1 2 3 4	CALLAHAN & BLAINE, APLC Edward Susolik, Esq. (SBN 151081) Robert Scott Lawrence, Esq. (SBN 207099) Raphael Cung (Bar No. 201829) 3 Hutton Centre Drive, Ninth Floor Santa Ana, California 92707 (714) 241-4444/(714) 241-4445 [FAX]		
5	Attorneys for Defendants		
6	SUPERIOR COURT OF CALIFORNIA		
7	COUNTY OF LOS ANGELES, CENTRAL DISTRICT		
8			
9	JOHN FAITRO, an individual and as the personal representative of THE ESTATE OF LAURA LEE	CASE NO. BC454464	
10	FAITRO, deceased; ARTURO & ELVIA RENTERIA,) as individuals and as the personal representatives of)	Assigned to the Honorable Carl J. West Dept. 322	
11	THE ESTATE OF ANA RENTERIA, deceased;) BRIDGET SANDOVAL, an individual; SUSAN)	DEFENDANTS' NOTICE OF PETITION	
12	BLACKBURN, guardian ad litem for TAYLOR BLACKBURN, a minor; JESSICA BLEAMAN, an	AND PETITION TO COMPEL ARBITRATION; MEMORANDUM OF	
13	individual; SUSAN LEVERETT, a individual; ONNIE MARIA HERRERA, an individual; APRIL	POINTS AND AUTHORITIES IN SUPPORT THEREOF	
14	MORENO, an individual; as Plaintiff Class) Representatives,	[Code Civ. Proc., § 1281.2 et seq.; 9 U.S.C. §§ 2 and 3]	
15	Plaintiffs,		
16	v.)	[Filed Concurrently With Declaration of Robert S. Lawrence, Declaration of Carosel Castillo; and Proposed Order]	
17	TOP SURGEONS, INC., a corporation; TOP		
18	SURGEONS, LLC, a limited liability company; 1800) GET THIN, LLC; ALMONT AMBULATORY CENTER, INC., a corporation; ANTELOPE VALLEY)	Date: TBD Time: TBD	
19	SURGICAL CENTER, INC., BEVERLY HILLS	Dept.: 322	
20	SURGERY CENTER, LLC; CALIFORNIA HOSPITAL MANAGEMENT & COLLECTIONS,		
21	INC.; LAP BAND SPECIALISTS, LLC; SKIN CANCER AND RECONSTRUCTIVE SURGERY	Complaint Filed: February 4, 2011	
22	SPECIALISTS OF BEVERLY HILLS; SKIN CANCER AND RECONSTRUCTIVE SURGERY		
23	SPECIALISTS OF VALENCIA; SURGERY CENTER) MANAGEMENT, LLC; NEW LIFE SURGERY))	
24	CENTER, LLC; WOODLAKE AMBULATORY SURGERY CENTER, INC.; KAMBIZ BENIAMIA	· · · · · · · · · · · · · · · · · · ·	
25	OMIDI, aka JULIAN OMIDI, an individual; MICHAEL OMIDI, M.D., an individual; CINDY		
26	OMIDI, an individual; and DOES 1 through 100, inclusive,))	
27	Defendants.		
28			

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TO ALL PARTIES AND THEIR RESPECTIVE ATTORNEYS OF RECORD:

PLEASE TAKE NOTICE that on a date and time to be determined by the above-entitled Court, in Department 322, located at 600 South Commonwealth Ave., Los Angeles, California 90005, defendants will and hereby do petition this Court, pursuant to CCP § 1281.2 et seq. and 9 U.S.C. §§ 2 and 3, for an order compelling plaintiffs to arbitrate their individual claims in this action against defendants and to stay this action until the arbitration proceedings are completed.

The grounds for issuance of this order are that plaintiffs are contractually bound to arbitrate their claims but have refused and are unwilling to do so, the law favors compelling arbitration, class action allegations do not bar arbitration, and public policy favors enforcing the arbitration provision of the arbitration agreements between the parties.

This Petition is based upon this Notice of Petition and Petition, the attached Memorandum of Points and Authorities, the concurrently filed Declaration of Carosel Castillo with associated exhibits, the concurrently filed Declaration of Robert S. Lawrence, all pleadings and papers on file with this Court in this action, and such further oral and written argument as may be presented at, or prior to, the hearing on this matter.

Dated: January 20, 2012

CALLAHAN & BLAINE, APLC

Robert S. Lawrence

Attorneys for Defendants Top Surgeons, Inc.; Top Surgeons, LLC; 1 800 Get Thin, LLC; Almont Ambulatory Surgery Center, Inc.; Antelope Valley Surgical Center, Inc.; Beverly Hills Surgery Center, LLC; California Hospital Management & Collections, Inc.; Lap Band Specialists, LLC; Skin Cancer and Reconstructive Surgery Specialists of Beverly Hills; Skin Cancer and Reconstructive Surgery Specialists of Valencia; Surgery Center Management, LLC; New Life Surgery Center, LLC; Woodlake Ambulatory Surgery Center, Inc.; Kambiz Beniamia Omidi, aka Julian Omidi; Michael Omidi, M.D., and Cindy Omidi

