

IN THE CIRCUIT COURT OF COOK COUNTY, ILLINOIS
COUNTY DEPARTMENT - CHANCERY DIVISION

2006 FEB - 7 AM 9:36

People Of The State Of Illinois, ex. Rel.)
John Donaldson,)
CIRCUIT COURT OF COOK)
COUNTY, ILLINOIS)
CHANCERY DIV.)
Plaintiff,)
CLERK)
DOROTHY BROWN)

06CHO2513

v.) No. _____)

Midi LLC, Neuro Open MRI, Central)
States Imaging LLC, Open MRI of)
Northern Illinois LLC, Golf Diagnostic)
Imaging, Northwest Corporate Imaging,)
Rand Imaging, Elk Grove Imaging,)
National Medical Imaging, Regional MRI,)
and Gurnee Radiology Center LLC)
Defendants.)

COMPLAINT FOR DAMAGES, INJUNCTION AND OTHER RELIEF

Plaintiffs, the PEOPLE OF THE STATE OF ILLINOIS, by relator John Donaldson bring this action pursuant to 740 ILCS 92/15(a) of the Insurance Claims Fraud Prevention Act ("Insurance Fraud Act"), and the Illinois Consumer Fraud and Deceptive Business Practices Act ("Consumer Fraud Act") and other statutory and common law causes of action and allege against the Defendants Midi LLC, Neuro Open MRI, Central States Imaging LLC, Open MRI of Northern Illinois LLC, Golf Diagnostic Imaging, Northwest Corporate Imaging, Rand Imaging, Elk Grove MRI, National Medical Imaging, and Regional MRI and Gurnee Radiology Center LLC as follows:

INTRODUCTION

1. This action is brought by the People of the State of Illinois by relator John Donaldson for injunctive relief and to recover treble damages and penalties

arising from a fraudulent scheme whereby persons operating MRI scanning centers submitted, and caused to be submitted, numerous false claims to private insurers and patients in Illinois for MRI imaging services. Certain MRI Service Center operators, motivated by their own financial gain, and by means of the fraud described herein, subjected, and continue to subject, Illinois citizens and medical patients to inadequate services and/or excessive billing, bilking patients and their insurance companies for substantial charges for MRI scan services at excessive rates and with a component and purpose to allow for the payment of an unlawful kickback to referring physicians who performed none of the services.

2. As discussed further below, the scheme caused and causes excessive billing to patients and insurers to provide unlawful kickbacks to referring physicians. The physicians provide no services, but merely refer the patients. Each participating MRI Service Center involved performs the subject MRI services and then engages in the making of illegal and unlawful kickbacks to the physician from payments made by both Illinois citizen patients and their insurers.

3. In certain instances the MRI Service Center assisted and facilitated the physician, who did none of the MRI services, to bill the patients and the insurers in the physician's name for the MRI scan services performed by the MRI Service Center. Under the scheme the insurers pay the physicians and the payment is then divided and split between the MRI Service Center operator and the referring physician.

4. These schemes have now been in place for in excess of 18 months, and involve thousands of fraudulent claims submitted to private insurers in Illinois for MRI scans done on numerous Illinois citizens.

5. To hide the scheme the MRI Service Center operators and physicians use purported lease agreements to conceal the unlawful kickbacks. These purported lease

agreements are a mere subterfuge. The purported lease is made between an MRI Service Center operator and a referring physician, to make it appear the physician had a basis for receiving a payment. The lease purports to provide for the rental of a particular image center facility by the referring physician for the performance of the MRI services. In fact, the MRI imaging services are done solely by the operator of the MRI Service Center and their employees, and not the physicians. The only activity by the referring physicians is referring the patient, billing the services as his own and receiving the kickback. In the final analysis, the physicians provide nothing other than a referral and receive an unlawful kickback from the payments made by insurers.

JURISDICTION AND VENUE

6. This Court has jurisdiction over this matter pursuant to 735 ILCS 5/2-209(a)(1) as this Complaint derives from Defendants' transaction of business in Illinois and actions committed in this State.

