," or to other corporations or people purporting to provide investigative services. Defendant Nestico personally reviews every KNR client's Settlement Memorandum before it is submitted to the client for approval, including to personally approve reductions to chiropractic charges, as stated in a July 31, 2013 email from Gobrogge to all KNR attorneys.

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106. AMC Investigations, Inc. is an Ohio corporation registered to Aaron M. Czetli, a personal friend of Defendant Nestico, KNR's managing partner. Since 2005, KNR has employed Czetli as an employee or independent contractor, mainly to stuff envelopes for promotional mailers and to perform other odd jobs, in addition to meeting prospective clients to sign them to contingency-fee agreements.

107. MRS Investigations, Inc. is an Ohio corporation registered to Michael R. Simpson, who, like Aaron Czetli, is Nestico's personal friend. Like Czetli, KNR has employed Simpson since 2005 as an employee or independent contractor, mainly to stuff envelopes for promotional mailers and to perform other odd jobs, in addition to meeting prospective clients to sign them to contingency-fee agreements.

108. Czetli and Simpson are not licensed as private investigators by the Ohio Department

of Public Safety. Nor are any of the other so-called "investigators" KNR engaged.

109. Although registered with the Ohio Secretary of State, AMC Investigations and MRS Investigations do not do any business apart from Czetli's and Simpson's employment with KNR as described above—nor does any other investigation entity whose fees KNR charges to its clients.

110. In some cases, Czetli, Simpson, or other "investigators," such as Wesley Steele in the Columbus area, or Gary Monto in the Toledo area, traveled to prospective clients' homes, places of employment, chiropractors' offices, doctors' offices, or other locations to obtain signatures on fee agreements and, in some cases, to obtain copies of case-related documents from the potential client. This was the only task that Czetli, Simpson, or the other investigator ever performed in connection with any KNR client's file, and it was the only task performed in connection with the "investigation fee" that KNR charged every class member. All of KNR's so-called "investigators" held themselves out to clients and consumers as KNR employees and all of them had KNR email addresses. For example, Czetli's and Simpson's email addresses were aczetli@knrlegal.com and msimpson@knrlegal.com, respectively.

111. In other cases, KNR's clients sign their fee agreement at a KNR office or a chiropractor's office, or otherwise provide the signed agreement by fax, mail, or email. In these instances, neither Czetli, Simpson, nor any other investigator performs any task at all in connection with the client. But KNR still deducts the investigation fee from the settlement or judgment proceeds obtained on behalf of these clients, and pays the fee either to Czetli or Simpson on a rotating basis.

112. In rare cases, such as when a court or outside attorney reviewed a client's Settlement Memorandum, KNR removed the investigation fee to avoid scrutiny of it. On some of these occasions, senior KNR attorneys specifically instructed junior KNR attorneys and staff to remove references to the investigation fee from Settlement Memoranda.

113. In no case was the investigation fee properly chargeable to any KNR client as a case expense. Even in the cases where the so-called "investigator" travelled to meet the prospective client to obtain a signature or documentation, the prospective client—who was promised a free consultation—never agreed to be charged for the so-called service. By passing this charge off as a fee for an "investigation," Defendants defrauded KNR clients into paying KNR's overhead expenses above and beyond the level properly subsumed in KNR's contingency fee.

114. Ohio law expressly prohibits attorneys from charging basic administrative services, like KNR's "investigation" or "sign-up" fee, as a separate case expense. For example, in *Columbus Bar Assn. v. Brooks*, 87 Ohio St.3d 344, 346, 721 N.E.2d 23 (1999), the Supreme Court of Ohio found that an attorney breached his fee agreement and charged an excessive fee in violation of the Ohio Code of Professional Responsibility, DR 2-106(A) (since replaced by Prof.Cond.R. 1.5), by collecting for secretarial and law clerk expenses in addition to filing fees, deposition fees, and thirty-three percent contingency fee on a settlement. The court explained its holding as follows:

> Costs of litigation generally do not include secretarial charges or fees of paraprofessionals. Those costs are considered to be normal overhead subsumed in the percentage fee. In cases where legal services are contracted for at an hourly rate, an attorney's secretarial costs, except in unusual circumstances and then only when clearly agreed to, are part of overhead and should be reflected in the hourly rate. If an attorney charges separately for a legal assistant, the legal assistant's hourly charges should be stated and agreed to in writing.

115. The Supreme Court of Ohio's holding in *Brooks* is consistent with Formal Opinion 93-379 of the American Bar Association's Committee on Ethics and Professional Responsibility, which reads in part as follows:

> In the absence of disclosure to the client in advance of the engagement to the contrary, the client should reasonably expect that the lawyer's cost in maintaining a library, securing malpractice insurance, renting of office space, purchasing utilities and the like would be subsumed within the charges the lawyer is making for professional services. ... [I]n the absence of an agreement to the

> contrary, it is impermissible for a lawyer to create an additional source of profit for the law firm beyond that which is contained in the provision of professional services themselves. The lawyer's stock in trade is the sale of legal services, not photocopy paper, tuna fish sandwiches, computer time or messenger services.

116. KNR's practice of sending so-called "investigators" to obtain client signatures on fee agreements is a basic administrative service that is not properly chargeable as a separate expense. By charging their clients for this practice after the fact, after having promised a free consultation and that "if you can't come to us, we'll come to you," and cloaking the charge under the guise of an "investigation," the KNR Defendants have intentionally misled their clients in an unlawful attempt to create a profit source beyond the provision of legal services

117. KNR deducted an investigation fee from the settlement it obtained on behalf of Named Plaintiff Member Williams as a $50 expense payable to MRS Investigations, Inc., as reflected on the Settlement Memorandum attached as **Exhibit C**. Williams never had any interaction with any representative of MRS Investigations, Inc. When Williams signed up as a KNR client, she traveled herself to a KNR office to sign up in person. KNR never advised Williams as to the purpose of the charge to MRS Investigations, Inc., and never obtained Williams's consent for the charge. No services were ever provided to Williams in connection with the $50 payment to MRS Investigations, Inc.

118. When Named Plaintiff Monique Norris first contacted KNR about potentially retaining the firm in connection with her car accident, the firm sent an "investigator" to her home that evening. The investigator told Ms. Norris that he could not speak with her about the case until she signed an engagement agreement with KNR. Ms. Norris signed the agreement on an electronic device and was not provided with a copy of the document. KNR deducted an investigation fee from the settlement it obtained on behalf of Ms. Norris as a $50 expense payable to MRS Investigations, Inc., as reflected on the Settlement Memorandum attached as **Exhibit D**.

G. Internal KNR correspondence reveals the fraudulent nature of the "investigation fee."

119. The KNR Defendants' internal correspondence reveals that the investigation fee is a fraud.

120. For example, on May 6, 3013, Gobrogge wrote to KNR prelitigation attorneys, copying Nestico: "We MUST send an investigator to sign up clients!! We cannot refer to Chiro and have them sign forms there. This is why we have investigators. We are losing too many cases doing this!!!!!!!" This email makes clear that KNR's purpose in "having" the so-called investigators was not to perform any investigations, but rather simply to chase down potential clients to have them sign forms so that KNR did not lose the potential clients' business.

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121. A December 7, 2012 email from Defendant Robert Redick further clarifies that the so-called "investigation fee" has nothing to do with investigations, but rather amounts only to a "sign up" fee, *i.e.*, a fee to the client for having been "signed up." In his email, Redick wrote to all KNR staff, copying Nestico: "Please be advised that if the attorney on the case requests any investigator – WHO IS NOT MIKE [Simpson] OR AARON [Czetli] – to do something for a case that has already been opened. I.E. – Pick up records - knock on the door to verify address - they CAN be paid on a case by case basis depending on the task performed. However, no checks for anything other than the SU fee should ever be requested without getting in-writing approval from the handling attorney, myself and/or Brandy. Under no circumstances should any additional checks to MRS or AMC be requested other than at the time the case is set-up. Please see me if you have any questions."

122. By his reference to "the SU fee" in his December 7, 2012 email, Redick was referring to the "sign up fee" or, in other words, the fraudulent "investigation fee" that every KNR client was charged as a matter of firm policy. Redick's email made clear that any task beyond the basic "sign-up" could be charged separately and paid to the investigator on a case by case basis depending on the

task performed, unless it was Czetli or Simpson who performed the task. The reason that Czetli and Simpson were not to be so paid is that they were already paid on a rotating basis for the "sign-ups," such as those that occurred at chiropractors' offices where a so-called investigator never participated. Because Czetli and Simpson were already well compensated enough by the fraudulent payments for doing nothing at all on these additional sign-ups, KNR did not pay them for performing additional tasks.

123. KNR's intake department sent a daily email containing a chart of each day's intakes. These daily emails confirm that KNR paid an "investigator" as a matter of policy on every single case it took in, and paid Czetli and Simpson on cases in which they had no involvement at all. For example, KNR's daily intake email for October 14, 2014 confirms that Czetli and Simpson, Akron-based "investigators," were paid on cases that came in from a chiropractic clinic in Toledo, and by direct mail to the Columbus office, despite the fact that KNR has Toledo and Columbus-based investigators on staff. On this same day, Czetli and Simpson were paid on a total of 22 cases that came in from Akron, Canton, Shaker Heights, Elyria, and Youngstown, and other undisclosed locations.

124. The daily intake email for May 30, 2014 confirms that Simpson was paid on two cases from the Sycamore Spine & Rehabilitation clinic in Dayton, Ohio, while also being paid on two cases from Cleveland (200 miles away from Dayton), two from Akron, one from Stark County, and four more from undisclosed sources.

125. Emails by KNR employees routinely use the terms "sign-up" or "sign-ups" when referring to investigators. For example, on June 19, 2013, KNR secretary Amber Angelilli, in an email to all KNR staff titled "Investigator info," advised that "[Investigator] Jeff Allen is back on duty. Please contact him for sign-ups." On March 8, 2013, KNR attorney Kristen Lewis wrote to all KNR attorneys: "Once the intake screening form is completed by the attorney, an investigator will

handle the signups. They will have our fee agreement signed and leave a more detailed medical questionnaire for the client to complete."