PETITION TO COMPEL ARBITRATION

Petitioners Top Surgeons, Inc.; Top Surgeons, LLC; 1 800 Get Thin, LLC; Almont Ambulatory Surgery Center, Inc.; Antelope Valley Surgical Center, Inc.; Beverly Hills Surgery Center, LLC; California Hospital Management & Collections, Inc.; Lap Band Specialists, LLC; Skin Cancer and Reconstructive Surgery Specialists of Beverly Hills; Skin Cancer and Reconstructive Surgery Specialists of Valencia; Surgery Center Management, LLC; New Life Surgery Center, LLC; Woodlake Ambulatory Surgery Center, Inc.; Kambiz Beniamia Omidi, aka Julian Omidi; Michael Omidi, M.D., and Cindy Omidi allege:

A. THIS DISPUTE ARISES UNDER THE ARBITRATION AGREEMENT

- 1. According to the complaint, this is an action based on allegations of false advertising and unfair competition in connection with the provision of Lap-Band surgery and related services to the named plaintiffs by defendants or surgeons alleged to have been hired by them. (FAC, ¶17).
- 2. Petitioners are various limited liability companies, individuals, and corporations duly licensed by the State of California and affiliated with the surgical centers where the plaintiffs were treated. Petitioners are alleged to have "provided the marketing, billing and or collection for the Lap-Band surgeries" performed on plaintiffs. (*Id.*)
- 3. Prior to the surgery being performed all plaintiffs signed arbitration agreements. True and correct copies of the executed arbitration agreements are attached to the accompanying Declaration of Carosel Castillo as Exhibits A H.
- 4. For those petitioners who are not expressly named in the arbitration agreements, they are covered by articles I and II of the subject arbitration agreement. All petitioners and defendants identified in this petition respectfully request that this matter be arbitrated.

B. THE ARBITRATION AGREEMENTS

- 5. The Agreements signed by plaintiffs provides in pertinent part:
 - ARTICLE 1: **Agreement to Arbitrate**: It is understood that any dispute as to medical malpractice, that is as to whether any medical services rendered under this contract were unnecessary or unauthorized or were improperly, negligent or incompletely rendered, will be determined by submission to arbitration as provided by California law, and not by a

lawsuit or resort to court process except as California law provides for judicial review of arbitration proceedings. Both parties to this contract, by entering into it, are giving up their constitutional right to have such a dispute decided in a court of law before a jury, and instead are accepting the use of arbitration.

ARTICLE 2: All Claims Must be Arbitrated: it is the intention of the parties that this agreement bind all parties whose claims may arise out of or relate to treatment or service provided by the physician including any spouse or heirs of the patient, and any children, whether born or unborn, at the time of the occurrence giving rise to any claim. In the case of any pregnant mother, the term "patient "herein shall mean both the mother and the mother's expected child or children.

All claims for monetary damages exceeding the jurisdiction limit of the small claims court against the physician, and the physician's partners, associates, association, corporation or partnership, and the employees, agents and estates of any of them, must be arbitrated including, without limitation, claims for loss of consortium, wrongful death, emotional distress or punitive damages.

6. Further, this Agreement specifically provides that "the parties consent to the intervention and joinder in this arbitration of any person or entity which would otherwise be a proper additional party in a court action, and upon such intervention and joinder any existing court action against such additional person or entity shall be stayed pending arbitration." (See Article 3 of the Arbitration Agreement).

- 7. The gravamen of plaintiffs' complaints against the petitioners arises out of or relates to the medical treatment rendered to them (i.e., it concerns claims of false advertising and unfair competition related to such treatment or services). Such a claim falls squarely within the meaning of the Arbitration Agreements signed by the plaintiffs. (See Article 2 of the Arbitration Agreement).
- 8. Petitioners warrant that discovery is in its infancy and to date no depositions have taken place and the petitioners have not yet formally answered the allegations in the complaint.

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9. This Petition should be granted and the Superior Court's action stayed or dismissed without prejudice until the arbitration of all matters in controversy has been effected pursuant to the Arbitration Agreements.

DATED: January 20, 2012

CALLAHAN & BLAINE, APLC

By: Robert S. Lawrence

Attorneys for Defendants Top Surgeons, Inc.; Top Surgeons, LLC; 1 800 Get Thin, LLC; Almont Ambulatory Surgery Center, Inc.; Antelope Valley Surgical Center, Inc.; Beverly Hills Surgery Center, LLC; California Hospital Management & Collections, Inc.; Lap Band Specialists, LLC; Skin Cancer and Reconstructive Surgery Specialists of Beverly Hills; Skin Cancer and Reconstructive Surgery Specialists of Valencia; Surgery Center Management, LLC; New Life Surgery Center, LLC; Woodlake Ambulatory Surgery Center, Inc.; Kambiz Beniamia Omidi, aka Julian Omidi; Michael Omidi, M.D., and Cindy Omidi

MEMORANDUM OF POINTS AND AUTHORITIES

I. INTRODUCTION

In this case plaintiffs challenge the propriety of advertising and business practices that they collectively attribute to all of the named defendants. Without attempting to distinguish between the entity and individual defendants, or to parse their allegations, plaintiffs simply aver that all defendants have acted as agents and alter egos of each other. This improper pleading tactic has resulted in the appearance of sixteen defendants, all of whom are alleged to be responsible for false advertising or unfair business practices related to the provision of Lap-Band surgery in California.