7. Venue is proper in this district pursuant to 735 ILCS 5/2-101 because Defendants conduct business in Cook County and/or also maintain principal places of business in Cook County, Illinois

THE PARTIES

The Plaintiffs

8. This action is brought for and on behalf of the People of the State of Illinois by Relator John Donaldson, to recover damages and penalties arising from the submission of false claims to private insurers and to prevent Defendants from committing further violations of the Insurance Claims Fraud Prevention Act, 740 ILCS § 92/1 et seq. ("Insurance Fraud Act"), the Consumer Fraud and Deceptive Business Practices Act, 815 ILCS § 505/1 et seq. ("Consumer Fraud Act"), and the Medical Practice Act, 225 ILCS 60/61 ("MPA"). The State of Illinois has a

profound interest in protecting its citizens from unnecessary, overpriced, and self interested kickback referrals by medical service providers, all of which can lead to incomplete or inappropriate medical procedures and excessive medical service costs. The State of Illinois also has a profound interest in detecting and prosecuting consumer and insurance fraud and in protecting the citizens of this State from such frauds. These interests are codified in the Insurance Fraud Act, the Consumer Fraud Act and the MPA.

9. The Plaintiff relator is a private person interested in the matter and is authorized and empowered to enforce the Insurance Fraud Act by Section 92/15 of the Act, which provides: "An interested person ...may bring a civil action under this Act." 740 ILCS 92/15.

10. The relator is also authorized and empowered to bring an action under the Illinois Consumer Fraud and Deceptive Practices Act by Section 10 of the 815 ILCS § 505/10 because the actions of defendants have and are causing injury to the relator. Moreover the relator brings this matter by virtue of his business being a taxpayer and on behalf of the People of the State of Illinois, and as such the People have a right of action pursuant to section 7 of the Consumer Fraud Act by and through their Attorney General, said Act providing:

(a) Whenever the Attorney General or a State's Attorney has reason to believe that any person is using, has used, or is about to use any method, act or practice declared by this Act to be unlawful, and that proceedings would be in the public interest, he or she may bring an action in the name of the People of the State against such person to restrain by preliminary or permanent injunction the use of such method, act or practice. The Court, in its discretion, may exercise all powers necessary, including but not limited to: injunction; revocation, forfeiture or suspension of any license, charter, franchise, certificate or other evidence of authority of any person to do business in this State; appointment of a receiver; dissolution of domestic corporations or association suspension or termination of the right of foreign corporations or associations to do business in this State; and restitution. See: 815 ILCS § 505/7.

11. The Relator, John Donaldson, is doing business in the State of Illinois by and through his ownership of a business, which business is engaged in the service of providing MRI imaging services to the general public. The relator's business is in direct competition with the offending MRI Service Center operators. The fraud scheme described herein has caused harm to the relator's business and relator, and threatens to put relator and his business out of business, because of the wrongful scheme set forth herein. The scheme in paying for physician referrals of patients needing MRI scans has in fact damaged relator and devastated relator's business, by such unfair competition to relator and his business Relator's business' viability is threatened, as more and more physicians have chosen to refer their patients to those involved in the scheme because the referring physician will receive illegal and unlawful kickbacks. The scheme tarnishes the reputation of MRI scan providers further affecting the relator's business.

12. The kickback schemes make it impossible for legitimate providers, such as relator and relator's business to engage in the legitimate practice of providing MRI services and remain in business if the scheme and unlawful practice of paying kickbacks for patients is not enjoined.

13. The relator's business which operates locations in Illinois, has in the past twenty four months experienced a substantial drop in physician referrals, as more and more physicians refer their patients needing scans to those involved in the subject kickback scheme. Relator has been in contact with physicians who have advised they would prefer to utilize relator's business services, but only if the relator's business would pay kickback payments to the physician for referring MRI patients through "lease arrangements". Physicians have noted the superior quality of the relator's business services by referring certain patients on a select basis to relator's business

when the scan must be done for an important patient, but use those paying kickbacks for the majority of MRI scan work to receive kickbacks.