126. Emails by KNR attorneys further confirm that KNR does not use its so-called "investigators" to perform actual investigations.

127. For example, on February 24, 2012, KNR attorney Ken Zerrusen wrote to all KNR staff: "I need a private investigator to find a driver when we only have the license plate # Who do we use for this?"

128. On December 23, 2013, KNR attorney Kristen Lewis wrote to all KNR attorneys: "Is there someone that we regularly use when trying to locate a MIA client?"

129. On August 27, 2014, KNR attorney Joshua Angelotta wrote to all KNR attorneys: "Any recommendations for an Akron area investigator we can hire to get potential fact witness statements?"

130. In short, Czetli, Simpson, and Co. weren't really "investigators." They were Defendant's employees who performed a basic intake function, among other odd jobs, and were paid via fraud against Defendants' clients.

H. KNR directed its clients to take out high-interest loans with Liberty Capital Funding, a company in which Defendants maintained a financial interest.

131. An attorney's professional obligations require the exercise of caution in referring clients to loan or financing companies, and any self-dealing with respect to such referrals is strictly prohibited by law. These considerations were explained by the Supreme Court of Ohio's Board of Commissioners on Grievances and Discipline, in formal Opinion 94-11, which states, in part, as follows:

> [B]efore referral to a financing company, a lawyer must carefully consider whether the referral is in the client's best interest. A lawyer should consider whether he or she could provide pro bono representation or whether the client might be eligible to receive pro

> bono representation elsewhere. A lawyer should assist the client in determining whether payment of the legal services or costs and expenses of litigation could be accomplished through the use of the client's already established credit cards, particularly if the interest rates are lower. *See* Opinion 91-12 (1991). A lawyer should encourage a client to consider other possible sources of loans that might carry lower interest rates, such as bank loans or personal loans from family or friends. An attorney should consider whether or not to advance or guarantee the expenses of litigation as permitted under DR 5-103 (B). *See* Op. 87-001 (1987) ("[i]t is ethically proper for an attorney to advance expenses of litigation on behalf of a client, provided the client remains ultimately liable for such expenses"); Op. 94-5 (1994) (advising on the issue of settling a lawsuit against a client for expenses of litigation). Finally, the attorney must be satisfied that the terms and conditions of the financing company do not involve the attorney in a violation of the Ohio Code of Professional Responsibility.

132. KNR routinely and flagrantly violates these principles in recommending loan companies to its clients, and engaging in self-dealing regarding these loans.

133. On May 2, 2012, Defendant Nestico emailed all KNR attorneys and staff requesting "a copy of the questionnaire sent to us when a client asks for a loan … from Oasis or [P]referred [C]apital," two companies that KNR was recommending to its clients at the time.

134. On May 10, 2012, Nestico sent an email to all KNR attorneys, introducing them to a new loan company, Liberty Capital Funding, and instructing them that "For any Plambeck patients only please use the below company for cash advances." The next day, Nestico clarified his instruction by an email stating, "Sorry applies to all cases not just Plambeck."

135. On May 14, 2012, Gobrogge emailed all KNR staff on the subject of "Loans": "For today or until further notice, please use Preferred Capital instead of new company. We are ironing out some glitches."

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136. Documents from the Florida and Ohio Secretaries of State confirm that Liberty Capital Funding was registered as a corporation on April 16, 2012, just under two weeks before Nestico requested copies of forms used by other loan companies, and just under three weeks before

Nestico instructed his staff to refer KNR clients to Liberty Capital for all cash advances.

137. On May 21, 2012, KNR attorney Paul Steele, at Defendants' direction, provided KNR staff with further instructions about working with Liberty Capital. He wrote: "When clients call in about a loan – send them to Liberty Capital Funding. If they contact Pref Capital or Oasis first, let them stay with PCF or Oasis. When you give them liberty Funding [*sic*] info, tell them to call and ask for Ciro at 866-612-6000. Liberty Funding will then email you for case info just like Pref Cap does. Use this template when responding. They are matching Pref Cap rates + fee for Western Union."

138. On November 27, 2012, Gobrogge's assistant Sarah Rucker emailed KNR prelitigation attorneys, copying Nestico, to instruct them that, "Tomorrow there will be a lunch with Ciro Cerrato from Liberty Capital. Rob [Nestico] would like each Pre-Lit Attorney to attend. If you are unable to attend please have your paralegal attend in your place. Thanks!"

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139. On November 30, 2012, Nestico emailed KNR prelitigation attorneys on the subject, "Lending co": "Please use [L]iberty [C]apital until further notice."

140. Liberty Capital's rates were extremely high. According to the agreement that KNR advised Named Plaintiff Matthew Johnson to enter, Liberty Capital charged an annual interest rate of 49%, which was topped by a $50 purported "delivery fee" and a $20 purported "processing fee" that also accrued interest at the same 49% rate.[5] Thus, a client who took out a loan for just $250, would pay $566.01 in total after one year, $838.82 after two years, and $1,261.69 after three years. Mr. Johnson paid his loan back with fees and accrued interest after approximately one year.

141. Ms. Norris also took out a loan from Liberty Capital on similar terms, based on

[5] Mr. Johnson's agreement with Liberty Capital is not attached under Civ.R. 10(D)(1) because the Court's June 27, 2017 Order granting Plaintiffs leave to file the Second Amended Complaint (at 1) states that "Plaintiff is barred from attaching any documents to her Second Amended Complaint **unless** the document is the subject of a **breach of contract claim**." (Emphasis in original.)

Defendants' recommendation, and $800 in principal, interest, and fees was deducted from her settlement and paid to Liberty Capital for a $500 cash advance that she received.

142. The KNR Defendants knew that many KNR clients would be unable to repay their Liberty Capital loans until their lawsuits resolved, a process that often takes years.

143. Liberty Capital and the KNR Defendants required KNR clients, in taking out a Liberty Capital Loan, to authorize KNR—who also signed to its clients' Liberty Capital loan agreements—to deduct any amounts due to Liberty Capital from the clients' settlement or judgment amounts and pay those amounts directly to Liberty Capital. For example, the agreement requires the KNR clients to represent as follows: "I understand that I am instructed to follow Matthew Johnson's Irrevocable direction and authorization to pay such sums that shall be due and owing at the time of the resolution of the above Legal Claim."). The Liberty Capital loan agreements that Defendants advised KNR clients to sign also expressly prohibited KNR from "disbursing any proceeds" to the client or to anyone else on the client's behalf as long as any "dispute" was pending "over the amount owed [to Liberty Capital]," except to KNR for its own attorneys fees and advanced expenses. *Id.* By this provision, the KNR Defendants agreed up front to protect Liberty Capital's interests at the expense of KNR clients, and also carved out an exception under which the KNR Defendants could pay themselves from KNR clients' lawsuit proceeds, before ever disbursing any funds to the clients, without breaching any obligations to Liberty Capital.

144. Liberty Capital's loan agreements with KNR clients, to which KNR was a signatory, also contained the following false representation by a KNR attorney, intended to falsely disclaim and thus insulate Defendants from liability for their involvement in the transactions: "I am not endorsing or recommending this transaction." *Id.* This representation is directly contradicted by Defendants' repeated orders to their staff to recommend Liberty Capital to KNR clients, and is also directly contradicted by KNR advertisements promising potential clients that they can "GET

MONEY NOW" and that "Kisling, Nestico and Redick Can Help You Get a CASH ADVANCE On Your Settlement." *See* **Exhibit A**.

145. Defendants subjected KNR attorneys and staff to harsh discipline if they disbursed settlement or judgment funds to a client without paying amounts owed to Liberty Capital, including deduction of the amounts owed to Liberty Capital from the KNR attorneys' and staff members' paychecks.

146. Liberty Capital stopped making loans in 2014, and ceased operations shortly thereafter. KNR clients were Liberty Capital's only customers, or the great majority of its customers, throughout the history of its operations.

147. According to Liberty Capital's annual reports filed with the Florida Secretary of State, its "principal place of business" throughout its existence was a 3,392 square-foot residential property owned by Cerrato at 8275 Calabria Lakes Drive, Boynton Beach, Florida 33473. This property is or was at all relevant times, Cerrato's residence. Cerrato served as the registered agent, manager, CEO, and sole managing member of Liberty Capital, and was Liberty Capital's only apparent employee. As shown by KNR attorney Paul Steele's May 21, 2012 email quoted in Paragraph 104 above, the KNR Defendants instructed KNR clients "to call and ask for Ciro at 866-612-6000" to obtain their loans.

148. According to Cerrato's LinkedIn profile, he was a health-insurance broker for Paychex Insurance Agency in South Florida from May 2007 until October 2011, immediately before becoming Liberty Capital's "CEO" in November 2011, where he remained until November 2015, when he took a position as an employee-benefits advisor with Gulfshore Insurance, Inc., in South Florida. In October 2016, according to his LinkedIn profile, Cerrato went to work as an employee-benefits advisor for USI Insurance Services, also in South Florida, where he is currently employed.

149. On October 30, 2012, about a month before KNR prelitigation attorneys were instructed to attend a lunch with Cerrato, Nestico emailed all KNR attorneys and litigation and

prelitigation support staff: "If anyone has been having problems with [Liberty Capital] please email me what has happened and be as specific as possible. Thank you." This email shows that Nestico had a significant influence on Liberty Capital and its operations.

150. The KNR Defendants had no legitimate reason for their blanket policy directing all KNR clients to take out loans with Liberty Capital—a brand new company with no track record, run out of the home of its so-called CEO and only apparent employee, who himself had most recently worked as an insurance broker—as opposed to any of a number of established financing companies that existed at the time. In fact, Liberty Capital's rates were more expensive than some of these other companies', including Preferred Capital, to whom the KNR Defendants would refer clients for loans before Liberty Capital's formation. This is because Preferred Capital did not charge any itemized fees to lenders like Liberty Capital did with its $50 "delivery fee" and $20 "processing fee." Thus, Defendants advised their clients to use a loan company whose loans were more expensive than other options on the market of which Defendants were aware.

