

# Michigan Office Of Attorney General Consumer Complaint Form

Web Complaint Number: 2008-cp12250335523-A

Submitted: 12/25/2008 3:35:43 AM

## Consumer Information

Your Last Name: [REDACTED] First Name: [REDACTED] M.I.: [REDACTED]  
Your Street Address: [REDACTED] City: Buckley  
Your State: WA Zip Code: 98321  
Your County: Outside Michigan  
Your Home Phone: [REDACTED] Your Work Phone: [REDACTED] Ext.:  
Fax Number: E-mail Address: [REDACTED]@comcast.net

## Primary Company Or Person Your Complaint Is About

Company or Person? Company

Complainee Last Name: Complainee First Name:  
Company Name: Narconon Stone Hawk City: Battle Creek  
Street Address: 216 St. Marys Lake Rd. Zip Code: 49017  
State: MI Phone: 8004203147  
County: E-mail Address:  
Fax Number: Product Offered:  
Web Site Address:

## Secondary Company Or Person Your Complaint Is About

Company or Person? Company

Complainee Last Name: Complainee First Name:  
Company Name: City:  
Street Address: Zip Code:  
State: MI Phone:  
County: E-mail Address:  
Fax Number:  
Web Site Address:

## Motor Vehicle Warranty Complaint Information

Vehicle Make, Model, and Year:  
Vehicle VIN No.:

## Complaint Information

Incident Date\Time: 4/13/2008 1:00:00 PM  
Incident Location: Narconon  
Approximate Monetary Value: 7000.00  
Did you sign a contract? False  
Where did you sign this contract?  
Is a court action pending? False

Do you have an attorney representing you on this matter? True  
Are you willing to testify in court regarding this complaint? True  
Did you complain directly to the business? True  
What was the response from the business? None  
If no complaint was given to the business directly, why?  
Was this complaint filed with any other agencies? True

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#### Complaint Detail/Inquiry Information

To Whom It May Concern: Sequence of Events: In May of 2007 my [REDACTED] had a severe [REDACTED] to [REDACTED]. Over the previous four years he has completed two separate in-patient drug programs. We had heard of a different type of drug program from a mutual friend called Narconon. We were desperate to keep my [REDACTED] alive and were convinced it was only a matter of time he would end up in jail or dead from an [REDACTED]. We called and spoke with a counselor from Narconon Stone Hawk in Michigan. We were convinced it was worth a shot and put him on a last minute flight to Detroit. I was told the cost for the program was \$32,500 and they needed the money up front to start treatment. This was a Sunday and did not have the cash on hand. Narconon faxed us a credit application, using HC Credit. I completed and faxed back the information to Narconon. The loan was approved by HC Credit and Narconon was paid. [REDACTED] entered the program on May 6, 2007. On June 8, 2008 HC Credit was paid the remaining balance of \$27,500.00 on account # [REDACTED] and then closed. In the first part of April of 2008 (I believe April 12, 2008) my [REDACTED] and asked us to send him back to Narconon as a "retread". Initially I refused to help him anymore. I then received a call from Narconon and spoke to a person who stated he was the "owner" of the facility. I do not recall what his name was; I just told him why I was not interested in paying anymore. I received several calls from the owner, attempting to help [REDACTED]. I was told the cost would be \$5,500.00 to be financed by HC Credit. I was also asked to give [REDACTED] \$2,000.00 to pay Narconon for the start-up cost. I was also told after [REDACTED] completes the program; he would stay on and work for them to pay off the debt. At this point I told Narconon I will co-sign the loan if they can make several assurances to me. I made it clear I will put [REDACTED] on a plane. I told them I will send the \$2000.00 to them after he gets there. I also required they evaluate [REDACTED] upon his arrival to see if in fact they believe they can help him. I believe it was clearly understood and made clear, I will not co-sign any loan unless they can call me after they evaluate him and believe they can help him. Either just before or just after I sent [REDACTED] back to Detroit, I believe I received a call from HC Credit. I am told the call was recorded and the call was to verify my identity and confirm my financial situation for loan approval. I was still under the clear impression this was preliminary information needed to process the loan in the event I decide to co-sign this loan. Two days after [REDACTED] arrived; I received a call from Narconon stating [REDACTED] stayed overnight and refused to enter the program. I was told they dropped him off at the nearest hotel. At this point I thanked Narconon for trying, and felt all dealings with Narconon were over. In late April of 2008 we received credit cards from HC Credit. I called the 800 number and told them we never ordered the credit cards. HC Credit apologized and cancelled the cards over the phone. Sometime in May of 2008 I started getting bills from HC Credit reference loan # [REDACTED]. On May 5, 2008 I sent HC Credit notice, disputing I agreed to or co-signed this loan. On July 1, 2008 I received a letter HC Credit requesting I complete an Affidavit of Forgery. On July 5, 2008 I sent HC Credit the requested information and questioned why I was only sent two of the four pages of the loan agreement. I also advised HC Credit I assumed my son [REDACTED] may have signed my name. Starting around August 2008 I started getting threatening calls from HC Credit. Initially I tried to explain what had occurred but no one would listen. I was told "my credit would be ruined", "do you really want to do this to your [REDACTED]". Every time I started to explain, I was interrupted and told I was wrong. The calls continued daily and became more and more aggressive. It was clear to me HC Credit obviously knew [REDACTED] was never going to pay them back and saw me as the deep pockets in this issue. In December 2008 I had to change my phone number to stop the calls. In December 2008 I started getting collection calls at my place of employment from HC Credit. I asked they stop the harassment and stop calling. I also informed HC Credit I have retained an attorney in this matter and they should receive a demand letter in the next several days. I received three more calls from HC Credit after advising them I have legal counsel in the matter. I am filing this complaint for the following reasons: HC Credit at the very least is negligent in their investigation. It appears to me they believed they already knew the answers regardless of what I told them. It appears HC Credit has some business relationship with Narconon. HC Credit sent me "evidence" page 4 of a six page fax from Narconon. I found it interesting there were no dates next to the signature. Initially I assumed someone forged my signature, because I am sure I never co-signed this loan. A closer examination of the document shows in small print a date of 5/2007 in the lower right hand corner, and a y 1, 2007 date in the Truth and Lending Statement. Its clear to me this signature was from the May 2007 loan agreement. I have pointed this out to HC this fact on two occasions but they did not appear to be interested. Either someone at Narconon and or HC Credit is pulling a scam

