

COMMONWEALTH OF MASSACHUSETTS

PLYMOUTH, ss.

SUPERIOR COURT DEPARTMENT  
Civil Action No.

RICHARD CALLANAN on behalf of himself  
and all others similarly situated,

Plaintiffs,

vs.

COMPASS MEDICAL, P.C.,

Defendant.

**CLASS ACTION COMPLAINT AND DEMAND FOR JURY TRIAL**

Plaintiff brings this class action on behalf of himself and all other similarly situated current patients at Compass Medical, P.C. (“Compass”) for monetary damages and injunctive relief arising out of its unlawful business practices wherein Compass decided to abruptly close its medical facilities servicing approximately 70,000 patients/customers in Massachusetts without any reasonable notice and depriving them of ready access to their established medical care teams and thereby disrupting their continuity of care.

Plaintiff and the putative class intend to amend this complaint to add a claim for deceptive and unfair business practices under M.G.L. c. 93A §9(2).

Defendant has treated and continues to treat numerous similarly situated individuals in the unlawful manners described herein.

**PARTIES**

1. Plaintiff resides at 4 Edgar Bascom Road in Abington, Plymouth County, Massachusetts.
2. Compass is a for-profit Massachusetts corporation with a principal office at 362 North Bedford Street, East Bridgewater, Plymouth County, Massachusetts.

### **JURISDICTION AND VENUE**

3. This Court has jurisdiction over this matter pursuant to M.G.L. c. 223A, sec. 2 and 212, sec. 3.
4. Venue is proper in this court because Compass's principal place of business is located in Plymouth County.

### **FACTUAL BACKGROUND**

5. At all times relevant hereto, Compass was in the for-profit business of owning, operating and/or managing a medical management services organization of six medical facilities across southeastern Massachusetts serving approximately 70,000 patients.
6. At all times relevant hereto, Compass held itself out to the public as a physician owned and directed medical organization providing patient access to and coordination with various forms of medical care providers at its facilities including but not limited to urgent care, internal medicine, family medicine and specialty services.
7. According to Compass's own "Vision Statement", Compass represented to the public that it "aspires to exceed healthcare industry standards through building trusting relationships with our extended family of patients, colleagues and communities, anticipating their evolving needs and embracing latest healthcare advances."
8. According to Compass's own "Core Values", Compass represented to the public that it "work[s] together with the utmost trust and integrity towards patient care", "strive[s] to provide a transparent and accountable care delivery model, incorporating best practice innovations", "treat[s] patients the way we want to be treated, with dignity, respect and a smile, and is "determined to excel in all areas of the healthcare industry".
9. At all times relevant hereto, Plaintiff and members of the putative class were current patients at the Compass medical facilities.

10. On May 31, 2023, Compass abruptly closed all of its patient care facilities in Massachusetts *without any prior notice to Plaintiff or any members of the putative class*.
11. Compass knew or should have known for months prior to May 31, 2023 that it would be closing its business but never provided any advance notice to the patients/customers that relied on their facilities for access to medical care.
12. Compass's business decision in this regard resulted in the unilateral and immediate disruption and/or severance of Plaintiff's and the putative class members' access to, relationship with, and communication with their medical care providers.
13. In doing so, Compass deprived Plaintiff and the members of the putative class of the advance opportunity to make adequate arrangements for continuity of their medical care and future care and treatment planning with non-Compass medical providers and facilities.
14. Furthermore, Compass failed to provide any reasonable notice, guidance, assistance, or transparency to its patients/customers *inter alia* as to how to find a new care giver, how to continue with treatment, how to fill or re-fill prescriptions, and how to access their medical records to facilitate future care.
15. Instead, Compass merely placed a note on the doors of its facilities on the morning of May 31, 2023 notifying patients that it was "Temporarily Closed" when in fact there was nothing temporary about the closure.
16. Later that day, Compass released a public statement that stated, in part: "After a steady stream of challenges, we were ultimately forced to make the devastating decision to close all offices of Compass Medical PC effective immediately."
17. Compass further stated: "Please be advised that more information will be shared as it becomes available on our website. We will be adding information about how you can continue your care with your primary provider as we receive it. Please check this website regularly."