151. As with all of the unlawful practices described in this document, KNR's unlawful relationship with Liberty Capital was a routine subject of discussion among KNR's rank-and-file attorneys. These attorneys were fearful of raising their concerns with Defendants Nestico & Redick, who ruled the firm with an iron fist and swiftly dismissed any dissenters like former KNR attorney Gary Petti who raised concerns about the chiropractor "narrative fees" as described in Paragraphs 61-62 above. The depressed market for law jobs in Ohio and throughout the United States since 2008 also contributed to this lack of effective dissent. *See* Richard A. Westin, "The Need for Prompt Action to Revise American Law Schools," 46 Akron L. Rev. 137 (2013); Noam Schieber, "An Expensive Law Degree and No Place to Use It," *New York Times* (June 19, 2016) BU1, available at https://www.nytimes.com/2016/06/19/business/dealbook/an-expensive-law-degree-and-no-place-to-use-it.html (accessed March 22, 2017).

152. By early 2015, the KNR Defendants had apparently become concerned about the exposure to liability created by their brazen self-dealing with Liberty Capital at the expense of their clients. On February 3, 2015, Gobrogge emailed all KNR staff stating: "Please be sure to offer two different companies to your clients, only if they request a loan." This was a sharp turn from Defendants' prior practice of baiting clients with promises to help obtain quick cash via loans, and directing all of their clients to obtain these loans through Liberty Capital.

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153. The allegations above support a strong inference that Defendants assisted in Liberty Capital's formation.

154. The allegations above support a strong inference that Defendants retained an ownership interest in Liberty Capital or obtained kickback benefits for referring KNR clients for loans.

H. Defendants Nestico and Redick are personally responsible for KNR's unlawful acts.

155. Since KNR's founding in 2005 until 2012, Defendants Nestico and Redick were the sole equity partners and controlling shareholders of KNR, along with their partner Gary Kisling. In 2012, when Kisling retired from the firm, Nestico purchased Kisling's and Redick's respective interests in KNR, and became the sole equity partner and sole controlling shareholder of the firm. In or around January 2016, Nestico granted "shareholder" status to four KNR attorneys, but this shareholder status only permits these attorneys to share in a percentage of KNR's profits. It does not grant the shareholders any control over the firm. Since 2012, Nestico has retained complete control over the firm and its policies.

156. KNR's equity partners are solely responsible for setting and enforcing the firm's policies, and have the sole discretion to retain and allocate the firm's profits and other resources. KNR did not enter any contracts or agreements and did not enact any policy without the equity partners' knowledge and approval. When KNR managers or staff, like Gobrogge and Tusko, issued

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directives to KNR attorneys or staff, they did so with the knowledge of and at the direction of the equity partners.

157. During their respective tenures as equity partners, Nestico and Redick were not only aware of all of the conduct alleged in this Third Amended Complaint, but directed and approved of this conduct for the purpose of enriching themselves. During their respective tenures as equity partners, Nestico and Redick personally profited from the unlawful conduct at issue in this Third Amended Complaint and intended KNR clients to rely on the misrepresentations at issue for their own personal benefit. Since KNR's founding in 2005, Nestico and Redick owed all KNR clients a fiduciary duty and intentionally breached that fiduciary duty, as alleged in this Third Amended Complaint, for their own personal benefit.

V. CLASS ALLEGATIONS

158. Plaintiffs Williams, Johnson, Reid, and Norris bring claims under Ohio Civ.R. 23(A) and (B)(3) on behalf of themselves and the following Classes of all others similarly situated:

A. All current and former KNR clients to whom KNR charged sign-up fees paid to AMC Investigations, Inc., MRS Investigations, Inc., or any other so-called "investigator" or "investigation" company ("investigation fees");

B. All current and former KNR clients who had a narrative fee deducted by KNR from their settlement proceeds to be paid to a chiropractor.

C. All current and former KNR clients who paid interest or fees on a loan taken through Liberty Capital Funding, LLC.

D. All current and former KNR clients who had fees for medical equipment manufactured or distributed by Tritec deducted from their KNR settlement proceeds.

159. The Classes are so large that joinder of all Class members is impracticable. And while Plaintiff is unable to state at this time the exact size of the potential Classes, based on KNR's extensive public advertising and high-volume business model, Plaintiff believes each Class consists of thousands of people. Each class is readily ascertainable from KNR and client records, including

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client settlement statements, KNR's "Needles" computer system,[6] and Liberty Capital loan agreements.

160. Common legal or factual issues predominate individual issues affecting the Classes. These issues include determinations as to whether,

A. for Class A,

i. the so-called "investigators" never performed any investigations;

ii. in the majority of instances where the investigation fee was charged, the so-called "investigators" never performed any task at all in connection with the client;

iii. the so-called "investigators" never performed any services that were properly chargeable to clients as separate case expenses, as opposed to an overhead expense that was subsumed in KNR's contingency fee percentage;

iv. Defendants never properly disclosed to their clients what the investigation fee was for;

v. Defendants never obtained their clients' consent for the investigation fee;

vi. Defendants intended to mislead KNR clients into paying the investigation fee;

vii. KNR breached its fee agreement with its clients in assessing and collecting the investigation fee;

viii. Defendants' undisclosed self-dealing in collecting the fee renders the fee void as a matter of law as to all Class A members;

ix. Defendants breached their fiduciary duty to their clients in assessing and collecting the investigation fee, causing injury to the Class in the amount of the investigation fee;

B. for Class B, whether

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[6] Needles is the name of the computer system by which KNR stores all information about its client matters. On January 28, 2014, Lamtman emailed KNR staff: "Make sure you are noting EVERYTHING you do on a case in Needles." This includes referral sources, as shown by Lamtman's December 1, 2014 email to KNR staff ("NOBODY should change the referred by's in Needles"), and her May 29, 2012 email to KNR attorneys and staff quoted in Paragraph 30, above ("I had a chiropractor call me on Friday to review the number of cases she sent to us and we sent to her. I was unable to tell her how many we sent to her because this information was not in the referred to box in the case.").

i. Defendants maintained arrangements with ASC and other chiropractors from Plambeck-owned clinics ("the chiropractors") by which Defendants and ASC split certain marketing costs to target clients for both KNR and the chiropractors;

ii. Defendants maintained arrangements with the chiropractors by which Defendants would use the chiropractors' representatives to circumvent the Ohio Rules of Professional Conduct by directly soliciting KNR clients on KNR's behalf;

iii. Defendants, as a matter of KNR firm policy, directed their clients to treat with certain chiropractors regardless of their clients' preferences or needs;

iv. Defendants, as a matter of KNR firm policy, directed their clients to treat with the chiropractors based on a quid pro quo referral relationship with the chiropractors;

v. Defendants, as a matter of KNR firm policy, deducted a "narrative fee" from client settlements as a kickback to reward certain chiropractors.

vi. Defendants received kickbacks in the form of referrals and other benefits in exchange for referring cases to the chiropractors;

vii. Defendants, as a matter of KNR firm policy, failed to disclose to their clients that they maintained a quid pro quo relationship with the chiropractors;

viii. Defendants knew that advising their clients to treat with the chiropractors would be detrimental to their clients' cases due to various fraud lawsuits by major insurance carriers against the owner of the chiropractors' clinics;

ix. Defendants had no legitimate justification for directing their clients to treat with these chiropractors;

x. Defendants' breached their fiduciary duty to Class B members by this conduct;

xi. Defendants' undisclosed self-dealing renders all related agreements with Class B members, including fees deducted from and liens asserted by Defendants on the proceeds of Class B members' lawsuits, void as a matter of law;

xii. Class B members are entitled to rescission of all agreements with KNR as a result of these breaches, including rescission of all liens asserted by KNR on Class members' settlement proceeds and disgorgement of all fees collected under such liens and under such agreements;

C. for Class C, whether

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i. Defendants, as a matter of KNR firm policy, recommended to their clients that they obtain loans with Liberty Capital;

ii. Defendants received kickback payments for every loan transaction that Liberty Capital completed with KNR clients;

iii. Defendants failed to advise their clients of their financial interest in the Liberty Capital loans;

iv. Defendants failed to consider whether the loan was in their clients' best interest, and failed to encourage their clients to consider other possible sources of funds that carried lower interest rates and fees;

v. Defendants conduct constituted a breach of fiduciary duty under Ohio law that injured the Class of KNR clients in the same manner;

vi. Defendants' undisclosed self-dealing renders all related agreements with Class C members void as a matter of law;

vii. Class C members are entitled to damages as a result of these breaches, including in the amount of fees and interest paid on all Liberty Capital loans and disgorgement of all such fees and interest retained by Defendants in connection with such agreements.

D. for Class D, whether

i. Defendant Ghoubrial earned a profit from selling Tritec equipment to Plaintiff Norris and Class D members;

ii. Defendant Ghoubrial failed to disclose his interest in the sales of Tritec equipment to Plaintiff Norris and Class D members;

iii. Defendant Ghoubrial's conduct constitutes a breach of fiduciary duty under Ohio law that injured the Class D members in the same manner;

iv. Defendant Ghoubrial's undisclosed self-dealing requires him to disgorge the money taken from Class D members for the Tritec goods and repay those funds to Class D members;

v. By taking an undisclosed profit of up to 1,800% for the distribution of Tritec medical equipment to Ms. Norris and Class D members through a contract, Ghoubrial enforced contract terms that were unreasonably favorable to him and were not commercially reasonable in any sense, and did so in a situation where Ms. Norris and Class D members did not have a meaningful opportunity to decline the charge;

vi. Class D members are entitled to damages as a result of these breaches,

including in the amount deducted from their settlements for the Tritec goods at issue.

161. The claims of Plaintiffs Williams, Johnson, Reid, and Norris are typical of Class members' claims. Plaintiffs' claims arise out of the same course of conduct by Defendants and are based on the same legal theories as Class members' claims.

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162. Plaintiffs will fairly and adequately protect Class members' interests. Plaintiffs' interests are not antagonistic to, but instead comport with, the interests of the other Class members. Plaintiffs' counsel are adequate class counsel under Civ.R. 23(F)(1) and (4) and are fully qualified and prepared to fairly and adequately represent the Class's interests.

