#### COMMONWEALTH OF MASSACHUSETTS

SUFFOLK, ss.

SUPERIOR COURT

PROLINK HEALTHCARE, LLC

Civil Action No.: 23 - 28 2 5

Plaintiff,

٧.

STEWARD HEALTH CARE SYSTEM, LLC

Defendant.

and

BANK OF AMERICA, N.A.

Trustee Defendant.

Jury Trial Demanded

SUFFOLK SUPERIOR C CIVIL CLERK'S OFFI 2023 DEC 13 72 3: JOHN E. POWERS III ACTING CLERK MAGISTI

### **COMPLAINT**

Plaintiff ProLink Healthcare LLC ("Plaintiff" or "ProLink"), by and through its attorneys, Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C. and Akerman LLP, as and for its Complaint against Defendant Steward Health Care System LLC ("Defendant" or "Steward," collectively with ProLink, the "Parties"), alleges upon knowledge as to itself and its own actions, and upon information and belief as to all other matters, as follows:

# I. NATURE OF THE ACTION

- 1. This case arises from Steward's breach of its obligation to pay ProLink for healthcare staffing services, flouting for nearly two years its contractual requirement to make timely payments and damaging ProLink in the amount of at least \$45.7 million.
- 2. ProLink employs qualified healthcare professionals to work temporary assignments at healthcare facilities across the country. At the onset of the COVID pandemic, Steward engaged

ProLink to recruit, screen, supply and employ qualified professionals (the "Providers") to serve the shifting healthcare needs of Steward's facilities nationwide.

- 3. On information and belief, including review of publicly available news reports and media, Steward which is backed by an Alabama-based real estate investment trust, Medical Properties Trust, Inc., formed to acquire and develop net-leased hospital facilities is one of the nation's largest private operators of hospitals.
- 4. Pursuant to the Services Agreement entered into between ProLink and Steward, effective April 1, 2020 (the "Services Agreement"), Steward contracted with ProLink to provide healthcare staffing services for several Steward facilities. ProLink recruited, screened and staffed over 1,600 Providers at thirty-seven (37) Steward facilities located in Massachusetts, Ohio, Florida, Texas, Arizona, Louisiana, Utah, and Pennsylvania, proving to be a critical partner throughout the COVID-19 pandemic.
- 5. Before the termination of the Parties' contract in October 2023 and continuing thereafter until the final Provider completed their assignment with Steward in December 2023, ProLink fully performed the Services Agreement. In exchange for ProLink's services, Steward was expressly required under the Services Agreement to make timely payment of ProLink's invoices within 60 days. Steward's compliance with this requirement was essential because ProLink remained solely responsible for the payment of the Providers' wages. ProLink made weekly payments of the Providers' wages and continued to pay through the duration of the Services Agreement's term and until the final Provider completed their assignment for Steward earlier this month.

- 6. Steward continued to utilize ProLink for its healthcare staffing needs because ProLink proved to be a competent and trusted partner that could accommodate Steward's varying healthcare needs throughout the COVID pandemic.
- 7. Steward initially made consistent payments of the ProLink-issued invoices, which encouraged ProLink to continue its relationship with Steward and seek to grow their partnership.
- 8. However, in late 2021 and early 2022, the country faced the devastating impact of the Omicron subvariant of COVID-19, which led to Steward requesting more Providers from ProLink each month at several facilities nationwide, which ProLink duly fulfilled. Meanwhile, Steward's billing-personnel became non-responsive, failing to respond to ProLink and/or make certain payments on the invoices.
- 9. At this same time in late 2021 and early 2022, however, Steward offered a phantom "carrot" that ProLink may be awarded a further and more substantial contract. Specifically, Steward selected ProLink for a potentially larger role as a Master Services Provider ("MSP") for which ProLink would become the exclusive vendor for Steward's staffing needs in the Western region. However, concerned by Steward's outstanding accounts receivables, ProLink did not feel comfortable exposing itself to an exclusive relationship as Steward's MSP and, despite having negotiated for and executing a managed services provider agreement that would have given ProLink exclusivity in Steward's western territory, ProLink ultimately continued to provide services to Steward through 2023 under the non-exclusive terms of the Services Agreement.
- 10. Steward's repeated breaches its failure to make timely payments of the ProLinkissued invoices damaged ProLink in the amount of at least \$45.7 million.
- 11. ProLink's invoices issued to Steward were proper and reflected the services rendered and amounts due for such services with accompanying documentation. Steward did not

dispute any of ProLink's invoices. To the contrary, ProLink has been a loyal, competent, and critical partner to Steward.

- 12. ProLink attempted to amicably resolve the issues concerning Steward's breach of contract. However, Steward ceased making any significant repayments toward its accruing accounts receivables; Steward's last payment to ProLink was made in July 2023. ProLink continued to pay its Providers still on assignment at Steward facilities and never once pulled a single Provider from a Steward assignment as a result of Steward's breach. ProLink had no alternative but to notify Steward of its breach, terminate the Services Agreement and commence the present litigation.
- 13. To secure the judgment ProLink will recover on the indisputable debt owed by Steward to ProLink, ProLink seeks an attachment on trustee process of Steward funds on deposit with Bank of America.