14. These purported lease kickback schemes described herein have permeated the MRI scan industry in Illinois at this time, and each and every day that passes, they continue to wrongfully encroach on legitimate MRI service providers by marketing kickback agreements on an active basis, and by such, lead more and more physicians into the unlawful practice of receiving kickbacks for patient referrals. The relator is effected by the unlawful conduct of said kickback schemes and he is an interested person under the Illinois Fraud Act. Relator has provided this information to the Attorney General for the State of Illinois prior to filing suit and has also sent information about this matter to the Cook County State's Attorney.

The Defendants

15. Defendant MIDI LLC also known as Open Advanced MRI is an Illinois limited liability company, with principal places of business located in Chicago, and MRI centers in Chicago, Crystal Lake, Bannockburn, Deer Park, Schaumburg, Elk Grove Village, Buffalo Grove, Niles, Skokie and other Illinois cities. The addresses of its MRI centers are listed on Exhibit A.

16. Defendant, Golf Diagnostic Imaging is a company operating an MRI imaging center with a principal place of business at and MRI center in Des Plaines, Illinois.

17. Defendant Northwest Corporate Imaging is a company operating an MRI imaging center with a principal place of business at and MRI center in Hoffman Estates, Illinois known as Northwest Imaging.

18. Defendant Rand Imaging is a company operating an MRI imaging center with a principal place of business at and MRI center in Arlington Heights, Illinois.

19. Defendant Elk Grove Imaging is a company operating an MRI imaging center with a principal place of business at and MRI center in Elk Grove Village, Illinois.

20. Defendant National Medical Imaging is a company operating an MRI imaging center with a principal place of business at and MRI center in Niles, Illinois.

21. Defendant Neuro Open MRI is a company operating an MRI imaging center with a principal place of business at and MRI center in Arlington Heights, Illinois.

22. Defendant Open MRI of Northern Illinois LLC, is an Illinois limited liability company with its principal places of business at and MRI center in Buffalo Grove, Illinois, also known as and doing business as NYDIC Open MRI.

23. Defendant Central States Imaging LLC is an Illinois limited liability company and operates an MRI imaging center with a principal place of business at and MRI center in Lake In The Hills, Illinois also known as and doing business as Central States MRI.

24. Defendant Regional MRI is the business name of a company operating an MRI imaging center with a principal place of business at and MRI center at Elgin, Illinois.

25. Defendant Gurnee Radiology Center LLC is a limited liability company operating an MRI imaging center with a principal place of business at and MRI Center at 25 Tower Ct Ste A, Gurnee , Illinois, and also doing business as Gurnee Radiology.

26. The Defendants are persons and business entities doing business in Illinois. The defendants have MRI service facilities located in various communities within Cook County, and other counties within Illinois. The defendants are in the business of providing MRI services to the public. Certain addresses and locations of

Defendants respective MRI centers are listed on a schedule attached as Exhibit A. These MRI centers all are located in or serve patients from Cook County, Illinois and have billed patients at Cook County addresses for the subject services, and otherwise are doing business in Illinois.

27. Each Defendant has its own MRI center or centers. Upon information and belief, each conducts its own kickback scheme, working with physicians with whom it has contracted to pay the kickback. The scheme is fundamentally the same. Upon information and belief, each defendant uses purported agreements.

The Mechanics Of The Illegal Kickback Scheme

28. Upon information and belief, the unlawful kickback scheme here involves the Defendants and referring physicians working together to bill patients and their insurers for MRI scans performed by the Defendants, with the payments from patients and insurers divided between the physician for making a referral and a Defendant for performing an MRI scan services. The scheme is a kickback because the physician provides no services, but receive a payment for services rendered by a Defendant.