163. The questions of law or fact that are common to the Class, including those listed above, predominate over any questions affecting only individual members.

164. A class action is superior to other available methods for the fair and efficient adjudication of this controversy. Requiring Class members to pursue their claims individually would entail a host of separate suits, with concomitant duplication of costs, attorneys' fees, and demands on court resources. The Class members' claims are sufficiently small that it would be impracticable for them to incur the substantial cost, expense, and risk of pursuing their claims individually. Certification of this case under Civ.R. 23 will enable the issues to be adjudicated for all class members with the efficiencies of class litigation.

VI. Class-Action Claims

Claim 1—Fraud
Investigation Fees
Plaintiffs Williams and Norris and Class A

165. Plaintiffs Williams and Norris incorporate all previous allegations.

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166. Plaintiffs Williams and Norris assert this claim under Civ.R. 23(B)(3) against Defendants KNR, Nestico, and Redick on behalf of all current and former KNR clients whom

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KNR charged the investigation fee (Class A).

167. Defendants induced Plaintiffs Williams and Norris and Class A to pay the investigation fees knowing that no investigation ever took place, and that the so-called "investigators" never performed any services that were properly chargeable to clients.

168. Defendants made false representations of fact to KNR clients about what the investigation fees were for, with knowledge or with utter disregard and recklessness about the falsity of these statements. By charging KNR clients for the investigation fees, Defendants misrepresented to KNR clients that those fees were for investigative services that were actually performed and properly charged as a separate case expense as opposed to an overhead expense that was subsumed in KNR's contingency fee percentage.

169. Defendants knowingly concealed facts about the investigation fees, including their knowledge that these fees were not incurred for investigative services or any services that were properly chargeable as a separate case expense.

170. Defendants' misrepresentations about and concealment of facts regarding the investigation fees were material to Plaintiff Williams's, Plaintiff Norris's and the Class's decision to approve their Settlement Memoranda and thus pay these fees.

171. Defendants' misrepresentations about and concealment of facts regarding the investigation fees were made with the intent of misleading Plaintiff Williams and the Class into relying upon them.

172. KNR's clients, including Plaintiff Williams, Plaintiff Norris, and Class A members, reposed a special trust and confidence in Defendants, who were in a position of superiority or influence over their clients as a result of this position of trust. Thus, Defendants owed their clients a fiduciary duty.

173. Defendants knew that KNR clients were more likely to approve the fraudulent

expenses when receipt of their settlement or judgment proceeds was dependent on such approval.

174. The actions, omissions, and course of conduct and dealing of Defendants as alleged above were undertaken knowingly and intentionally, by standardized and routinized procedures, with a conscious disregard of the rights and interests of Plaintiff Williams, Plaintiff Norris, and the Class, and with certainty of inflicting harm and damage on Named Plaintiffs and the Class.

175. Plaintiffs Williams, Norris, and the Class were justified in relying on Defendants' uniform misrepresentations and concealment of facts, and did, in fact, so rely.

176. Plaintiffs Williams, Norris, and the Class were injured and their injury was directly and proximately caused by their reliance on Defendants' uniform misrepresentations about and concealment of facts regarding the investigation fees.

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177. Where a fiduciary takes a secret profit in a transaction involving his client, as Defendants have here with respect to the investigation fee, such dealing is fraudulent and void as a matter of law, whether or not there is a causal relation between the self-dealing and the plaintiff's loss. *In re Binder: Squire v. Emsley*, 137 Ohio St. 26, 57-58, 27 N.E.2d 939 (1940); *Myer v. Preferred Credit*, 117 Ohio Misc. 2d 8, 9, 2001-Ohio-4190, ¶ 23, 766 N.E.2d 612 (C.P. 2001) citing 3 OHIO JURISPRUDENCE 3D (1998) 136, 134, Agency, §§ 117, 115.

178. Plaintiff Williams only became aware of Defendants' misrepresentations and concealment of facts in November of 2015, and Plaintiff Norris as of November 2017. The other class members remain unaware as of the filing of this Complaint.

179. Plaintiff Williams, Plaintiff Norris, and the Class are entitled to compensation for the damages caused by Defendants' fraud, disgorgement of the benefit conferred upon Defendants as a result of their fraud, punitive damages, and attorneys' fees.

Claim 2—Breach of Contract
Investigation Fees
Plaintiffs Williams and Norris, and Class A

180. Plaintiffs Williams and Norris incorporate all previous allegations.

181. Plaintiffs Williams and Norris assert this claim under Civ.R. 23(B)(3) against Defendant KNR on behalf of all current and former KNR clients whom KNR charged the investigation fee (Class A).

182. Every fee agreement that KNR has ever entered with its clients provides, whether expressly or impliedly, that KNR may deduct only reasonable expenses from a client's share of proceeds—that is, KNR may only deduct fees for reasonably priced services that were actually and reasonably undertaken in furtherance of the client's legal matter, and properly chargeable as a separate case expense as opposed to an overhead expense that was subsumed in KNR's contingency fee percentage. In all cases, the parties to the agreement understood that KNR would not be permitted to incur expenses unreasonably and then charge their clients for those unreasonable expenses.

183. By collecting the investigation fees from their clients when these fees were for expenses not reasonably undertaken for so-called "services" that were not properly chargeable as a separate case expense, or were never performed at all, KNR materially breached its fee agreements with its clients, including its agreements with Named Plaintiffs and the Class.

184. Plaintiffs Williams and Norris and Class A have suffered monetary damages as a result of these breaches in the amount of the investigation fees paid, and are entitled to repayment of these amounts.

Claim 3—Breach of Fiduciary Duty
Investigation Fees
Plaintiffs Williams and Norris, and Class A

185. Plaintiffs Williams and Norris incorporate all previous allegations.

186. Plaintiffs Williams and Norris assert this claim under Civ.R. 23(B)(3) against

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Defendants KNR, Nestico, and Redick on behalf of all current and former KNR clients whom KNR charged the investigation fee (Class A).

187. KNR's clients reposed a special trust and confidence in Defendants, who were in a position of superiority or influence over their clients as a result of this position of trust. Thus, KNR owed its clients a fiduciary duty.

188. KNR's conduct in charging its clients the investigation fees was intentionally deceptive, undertaken by standardized and routinized procedures, and constitutes a breach of fiduciary duty.

189. Plaintiffs Williams and Norris and Class A have suffered damages as a direct and proximate result of this breach.

190. Where a fiduciary takes a secret profit in a transaction involving his client, as Defendants have here with respect to the investigation fee, such dealing is fraudulent and void as a matter of law, whether or not there is a causal relation between the self-dealing and the plaintiff's loss. *In re Binder: Squire v. Emsley*, 137 Ohio St. 26, 57–58, 27 N.E.2d 939 (1940); *Myer v. Preferred Credit*, 117 Ohio Misc. 2d 8, 9, 2001-Ohio-4190, ¶ 23, 766 N.E.2d 612 (C.P. 2001) citing 3 OHIO JURISPRUDENCE 3D (1998) 136, 134, Agency, §§ 117, 115.

191. Plaintiffs Williams and Norris and the Class are entitled to compensation for the damages caused by Defendants' breach, disgorgement of the benefit conferred upon Defendants as a result of their breach, punitive damages, and attorneys' fees.

Claim 4—Unjust Enrichment
Investigation Fees
Plaintiffs Williams and Norris and Class A

192. Plaintiffs Williams and Norris incorporate all previous allegations.

193. Plaintiffs Williams and Norris assert this claim under Civ.R. 23(B)(3) against Defendants KNR, Nestico, and Redick on behalf of all current and former KNR clients whom

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KNR charged the investigation fee (Class A).

194. By unwittingly allowing KNR to deduct the investigation fees from their lawsuit proceeds, Plaintiff Williams and Class A have, to their substantial detriment, conferred a substantial benefit on Defendants of which Defendants are aware.

195. Due to Defendants' intentionally deceptive conduct in collecting these fees from their clients, retention of these funds by Defendants without repayment to Plaintiff Williams and the Class would be unjust and inequitable.

196. Equity entitles Plaintiffs Williams and Norris and the Class to disgorgement of the fee by Defendants, as well as punitive damages and attorneys fees for Defendants' intentionally deceptive conduct.

Claim 5—Breach of Fiduciary Duty
Undisclosed Self-Dealing with Chiropractors—Narrative Fee
Plaintiffs Reid and Norris and Class B

197. Plaintiffs Reid and Norris incorporate all previous allegations

198. Plaintiffs Reid and Norris assert this claim under Civ.R. 23(B)(2) and (3) against all Defendants on behalf of all current and former KNR clients who had a narrative fee deducted by KNR from their settlement proceeds to be paid to a chiropractor (Class B).

199. KNR's clients, including Plaintiffs Reid and Norris, reposed a special trust and confidence in Defendants, who were in a position of superiority or influence over their clients as a result of this position of trust. Thus, Defendants owed their clients a fiduciary duty.

200. Defendants' conduct in charging and collecting the narrative fee from their clients as a kickback to reward referring chiropractors, and in failing to disclose their quid pro quo relationship with one another, was intentionally deceptive, was undertaken by standardized and routinized procedures, and constitutes a breach of Defendants' fiduciary duty to Plaintiffs Reid and Norris and Class B.

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201. No KNR client would have agreed to have the fee deducted from their settlement had they been advised of the quid pro quo relationship between KNR and the chiropractors and the true nature of the fee.

202. Plaintiffs Reid and Norris and Class B have suffered damages as a direct and proximate result of these breaches due to KNR's assertion of liens on their settlement proceeds, and collecting on these liens.

203. Where a fiduciary takes a secret profit in a transaction involving his client, as Defendants have here with respect to their failure to disclose their quid pro quo relationship with the chiropractors and the true nature of the narrative fees, such a transaction is fraudulent and void as a matter of law, whether or not there is a causal relation between the self-dealing and the plaintiff's loss. *In re Binder: Squire v. Emsley*, 137 Ohio St. 26, 57-58, 27 N.E.2d 939 (1940); *Myer v. Preferred Credit*, 117 Ohio Misc. 2d 8, 9, 2001-Ohio-4190, ¶ 23, 766 N.E.2d 612 (C.P. 2001) citing 3 OHIO JURISPRUDENCE 3D (1998) 136, 134, Agency, §§ 117, 115.