# II. PARTIES

- 14. Plaintiff ProLink Healthcare LLC ("Plaintiff" or "ProLink") is a limited liability company duly organized and existing and in good standing under the laws of the State of Ohio, with its entity address at 4600 Montgomery Road, Suite 300, Cincinnati, Ohio, 45212.
- 15. Steward Health Care Systems, LLC ("Defendant" or "Steward") is a limited liability company organized under the laws of the State of Delaware. Steward is registered as a foreign limited liability company with a principal place of business located at 1900 North Pearl Street, Suite 2400 in Dallas, Texas, 75201 and a Massachusetts-located office located at 111 Huntington Avenue, Suite 1800, Boston, Massachusetts, 02199. Upon information and belief, Steward operates hospitals and health care facilities throughout the United States, including ten

hospitals and various clinics in Suffolk County and other counties throughout the Commonwealth of Massachusetts.

16. Trustee Process Defendant Bank of America, N.A. ("Bank of America") is a trust company bank with a principal place of business in Charlotte, North Carolina. Upon information and belief, Bank of America operates banking institutions throughout the United States and within the Commonwealth of Massachusetts, including financial centers in Suffolk County.

## III. JURISDICTION AND VENUE

- 17. Jurisdiction in this action is proper pursuant to M.G.L. c. 212 § 4 because it involves breaches of contract that occurred in the Commonwealth.
- 18. Personal jurisdiction for this action is also proper pursuant to M.G.L. c. 223A § 3. Steward purposefully availed itself of the Commonwealth's laws by transacting business here and by contracting or supplying services in Massachusetts. Steward currently operates ten (10) hospitals and/or medical centers in Massachusetts: Carney Hospital, Good Samaritan Medical Center, Holy Family Hospital-Haverhill, Holy Family Hospital-Methuen, Morton Hospital, Nashoba Valley Medical Center, New England Sinai Hospital, Norwood Hospital, Saint Anne's Hospital, and St. Elizabeth's Medical Center (collectively, the "Massachusetts Facilities"). Each of the Massachusetts Facilities were serviced by ProLink during the term of the parties' Services Agreement.
- 19. Venue is proper in this Court pursuant to M.G.L.A. c. 223 §§ 1, 8 because ProLink provided healthcare staffing services pursuant to the Services Agreement to Steward at a Steward facility located in Suffolk County and further, because this dispute involves claims concerning breaches of contract resulting from the complex business relationship between ProLink and Steward pertaining to, *inter alia*, the numerous Steward facilities throughout the Commonwealth

and beyond, the business transactions implicated therein, and the resulting substantial harm to ProLink.

20. Further, the express terms of the "Governing Law/Venue" provision contained in the Services Agreement provides the "[a]ny proceeding, suit, or action seeking to enforce any portion of this Agreement or based on any right arising out of this Agreement will be brought exclusively in the state or federal courts located in Suffolk County, Massachusetts, and the parties waive any objection to any such proceedings, suit, or action on venue or jurisdiction."

## IV. RELEVANT FACTUAL BACKGROUND

#### A. ProLink and Steward Contract for Staffing Services

- 21. ProLink is a full-service staffing and recruiting company, offering contract, contract-to-hire, direct placement and management services in the areas of healthcare, travel nursing, resourcing and technology.
- 22. Steward is a privately-owned, physician-led health care services organization. Based in Dallas, Steward currently operates 33 hospitals in Arizona, Arkansas, Florida, Louisiana, Massachusetts, Ohio, Pennsylvania and Texas. Prior to May 2023, Steward also operated facilities in Utah.
- 23. In order to staff its facilities, Steward contracts with staffing companies, such as ProLink, to supply necessary medical personnel, including nursing services, for its physician-led patient care.
- 24. Upon information and belief, whereas Steward was once the owner of the community hospitals and/or medical care centers it operates, Steward negotiated a series of sale-and-leaseback arrangements with Medical Properties Trust, Inc. prior to and during the term of the Services Agreement which, *inter alia*, rendered Steward a tenant at the hospital properties,

requiring Steward to make rent payments to Medical Properties Trust, Inc. and affecting Steward's staffing requirements as part of its overall "asset-light" business model.