18. That same day, Compass took down its website.
19. As a result, Compass has knowingly placed Plaintiff and the members of the putative class in the chaotic, stressful, disruptive, and unsafe position of having to scramble to find new medical providers, to fill and/or refill prescriptions, to schedule and/or reschedule important medical tests and appointments, to seek outside referrals, and/or to delay medical care.
20. In doing so, Compass violated generally accepted industry standards and guidelines for the orderly winding down and closing of a medical practice.
21. Compass made the business decision to close on May 31, 2023 long before that date and should have communicated this to the Plaintiff and putative class.
22. Compass opted for a sudden unannounced closure so it would not lose revenue while it remained in operation.
23. Compass's business decision to close was in part based on financial pressures from an October 10, 2022 Suffolk County Superior Court jury award of \$16,400,000.00 against Compass in the matter of Compass Medical, P.C. v. Steward Medical Group, Inc., C.A. No. 1784CV1407-BLS (Suffolk County Superior Court) wherein the jury found that Compass had breached its Provider Management Services Agreement with Steward Medical Group, Inc. by:
  - a) failing to provide quarterly reconciliation documentation;
  - b) failing to give notice of non-physician hires;
  - c) failing to produce certain business records;
  - d) breaching the implied covenant of good faith and fair dealing in the Provider Management Services Agreement;
  - e) intentionally concealing overpayments;

- f) intentionally misrepresenting that it would provide Steward Medical Group, Inc. with notice of its hiring of additional non-physician providers; and
- g) intentionally misrepresenting to Steward Medical Group, Inc. that “Meaningful Use” funds were included in the Base Rate;

- 24. The wrongful acts and omissions by Compass set forth above have been and continue to be committed against Plaintiff and the putative class members.
- 25. The avoidable and wrongful acts and omissions by Compass set forth above have caused and continue to cause Plaintiff and the putative class to suffer actual, consequential, and pecuniary harm and damages including but not limited to the sudden disruption/severance of their access to medical care and the lack of assistance and facilitation with continued future care.
- 26. Plaintiff brings this class action on behalf of himself and all other similarly situated patients/customers of Compass as of May 31, 2023.
- 27. The class shall be defined as: All patients at Compass facilities as of May 31, 2023.
- 28. The putative class is so numerous that joinder of all members would be impracticable, as it likely exceeds 70,000 members across Compass’s multiple medical facilities.
- 29. Plaintiff’s claims are typical of the claims of other members of the putative class, as all members of the class have been similarly affected by Compass’s wrongful acts and practices as described herein.
- 30. Plaintiff will fairly and adequately protect the interests of the class and is represented by counsel experienced in complex litigation and with the necessary resources to manage and prosecute this case.
- 31. Common questions of law and fact exist and predominate over any questions of law or fact which may affect only individual Class members.

32. Common questions of law and fact include whether Compass is liable for (a) negligence; (b) breach of fiduciary duty; (c) tortious interference with contractual and business relations; (d) negligent misrepresentations; (e) intentional misrepresentations and fraud; (f) violations of M.G.L. c. 93A (reserved at this time); and (g) whether the class is entitled to declaratory orders.
33. A class action is superior to other available methods for the fair and efficient adjudication of this controversy, since:
- a. The financial harm suffered by individual class members is such that it would be economically unfeasible for them to individually litigate their claims;
  - b. The factual and legal issues common to all class members far outweigh any individual questions;
  - c. The prosecution of separate lawsuits by individual class members would entail the risk of inconsistent and conflicting adjudications;
  - d. Class members are identifiable through Defendant's business records; and
  - e. There will be no unusual or extraordinary management difficulties in administering this case as a class action.
34. A class action will foster economies of time, effort, and expense to ensure uniformity of decisions, presenting the most efficient manner of adjudicating the claims set forth herein.