All of the named plaintiffs (or the parties they claim to represent) had Lap-Band surgery performed at one of the defendants' surgical facilities. Plaintiffs seek to represent a class of all Lap-Band patients who called 1-800 Get Thin and were referred for, and had, Lap-Band surgery at any of defendants' surgical facilities in California, dating back three years from the filing of the Complaint.

Plaintiffs' claims do not belong in this Court, however, but must be referred to individual arbitration. When – after extensive testing and consultations with a variety of physicians – plaintiffs ultimately decided to have Lap-Band surgery at any of the defendants' surgical facilities, each and every one of them signed an agreement to arbitrate "all claims" which in any way "may arise out of or relate to treatment or service provided" by their physicians and their agents, including any related medical group, association, partnership or corporate entity. On its face, the arbitration agreement executed by each plaintiff bars them from bringing this putative class action in superior court.

At the time plaintiff filed suit, *Discover Bank*² set forth California's rule that consumer arbitration agreements requiring arbitration on an individual basis and precluding class actions were

¹With the exception of April Moreno, who cancelled her surgery.

²Discover Bank v. Superior Court (2005) 36 Cal. 4th 148

Mobility LLC v. Concepcion³, which overruled Discover Bank and held that the Federal Arbitration Act ("FAA") 9 U.S.C. § 2, et seq., preempts state laws prohibiting class action waivers in arbitration agreements. Read in conjunction with the Supreme Court's earlier ruling in Stolt-Nielsen⁴ – prohibiting class arbitration where an arbitration agreement is silent on the issue – the holding of Concepcion indisputably requires plaintiffs to pursue their claims in arbitration, individually.

In light of Concepcion and Stolt-Nielson, plaintiffs have no viable argument to avoid

unconscionable in almost all circumstances. On April 27, 2011, the Supreme Court decided AT&T

arbitrating their disputes with defendants. They cannot assert that the arbitration agreements are unconscionable. They cannot plausibly claim that they did not enter into the agreements after doing so, in some cases, as many as three times. The arbitration agreement was not hidden from plaintiffs, but was a separate stand-alone document which they executed and were given a copy of, so plaintiffs cannot claim surprise. Given that the arbitration agreement allows plaintiffs to pursue their individual claims and recover all relief that would have been available to them in court, there is no defensible basis for plaintiffs to oppose the instant petition to compel arbitration. The FAA requires that arbitration agreements be enforced according to their terms in order to promote the goal of efficient dispute resolution. Accordingly, this case should be transferred from court and into arbitration immediately.

II. <u>ISSUE TO BE DECIDED</u>

Whether plaintiffs' claims should be compelled to individual arbitration and whether this action should be stayed in accordance with the terms of their agreement with defendants, the FAA [9 U.S.C. §§ 2, 3], and other applicable federal and California laws.

³AT&T Mobility LLC v. Concepcion (2011) 131 S.Ct. 1740 ("Concepcion")

⁴Stolt-Nielsen S.A. v. Animalfeeds Int'l Corp. (2010) 130 S. Ct. 1758 ("Stolt-Nielsen")

III. FACTUAL AND PROCEDURAL BACKGROUND

A. Plaintiffs' Execution of the Arbitration Agreement

Plaintiffs all signed virtually identical versions of an arbitration agreement ("Agreement") prior to the time of their surgery. (See Declaration of Carosel Castillo, Exhibits A - H thereto). The particulars of plaintiffs' execution of the Agreement are as follows:

- (1) Laura Faitro executed an Agreement entitled Physician-Patient Arbitration Agreement on May 20, 2010, which was countersigned on behalf of defendant Beverly Hills Surgery Center (*Id.*, Exh. A);
- (2) Ana Renteria executed three different versions of the Agreement with defendants. The first is entitled Physician-Patient Arbitration Agreement, dated May 9, 2009; the second is entitled Top Surgeons Arbitration Agreement, dated December 28, 2009, and is countersigned on behalf of Top Surgeons; the third is also entitled Top Surgeons Arbitration Agreement, and is countersigned but undated (*Id.*, Exh. B);
- (3) Bridget Sandoval executed an untitled Agreement, dated March 24, 2008; she also executed a document entitled Patient-Physician Arbitration Agreement, dated April 14, 2008 (*Id.*, Exh. C);
- (4) Susan Blackburn executed a Patient-Physician Arbitration Agreement, dated November 5, 2008, on behalf of her daughter Taylor Blackburn (*Id.*, Exh. D);
- (5) Jessica Bleaman executed an Agreement entitled Top Surgeons Arbitration Agreement, dated July 23, 2009 (*Id.*, Exh. E);
- (6) Susan Leverett executed an Agreement entitled Physician-Patient Arbitration Agreement, dated December 11, 2009 (*Id.*, Exh. F);

- (7) Connie Herrera executed an Agreement entitled Physician-Patient Arbitration

 Agreement, dated May 2, 2010, which is countersigned on behalf of Beverly Hills Surgery Center (*Id.*, Exh. G);
- (8) April D. Moreno executed an Agreement entitled Physician-Patient Arbitration Agreement, dated November 30, 2010.

B. The Arbitration Agreement

The Agreement signed by the plaintiffs acknowledges that plaintiffs have received copies of the Agreement, and plainly and prominently sets forth the operative language of the Agreement.