- 25. In March of 2020, the World Health Organization announced the global outbreak of the COVID-19 pandemic, impacting industries worldwide. Upon information and belief, Steward turned to ProLink, among its other staffing vendors, to grapple with the increasing need for immediate placement of healthcare workers amid increased vacancies.
- 26. Prior to the onset of the pandemic, ProLink created a relationship with Steward on the West Coast. In 2019, ProLink and Mountain Vista Medical Center, a Steward facility located in Arizona, entered into a limited staffing services agreement.
- 27. ProLink and Steward then entered into the Services Agreement, effective on April 1, 2020 (previously defined herein as the "Services Agreement"), pursuant to which ProLink was engaged by Steward to provide Steward with certain staffing services on a non-exclusive basis.<sup>1</sup>
- 28. Specifically, ProLink was obligated, upon Steward's request, to, *inter alia*, "recruit, screen, employ, manage, and supply Providers to [Steward] on a temporary basis" for Steward's facilities nationwide (collectively, the "Services"). *See* Services Agreement, § 1.1. Further, ProLink was responsible for ensuring that each Provider meet the qualifications of the position as dictated by Steward and that the qualifications continued to be met throughout the term of the Providers' engagement. *See id.*, § 2.4.
- 29. In light of the onset of the COVID-19 pandemic, the Parties contemplated that ProLink would recruit Providers that not only fulfilled vacancies for regular professional needs (the "Professional Providers") but also fulfill "Express Response" roles, which meant ProLink

<sup>&</sup>lt;sup>1</sup> The Services Agreement contains a confidentiality provision requiring Steward's consent prior to disclosure of certain of the contract's terms. As of the date of filing, Steward has not provided such consent. A true and correct copy of the Services Agreement with exhibits is available for the Court's *in camera* review and will be made available subject to the terms of a court-endorsed Protective Order.

would recruit and staff Providers who could fulfill "emergency staff vacancies due to natural disasters, epidemic outbreaks, flu season, strikes, or other similar situations" (the "Express Response Providers" and, collectively with the "Professional Providers", the "Providers"). *See* Services Agreement, §§ 4.1-4.2.

30. During COVID, emergency response vacancies required staffing companies, such as ProLink, to bring qualified healthcare professionals to communities in need with very little notice. ProLink's ability to place Express Response Providers uniquely positioned ProLink to be a valuable partner to hospitals and other healthcare providers in urgent need of staffing.

### B. Material Terms of the Services Agreement

- 31. The Services Agreement became effective on April 1, 2020 ("Effective Date") and continued thereafter for a period of one-year (the "Initial Term"). See Services Agreement, § 3.1. After the Initial Term, the Services Agreement automatically renewed each year upon the same terms and conditions for successive one-year terms. *Id.* The Services Agreement created an independent contractor relationship between Steward and ProLink. *Id.*, § 1.3.
- 32. The Services Agreement could be terminated: (i) by either party with 60-days written notice to the other party; (ii) by either party with 30-days written notice of a breach; or (iii) by written mutual agreement of the Parties. See id., § 3.2.
- 33. Under the Services Agreement, once the Providers recruited and screened by ProLink were duly selected by Steward, they "remain employees of ProLink." *See id.*, § 2.3. Accordingly, ProLink was contractually "solely responsible" for each Providers' "wages, payroll taxes, benefits, professional liability insurance, and unemployment and workers compensation insurance." *Id.* This arrangement made Steward's timely payment of ProLink's invoices for services rendered under the Services Agreement crucial to ProLink's business.

- 34. The Services Agreement included a Section 4 titled "Fees and Invoices" whereby ProLink agreed to invoice Steward for its Services on a weekly basis based on a work week that begins on Sunday and ends the following Saturday. *See id.*, § 4.3.
- 35. The Services Agreements contemplated separate rates for the "Professional Providers" and "Express Response Providers." For all Professional Providers engaged by Steward during the term of the Services Agreement, the applicable rates were governed by Exhibit B to the Services Agreement, subject to certain agreed-upon conditions requiring an increase in the rates. See id., § 4.2, Exhibit B. For all Express Response Providers engaged by Steward during the term of the Services Agreement, the specific positions, service lines and applicable rates and fees were governed by Exhibit C to the Services Agreement. Id., § 4.1, Exhibit C.
- 36. ProLink was required to provide support for its weekly invoices including pertinent time sheets or other agreed upon documents for documenting time worked by the Providers. *See id.*, § 4.3. In addition, billables for costs, travel and/or administrative fees would be subject to Steward's approval, and that any approved costs would be billed weekly as incurred. *Id.*
- 37. In return, Steward was expressly obligated to pay ProLink within 60 days of the date of any ProLink-issued invoices. *See id.*, § 4.3, as amended. While the Services Agreement provides that Steward "shall pay ProLink within 30 days of the date of any such invoices" that section was immediately amended due to a scrivener's error to expressly and unambiguously provide for payment due within 60 days of the date of any ProLink-issued invoices. *See id.*, § 4.3. Simultaneously with the execution of the Services Agreement, ProLink and Steward entered into the First Amendment to the Staffing Services Agreement, effective as of April 1, 2020 (the "First

Amendment") for the purpose of "correct[ing] an unintentional scrivener's error in the payment terms."

38. Pursuant to the First Amendment, the Parties agreed that Section 4.3 of the Services Agreement was deleted and replaced with the following:

**Invoices.** ProLink will invoice Client for Services provided under this Agreement on a weekly basis based on work week that begins on Sunday and ends the following Saturday. Client shall pay ProLink within 60 days of the date of any such invoices. Invoices will be supported by the pertinent time sheets or other agreed upon system for documenting time worked by the Providers. All costs, travel, and administrative fees that have been pre-approved by the Client, if any, will be billed weekly as incurred and payable within 60 days.