29. Upon information and belief, the Defendants in fact perform all of the services in doing the MRI scans; the Defendants' employees direct the scheduling of the scan with the patients; the Defendants supply all personnel, and perform the scans at Defendants' facility and with Defendants' equipment. The Defendants also employ the services of radiologists, who read the scans and provide the diagnosis relative to each patient's scans.

30. In many cases, Defendants help bill the patient. Upon information and belief, after a physician refers a patient to one of the Defendants, and the defendant renders the MRI scan services, the referring physician receives from the Defendant an invoice for the patient and the patient's insurance carrier made in the physician's

name, but prepared by the Defendants. The referring physician then bills/invoices the patient and her insurer under the physician's medical provider number for the work of Defendants. This is done even though none of the MRI scan services were done by the physician. Thereafter, the physician collects the insurer's payment and divides the payment with the Defendant who did the MRI scan service.

31. Upon information and belief, the amount billed by the physician is divided between the physician and the Defendant that performed the MRI scan by the terms the parties arrange and agree to as part of the scheme. For example in certain areas, the typical amount billed for an MRI scan is \$800, under the kickback scheme the fee is split \$400 to the MRI center and \$400 to the referring physician.

32. Upon information and belief, the Defendants have marketed and recruited physicians to join this arrangement, enticing them to be a part of the scheme by offering them a large and substantial portion of the fees charged for the scan work and they continue to solicit and entice physicians into joining into the kickback arrangements related herein.

33. Under section 92/5(a) of the Insurance Claims Fraud Prevention Act (740 ILCS § 92/5(a)) Illinois law provides that it is unlawful to give a kickback from insurance claim proceeds for a referral of the patient, Section 92/5(a) providing :

"it is unlawful to knowingly offer or pay any remuneration, directly or indirectly, in cash or in kind, to induce any person to procure clients or patients to obtain services or benefits under a contract of insurance or that will be the basis for a claim against an insured person or the person's insurer."

34. Upon information and belief, under the kickback scheme being implemented here, the insurers' payments are paid for MRI scans done by a Defendant, but billed by and paid to a physician, with the physician keeping a portion of the payment for the referral, and only a portion of the payment passing to the

Defendant who did the MRI scan services, the kickback referral being the amount retained by the physician.

35. To hide the kickback scheme a document which purports to be a lease agreement is often utilized. Upon information and belief, the lease agreement purports that the physician is renting the Defendant's facilities to do the MRI scans for patients. However, the physician's only activity is the referral of the patient. Thereafter the MRI Service Center does the scan and patient work.

36. The purported lease agreement is a subterfuge, utilized to cloak and hide the kickback paid for the referral. The fiction of the lease is shown by the fact the physician does not participate in doing the scans, has no involvement at the service center, the scan service is done by and under the control of the MRI service center's employees and agents, and the scan results and radiology reports are performed by Service Center employed radiologists.

37. Upon information and belief, the lease arrangements take several forms, but in the end the scheme involves an arrangement by which a Defendant does MRI scans on a patient and splits the insurer's payment for the scan services with the physician that referred the patient to the Defendant.

The Kickback Causes Public Harm

38. The kickbacks for referral here provide the opportunity for and causes significant public harm. The kickback scheme provides a financial incentive for a physician to order unnecessary scan services, or excessive scan services, and thus bill insurers for unnecessary scans.

39. The kickback arrangement causes the charges billed and sent to the patients and insurers to be excessive and more than the amount the defendant MRI Center is actually charging for its services. The amount invoiced by the physician and

paid by the insurer for the services rendered by the MRI Center, is in each instance in excess of the amount the defendant MRI Center accepted as payment for its services in the lease scheme. Thus each kickback referral fee has increased the amount billed and paid by insurers in an invoice amount in excess of the charges paid to the MRI Center for the services it rendered.

40. The kickback scheme allows only a portion of the funds billed to be paid to the MRI Service provider, forcing the MRI Service Center involved to operate on a limited budget, effecting their ability to pay staff, provide equipment, run the facility and pay radiologists. The kickback scheme lessen available resources for said Centers, and in certain instances results in the Service Centers utilizing less experienced staff, older equipment or less experienced radiologists to read the scans and provide the diagnosis.