In pertinent part, Article 2 of all the Agreement⁵ with named plaintiffs states as follows:

All Claims Must Be Arbitrated: It is the intention of the parties that this agreement bind all parties whose claims may arise out of or relate to treatment or service provided by the physician including any spouse or heirs of the patient and any children, whether born or unborn, at the time of the occurrence giving rise to the claim. In the case of any pregnant mother, the term "patient" herein shall mean both the mother and the mother's expected child or children. [Emphasis added]

All claims for money damages exceeding the jurisdiction limit of the small claims court against the physician, and the physician's partners, associates, association, corporation or partnership, and the employees, agents, and estates of any of them, must be arbitrated including, without limitation, claims for loss of consortium, wrongful death, emotional distress or punitive damages.

Article 3 of the Agreement states in pertinent part that "the parties consent to the intervention and joinder in this arbitration of any person or entity which would otherwise be a proper additional party in a court action, and upon such intervention and joinder any existing court action against such additional person or entity shall be stayed pending arbitration."

⁵Copies of the Agreement with all the plaintiffs are attached in full to the accompanying Declaration of Carosel Castillo as Exhibits A-H, and are incorporated herein by reference. The pertinent language from the Agreement is called out verbatim above.

Article 4 of the Agreement states that "All claims based on the same incident, transaction or related circumstances shall be arbitrated in one proceeding."

C. The Arbitration Agreement Allows Full Remedies

The Agreement allows the parties to obtain any relief on their individual claims that would be available in court, including statutory damages, costs, and injunctive relief. (*Id*, Exh. A-H). On the whole, the arbitration agreement lays out an efficient, streamlined dispute resolution process.

The Agreement also allows subscribers to pursue their claims in small claims court if they are below the jurisdictional limit. (*Id.*, Exh. A-H, Article 2 of Agreement)

D. Plaintiffs' Complaint

Plaintiffs filed this action on February 4, 2011, seeking to assert class claims on behalf of all persons who responded to advertisements for Lap-Band surgery disseminated through various media channels by these defendants, and who subsequently had Lap-Band surgery at a facility to which defendants referred them in the last three years.

On June 13, 2011, plaintiffs filed their First Amended Complaint ("FAC"), asserting four causes of action, allegedly arising from defendants' advertising activity, for violations of the Unfair Competition Law (Business & Professions Code, § 17200 et seq.), the False Advertising Law (Business & Professions Code, § 17500, et seq.), Civil Code § 3345, and the Consumer Legal Remedies Act (Civil Code, § 1750 et seq.) ("CLRA"). (FAC ¶¶ 1-2.)

E. Status of Discovery

Discovery was stayed *sua sponte* by the Court upon the filing of the Complaint in this matter, and was further stayed by operation of law during the pendency of the defendants' anti-SLAPP motion

IV. <u>ARGUMENT</u>

Robert S. Lawrence, ¶2).

A. The FAA Strongly Favors Arbitration

As the Supreme Court reiterated in *Concepcion*, the FAA was enacted to reverse longstanding judicial hostility to arbitration agreements. *Concepcion*, 131 S.Ct. at 1745. Section 2 of the FAA, the primary substantive provision of the Act, provides in pertinent part that arbitration agreements "shall be valid, irrevocable, and enforceable, save upon such grounds as exist at law or in equity for the revocation of any contract." *Id.* (quoting 9 U.S.C. § 2, and *Moses H. Cone Mem'l Hosp. v. Mercury Constr. Corp.* (1983) 460 U.S. 1, 24). Section 2 reflects a "liberal federal policy favoring arbitration" and underscores the "fundamental principle that arbitration is a matter of contract." *Id.* (quoting *Rent-A-Center, West, Inc. v. Jackson* (2010) 130 S.Ct. 2772, 2776). Section 2 mandates that courts put arbitration agreements on "equal footing" with all other contracts and enforce them according to their terms. *Id.* at 1745-46 (citing *Buckeye Check Cashing, Inc. v. Cardegna* (2006), 546 U.S. 440, 443 and *Volt Info. Sciences, Inc. v. Board of Trustees of Leland Stanford Univ.* (1989) 489 U.S. 468, 478).

and subsequent appeal thereof.⁶ To date, although plaintiffs have issued discovery requests, no

defendants have taken no actions to avail themselves of the discovery process. (See Declaration of

responses have been formally served by any defendant, no depositions have been taken, and

The FAA permits only one method for states to declare arbitration agreements invalid, *i.e.*, by "generally applicable contract defenses, such as fraud, duress, or unconscionability." *Id.* at 1746 (quoting *Doctor's Associates, Inc. v. Casarotto* (1996) 517 U.S. 681, 687). But state law may not impose restrictions or defenses "that apply only to arbitration or that derive their meaning from the fact that an agreement to arbitrate is at issue." *Id.* Under the holding of *Concepcion*, states are prohibited

⁶ Defendants withdrew their appeal of the anti-SLAPP ruling and filed an application for writ of mandate, which is still pending before the Court of Appeal as of the date this Petition was filed.