**COUNT I**  
**NEGLIGENCE**

35. Plaintiff repeats and re-alleges the allegations set forth above.
36. Compass owed a duty of reasonable care to Plaintiff and all similarly situated class members with respect to orderly winding down and closure of its medical facilities so as to provide reasonable and sufficient advance notice of same to allow Plaintiff and all similarly situated class members to make

adequate arrangements for continuity of medical care and plans for future treatment with non-Compass medical providers and facilities.

37. Compass breached its duty of care by abruptly closing on May 31, 2023 all of its patient care facilities in Massachusetts *without any prior notice to Plaintiff or any members of the putative class*, when Compass knew or should have known for months prior thereto that it would be closing its business.
38. Compass's business decision in this regard resulted in the unilateral and immediate disruption and/or severance of Plaintiff's and the putative class members' access to, relationship with, and communication with their medical care providers.
39. Compass deprived Plaintiff and the members of the putative class of the advance opportunity to make adequate arrangements for continuity of medical care and plans for future treatment with non-Compass medical providers and facilities.
40. As a direct and proximate result of the foregoing negligent acts and omissions, Compass has caused Plaintiff and the putative class to suffer and to continue to suffer actual, consequential and pecuniary damages.

**WHEREFORE**, Plaintiff and the putative class respectfully request that judgment enter against Compass for damages, costs, and interest.

**COUNT II**  
**BREACH OF FIDUCIARY DUTY**

41. Plaintiff repeats and re-alleges the allegations set forth above.
42. Compass owed a fiduciary duty to Plaintiff and all similarly situated class members with respect to orderly winding down and closure of its medical facilities so as to provide reasonable and sufficient advance notice of same to allow Plaintiff and all similarly situated class members to make adequate arrangements for continuity of medical care and plans for future treatment with non-Compass medical providers and facilities.

43. Compass breached its fiduciary duty by abruptly closing on May 31, 2023 all of its patient care facilities in Massachusetts *without any prior notice to Plaintiff or any members of the putative class*, when Compass knew or should have known for months prior thereto that it would be closing its business.
44. Compass's business decision in this regard resulted in the unilateral and immediate disruption and/or severance of Plaintiff's and the putative class members' access to, relationship with, and communication with their medical care providers.
45. Compass deprived Plaintiff and the members of the putative class of the advance opportunity to make adequate arrangements for continuity of medical care and plans for future treatment with non-Compass medical providers and facilities.
46. As a direct and proximate result of the foregoing breach of fiduciary duty, Compass has caused Plaintiff and the putative class to suffer and to continue to suffer actual, consequential and pecuniary damages.

**WHEREFORE**, Plaintiff and the putative class respectfully request that judgment enter against Compass for damages, costs, and interest.

**COUNT III**  
**TORTIOUS INTERFERENCE WITH CONTRACTUAL AND BUSINESS RELATIONS**

47. Plaintiff repeats and re-alleges the allegations set forth above.
48. Plaintiff and all similarly situated putative class members had established contractual and/or business relationships with their physicians and care providers at Compass's six facilities.
49. Compass knew of said relationships and intentionally acted in such manner so as to interfere with said relationships when it abruptly closed all of its facilities without prior notice or arrangement to facilitate future care.
50. Said interference was improper in motive or means.



51. Said interference directly and proximately caused harm to Plaintiff and the members of the putative class including actual, consequential and pecuniary damages.

**WHEREFORE**, Plaintiff and the putative class respectfully request that judgment enter against Compass for damages, costs, and interest.