204. Plaintiffs Reid and Norris and Class B are entitled to relief as a result of Defendants' breach, including rescission and reimbursement of the narrative fee, disgorgement of all narrative fees collected by the chiropractors, including Defendant Floros, on Plaintiffs Reid and Norris and Class B members' claims, and punitive damages, and attorneys' fees for Defendants' intentionally deceptive conduct.

Claim 6—Unjust Enrichment
Undisclosed Self-Dealing with Chiropractors—Narrative Fees
Plaintiffs Reid and Norris and Class B

205. Plaintiffs Reid and Norris incorporate all previous allegations.

206. Plaintiffs Reid and Norris assert this claim under Civ.R. 23(B)(2) and (3) against Defendant Floros and other chiropractors to be identified through discovery on behalf of all current and former KNR clients who had a narrative fee deducted by KNR from their settlement proceeds

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to be paid to a chiropractor (Class B).

207. By unwittingly allowing Defendants to deduct and pay a narrative fee to Defendant Floros and the chiropractors from their settlement proceeds, without knowledge of KNR's quid pro quo relationship with Floros and the chiropractors, Plaintiffs Reid and Norris and Class B have, to their substantial detriment, conferred a substantial benefit on Defendant Floros and the chiropractors of which Defendant Floros and the chiropractors are aware.

208. Due to Defendants' conduct in charging and collecting the narrative fee from their clients as a kickback to reward referring chiropractors, and in failing to disclose their quid pro quo relationship with one another, Defendants' retention of the narrative fee paid by Reid and Norris and Class B members' lawsuit proceeds would be unjust and inequitable.

209. Equity entitles Plaintiffs Reid and Norris and the Class to rescission of the narrative fee, disgorgement of all narrative fees collected by the chiropractors, including Defendant Floros, on Plaintiffs Reid and Norris and Class B members' claims, and punitive damages, and attorneys' fees for Defendants' intentionally deceptive conduct.

Claim 7—Fraud
Undisclosed Self-Dealing with Liberty Capital Funding, LLC
Plaintiff Johnson and Class C

210. Plaintiff Johnson incorporates all previous allegations.

211. Plaintiff Johnson asserts this claim under Civ.R. 23(B)(3) against Defendant KNR, on behalf of all current and former KNR clients who paid interest or fees on a loan taken through Liberty Capital Funding (Class C).

212. Defendant induced Plaintiff Johnson and Class C to take out loans with Liberty Capital, representing to its clients that Liberty Capital was the best source of loan funding for its clients, without disclosing Defendant's financial interest in the Liberty Capital Loans, and without disclosing that lower-cost sources of loans were available to the clients. Defendant knowingly

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<#>Unlawful Solicitation and Undisclosed Self-Dealing with Chiropractors
<#>Plaintiff Wright and Class B
<#>
<#>Plaintiff Wright incorporates all previous allegations.
<#>Plaintiff Wright asserts this claim under Civ.R. 23(B)(2) and (3) against Defendants KNR, Nestico, and Redick on behalf of all current and former KNR clients who were referred to KNR by Akron Square Chiropractic or referred to ASC by KNR, terminated KNR's services, and had a lien asserted by KNR on their lawsuit proceeds (Class B).
<#>KNR's clients, including Plaintiff Wright, reposed a special trust and confidence in Defendants, who were in a position of superiority or influence over their clients as a result of this position of trust. Thus, Defendants owed their clients a fiduciary duty.
<#>Defendants' conduct in soliciting Ms. Wright and Class B members through representatives of ASC, and in failing to disclose their quid pro quo relationship with ASC, was intentionally deceptive, was undertaken by standardized and routinized procedures, and constitutes a breach of Defendants' fiduciary duty to Plaintiff Wright and Class B.
<#>No KNR client solicited by ASC would have retained KNR had they been advised of the quid pro quo relationship between KNR and ASC.
<#>Plaintiff Wright and Class B have suffered damages as a direct and proximate result of these breaches due to KNR's assertion of liens on their settlement proceeds, and collecting on these liens.
<#>Where a fiduciary takes a secret profit in a transaction involving his client, as Defendants have here with respect to their unlawful solicitation of Wright and Class B members through ASC, and their failure to disclose their quid pro quo relationship with ASC, such a transaction is fraudulent and void as a matter of law, whether or not there is a causal relation between the self-dealing and the plaintiff's loss. *In re Binder: Squire v. Emsley*, 137 Ohio St. 26, 57-58, 27 N.E.2d 939 (1940); *Myer v. Preferred Credit*, 117 Ohio Misc. 2d 8, 9, 2001-Ohio-4190, ¶ 23, 766 N.E.2d 612 (C.P. 2001) citing 3 OHIO JURISPRUDENCE 3D (1998) 136, 134, Agency, §§ 117, 115.
<#>Plaintiff Wright and Class B are entitled to relief for the damages caused by Defendants' breach, including rescission of their fee agreements with KNR, disgorgement of all amounts collected by KNR on the liens asserted against Plaintiff Wright and Class B members' claims, a declaration that all such pending liens are void as a matter of law, and punitive damages, and attorneys' fees for Defendants' intentionally deceptive conduct.
<#>Claim 6—Unjust Enrichment
<#>Unlawful Solicitation and Undisclosed Self-Dealing with Chiropractors
<#>Plaintiff Wright and Class B
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concealed these facts from Plaintiff Johnson and the Class.

213. Defendant's misrepresentations about and concealment of facts regarding the investigation fees were material to Plaintiff Williams's and the Class's decision to approve their Settlement Memoranda and thus pay these fees.

214. Defendant's misrepresentations about and concealment of facts regarding the investigation fees were made with the intent of misleading Plaintiff Williams and the Class into relying upon them.

215. KNR's clients, including Plaintiff Johnson and Class C members, reposed a special trust and confidence in Defendant's, who were in a position of superiority or influence over their clients as a result of this position of trust. Thus, Defendant's owed their clients a fiduciary duty.

216. The actions, omissions, and course of conduct and dealing of Defendants as alleged above were undertaken knowingly and intentionally, by standardized and routinized procedures, with a conscious disregard of the rights and interests of Plaintiff Johnson and the Class, and with certainty of inflicting harm and damage on Plaintiff and the Class.

217. Plaintiff Johnson and the Class were justified in relying on Defendant's uniform misrepresentations and concealment of facts, and did, in fact, so rely.

218. Plaintiff Johnson and the Class were injured and their injury was directly and proximately caused by their reliance on Defendant's uniform misrepresentations about and concealment of facts regarding the Liberty Capital loans.

219. Defendant's conduct in recommending Liberty Capital to KNR clients, failing to disclose lower-cost sources of loans, and failing to disclose that they stood to benefit from each Liberty Capital transaction, was intentionally deceptive and constitutes a breach of Defendant's fiduciary duty to Plaintiff Johnson and Class C.

220. No KNR client would have taken out a loan with Liberty Capital were it not for

Defendant's recommendation, or had they been advised of Defendant's secret kickback arrangement with Liberty Capital.

221. Plaintiff Johnson and the Class were injured and their injury was directly and proximately caused by their reliance on Defendant's misrepresentations about and concealment of facts regarding the Liberty Capital loans.

222. Where a fiduciary takes a secret profit in a transaction involving his client, as Defendants have here, such dealing is fraudulent and void as a matter of law, whether or not there is a causal relation between the self-dealing and the plaintiff's loss. *In re Binder: Squire v. Emsley*, 137 Ohio St. 26, 57–58, 27 N.E.2d 939 (1940); *Myer v. Preferred Credit*, 117 Ohio Misc. 2d 8, 9, 2001-Ohio-4190, ¶ 23, 766 N.E.2d 612 (C.P. 2001) citing 3 OHIO JURISPRUDENCE 3D (1998) 136, 134, Agency, §§ 117, 115.

223. Plaintiff Johnson became aware of Defendant's misrepresentations and concealment of facts no earlier than August of 2016. The other class members remain unaware as of the filing of this Complaint.

224. Plaintiff Johnson and the Class are entitled to compensation for the damages caused by Defendant's fraud, including fees and interest paid on the loans, as well as disgorgement of the benefit conferred upon Defendant's as a result of their breach, punitive damages, and attorneys' fees.

Claim 8—Breach of Fiduciary Duty
Undisclosed Self-Dealing with Liberty Capital Funding, LLC
Plaintiff Johnson and Norris and Class C

225. Plaintiff Johnson and Norris incorporate all previous allegations.

226. Plaintiff Johnson and Norris assert this claim under Civ.R. 23(B)(3) against Defendants KNR, Nestico, and Redick on behalf of all current and former KNR clients who paid interest or fees on a loan taken through Liberty Capital Funding (Class C).

227. KNR's clients, including Plaintiffs Johnson and Norris, reposed a special trust and

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confidence in Defendants, who were in a position of superiority or influence over their clients as a result of this position of trust. Thus, Defendants owed their clients a fiduciary duty.

228. Defendants' conduct in recommending Liberty Capital to KNR clients, failing to disclose lower-cost sources of loans, and failing to disclose that they stood to benefit from each Liberty Capital transaction, was intentionally deceptive, was undertaken by standardized and routinized procedures, and constitutes a breach of Defendants' fiduciary duty to Plaintiff Johnson and Class C.

229. No KNR client would have taken out a loan with Liberty Capital were it not for Defendants' recommendation, or had they been advised of Defendants' secret kickback arrangement with Liberty Capital.

230. Plaintiffs Johnson and Norris and Class C have suffered damages as a direct and proximate result of these breaches in the amount of interest and fees paid on these loans.

231. Where a fiduciary takes a secret profit in a transaction involving his client, as Defendants have here, such dealing is fraudulent and void as a matter of law, whether or not there is a causal relation between the self-dealing and the plaintiff's loss. *In re Binder: Squire v. Emsley*, 137 Ohio St. 26, 57–58, 27 N.E.2d 939 (1940); *Myer v. Preferred Credit*, 117 Ohio Misc. 2d 8, 9, 2001-Ohio-4190, ¶ 23, 766 N.E.2d 612 (C.P. 2001) citing 3 OHIO JURISPRUDENCE 3D (1998) 136, 134, Agency, §§ 117, 115.