41. MRI scanning is a part of medical science that is always advancing, and new and enhanced equipment is always being developed and introduced into the market place. Newer and better equipment, is expensive, and upon information and belief, the provision of MRI scans at the prices at which the Defendants are being paid in the scheme, after payment of the kickbacks, prevents patients from receiving scans on the best and newest equipment because funds are paying kickbacks rather than being invested in the latest new equipment.

42. The kickback scheme limits the funds available to an MRI Service Center and therefore limits the budget to provide the scan services at issue. In doing MRI scans the number of films and exposures can vary. Upon information and belief, in some cases patients may be receiving partial scans or fewer scans but are billed for full and complete scan services.

43. The foregoing shows potential or actual public harm. The scheme clearly involves overcharging insurers for the MRI Center scans and is an unlawful activity under Illinois law and should be enjoined.

The Defendants Are Principals In The Unlawful Scheme

44. Upon information and belief, defendants, as a part of the scheme, have acted and solicited the physicians to submit claims to private insurers for payment on the services rendered by Defendants. In submitting the claim forms the physicians have indicated therein that they provided the scan services, when they did not do so. In addition, in submitting the claim forms, the physicians seek as insurance reimbursement in excess of what the Defendant MRI scan center charged for the scan services, billing the insurer and patient for a padded amount in excess of the amount charged to provide funds to the scheme to pay the kickback. The physicians, in submitting the claims for services they did not render, were and are making false claims which are in violation of 740 ILCS § 92/5(b). As a result of all of the above, each and every claim submitted by the physicians on behalf of the kickback scheme herein, was a false claim on its face.

45. Upon information and belief, the foregoing false billing is done in concert with and at the urging of Defendants; the defendants, in fact, performed all of the services relative to the MRI scans; the Defendants supply all the personnel and perform the scans; the defendants direct the scheduling of the scan with the patients; the defendants also employ the services of a radiologist to read the scans and provide the diagnosis shown as a result of the scan; the referring physician then bills the insurer for the services of Defendants in an amount in excess of that charged by Defendants; and the referring physician bills the services rendered by Defendant as his services. Upon information and belief, all of this is done under the prearranged

agreements between each Defendant and the respective physician it is working with. The submissions of these false claims by the physicians is conduct in concert with and caused by Defendants and in effect is the making of false claims by Defendants.

The Scheme Is Unlawful Fee Splitting

46. As described above, the physician is billing for the unsupervised work of the MRI Center staff, and bills as if the services were rendered by the physician when they were not. The claims made by this billing method are false billings made to appear as if the physicians rendered services, when the services were rendered by non-physicians.

47. The above has the appearance of improper fee splitting and the "corporate practice of medicine" which is a violation of the Medical Practice Act ("MPA"), 735 ILCS 60 et. seq. and Medical Corporations Act, 805 ILCS 15/13, and thereunder a cause for an injunction to enjoin any such person from engaging in such practice. 735 ILCS 60/61.

Defendants Are Responsible For The False Claims And False Bills

48. Upon information and belief, Defendants pursuant to the agreement made with the physicians, induced the physicians to make said false billings and false claims, and in many instances assisted in the paperwork to and in submitting the false claims. Upon information and belief, by such conduct the Defendants are equally responsible for each and every false claim and false bill made to the insurers and patients under the scheme above, as if the Defendants had made the claims directly themselves.

49. Upon information and belief, each and every claim submitted under the above scheme violated the anti-kickback provision of Insurance Fraud Act by paying

illegal kickbacks and other incentives to referring physicians to gain access to patients.

50. Upon information and belief, the fraud scheme described herein and Defendants' in concert and in support of the submission of false claims was undertaken knowingly and deliberately, and Defendants have demonstrated scienter by the attempt to conceal their fraudulent billings and kickbacks.