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from imposing rules that are inconsistent with the FAA's purpose of "ensur[ing] the enforcement of arbitration agreements according to their terms so as to facilitate streamlined proceedings." *Id.* at 1748. The *Concepcion* Court struck down California's *Discover Bank* rule because "requiring the availability of classwide arbitration interferes with fundamental attributes of arbitration and thus creates a scheme inconsistent with the FAA." *Id.*

The standards for evaluating a petition to compel arbitration are well settled. A court must grant a petition to compel arbitration where the petition alleges the existence of an arbitration agreement, provides a copy of the agreement and alleges that the opposing party refuses to honor the terms of the arbitration agreement. CCP § 1281.2. The only exception to this rule is that a party may waive the right to arbitration where: (1) the litigation has already come to judgment; or (2) where the party opposing arbitration suffered severe prejudice as a result of the alleged delay in seeking arbitration/mediation. See St. Agnes Medical Center v. PacifiCare of California (2003) 31 Cal. 4th 1187, 1204. Where - as is undeniably the case here - a valid agreement to arbitrate exists, and the dispute falls within the scope of that agreement, the law leaves no place for the exercise of discretion by the court, but instead mandates that courts "shall direct the parties to proceed to arbitration." Dean Witter Reynolds, Inc. v. Byrd (1985) 470 U.S. 213, 218; see also 9 U.S.C. § 4 ("upon being satisfied that the making of the agreement for arbitration or the failure to comply therewith is not in issue, the court shall make an order directing the parties to proceed to arbitration in accordance with the terms of the agreement"). Consistent with arbitration's objective -i.e., to achieve streamlined proceedings and expeditious results – the court must "move the parties to an arbitrable dispute out of court and into arbitration as quickly and easily as possible." Preston v. Ferrer, 552 U.S. 346, 357 (2008); see also Concepcion, 131 S.Ct. at 1749.

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Plaintiffs' Claims Are Within the Scope of the Arbitration Agreement В.

Plaintiff's claims against defendants are well within the scope of the Agreement. The Agreement contains an "all claims" provision, which encompasses "all claims for monetary damages exceeding the jurisdiction limit of the small claims court " and which is intended to include "all parties whose claims may arise out of or relate to treatment and services " (Castillo Dec., Exh. A - H (emphasis added)). "All claims" clauses of this type are "broad and far reaching" in scope, Chiron Corp. V. Ortho Diagnostic Sys., Inc., (9th Cir. 2000) 207 F.3d 1126, 1130 and are "routinely used . . . to secure the broadest possible arbitration coverage." Britton v. Co-op Banking Grp., (9th Cir. 1993) 4 F.3d 742, 745. Such clauses require arbitration of all disputes that "touch matters" covered by the contract defining the parties' relationship. Simula, Inc. v. Autoliv, Inc., (9th Cir. 1999) 175 F.3d 716, 721.7

In the FAC, plaintiffs challenge defendants' method and manner of advertising their services. and business practices related to the provision of those services (i.e., their treatment). (See, e.g., FAC, ¶¶ 62-97). Plaintiffs' claims therefore fall squarely within the ambit of the Agreement, as they relate to "services" or "treatment" received by plaintiffs. Under the FAA, this Court is required to compel arbitration of plaintiffs' claims unless plaintiffs can establish that the Agreement to arbitrate is invalid based on generally applicable contract defenses. Concepcion, 131 S.Ct. at 1746. The burden of proving a valid defense to avoid the arbitration agreement is on plaintiffs, Engalla v. Permanente Med. Grp., Inc. (1997) 15 Cal. 4th 951, 972, and is a burden they cannot meet.

⁷ This is consistent with the policy of the FAA that "any doubts concerning arbitrable issues should be resolved in favor of arbitration." Simula, 175 F.3d at 719; see also AT&T Tech. Inc. v. Comms. Workers of Am., 475 U.S. 643, 650 (1986) (because there is a "presumption of arbitrability," an order to arbitrate "should not be denied unless it may be said with positive assurance that the arbitration clause is not susceptible of an interpretation that covers the asserted dispute").

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C. Any Doubts About Arbitrability Must Be Resolved In Favor Of Arbitration

There can be no doubt that the plaintiffs' claims are arbitrable under the plain terms of the Agreements. But even if there were any such doubt, all doubts must be resolved "in favor of arbitration." *Moses H. Cone Memorial Hosp. v. Mercury Const. Corp.* (1983) 460 U.S. 1, 24-25 (directing that "any doubts concerning the scope of arbitrable issues . . . be resolved in favor of arbitration "). California courts similarly confer arbitration a "favored status" and thus "indulge every intendment to implement and give effect to arbitration proceedings." *Stirlen v. Supercuts, Inc.* (1997) 51 Cal. App. 4th 1519, 1544.

As a result, where an arbitration agreement exists, the parties are required to arbitrate "unless it may be said with positive assurance that the arbitration clause is not susceptible of an interpretation that covers the asserted dispute." AT&T Techs., Inc. v. Comms. Workers of Am. (1986) 475 U.S. 643, 650; United Transp. Union v. S. Cal. Rapid Transit Dist. (1992) 7 Cal. App. 4th 804, 808 ("Doubts as to whether an arbitration clause applies to a particular dispute are to be resolved in favor of sending the parties to arbitration. The court should order them to arbitrate unless it is clear that the arbitration clause cannot be interpreted to cover the dispute."); Vianna v. Doctors' Mgmt. Co. (1994) 27 Cal. App. 4th 1186, 1189 ("Because California has a strong public policy in favor of arbitration, arbitration agreements should be liberally interpreted"); Keller Construction Co. v. Kashani (1990) 220 Cal. App. 3d 222, 229 (enforcing arbitration agreement against partner because, inter alia, "as the agent and a beneficiary of the partnership, to require him to be a party to the arbitration is consistent with what the late Justices Raymond Peters and Matthew Tobriner labeled 'a strong public policy in favor of arbitrations ""). Plaintiffs cannot dispute this principle of interpretation, nor can they satisfy the heavy burden of showing with "positive assurance" that the agreements at issue here fail to encompass this dispute.