See First Amendment, § 2 (emphases added).

39. The Services Agreement contained a disputed fees provision and provides that "[i]f a portion of any invoice is disputed, [Steward] shall pay the undisputed portion of the invoice and notify ProLink of the disputed amount and reasons for [Steward's] objection." See Services Agreement, § 4.4. If an invoice was disputed by Steward "[t]he parties will then work together to resolve the disputed portion of the invoice. Id. Further, the parties expressly agreed that "[i]f [Steward] fails to provide such notice within 30 days after receipt of the invoice or fails to pay the undisputed portion of the invoice, then the original invoice is deemed payable in full." Id.

#### C. Further Amendments to the Services Agreement

40. ProLink and Steward entered into a series of eleven amendments to the Services Agreement (collectively, the "Amendments"). The Amendments set forth and reflected Steward's ever-evolving staffing needs as the COVID-19 crisis unfolded, resulting in the expansion of and/or changing of discrete staffing needs for the respective Steward facilities and/or modifications to applicable rates or service lines as negotiated among the Parties.

<sup>&</sup>lt;sup>2</sup> A true and correct copy of the First Amendment is available for the Court's *in camera* review and will be made available subject to the terms of a court-endorsed Protective Order.

- Agreement, made as of May 14, 2020 (the "Second Amendment"); the Third Amendment to Staffing Services Agreement, made as of June 27, 2020 (the "Third Amendment"); the Fourth Amendment to Staffing Services Agreement, made as of July 12, 2020 (the "Fourth Amendment"); the Fifth Amendment to Staffing Services Agreement, also made as of July 12, 2020 (the "Fifth Amendment"); the Sixth Amendment to Staffing Services Agreement, mad as of September 11, 2020 (the "Sixth Amendment"); the Seventh Amendment to Staffing Services Agreement, made as of December 11, 2020 (the "Seventh Amendment"); the Eighth Amendment to Staffing Services Agreement, made as of December 14, 2020 (the "Eighth Amendment"); the Ninth Amendment to Staffing Services Agreement, also made as of December 14, 2020 (the "Ninth Amendment"); the Tenth Amendment to Staffing Services Agreement, made as of January 8, 2021 (the "Tenth Amendment"); and the Eleventh Amendment to Staffing Services Agreement, made as of July 20, 2021 (the "Eleventh Amendment").
- 42. Because ProLink earned Steward's trust and proved itself to be a competent and trustworthy partner, Steward continued to renew the Services Agreement and continuously negotiated the Amendments with ProLink.

#### D. ProLink Duly Fulfills its Staffing Obligations at Steward Facilities Nationwide

43. During the term of the Services Agreement, ProLink screened, recruited and, after selection by Steward, staffed Providers at thirty-seven (37) facilities then-operated by Steward, including facilities located in Massachusetts, Texas, Florida, Louisiana, Pennsylvania, Ohio,

<sup>&</sup>lt;sup>3</sup> True and correct copies of the Second Amendment, Third Amendment, Fourth Amendment, Fifth Amendment, Sixth Amendment, Seventh Amendment, Eighth Amendment, Ninth Amendment, Tenth Amendment and Eleventh Amendment are available for the Court's *in camera* review and will be made available subject to the terms of a court-endorsed Protective Order. Copies of the Fifth Amendment and Tenth Amendment are unsigned. The Parties understood the Fifth Amendment and Tenth Amendment were effective without signatures of representatives of ProLink and Steward. Similarly, the copy of the Ninth Amendment is not counter-signed. The Parties understood the Ninth Amendment was effective without counter-signature by a representative for ProLink.

Arizona and Utah. The Providers on assignment at the respective Steward facilities are referred to herein as the "Talent on Assignment" or "TOAs."

- 44. In the first few months of the term of the Services Agreement in mid-2020, ProLink was requested to recruit and staff Providers at Steward facilities located mainly in Massachusetts, including: Holy Family Hospital-Methuen, Morton Hospital, Good Samaritan Medical Center, St. Elizabeth's Medical Center, Norwood Hospital and Carney Hospital. At or around this time, ProLink also provided TOAs to Steward's Ohio-based facility, Trumbull Regional Medical Center.
- 45. By June and/or July 2020, ProLink was starting TOAs to fulfill assignments at Steward facilities located in Florida, Arizona and Texas as well. *See* Third Amendment, Fourth Amendment, Fifth Amendment. As a result, ProLink's TOAs starting assignments on a monthly basis increased. ProLink started 47 TOAs in April 2020 and started 38 TOAs in May 2020, respectively, and, by July 2020, ProLink started 74 TOAs.
- 46. By December 2020 and January 2021, ProLink and Steward negotiated modifications to the applicable rates for Express Response Providers for Steward's Rockledge Regional Medical Center located in Florida and St. Elizabeth's Medical Center located in Massachusetts, as well as negotiated rates for Express Response Providers to be applied generally to all Florida facilities and/or Texas facilities. *See* Sixth Amendment, Seventh Amendment, Eighth Amendment, Ninth Amendment, Tenth Amendment.
- 47. By mid-2021, ProLink fulfilled assignments at Steward facilities located in Pennsylvania and Louisiana as well.
- 48. Then, on or about July 20, 2021, ProLink and Steward executed the Eleventh Amendment, which governed, *inter alia*, applicable rates for Providers for several Florida-located facilities Steward had then-acquired including: Palmetto General Hospital, Coral Gables Hospital,

Florida Medical Center, North Shore Medical Center and Hialeah Hospital. *See* Eleventh Amendment. By August 2021, ProLink was staffing TOAs to fulfill assignments for Steward facilities in Utah.