51. Upon information and belief, Defendants' scheme and fraud has harmed patients and other Illinois citizens in that the Defendants billed or caused others to bill patients and their insurers for enormous sums of money depleting the patients' insurance benefits and requiring them to pay excessive payments and higher insurance premiums because of excessive claims. Upon information and belief, to date, Defendants have submitted and/or caused to be submitted thousands of fraudulent insurance claims in the scheme above, involving millions of dollars of claims.

COUNT I

VIOLATION OF THE INSURANCE CLAIMS FRAUD PREVENTION ACT

52. Plaintiffs repeat and re-allege paragraphs 1-51, above, as if fully set forth herein.

53. This action is brought by the State of Illinois by and through Relator John Donaldson to recover treble damages, civil penalties and injunctive relief under 740 ILCS 92/1 et seq., the Illinois Insurance Claims Fraud Prevention Act ("Insurance Fraud Act").

54. 740 ILCS § 92/5(a) provides a civil cause of action against any person who engages in a payment kickback of part of a fee to a referring source for the

referral of a patient/client/insured person where a claim for the services will be made to an insured person or her insurance company. The Act providing:

“it is unlawful to knowingly offer or pay any remuneration, directly or indirectly, in cash or in kind, to induce any person to procure clients or patients to obtain services or benefits under a contract of insurance or that will be the basis for a claim against an insured person or the person’s insurer.”

55. 740 ILCS § 92/5(b) provides that persons who violate 740 ILCS § 92/5(a) of the Act and or violate the additional Insurance Fraud provisions at 720 ILCS § 5/46-1 of the Illinois Criminal Code, are subject to the civil penalties set forth therein.

56. Upon information and belief, the scheme of Defendants not only involves illegal referral kickbacks but is false claim billing prohibited by 720 ILCS §5/46-1 which provides insurance claim fraud occurs when a person:

“[K]nowingly obtains, attempts to obtain, or causes to be obtained, by deception, control over property of an insurance company or self-insured entity by the making of a false claim or by causing a false claim to be made on any policy of insurance issued by an insurance company. (See:720 ILCS 5/46-1(a)).

57. Upon information and belief, Defendants have violated 740 ILCS §92/5(a) and (b) and 720 ILCS §5/46-1(a) and committed insurance fraud as aforesaid, they repeatedly, knowingly and intentionally subjected Illinois patients to falsely inflated billing by the aforesaid scheme engaged in paying kickbacks to referring physicians and caused to be presented false billings and claims for payment to private insurers and patients.

58. Independently and certainly collectively, all of the above conduct in paying kickbacks for referrals from physicians violates 740 ILCS § 92/5(a) and (b) and constitutes insurance fraud as set forth therein.

59. Upon information and belief, by the foregoing the Defendants violated 740 ILCS § 92/5(a) and (b) and engaged in an illegal kickback scheme as aforesaid by virtue of the fraudulent acts described herein.

60. Upon information and belief, private insurers, unaware of Defendants' fraudulent acts, paid many claims submitted to them in connection with the fraud scheme aforesaid.

61. Upon information and belief, insured patients were also subject to Defendants' fraudulent acts by being billed co-pay; and uncovered charges for the fraudulent services and false billings and claims.

62. As a result of the foregoing, the State of Illinois and its citizens have been damaged in an amount in the millions of dollars. The exact amount of the damages is not readily ascertainable by Plaintiff as the books and records for these billings and claims are within the Defendants' exclusive control and an accounting is required to determine the full damages and harm caused.

WHEREFORE Plaintiffs respectfully request this Court: (1) enter judgment in their favor and against all Defendants; (2) enter a temporary restraining order and thereafter, a permanent injunction pursuant to 740 ILCS 92/5(b) against Defendants to protect the public and prevent further harm and to prevent dissipation of illegal proceeds; (3) compel an accounting from Defendants and (4) award the following damages to the following parties, and against all Defendants:

To the STATE OF ILLINOIS, insurers and the public:

- a. Disgorgement of monies received by Defendants through the submission of false claims;
- b. Three times the amount of each false claim Defendants submitted and caused to be submitted under a contract of insurance;
- c. An Order permanently enjoining Defendants from conducting the sham lease arrangements and kickback payments to physicians set forth above;

d. A civil penalty of not less than \$5,000 and not more than \$10,000 for each false claim each Defendant submitted or caused to be submitted under a contract of insurance;

e. An award of reasonable attorneys' fees incurred by the State, insurers, this relator or the public;

f. Prejudgment interest; and

g. All expenses and costs of this action.