232. Plaintiffs Johnson and Norris and the Class are entitled to compensation for the damages caused by Defendants' breach, including fees and interest paid on the loans, as well as disgorgement of the benefit conferred upon Defendants as a result of their breach, punitive damages, and attorneys' fees.

Claim 9—Unjust Enrichment
Undisclosed Self-Dealing with Liberty Capital Funding, LLC
Plaintiffs Johnson and Norris and Class C

233. Plaintiffs Johnson and Norris incorporate all previous allegations.

234. Plaintiffs Johnson and Norris assert this claim under Civ.R. 23(B)(3) against Defendants KNR, Nestico, and Redick on behalf of all current and former KNR clients who paid interest or fees on a loan taken through Liberty Capital Funding (Class C).

235. By unwittingly entering loan agreements with Liberty Capital at Defendants' recommendation for high-interest loans in which Defendants retained a financial interest, Plaintiffs Johnson and Norris and Class C have, to their substantial detriment, conferred a substantial benefit on Defendants of which Defendants are aware.

236. Due to Defendants' intentionally deceptive conduct in recommending Liberty Capital to KNR clients, failing to disclose lower-cost sources of loans, and failing to disclose that they stood to benefit from each Liberty Capital transaction, Defendants' retention of any portion of the fees or interest on these loans without repayment to Plaintiffs Johnson and Norris and the Class would be unjust and inequitable.

237. Equity entitles Plaintiffs Johnson and Norris and the Class to disgorgement of all such funds by Defendants, as well as punitive damages and attorneys' fees for Defendants' intentionally deceptive conduct.

Claim 10—Fraud
Undisclosed Self-Dealing/Tritec Medical Supplies
Plaintiff Norris and Class D

238. Plaintiff Norris incorporates all previous allegations.

239. Plaintiff Norris asserts this claim under Civ.R. 23(B)(3) against Defendant Ghoubrial, on behalf of all current and former KNR clients who had fees for medical equipment manufactured or distributed by Tritec deducted from their KNR settlement proceeds (Class D).

240. Defendant induced Plaintiff Norris and Class D to pay for medical equipment

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manufactured or distributed by Tritec without disclosing Defendant's financial interest in the transactions. Defendant knowingly concealed these facts from Plaintiff Norris and the Class.

241. Defendant's misrepresentations about and concealment of facts regarding the Tritec equipment were material to Plaintiff Norris's and the Class's decision to approve their Settlement Memoranda and thus pay these fees.

242. Defendant's misrepresentations about and concealment of facts regarding the investigation fees were made with the intent of misleading Plaintiff Norris and the Class into relying upon them.

243. KNR's clients, including Plaintiff Norris and Class D members, reposed a special trust and confidence in Defendant, who was in a position of superiority or influence over their clients as a result of this position of trust. Thus, Defendant owed his clients a fiduciary duty.

244. The actions, omissions, and course of conduct and dealing of Defendant Ghoubrial as alleged above were undertaken knowingly and intentionally, by standardized and routinized procedures, with a conscious disregard of the rights and interests of Plaintiff Norris and the Class, and with certainty of inflicting harm and damage on Plaintiff and the Class.

245. Plaintiff Norris and the Class were justified in relying on Defendant's uniform misrepresentations and concealment of facts, and did, in fact, so rely.

246. Plaintiff Norris and the Class were injured and their injury was directly and proximately caused by their reliance on Defendant's uniform misrepresentations about and concealment of facts regarding his interest in the transactions.

247. Defendant Ghoubrial's conduct in inducing Plaintiff Norris and Class D to pay for medical equipment manufactured or distributed by Tritec without disclosing his financial interest in the transactions, was intentionally deceptive and constitutes a breach of Defendants' fiduciary duty to Plaintiff Norris and Class D.

248. Plaintiff Norris and the Class were injured and their injury was directly and proximately caused by their reliance on Defendant Ghoubrial's misrepresentations about and concealment of facts regarding his interest in the sale of Tritec equipment.

249. Where a fiduciary takes a secret profit in a transaction involving his client, as Defendant has here, such dealing is fraudulent and void as a matter of law, whether or not there is a causal relation between the self-dealing and the plaintiff's loss. *In re Binder: Squire v. Emsley*, 137 Ohio St. 26, 57–58, 27 N.E.2d 939 (1940); *Myer v. Preferred Credit*, 117 Ohio Misc. 2d 8, 9, 2001-Ohio-4190, ¶ 23, 766 N.E.2d 612 (C.P. 2001) citing 3 OHIO JURISPRUDENCE 3D (1998) 136, 134, Agency, §§ 117, 115.

250. Plaintiff Norris became aware of Defendant's misrepresentations and concealment of facts no earlier than November of 2017. The other class members remain unaware as of the filing of this Complaint.

251. Plaintiff Norris and the Class are entitled to compensation for the damages caused by Defendant Ghoubrial's fraud, including fees paid out of their KNR settlements for Tritec equipment, as well as disgorgement of the benefit conferred upon Defendant Ghoubrial as a result of his breach, punitive damages, and attorneys' fees.

Claim 11—Breach of Fiduciary Duty
Undisclosed Self-Dealing/Tritec Medical Supplies
Plaintiff Norris and Class D

252. Plaintiff Norris incorporates all previous allegations.

253. Plaintiff Norris asserts this claim under Civ.R. 23(B)(3) against Defendant Ghoubrial, on behalf of all current and former KNR clients who had fees for medical equipment manufactured or distributed by Tritec deducted from their KNR settlement proceeds (Class D).

254. KNR's clients, including Plaintiff Norris, reposed a special trust and confidence in Defendant, who was in a position of superiority or influence over their clients as a result of this

position of trust. Thus, Ghoubrial owed these clients a fiduciary duty.

255. Ghoubrial's conduct in inducing Plaintiff Norris and Class D to pay for medical equipment manufactured or distributed by Tritec and failing to disclose his financial interest in in the transactions was intentionally deceptive, was undertaken by standardized and routinized procedures, and constitutes a breach of Ghoubrial's fiduciary duty to Plaintiff Norris and Class D.

256. Plaintiff Norris and Class D have suffered damages as a direct and proximate result of these breaches in the amount of interest and fees paid on these loans.

257. Where a fiduciary takes a secret profit in a transaction involving his client, as Defendant has here, such dealing is fraudulent and void as a matter of law, whether or not there is a causal relation between the self-dealing and the plaintiff's loss. *In re Binder: Squire v. Emsley*, 137 Ohio St. 26, 57–58, 27 N.E.2d 939 (1940); *Myer v. Preferred Credit*, 117 Ohio Misc. 2d 8, 9, 2001-Ohio-4190, ¶ 23, 766 N.E.2d 612 (C.P. 2001) citing 3 OHIO JURISPRUDENCE 3D (1998) 136, 134, Agency, §§ 117, 115.

258. Plaintiff Norris and the Class are entitled to compensation for the damages caused by Defendant's breach, including fees and interest paid on the loans, as well as disgorgement of the benefit conferred upon Defendants as a result of their breach, punitive damages, and attorneys' fees.

Claim 12—Unjust Enrichment
Undisclosed Self-Dealing/Tritec Medical Supplies
Plaintiff Norris and Class D

259. Plaintiff Norris incorporates all previous allegations.

260. Plaintiff Norris asserts this claim under Civ.R. 23(B)(3) against Defendant Ghoubrial on behalf of all current and former KNR clients who had fees for medical equipment manufactured or distributed by Tritec deducted from their KNR settlement proceeds (Class D).

261. By unwittingly paying fees for medical equipment in which Defendant Ghoubrial retained an undisclosed profit interest, Plaintiff Norris and Class D have, to their substantial

detriment, conferred a substantial benefit on Defendant Ghoubrial of which he is aware.

262. Due to Defendant Ghoubrial's intentionally deceptive conduct in inducing Plaintiff Norris and Class D to pay for medical equipment manufactured or distributed by Tritec without disclosing his financial interest in the transaction, Ghoubrial's retention of any portion of the fees or interest on these loans without repayment to Plaintiff Norris and the Class would be unjust and inequitable.

263. Equity entitles Plaintiff Norris and the Class to disgorgement of all such funds by Defendants, as well as punitive damages and attorneys' fees for Defendants' intentionally deceptive conduct.

Claim 13—Unconscionable Contract
Undisclosed Self-Dealing/Tritec Medical Supplies
Plaintiff Norris and Class D

264. Plaintiff Norris incorporates all previous allegations.

265. Plaintiff Norris asserts this claim under Civ.R. 23(B)(3) against Defendant Ghoubrial on behalf of all current and former KNR clients who had fees for medical equipment manufactured or distributed by Tritec deducted from their KNR settlement proceeds (Class D).

266. Ms. Norris and Class D members paid fees for medical equipment pursuant to a contract with Defendant Ghoubrial by which Ms. Norris and Class D members were obligated to pay Ghoubrial reasonable fees and expenses in exchange for his services.

267. By taking an undisclosed profit of up to 1,800% for the distribution of Tritec medical equipment to Ms. Norris and Class D members through this contract, Ghoubrial enforced contract terms that were unreasonably favorable to him and were not commercially reasonable in any sense, and did so in a situation where Ms. Norris and Class D members did not have a meaningful opportunity to decline the charge.

268. The contract terms by which Plaintiff Norris and the Class were charged for the

Tritec medical equipment are invalid as unconscionable, and Plaintiff Norris and the Class are therefore entitled by Ohio law and equity to disgorgement and reimbursement of the profits that Ghoubrial took pursuant to these transactions.