- 49. ProLink fully performed its obligations under the Services Agreement and regularly invoiced Steward for the provision of its Services. Accompanying its submission of invoices, ProLink provided Steward with accompanying time sheets and other documentation for the invoiced amounts.
- 50. Steward initially made consistent payments of the ProLink-issued invoices. Steward did not dispute a single ProLink invoice and as a result, all invoices were deemed payable in full.

#### E. ProLink's Performance Amidst the Omicron Pandemic

- 51. In or about November 2021, the World Health Organization identified the Omicron mutation of the COVID-19 virus as a variant of concern. Upon information and belief, Steward's staffing needs at its hospital and healthcare facilities increased at or around this time, corresponding to the rise of Omicron variant cases.
- 52. For example, in November 2021, Steward requested that ProLink start 104 TOAs. Continuing this trend through 2022, ProLink fulfilled assignments: starting 154 TOAs in January 2022; starting 125 TOAs in February 2022; starting 100 TOAs in March 2022; starting 101 TOAs in April 2022; starting 105 TOAs in May 2022; starting 84 TOAs in June 2022; starting 108 TOAs in July 2022; starting 84 TOAs in August 2022; starting 84 TOAs in September 2022; and starting 106 TOAs in October 2022.
- 53. Again, throughout this period, ProLink fully performed its obligations under the Services Agreement and regularly issued proper and timely invoices to Steward for the provision

of ProLink's Services for these TOAs in accordance with the terms of the Services Agreement. Meanwhile, ProLink continued to pay the wages of the Providers staffed on-site at Steward's facilities.

54. Detrimental to ProLink, by early 2022, Steward's mode of operation with respect to payment practices changed. When ProLink's billing department communicated with Steward regarding certain outstanding accounts receivable, Steward's billings-persons became non-responsive and/or failed to address when payments would be made. And, to accommodate Steward's billing personnel's constant requests for, *inter alia*, aging reports and/or copies of previously-submitted invoices, ProLink assigned multiple accounts receivable specialists, billing specialists and/or client relationship managers to the Steward account. Occasionally, ProLink received requests from Steward to revise an invoice based on an item-by-item reconciliation between the Parties, which ProLink addressed.

#### F. The Parties' Negotiate the Managed Service Provider Agreement

- 55. In late 2021 and/or early 2022, discussions ensued between ProLink's business leadership and Steward's business leadership about expanding their relationship. Appreciating Steward's partnership, ProLink made a presentation to be considered by Steward to serve as a "Managed Service Provider" ("MSP"). At the time, ProLink was eager to take on the role of exclusive staffing provider for a specific region of Steward's facilities.
- 56. Ultimately, ProLink was selected as one of the staffing companies to negotiate terms with Steward for a Managed Service Provider Agreement (the "MSPA"). The Parties negotiated the MSPA, which contemplated that, during the proposed three (3) year term of the agreement, ProLink would be engaged as Steward's exclusive provider for Steward's facilities in its western territory, including Arkansas, Arizona, Louisiana, Texas and Utah (the "Western

Territory"). In addition, the MSPA contemplated that ProLink would convert its invoicing procedure to a vendor management system ("VMS") for Steward's benefit and Steward would pay ProLink through the VMS. A conversion to a VMS provides more reporting capabilities via the technologically advanced software.

- 57. Although ProLink was already engaged under the Services Agreement to provide staffing services in most of Steward's Western Territory (as well as other facilities located in Massachusetts and Florida), ProLink was a "non-exclusive" vendor of such services. *See* Services Agreement, § 1.2 ("[Steward] is not bound to the exclusive use of ProLink by virtue of this Agreement and remains free to retain other entities to perform Services while this Agreement is in effect"). Accordingly, with respect to negotiating the MSPA, ProLink believed that becoming Steward's exclusive vendor for the Western Territory would lead to even more expanded opportunities, such as eventually becoming Steward's sole staffing service provider nationwide.
- 58. After multiple drafts of the proposed MSPA were circulated in late 2021 and throughout 2022, on or about October 4, 2022, Mark Arnett, Chief Financial Officer of ProLink executed the agreement and on or about October 5, 2022, Patrick Lombardo, Executive Vice President of Human Resources of Steward, counter-signed the MSPA.<sup>4</sup>
- 59. After the execution of the MSPA, on or about November 2, 2022, ProLink provided Steward with a copy of a software access agreement that Steward was required to enter into with ProLink's designated third-party provider for ProLink's conversion to a VMS. However, Steward did not sign that agreement. ProLink did not receive a response from Steward relating to the software access agreement. Thus, ProLink's requirement under the then-contemplated MSPA to provide the VMS was never effectuated.