To RELATOR, John Donaldson:

a. An amount not less than thirty percent (30%) of the proceeds of this action pursuant to 740 ILCS §92/25;

b. Reimbursement of all expenses Relator incurred in connection with this action;

c. An award of reasonable attorneys' fees;

d. Prejudgment interest;

e. All expenses and costs of this action; and

f. Such further relief the Court deems just and proper.

COUNT II

VIOLATIONS OF THE CONSUMER FRAUD AND DECEPTIVE BUSINESS

62. Plaintiffs repeat and re-allege paragraphs 1-61, above, as if fully set forth herein.

63. Section 2 of the Illinois Consumer Fraud and Deceptive Business Practices Act ("CFA") declares unlawful "any [u]nfair methods of competition and unfair or deceptive acts or practices, including but not limited to the use or employment of any deception, fraud, false pretense, false promise, misrepresentation

or the concealment, suppression or omission of such material fact . . . in the conduct of any trade or commerce . . . whether any person has in fact been misled, deceived or damaged thereby.” 815 ILCS 505/2

64. Upon information and belief, the scheme, set forth above, to provide MRI scans to patients but billed as purportedly done by physicians, and invoiced in amounts in excess of the actual charges from Defendants for the scan services, is in each instance a deception, fraud and misrepresentation upon both the patients and insurers involved.

65. Upon information and belief, by committing the acts alleged above, the Defendants violated §2 of the CFA by engaging in unfair and/or deceptive practices, including, but not limited to, the misrepresentation, concealment, suppression, or omission of material facts, while participating in trade or commerce with the knowledge and/or intent that the State of Illinois patients, insurers and others would rely on their deceptive conduct.

66. The relator brings this count on behalf of the People of The State of Illinois as a taxpayer action, for the public benefit under Section 7 of the Act, and in addition for himself as an injured person under section 505/10a of the CFA (815 ILCS 505/10a).

WHEREFORE, Plaintiffs respectfully request this Court enter judgment in the relator and Peoples' favor and against the Defendants and further:

a. Declare that the Defendants' conduct as described above constitutes fraud, and unfair and/or deceptive acts or practices within the meaning of §2 of the Illinois Consumer Fraud Act;

b. Permanently enjoin the Defendants and their employees, officers, directors, agents, successors, assigns, affiliates, merged or acquired predecessors,

parent or controlling entities, subsidiaries, and any and all persons acting in concert or participation with the Defendants, from continuing the unlawful conduct, acts, and practices described above;

c. Awarding the People of the State of Illinois and relator restitution and actual damages;

d. Award penalties for each violation found by the Court to have been committed by the Defendants with the intent to defraud pursuant to 815 ILCS §505/7(6), and penalties for each violation found by the Court to have been committed against a person 65 years of age or older pursuant to 815 ILCS § 505/7(c);

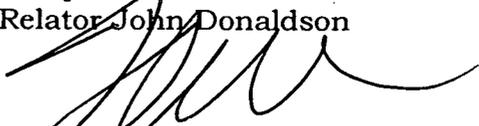
e. Award the State of Illinois and relator attorneys' fees and costs in bringing this matter; and

f. Such further relief the Court deems just and proper.