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Courts routinely apply this rule of interpretation to arbitration clauses with similar language to those here. See, e.g., Simula, Inc. v. Autoliv, Inc., (9th Cir. 1999) 175 F.3d 716, 720-25 (language calling for the arbitration of "all disputes arising in connection with" an agreement must be interpreted broadly and reached "every dispute" between the parties); Bischoff v. DirecTV, Inc., (C.D. Cal. 2002) 180 F. Supp. 2d 1097, 1106 (broadly interpreting language requiring arbitration of "any legal claim relating to this Agreement . . . or your Service" to cover all claims). The Agreement at issue here is broadly worded and contains no exceptions. See AT&T Techs., 475 U.S. at, 649 ("absent any express provision excluding a particular grievance from arbitration . . . only the most forceful evidence of a purpose to exclude the claim from arbitration can prevail").

Any attempt by plaintiffs to carve out an exception to the Agreement for defendants who are non-signatories to the Agreement cannot be squared with either these principles or the plain language of the arbitration Agreement. The Agreement is expansively worded to encompass any "claims" between plaintiffs and defendants which "arise out of or relate to" treatment or services rendered to plaintiffs. That broad language makes clear that the arbitration clauses apply to the plaintiffs, regardless of what defendant entity attempts to enforce the arbitration Agreement. Indeed, nowhere does the Agreement draw any distinction between the physician, medical group, surgical center, or any related entity. If plaintiffs have a "claim" against defendants that "arises out of or relates to" - that touches on in any way - "treatment or services" rendered to plaintiffs, the Agreement mandates that they resolve that dispute in arbitration. JSM Tuscany LLC v. Superior Court (2011) 193 Cal. App. 4th 1222 (nonsignatories have right to enforce arbitration clause where claims against them are inextricably intertwined with contract containing arbitration clause); J.J. Ryan & Sons, Inc. v. Rhone Poulenc Textile, S.A., 863 F.2d 315, 321 (4th Cir. 1988) (an unambiguous arbitration clause "embraces every dispute between the parties having a significant relationship to the contract regardless of the label attached to the dispute")

The strong presumption in favor of arbitration trumps any attempt by plaintiffs to impose any exception to the parties' obligation to arbitrate. *Concepcion*, 131 S.Ct. at 1747 ("When state law prohibits outright the arbitration of a particular type of claim, the analysis is straightforward: The conflicting rule is displaced by the FAA."); *Southland Corp. v. Keating* (1984) 465 U.S. 1, 12 (FAA preempts inconsistent state laws). Consistent with this presumption, "even a narrow arbitration clause must be construed in light of the presumption in favor of arbitration." *Chevron U.S.A., Inc. v.*Consolidated Edison Co., 872 F.2d 534, 538 (2d Cir. 1989); *Int'l Bhd. of Elec. Workers, Local 2188 v.*W. Elec. Co., 661 F.2d 514, 515 (5th Cir. 1981) ("in determining whether a dispute is within the confines of the arbitration clause, the presumption of arbitrability applies, regardless of whether one party characterizes the clause as 'narrow'"). Plaintiffs cannot overcome the presumption in favor of arbitration. Neither the law nor the language of the Agreement allow the plaintiffs to evade their contractual obligations to arbitrate.

D. The Agreement to Arbitrate Is Valid and Binding on Plaintiffs

In the FAC, plaintiffs attempt to avoid their Agreement to arbitrate by ignoring the fact of its existence and conveniently proceeding as if they had no contractual obligations to defendants. While this may be convenient, plaintiffs have no legal basis for avoiding the effect of the Agreement, which requires them to arbitrate not only their malpractice claims (asserted by plaintiffs in separate actions) but also their claims for restitution and damages arising from, and relating to, the provision of services to plaintiffs. Plaintiffs cannot avoid the effect of their Agreement, post-Concepcion and post-Stolt-Nielsen, by pretending it does not exist or by asserting a generic list of objections. Any claim that requiring arbitration of plaintiffs' individual claims would be unfair, unconscionable, or contrary to California law simply does not survive post-Concepcion, as the Supreme Court held such arguments to be preempted by the FAA.

Plaintiffs cannot contend that they were unaware of the Agreement or that they were surprised in any way. The Agreement is a stand alone document initialed by the plaintiffs multiple times, and executed in full multiple times by several of the plaintiffs. It clearly calls out that it is an arbitration agreement, and sets forth at the outset of plaintiffs' treatment the terms and conditions by which any and all claims and disputes between the parties must be decided. There is no language hiding in fine print in minuscule font – the Agreement unambiguously calls out its nature and terms, and does not attempt to disguise or obfuscate anything. *See, e.g., Jackson v. S.A.W. Entm't Ltd.,* (N.D. Cal. 2009) 629 F. Supp. 2d 1018, 1023 (when terms are plainly stated and can be easily understood, there is no surprise).