VIII. PRAYER FOR RELIEF

Plaintiff, and all those similarly situated, collectively request that this Court provide the following relief:

(1) An order permitting this litigation to proceed as a class action, and certifying the Classes under Civ.R. 23(A), (B)(2), and (B)(3);

(2) An order to promptly notify to all class members that this litigation is pending;

(3) Declaratory and injunctive relief against Defendants' unlawful conduct, including declaratory judgments that the conduct at issue is unfair and deceptive in violation of R.C. 1345.02, and a declaratory judgment under Civ.R. 23(B)(2) that all liens asserted by Defendants against Class B members' lawsuit proceeds are void as a matter of law due to Defendants' fraudulent undisclosed self-dealing;

(3) Compensatory and rescissionary damages for Plaintiffs Williams, Johnson, Reid, and Norris and the classes represented, in excess of $25,000;

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(4) Punitive damages, attorneys' fees, costs, and pre-judgment interest; and

(5) Such other relief in law or equity as this Court deems just and proper.

VIII. JURY DEMAND

Plaintiffs demand a trial by jury on all issues within this Complaint.

Respectfully submitted,

/s/ Peter Pattakos

Peter Pattakos (0082884)
Dean Williams (0079785)
THE PATTAKOS LAW FIRM LLC
101 Ghent Road
Fairlawn, Ohio 44333
Phone: 330.836.8533
Fax: 330.836.8536
peter@pattakoslaw.com
dfrech@pattakoslaw.com

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Joshua R. Cohen (0032368)
Ellen Kramer (0055552)
COHEN ROSENTHAL & KRAMER LLP
The Hoyt Block Building, Suite 400
Cleveland, Ohio 44113
Phone: 216.781.7956
Fax: 216.781.8061
jcohen@crklaw.com

REQUEST FOR SERVICE

To the Clerk of Courts:

Please issue the Summons and Complaint and serve the Fourth Amended Complaint and accompanying exhibits to Sam Ghoubrial, M.D. at the address listed below, making return according to law.

Sam Ghoubrial, M.D.
3454 Skye Ridge Drive
Richfield, Ohio 44286

/s/ Peter Pattakos
Attorney for Plaintiffs

CERTIFICATE OF SERVICE

The foregoing document was served on all other parties by operation of the Court's e-filing system on _____, 2018.

/s/ Peter Pattakos
Attorney for Plaintiffs

QUESTIONS PEOPLE HAVE AFTER A CAR ACCIDENT

DON'T TALK TO THE INSURANCE COMPANY, TALK TO US FIRST!

'HO PAYS FOR MY CAR?

hen you're in an accident, if the other person was at fault, their ısurance company will pay for the damage to your car.

'HO PAYS FOR MY MEDICAL BILLS?

the other person has insurance, they will pay. If they don't have ısurance, make sure you tell us. We can help with this problem.

M HURT BUT CAN'T AFFORD TO GO TO THE DOCTOR

hen you're in an accident, it's important to go to the emergency room your family doctor to document your injuries so the insurance ımpany can't say, "they aren't hurt, they didn't even see a doctor." If ecessary, we have contacts within the medical field who will wait to get id from the settlement.

THE PARTY WHO HIT ME HAS NO INSURANCE

If the party at fault has no insurance, but you do, we can usually process a claim with your insurance company who will then get their money back from the person cited. This is called uninsured motorist coverage.

ATTORNEY FEES

The KNR **"NO FEE GUARANTEE."** If we don't get you money, we don't get paid.

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PLAINTIFF'S EXHIBIT
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KISLING, NESTICO & REDICK, LLC
ATTORNEYS AT LAW

$$LET US GET MONEY FOR YOU$$

Dear Sir or Madam,

It has come to our attention from a police accident report that you have been the victim of an automobile collision. We are very sorry that you have been involved in this accident and we want to help.

Since that time, you probably find yourself dealing with issues and problems that you have never had to deal with in the past. You will be asked many questions and be forced to make many important decisions. That is where we can help.

Do NOT talk to the insurance company, talk to us first. You may give them information that will hurt your case without realizing it.

You will receive multiple solicitations from attorneys all over the state, but we ask that you consider calling **Kisling, Nestico & Redick** for the following reasons:

- ***The KNR "no fee guarantee."*** If we don't get you MONEY, we don't get paid
- We offer property damage help
- Our firm's sole focus is personal injury
- We have local offices
- Our Staff is comprised of former insurance representatives and former insurance defense attorneys
- We have 20 experienced attorneys and over 45 support staff

Please review the insert and **DVD**, which will answer a number of frequently asked questions about an accident case. You should also review the enclosed "Understanding Your Rights" as the Supreme Court of Ohio wants to be sure you have a clear understanding of the rights you have after you've been injured in an accident.

We are confident that we can help you. **For a free consultation, please call us today at 1-800-HURT-NOW (1-800-487-8669).** Remember, the insurance company is already protecting the person that caused your injuries. Please allow us to protect you.

Very truly yours,
KISLING, NESTICO & REDICK, LLC

Alberto R. Nestico
Attorney at Law

P.S. Please remember that once you become a client of KNR, we will help you get a rental car and help get your property damage paid without **charging any attorney's fees for this service.**

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READ ABOUT OUR SUPER LAWYERS

TRACK RECORD OF SUCCESS Kisling, Nestico & Redick first garnered national attention with managing partner Alberto Nestico's $27.5 million settlement of Van Horn et al v. Nationwide Property and Casualty et al, a class action in which Nestico represented more than 200,000 individuals. Other recent successes include a $1.7 million settlement for the family of a 22-year-old Marine killed in an auto accident, an $875,000 settlement for a client hit by a tractor-trailer, and a $778,000 verdict for a car accident victim. To date, the firm has secured more than $100 million in settlements and verdicts and has helped more than 10,000 clients.

A UNIQUE ADVANTAGE Kisling, Nestico & Redick's litigation prowess is due largely to its many lawyers with backgrounds in insurance defense. Bolstering an already impressive roster that includes Alberto Nestico, Robert Redick, John Reagan, Nomiki Tsarnas and Joshua Angelotta, KNR now brings even more insiders' knowledge with the addition of Jason St. George, Devin Oddo, Kristen Lewis and Christopher Van Blargan. To accommodate its continued growth, KNR has expanded its office space to more than 20,000 square-feet.

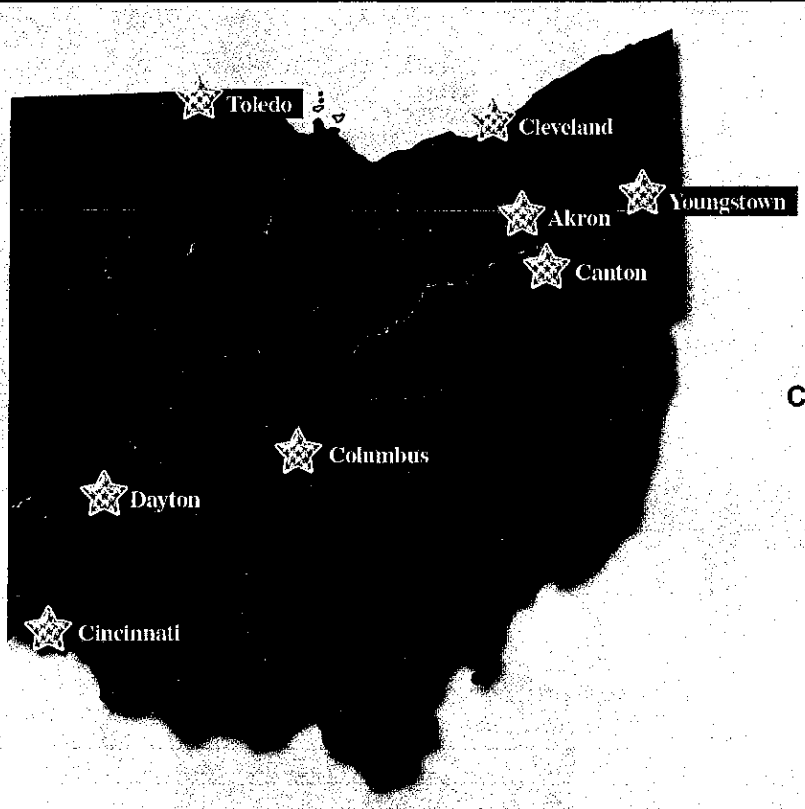
Proving great employees are the root of success, the KNR team continues to receive accolades from the field's top organizations. Nestico and litigation chairman Reagan were named to 2012 Ohio Super Lawyers® and are members of the Multi-Million Dollar Advocates Forum. Nestico is also recognized as a Top 100 Trial Lawyer. In addition, Nomiki Tsarnas and Paul W. Steele III continue their streak of Rising Stars recognition in 2012.

HURT IN A CAR ... CALL KNR!

Despite KNR's excellent reputation, its lawyers acknowledge obstacles in finding due justice. Nestico says one such reality is that courts are being increasingly stacked "with judges who protect the insurance companies over people." He says, "Individuals are sacrificed at the expense of insurance company profits. The courts and legislatures have allowed insurance companies to write whatever they want in their policies." A prime example is the intrafamily exclusion, which states the insurance company of the at-fault driver does not provide coverage for any family members injured in the vehicle.

JUSTICE & COMPENSATION FOR THE INJURED "Innocent people are injured every day," says Nestico. "Their lives are turned upside down due to forces beyond their control." KNR cares deeply about its clients and works tirelessly to provide the means to put their lives back together. "We fight hard to get them every dollar they deserve."