<sup>&</sup>lt;sup>4</sup> A true and correct copy of the MSPA is available for the Court's *in camera* review and will be made available subject to the terms of a court-endorsed Protective Order.

- 60. Further, in order to effectuate the exclusivity terms contemplated under the MSPA, the Parties understood that Steward was required to plan and implement its terms by, among other things, introducing ProLink's team to Steward's business leaders for the facilities within the Western Territory. However, as of mid-November 2022, Steward's past due invoices owed to ProLink totaled over approximately \$26.4 million, with a total accounts balance of approximately \$34.5 million. ProLink's leadership determined that further exposure to Steward as its exclusive MSP for the Western Territory would not be prudent.
- 61. Accordingly, throughout the remainder of 2022 and throughout 2023, both ProLink and Steward understood that ProLink's Services were rendered pursuant to the Services Agreement, that its invoicing would not be converted to a VMS and that Steward was not obligated to utilize ProLink exclusively for staffing services in its Western Territory. The MSPA, including its terms requiring that Steward provide exclusivity for the Western Territory and ProLink convert its invoicing to a VMS, were not effectuated.

#### G. Steward's Failure to Repay the Outstanding Accounts Receivable

- 62. In late 2022, concerned about Steward's persistent past due accounts receivable, discussions ensued between ProLink's leadership and Steward's leadership about Steward making repayments to ProLink. Steward's leadership represented and ProLink believed that Steward would be in a position to make significant repayments in 2023. ProLink continued to provide the Services to Steward under the Services Agreement and agreed to accept increased minimal repayments from Steward against the total weekly accounts balance.
- 63. For the remainder of 2022 and through 2023, ProLink continued to fulfill assignments at Steward facilities. Specifically, ProLink started 93 TOAs in November 2022; 54

TOAs in December 2022; 136 TOAs in January 2023; 121 TOAs in February 2023; 97 TOAs in March 2023; 149 TOAs in April 2023; and 73 TOAs in May 2023.

- 64. As ProLink staffed more TOAs at Steward's facilities, its corresponding debt exposure to Steward continued to increase. As of the week ending May 20, 2023, Steward owed ProLink approximately \$35.2 million on past due invoices, with a total accounts receivables balance of \$45.3 million.
- 65. Meanwhile, in May 2023, Steward announced that it closed a deal with CommonSpirit Health, wherein CommonSpirit Health acquired five of Steward's Utah-based facilities Davis Hospital and Medical Center, Jordan Valley Medical Center West Valley Campus, Salt Lake Regional Medical Center, Jordan Valley Medical Center, and Mountain Point Medical Center (the "Utah Facilities").
- 66. ProLink believed, to its detriment, that Steward would make significant repayments on its outstanding accounts receivable balance. However, Steward failed to and/or, upon information and belief, became or remained financially unable to make significant repayments to ProLink on its total accounts receivable.
- 67. In 2023, ProLink fulfilled fewer staffing assignments at Steward facilities. Specifically, ProLink fulfilled TOAs as follows: 48 TOAs in June 2023; 28 TOAs in July 2023; 14 TOAs for August 2023; and 5 TOAs in September 2023. No Providers were staffed to start an on-site assignment at Steward's facilities in October 2023 or thereafter.

# H. ProLink Fully Performed Under the Services Agreements and Steward Breached the Services Agreement by Failing to Pay Timely Issued Invoices

68. ProLink fully performed its contractual obligations under the Services Agreement from April 1, 2020 through the termination on October 15, 2023 and thereafter through the last Provider completing its assignment at a Steward facility on December 9, 2023. Over the term of

the Services Agreement, ProLink placed over 1,600 qualified healthcare professionals at over 2,800 on-site assignments for 37 facilities then-operated by Steward. ProLink paid its Providers for the healthcare services rendered to Steward and never once pulled a single Provider from a Steward assignment as a result of Steward's failure to pay.

- 69. ProLink timely submitted invoices to Steward on a weekly basis with the required underlying time sheet and/or pertinent assignment information. ProLink's invoices were proper and reflected services rendered and amounts due for such services with accompanying documentation. Steward did not dispute ProLink's invoices. During the term of the Services Agreement, Steward did not trigger Section 4.4 of the Agreement relating to "Disputed Invoices." See Services Agreement, § 4.4.
- 70. Steward has not honored the Services Agreement by withholding timely payments on the invoiced sums from ProLink.
- 71. A true and correct copy of ProLink's Open Balance Aging Report pertaining to the Steward account (the "Aging Report") is attached hereto as **Exhibit A**.
- 72. Pursuant to the Aging Report, Steward has improperly withheld payments due and owing to ProLink in breach of the Services Agreement. Aging accounts receivables remain for services rendered by the TOAs at respective Steward facilities, as follows:

Facility	Past Due Accounts Receivables
St. Joseph Medical Center	\$ 760,189.89
Wadley Regional Medical Center	\$ 3,939,203.81
Carney Hospital	\$ 50,092.81
Coral Gables Hospital	\$ 64,637.50
Davis Hospital and Medical Center	\$ 148,192.75

Florida Medical Center	\$ 595,672.69
Glenwood Regional Medical Center	\$ 6,650,636.32
Good Samaritan Medical Center	\$ 2,650,616.74
Hialeah Hospital	\$ 723,150.11
Holy Family Hospital-Methuen	\$ 978,266.29
Jordan Valley Medical Center West Valley Campus	\$ 312,345.66
Morton Hospital	\$ 666,722.65
Nashoba Valley Medical Center	\$ 488,942.81
New England Sinai Hospital	\$ 162,199.20
North Shore Medical Center	\$ 2,459,348.89
Odessa Regional Medical Center	\$ 2,243,570.25
Palmetto General Hospital	\$ 7,685,881.62
Saint Anne's Hospital	\$ 561,185.10
Salt Lake Regional Medical Center	\$ 813,979.55
Scenic Mountain Medical Center	\$ 168,177.25
Sharon Regional Medical Center	\$ 801,582.59
St. Elizabeth's Medical Center	\$ 1,777,825.75
St. Luke's Behavioral Health Center	\$ 820,060.02
Trumbull Regional Medical Center	\$ 386,179.10
Wadley RMC at Hope	\$ 56,107.00
Jordan Valley Medical Center	\$ 44,824.25
Abrazo Mesa Hospital	\$ 341,940.01
Florence Hospital	\$ 552,437.36
Mountain Point Medical Center	\$ 59,336.26

Mountain Vista Medical Center	\$ 4,319.755.14
Tempe Saint Luke's Hospital	\$ 1,541,944.78
The Medical Center of Southeast Texas	\$ 426,319.26
Southwest General Hospital	\$ 2,487,899.48
TOTAL	\$45,739,222.65

73. To date, Steward owes ProLink at least \$45,739,222.65 in outstanding accounts receivables. See Ex. A.<sup>5</sup>

### I. ProLink Notices Steward's Default, Demands Repayment and Terminates

- 74. By letter dated August 16, 2023, counsel for ProLink notified Steward of its default under the Services Agreement (the "Default Letter"). Attached hereto as **Exhibit B** is a true and correct copy of the Default Letter.
- 75. By letter dated September 15, 2023, counsel for ProLink demanded payment of the amounts owed from Steward and notified Steward of its intent to terminate the Services Agreement for cause based upon Steward's breach of the Services Agreement for failure to pay. Attached hereto as **Exhibit C** is a true and correct copy of the Default Letter.
- 76. By letter dated October 16, 2023, counsel for ProLink notified Steward that the Notice of Termination was effective as October 15, 2023. Attached hereto as **Exhibit D** is a true and correct copy of the Effective Termination Letter.
  - 77. In response, Steward has not made payments towards its total indebtedness.
- 78. When the Services Agreement was terminated, as of October 15, 2023, ProLink had 7 TOAs remaining on assignment at Steward-operated facilities. ProLink continued to provide

<sup>&</sup>lt;sup>5</sup> For ProLink's invoices not overdue – an additional total of \$185,025.35 will be due by Steward to ProLink between December 21, 2023 through February 12, 2024.

wages and other benefits to the Providers remaining on assignment post-termination of the Services Agreement.

- 79. As of the date of the filing of this Complaint, all of ProLink's Providers have concluded their assignments with Steward.
- 80. Steward has withheld timely payment properly due and owing to ProLink for the Services rendered and the amounts invoiced pursuant to the Services Agreement. *See* Ex. A. Thus, Steward has damaged ProLink in an amount to be determined but not less than \$45,739,222.65.

# COUNT I (Breach of Contract)

- 81. Plaintiff incorporates the paragraphs above as if fully restated here.
- 82. The Services Agreement, as amended, executed between ProLink and Steward is a valid and enforceable agreement.
- 83. ProLink substantially performed all of its obligations under the Services Agreement with Steward. ProLink regularly invoiced Steward for the provision of its Services. Accompanying its submission of invoices, ProLink provided Steward with accompanying time sheets and other documentation for the invoiced amounts in accordance with the terms of the Services Agreement. See Services Agreement, § 4.3.
- 84. ProLink's invoices were proper in form and reflected services rendered and amounts due for such Services with accompanying documentation.
- 85. Steward has not disputed any of ProLink's invoices or any of the charges at issue. To the contrary, ProLink has been a loyal, competent and critical partner. ProLink continued to pay its Providers and never once pulled a single Provider from a Steward assignment as a result of Steward's failure to pay.