Nor can plaintiffs reasonably argue that the Agreement limits their opportunity to obtain full relief of their claims. Under the Agreement, plaintiffs are entitled to recover any and all damages or other remedies on their individual claims that would be available in court. (*See, generally,* the Agreement, attached as Exhibits A-H to Carillo Decl.) Plaintiffs agreed to and accepted the Agreement and cannot avoid arbitration by claiming they were unaware of their obligation or that the Agreement does not allow them full relief. It does, yet plaintiffs have nonetheless refused to arbitrate their disputes with defendants. (Lawrence Dec., ¶¶ 6, 7).

E. Any Challenge Premised on the Alleged Right to Class Relief Was Expressly Rejected in *Concepcion* and *Stolt-Neilsen* and Is Preempted by the FAA

Defendants anticipate that plaintiff's principal challenge to the Agreement will be that it calls for individual arbitration and precludes class proceedings. Yet this is precisely the challenge that was rejected in *Concepcion* as inconsistent with and preempted by the FAA.

Before Concepcion, the California Supreme Court held in Discover Bank that arbitration agreements containing class waivers were unconscionable under California law in almost all

circumstances.⁸ *Id. at 162*. The district court in *Concepcion*, relying on *Discover Bank*, concluded that AT&T's "arbitration provision was unconscionable because AT&T had not shown that bilateral arbitration adequately substituted for the deterrent effects of class actions." *Concepcion, 131 S.Ct. at 1745*. The Ninth Circuit affirmed and also held that the FAA did not preempt *Discover Bank. See, e.g., Laster v. AT&T Mobility LLC*, (9th Cir. 2009) 584 F.3d 849, 857. After the case at bar was filed, the U.S. Supreme Court reversed and overruled *Discover Bank*.

In *Concepcion*, the Supreme Court held that the FAA preempted *Discover Bank* because California's rule impeded the objectives of the FAA:

The overarching purpose of the FAA, evident in the text of §§ 2, 3, and 4, is to ensure the enforcement of arbitration agreements according to their terms so as to facilitate streamlined proceedings. Requiring the availability of classwide arbitration interferes with fundamental attributes of arbitration and thus creates a scheme inconsistent with the FAA.

Concepcion, supra, 131 S. Ct. at 1748. Since Discover Bank ignored the terms of parties' arbitration agreements and "interfered with fundamental attributes of arbitration," the Court concluded that California's rule requiring class proceedings, "to the extent it is manufactured by state law rather than consensual, is inconsistent with the FAA." Id. at 1748, 1750-51; see also Stolt-Nielsen S.A. v. AnimalFeeds Int'l Corp., 130 S.Ct. 1758, 1774-75 (2010) (holding that "a party may not be compelled under the FAA to submit to class arbitration unless there is a contractual basis for concluding that the party agreed to do so." (emphasis in original)).

⁸ Under *Discover Bank*, arbitration agreements which contained class waivers were deemed unconscionable if they appeared in (1) a consumer contract of adhesion, (2) in which disputes between the parties predictably would involve small amounts of damages, and (3) when it was alleged that the defendant schemed to deliberately cheat large numbers of consumers out of individually small amounts of money. *See Concepcion*, 131 S.Ct. at 1746 (quoting *Discover Bank*, 36 Cal. 4th at 162). As *Concepcion* Court observed, this test was essentially meaningless because "the times in which consumer contracts were anything other than adhesive are long past," while the other two requirements are "toothless and malleable" and have "no limiting effect." *Id.* at 1750.

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The Concepcion Court also rejected the California Supreme Court's policy rationale from Discover Bank (raised in Justice Breyer's dissenting opinion):

The dissent claims that class proceedings are necessary to prosecute small-dollar claims that might otherwise slip through the legal system. But states cannot require a procedure that is inconsistent with the FAA, even if it is desirable for unrelated reasons.

Concepcion, 131 S.Ct. at 1753.

To the extent plaintiffs challenge the Agreement based on Discover Bank and its reasoning. these are precisely the arguments rejected by Concepcion. As district courts in this circuit and elsewhere are recognizing, challenges to class action waivers in arbitration agreements are no longer viable after Concepcion. See, e.g., Zarandi v. Alliance Data Sys. Corp., (C.D. Cal. May 9, 2011) 2011 U.S. Dist. LEXIS 54602 (plaintiff's argument that class action waiver was unconscionable "is no longer viable after Concepcion"); Bellows v. Midland Credit Mgt., Inc., (S.D. Cal. May 4, 2011) 2011 WL 1691323, at *3 (Concepcion "makes clear the agreement to arbitrate is not substantively unconscionable merely because it includes a class action waiver"); Arellano v. T-Mobile USA, Inc., (N.D. Cal. May 16, 2011) 2011 U.S. Dist. LEXIS 52142(Court holds that Concepcion compels individual arbitration of claims seeking injunctive relief and preempts the California Supreme Court opinions in Broughton v. Cigna Healthplans of California, (1999) 21 Cal. 4th. 1066 and Cruz v. PacificCare Healthy Sys., Inc., (2003) 30 Cal. 4th 303); Estrella v. Freedom Financial, (N.D. Calif. July 5, 2011) 2011 U.S. Dist. LEXIS 71606(Court, relying upon Concepcion, compels individual arbitration of claims under California Unfair Competition Law, California Consumer Legal Remedies Act and negligence claims); Villegas v. US Bancorp, (N.D. Cal. June 20, 2011) 2011 U.S. Dist. LEXIS 65032 (Relying upon Concepcion, Court compels individual arbitration in a case that had been pending for 13 months; Court rejected waiver argument made by plaintiff because it would have been futile for defendant to have sought arbitration until Concepcion case was decided.); Boyer v. AT&T