Kisling, Nestico & Redick
ATTORNEYS AT LAW



Akron - Main Office
3412 West Market Street
Akron, Ohio 44333
Phone: (330) 869-9007
Toll Free: (800) 487-8669
Fax: (330) 869-9008

Canton Office
306 Market Avenue North
Suite 1022
Canton, OH 44702
Toll Free: (800) 487-8669
Fax: (330) 869-9008

Cincinnati Office
8044 Montgomery Road
Suite 700
Cincinnati, OH 45236
Toll Free: (800) 487-8669
Fax: (513) 635-2275

Cleveland Office (East)
3401 Enterprise Parkway
Suite 340
Cleveland, OH 44122
Toll Free: (800) 487-8669
Fax: (440) 523-9238

Cleveland Office (West)
1991 Crocker Road
Suite 600
Cleveland, Ohio 44145
Toll Free: (800) 487-8669
Fax: (440) 523-9238

Columbus Office
2550 Corporate Exchange Drive
Suite 101
Columbus, OH 43231
Toll Free: (800) 487-8669
Fax: (614) 581-4531

Dayton Office
70 Birch Alley
Suite 240 - Bldg B
Beavercreek, OH 45440
Toll Free: (800) 487-8669
Fax: (937) 260-9753

Toledo Office
1690 Woodlands Drive
Suite 200
Toledo, OH 43537
Toll Free: (800) 487-8669
Fax: (419) 261-0412

Youngstown Office
4790 Market Street
Boardman, Ohio 44512
Phone: (330) 729-1090
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Understanding your rights* If you have been in an accident, or a family member has been injured or killed in a crash or some other incident, you have important decisions to make. We believe it is important for you to consider the following: 1. Make and keep records – If your situation involves a motor vehicle crash, regardless of who may be at fault, it is helpful to obtain a copy of the police report, learn the identity of any witnesses, and obtain photographs of the scene, vehicles and any visible injuries. Keep copies of your receipts of all your expenses and medical care related to the incident. 2. You do not have to sign anything – You may not want to give an interview or recorded statement without first consulting with an attorney, because the statement can be used against you. If you may be at fault or have been charged with a traffic violation or other offense, it may be advisable to consult an attorney right away. However, if you have insurance, your insurance policy probably requires you to cooperate with your insurance company and provide a statement to the company. If you fail to cooperate with your insurance company, it may void your coverage. 3. Your interest versus interest of insurance company – Your interests and those of the other person's insurance company are in conflict. Your interests may also be in conflict with your own insurance company. Even if you are not sure who is at fault, you should contact your own insurance company and advise the company of the incident to protect your insurance coverage. 4. There is a time limit to file an insurance claim – Legal rights, including filing a lawsuit, are subject to time limits. You should ask what time limits apply to your claim. You may need to act immediately to protect your rights. 5. Get it in writing – You may want to request that any offer of settlement from anyone be put in writing, including a written explanation of the type of damages which they are willing to cover. 6. Legal assistance may be appropriate – You may consult with an attorney before you sign any document or release of claims. A release may cut off all future rights against others, obligate you to repay past medical bills or disability benefits, or jeopardize future benefits. If your interests conflict with your own insurance company, you always have the right to discuss the matter with any attorney of your choice, which may be at your own expense. 7. How to find an attorney – If you need professional advice about a legal problem but do not know an attorney, you may wish to check with relatives, friends, neighbors, your employer or co-workers who may be able to recommend an attorney. Your local bar association may have a lawyer referral service that can be found in the Yellow Pages. 8. Check a lawyer's qualifications – Before hiring a lawyer you have the right to know the lawyer's background, training and experience in dealing with cases similar to yours. 9. How much will it cost – In deciding whether to hire a particular lawyer, you should discuss, and the lawyer's written fee agreement should reflect: a. How is the lawyer to be paid? If you already have a settlement offer, how will that affect a contingent fee arrangement? b. How are the expenses involved in your case, such as telephone calls, deposition costs, and fees for expert witnesses, to be paid? Will these costs be advanced by the lawyer or charged to you as they are incurred? Since you are obligated to pay all expenses even if you lose your case, how will payment be arranged? c. Who will handle your case? If the case goes to trial, who will be the trial attorney? This information is not intended as a complete description of your legal rights, but as a check list of some of the important issues you should consider. *THE SUPREME COURT OF OHIO, WHICH GOVERNS THE CONDUCT OF LAWYERS IN THE STATE OF OHIO, NEITHER PROMOTES NOR PROHIBITS THE DIRECT SOLICITATION OF PERSONAL INJURY VICTIMS. THE COURT DOES REQUIRE THAT, IF SUCH A SOLICITATION IS MADE, IT MUST INCLUDE THE ABOVE DISCLOSURE.

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A WEEK

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Kisling, Nestico & Redick, LLC
Attorneys at Law

CONTINGENCY FEE AGREEMENT

_____, hereinafter called Client, request and authorize Kisling, Nestico & Redick, LLC, hereinafter called Attorneys, to represent _____ for all purposes in connection with clients injuries and damages arising out of an incident which occurred on the ____ day of_____, ____ in _____, County, Ohio, on the following conditions:

1) Attorneys will devote their full professional abilities to Clients case and Client agrees to fully cooperate with Attorneys. In the event of an appeal, an additional agreement for services shall be made by the parties hereto. No appeal will be made without both parties agreeing thereto. I understand that my case may be handled by any one or more of the members of the firm of Kisling, Nestico & Redick, LLC and different members may handle the case at different times. Client understands and agrees that Attorneys are not representing Client for any Workers Compensation, medical malpractice, disability, or employment related claims arising from this incident, injuries or damages, unless separate written contingency fee agreements have been signed for such claims.

2) The Attorneys shall receive as a fee for their services, one-third *(1/3)* of the total gross amount of recovery of any and all amounts recovered, and Client hereby assigns said amount to Attorneys and authorizes Attorneys to deduct said amount from the proceeds recovered. Attorney shall have a charging lien upon the proceeds of any insurance proceeds, settlement, judgment, verdict award or property obtained on your behalf. IN THE EVENT OF NO RECOVERY, CLIENT SHALL OWE ATTORNEYS NOTHING FOR SERVICES RENDERED.

3) Client agrees and authorizes Attorneys to deduct, from any proceeds recovered, any expenses which may have been advanced by Attorneys in preparation for settlement and/or trial of Clients case. IN THE EVENT OF NO RECOVERY, CLIENT SHALL OWE ATTORNEYS NOTHING FOR SUCH ADVANCED EXPENSES.

Client authorizes and directs Attorneys to deduct from Clients share of proceeds and pay, directly to any doctor, hospital, expert or other medical creditor, any unpaid balance due them for Clients care and treatment.

4) Client agrees that Attorneys have made no promises or guarantees regarding the outcome of Clients claim. Client understands Attorneys will investigate Clients claim and then Attorneys shall have the right to withdraw from representation.

Signed this _____day of _____, _____

_____
CLIENT

_____
ATTORNEY

Sandra Kurt, Summit County Clerk of Courts

233588 / Member Williams

Settlement Memorandum

Recovery:

REC	State Farm Insurance	$ 9,965.30
		$ 9,965.30

DEDUCT AND RETAIN TO PAY:

Kisling, Nestico & Redick, LLC

MRS Investigations, Inc.;	$ 50.00	
Selson Clinics Neurology; /bd	$ 43.44	
Selson Clinics Neurology; /bd	$ 15.32	
Summa Wadsworth-Rittman Hospital; /bd	$ 5.00	
UHMP; 2128/bc	$ 42.78	
IOD Incorporated (Crystal Clinic); 28447554/bc	$ 33.56	
Total Due	$ 190.10	

DEDUCT AND RETAIN TO PAY TO OTHERS:

Kisling, Nestico & Redick, LLC	$ 3,321.76	
Selson Clinics Neurology	MW $ 121.10	
Summa Wadsworth-Rittman Hospital	$ 463.80	
Total Due Others	$ 3,906.66	

Total Deductions	$ 4,096.76
Total Amount Due to Client	$ 5,868.54
Less Previously Paid to Client	$ 0.00
Amount to be paid by Client	$121.10
Net Amount Due to Client	$ 5,989.64

I hereby approve the above settlement and distribution of proceeds. I have reviewed the above information and I acknowledge that it accurately reflects all outstanding expenses associated with my injury claim. I further understand that the itemized bills listed above will be deducted and paid from the gross amount of my settlement except as otherwise indicated. Finally, I understand that any bills not listed above, including but not limited to Health Insurance or Medical Payments Subrogation and/or those initialed by me to indicate that they are not being paid from the settlement are my responsibility and not the responsibility of Kisling, Nestico & Redick, LLC.

Date: 8/7/15

Name: _____
Member Williams

Firm: _____
Kisling, Nestico & Redick, LLC

PLAINTIFF'S EXHIBIT C

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Sandra Kurt, Summit County Clerk of Courts

232154 / Monique Norris

Settlement Memorandum

Recovery:

REC	Motorists Mutual Insurance Company	$ 250.00
MP	Motorists Insurance Group	$ 1,000.00
REC	Nationwide Insurance*	$ 4,982.55
REC	Liberty Capital Funding LLC	$ 500.00
		$ 6,732.55

DEDUCT AND RETAIN TO PAY:

Kisling, Nestico & Redick, LLC		
Akron General Medical Center	$ 6.00	
Clearwater Billing Services, LLC	$ 50.00	
First Healthcare	$ 12.00	
Floros, Dr. Minas	$ 200.00	
Mercy Health Partners	$ 15.00	
MRS Investigations, Inc.	$ 50.00	
Professional Receivables Control, Inc.	$ 16.00	
Akron General Medical Center	$ 40.89	
Total Due	$ 389.89	

DEDUCT AND RETAIN TO PAY TO OTHERS:

Akron Square Chiropractic	$ 500.00	
Clearwater Billing Services, LLC	$ 600.00	
CNS Center for Neuro and Spine	$ 260.00	
Kisling, Nestico & Redick, LLC	($2,077.51) $ 1,750.00	
Liberty Capital Funding LLC	$ 800.00	
National Diagnostic Imaging Consultants	$ 80.00	
Ohio Tort Recovery Unit*	$ 506.75	
Total Due Others	$ 4,496.75	

Total Deductions	$ 4,886.64
Total Amount Due to Client	$ 1,845.91
Less Previously Paid to Client	$ 1,500.00
Net Amount Due to Client	$ 345.91

I hereby approve the above settlement and distribution of proceeds. I have reviewed the above information and I acknowledge that it accurately reflects all outstanding expenses associated with my injury claim. I further understand that the itemized bills listed above will be deducted and paid from the gross amount of my settlement except as otherwise indicated. Finally, I understand that any bills not listed above, including but not limited to Health Insurance or Medical Payments Subrogation and/or those initialed by me to indicate that they are not being paid from the settlement are my responsibility and not the responsibility of Kisling, Nestico & Redick, LLC.

Date: 5/25/14

Name: Monique Norris

Monique Norris

Firm:

Kisling, Nestico & Redick, LLC

EXHIBIT D