- 86. Because ProLink properly issued timely invoices and Steward was in receipt of the invoices without objection or dispute under the Disputed Fees provision of the Services Agreement, the invoices were deemed payable in full pursuant to the Services Agreement. See Services Agreement, § 4.4.
- 87. Steward is obligated, pursuant to the Services Agreement, to make timely payments within sixty (60) days of the invoice date issued by ProLink, but has failed to do so. *See* Services Agreement; *see also* First Amendment. Specifically, Steward is obligated to pay ProLink: the amount of \$45,739,222.65 in outstanding invoices. *See* Ex. A.
- 88. Despite ProLink's full and complete performance, Steward has breached its obligations under the Services Agreement by withholding the contractually agreed-upon payments properly due and owing to ProLink for which ProLink is entitled to seek monetary damages. *See* Services Agreement, § 6.4.
- 89. The conduct of Steward in breaching the Services Agreement is the producing cause of substantial economic damage to ProLink in an amount to be determined at trial but at least in the amount of \$45,739,222.65.

## COUNT II (Account Stated)

- 90. Plaintiff incorporates the paragraphs above as if fully restated here.
- 91. With respect to unpaid invoices, ProLink timely issued invoices to Steward in connection with the Services performed at each of the Steward facilities pursuant to the Services Agreement. See Services Agreement.
- 92. The Services Agreement requires Steward to provide ProLink notice of a dispute as to any portion of the invoice and provide notice of the disputed amount and reasons for Steward's objection(s). See Services Agreement, § 4.4.

- 93. The invoices submitted by ProLink to Steward were reviewed and approved by Steward. In addition, underlying documentation in the form of Providers' time sheet(s) and/or other accompanying documentation were provided to Steward for its review.
- 94. Steward retained the properly issued invoices and accompanying verifying documentation without objection.
- 95. Because ProLink properly issued timely invoices and Steward was in receipt of the invoices without objection and has failed to make payments on the undisputed invoices, the invoices were deemed payable in full pursuant to the Services Agreement. See Services Agreement, § 4.4.
- 96. An account was stated with Steward in the sum of \$45,739,222.65 for services rendered by ProLink pursuant to the Services Agreement.
- 97. Steward misconduct is the producing cause of significant damage to ProLink in the amount to be determined at trial but at least in the amount of \$45,739,222.65.

## COUNT III (Quantum Meruit/Unjust Enrichment)

- 98. Plaintiff incorporates the paragraphs above as if fully restated here.
- 99. ProLink brings this claim for quantum meruit as an alternative basis for recovery from Steward for the cost of the valuable services performed by ProLink and received by Steward for which ProLink, to date, has not been fully compensated.
- 100. Specifically, ProLink provided the Services by screening, recruiting and staffing the Providers at the Steward facilities from and including October 2022 through December 2023 at Steward's insistence and direction. ProLink conferred a measurable benefit upon Steward on a regular basis for such Services.

- 101. Steward received a benefit for the services it requested and was invoiced by ProLink, but has refused to compensate ProLink in any fashion for the Services rendered.
  - 102. Steward expected, or reasonably should have expected, to pay for said Services.
- 103. In return for providing the Services, ProLink had a reasonable expectation of receiving payment for said Services.
- 104. Steward failed to and/or has refused to make restitution of or for the valuable Services provided to it by ProLink.
  - 105. The fair and reasonable value of said Services is \$45,739,222.65.
  - 106. The enrichment violates equity and good conscience.
- 107. As such, Steward has been unjustly enriched at ProLink's expense in an amount to be determined.

# COUNT IV (Trustee Process)

- 108. ProLink is owed and is likely to recover at least \$45,739,222.65 pursuant to the Services Agreement.
- 109. ProLink has not, directly or indirectly, received any part of the money or goods charged herein as due, nor has it received any security or satisfaction for which credit has not already been given.
- 110. ProLink is unaware of any insurance that Steward has that might be available to pay the judgment that ProLink is likely to recover.
- 111. Upon information and belief, Steward maintains accounts at Bank of America, and Bank of America is currently in possession of goods, effects, credits, and/or monies owed from Steward to ProLink.

- 112. ProLink is entitled to trustee process attachment of the goods, effects, credits, and/or monies of Steward in the possession of Bank of America in the amount of \$45,739,222.65, plus interest and costs, including attorney's fees.
- 113. No bond is required pursuant to M.G.L. c. 246 § 1, as this is an action upon a written contract.

### <u>V.</u> PRAYER FOR RELIEF

WHEREFORE, PREMISES CONSIDERED, Plaintiff respectfully requests that Defendant be cited to appear herein, and that on final hearing, Plaintiff has judgment as follows:

- i) Judgment in favor of Plaintiff ProLink and against Defendant Steward for all actual damages caused by Defendant's actions;
- ii) Reasonable and necessary attorney's fees for prosecuting this action;
- iii) Pre- and post-judgment interest at the highest lawful rate;
- iv) Costs of suit; and
- v) Such other and further relief to which ProLink may be justly entitled.

### Respectfully submitted,

### PROLINK HEALTHCARE, LLC

By its attorneys,

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Dated: December 13, 2023