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Mobility Services, LLC, (S.D. Calif. July 25, 2011) 2011 U.S. Dist. LEXIS 80607 (Court relies upon Concepcion and compels individual arbitration of claims for (I) fraudulent inducement; (ii) violation of California Consumer Legal Remedies Act; (iii) violation of the California Unfair Competition Law; and (iv) false and deceptive advertising.);

Under *Concepcion*, the FAA requires enforcement of the Agreement, because to hold otherwise would "stand as an obstacle to the accomplishment and execution of the full purposes and objectives of [the FAA]." *Concepcion*, 131 S. Ct. at 1753.

V. CONCLUSION

For the foregoing reasons, the defendants respectfully request that this Honorable Court grant defendants' petition to compel arbitration and stay this litigation.

Dated: January 20, 2012

CALLAHAN & BLAINE, APLC

By:

Robert Scott Lawrence

Attorneys for Defendants Top Surgeons, Inc.; Top Surgeons, LLC; 1 800 Get Thin, LLC; Almont Ambulatory Surgery Center, Inc.; Antelope Valley Surgical Center, Inc.; Beverly Hills Surgery Center, LLC; California Hospital Management & Collections, Inc.; Lap Band Specialists, LLC; Skin Cancer and Reconstructive Surgery Specialists of Beverly Hills; Skin Cancer and Reconstructive Surgery Specialists of Valencia; Surgery Center Management, LLC; New Life Surgery Center, LLC; Woodlake Ambulatory Surgery Center, Inc.; Kambiz Beniamia Omidi, aka Julian Omidi; Michael Omidi, M.D., and Cindy Omidi

1		PROOF OF SERVICE
2	party t Califo	I am employed in the County of Orange, State of California. I am over the age of 18 and not a to the within action; my business address is 3 Hutton Centre Drive, Ninth Floor, Santa Ana, rnia 92707.
4		On January 20, 2012 I served the foregoing document(s) entitled:
5	DEF	ENDANTS' NOTICE OF PETITION AND PETITION TO COMPEL ARBITRATION; MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT THEREOF
6 7		interested parties in this action by placing [] the original [] a true copy thereof enclosed in a envelope addressed as follows:
8		*SEE ATTACHED SERVICE LIST*
9 10 11	[]	BY MAIL: I deposited such envelope in the mail at Santa Ana, California. The envelope was mailed with postage thereon fully prepaid. I am "readily familiar" with the firm's practice of collection and processing correspondence for mailing. It is deposited with the United States Postal Service on that same day in the ordinary course of business. I am aware that on motion of party served, service is presumed invalid if postal cancellation date or postage meter date is more than one (1) day after date of deposit for mailing in affidavit.
13 14 15	[]	BY FEDEX: I deposited such envelope at Santa Ana, California for collection and delivery by Federal Express with delivery fees paid or provided for in accordance with ordinary business practices. I am "readily familiar" with the firm's practice of collection and processing packages for overnight delivery by Federal Express. They are deposited with a facility regularly maintained by Federal Express for receipt on the same day in the ordinary course of business.
16	[]	BY PERSONAL SERVICE: I caused such document to be delivered by hand to the aforementioned addressee.
17 18 19 20		VIA E-MAIL OR ELECTRONIC TRANSMISSION: Based on a court order or an agreement of the parties to accept service by e-mail or electronic transmission, I caused the documents to be sent to the persons at the e-mail addresses listed below. I did not receive, within a reasonable time after the transmission, any electronic message or other indication that the transmission was unsuccessful.
21	[X]	VIA CASE ANYWHERE: A true and correct copy of the above-mentioned document was electronically served on counsel of record by transmission to Case Anywhere.
22 23	. []	BY FACSIMILE: I transmitted the foregoing document by facsimile to the party(s) identified below by using the facsimile number(s) indicated. Said transmission(s) were verified as complete and without error.
24	true ar	I declare under penalty of perjury under the laws of the State of California that the foregoing is ad correct.
25 26		Executed on January 20, 2012, at Santa Ana, California
27 28		Janine Luirette
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SERVICE LIST

FAITRO, et al. v. TOP SURGEONS, etc., et al. Case No.: BC454464

Alexander Robertson, IV, Esq. ROBERTSON & ASSOCIATES, LLP 880 Hampshire Road, Suite B Westlake Village, CA 91361 Tel: (805) 418-9900 Fax: (805) 418-9901 arobertson@rvcdlaw.com	Attorneys for Plaintiffs
John M. Walker, Esq. LAW OFFICES OF JOHN M. WALKER 5850 Canoga Avenue, 4 th Floor Woodland Hills, CA 91367 Tel: (818) 719-9181 Fax: (818) 719-9264 johnmwalker@earthlink.net	Attorneys for Plaintiffs