**COUNT IV**  
**NEGLIGENT MISREPRESENTATION**

52. Plaintiff repeats and re-alleges the allegations set forth above.

53. Compass was acting at all relevant times in the course of its business.

54. Compass negligently misrepresented itself to Plaintiff and all similarly situated class members as an ongoing viable medical business that would continue to provide access to medical services at its six facilities without disruption and closure.

55. Compass negligently failed to disclose its closing plans prior to May 31, 2023 with any advance notice or disclosure to Plaintiff and the putative class that the business would be shuttering its facilities until the actual date of closing on May 31, 2023 when it locked the doors and placed signs in the windows.

56. Plaintiff and the class members justifiably and reasonably relied on said representations and omissions in continuing to plan for and anticipate the receipt of continuous medical services with their providers at Compass's facilities.

57. As a direct and proximate result of Compass's negligent representations, misrepresentations, acts and omissions, Defendants have caused Plaintiff and the putative class to suffer and to continue to suffer actual, consequential, and pecuniary damages.

**WHEREFORE**, Plaintiff and the putative class respectfully request that judgment enter against Compass for their damages, costs, and interest.

**COUNT V**  
**INTENTIONAL MISREPRESENTATION AND FRAUD**

58. Plaintiff repeats and re-alleges the allegations set forth above.
59. Compass was acting at all relevant times in the course of its business.
60. Compass made knowingly false representations of material fact to Plaintiff and all similarly situated class members that Compass would remain an ongoing viable medical business that would continue to provide access to medical services at its six facilities without disruption and closure.
61. Compass made said representations with the intent that Plaintiff and all similarly situated class members would rely on them and not discontinue their medical treatment with the providers until the date of Compass's sudden and previously unannounced closure on May 31, 2023.
62. Plaintiff and the class members in fact relied on Compass's deceitful and fraudulent misrepresentations to their detriment and damage.
63. As a result of the foregoing, Defendants have caused the class members to suffer and to continue to suffer actual, consequential, and pecuniary damages.

**WHEREFORE**, Plaintiff and the putative class respectfully request that judgment enter against Compass for their damages, punitive damages, reasonable attorneys' fees, costs, and interest.

**COUNT VI**  
**VIOLATIONS OF M.G.L. c. 93A**

[RESERVED]

**COUNT VII**  
**DECLARATORY JUDGMENT**

64. Plaintiff repeats and re-alleges the allegations set forth above.
65. There exists an actual controversy as to whether Compass committed the foregoing unlawful and tortious acts and omissions and caused compensable harm and damages to Plaintiff and the putative class.
66. The class is entitled to declaratory orders, *inter alia*, that Compass:

- a) Be enjoined from selling, transferring, encumbering, assigning or otherwise diluting any of its assets pending resolution of this case;
- b) Preserve all evidence relevant to its closure on May 31, 2023
- c) Establish a fund sufficient to compensate the Plaintiff and the putative class for their actual, consequential, and pecuniary damages; and/or
- d) To cease and desist from continuing the unlawful practices which are the subject matter of this action.

### **PRAYERS FOR RELIEF**

**WHEREFORE**, Plaintiff and the putative class respectfully demand judgment against Defendant as follows:

- A. An order certifying the putative class with Plaintiff as its representative;
- B. An order appointing below signed counsel as legal representative of the putative class;
- C. An order determining that Compass is liable for damages caused by its unlawful and tortious acts and omissions;
- D. An order awarding the class damages, together with interest, costs, and reasonable attorneys' fees as applicable;
- E. An order enjoining Defendant from continuing the unlawful practices which are the subject matter of this action;
- F. An order awarding the class any further relief as may be just and appropriate; and
- G. An order entering all the relief requested in plaintiff's declaratory judgment request.

### **JURY DEMAND**

Plaintiff on behalf of himself and all other similarly situated class members hereby demands trial by jury on all counts so triable by a jury.

On behalf of the Plaintiff and similarly situated members of the putative class,

KECHES LAW GROUP, P.C.

/s/ Jonathan D. Sweet

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