Date: February 7, 2006

Respectfully submitted,

Plaintiff People of The State of Illinois
ex. rel. Relator John Donaldson



By One Of Plaintiff's Attorneys

Attorney Code No. 34355

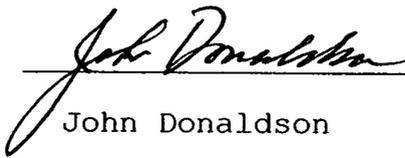
Floyd Perkins
Dean Polales
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3500 Three First National Plaza
Chicago, Illinois 60602-4283
(312) 977-4411 (phone)

CERTIFICATION

I, the undersigned, hereby certify under penalties of perjury as provided by law pursuant to Section 1-109 of the Illinois Code of Civil Procedure that:

1) The statements and allegations set forth in the foregoing complaint are true and correct except as to matters therein stated to be on information and belief and, as to such matters, the undersigned certifies as aforesaid that he/she verily believes the same to be true.

2) The foregoing complaint seeks money damages in excess of \$50,000.00.



John Donaldson

OPEN ADVANCED MRI – Owned and Managed by MIDI, LLC

Chicago – 150 N. Michigan Ave., Suite 250
Chicago, IL 60601
312-795-9800
Facility Director – Mary Pat Houlihan

Crystal Lake - 820 E. Terra Cotta Ave., Suite 136
Crystal Lake, IL 60014
815-444-1330
Facility Director – Jeff Moore

Deerfield - 2101 Waukegan Road, Suite 108
Bannockburn, IL 60015
847-374-8100
Facility Director – Mary Pat Houlihan

Deer Park - 20530 N. Rand Road, Suite 350
Deer Park, IL 60010
Deer Park Town Center
847-550-6740
Facility Director – Jerry Zamela

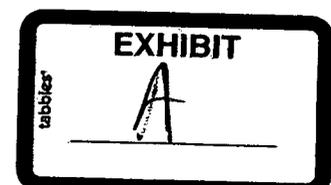
Gold Coast - 33 W. Delaware Place
Chicago, IL 60610
312-280-4674
Facility Director – Jeff Robinson

Lincoln Park - 1355 W. Fullerton Ave.
Chicago, IL 60614
773-929-9500
Facility Director – Pat Houlihan

North Shore – Old Orchard - 9933 Lawler Ave., Suite 135
Skokie, IL 60077
847-329-1100
Facility Director – Pat Houlihan

Schaumburg - 1834 Walden Office Square, Suite 125
Schaumburg, IL 60173
847-397-2300
Facility Director – Jerry Zamela

Skokie - 7152 Carpenter Road
Skokie, IL 60077
847-329-1674
Facility Director – Mary Pat Houlihan



GOLF DIAGNOSTIC IMAGING

9680 Golf Road

Des Plaines, IL 60016

Facility Director – Khalid Bashir

NORTHWEST IMAGING

2500 W. Higgins Rd.

Hoffman Estates, IL 60195

847-310-8378

Facility Director – John Loebel

RAND IMAGING

1051 W. Rand Road

Arlington Heights, IL

847-454-2226

Facility Manager – Bonnie Saracotta

ELK GROVE MRI

901 Biesterfield Rd.

Elk Grove Village, IL 60007

847-357-9300

Facility Manager – Joe Metz

NATIONAL MEDICAL IMAGING

8618 W. Golf Road

Niles, IL 60714

847-824-2628

Facility Manager – Marci Salerno

NEURO OPEN MRI

1655 N. Arlington Heights Road

Arlington Heights, IL 60004

847-577-1866

Facility Manager – Run by Surgical Neurologists

NYDIC

2150 E. Lake Cook Road

Buffalo Grove, IL 60089

847-465-3500

Facility Manager – Linda Giuntini

CENTRAL STATES MRI

4 Cedar Ridge Drive

Lake in the Hills, IL 60156

847-458-6736

Facility Director – Cindy Kasper

HIGH TECH MEDICAL IMAGING - Owned by Diagnostic Imaging Services

721 W. Main Street

Lake Zurich, IL 60047

847-540-6400

Other Locations that have closed – Fox River Grove and Crystal Lake

Facility Manager – Joe Sinning

REGIONAL MRI

373 Summit Street

Elgin, IL 60120

847-841-8500

Facility Director – Amy Wendt