hoping to collect from the deep pockets. I will gladly testify in any court at my own expense in this matter. I think someone should be ashamed for trying to prey on families desperately trying to save their love ones lives. [REDACTED]

[REDACTED] December 24, 2008

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[False] Check if this referral is just to give us information and you do not need us to respond to you directly.

[True] Check if you want to send documentation. After you submit this form you will be provided with a postal mail address, and facsimile number, to which you may send documents.

[False] Check if you want to sign up for the Consumer Protection Listserv.

[False] Check if you want to sign up for the AG Press Release Listserv.

[False] Check if you want to sign up for the Attorney General Opinions Listserv.

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(\*)I certify that the information on this form is true and accurate to the best of my knowledge.

(\*)I consent to releasing to the Michigan Attorney General any information or document relative to the investigation of this complaint. By checking this box, I also certify that I have had the opportunity to review the Michigan Attorney General Privacy Policy before submitting this complaint.

---

Kreis  
Enderle  
Hudgins  
& Borsos

Michael J. Toth

A Professional Corporation  
Attorneys at Law  
One West Michigan Avenue  
Battle Creek, MI 49017  
Main 269-966-3000  
Fax 269-966-3022  
mtoth@kech.com

DEPT. OF ATTORNEY GENERAL  
May 6, 2009 RECEIVED

MAY 07 2009

CONSUMER PROTECTION  
DIVISION

[REDACTED]  
Buckley, Washington 98321

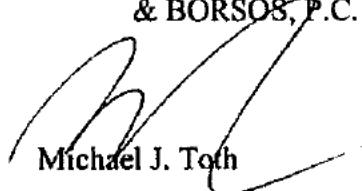
Re: Michigan Attorney General Complaint ([REDACTED])  
Narconon Stone Hawk Rehabilitation Center, Inc.

Dear Mr. [REDACTED]:

Please be advised that we represent Narconon Stone Hawk Rehabilitation Center, Inc. ("Narconon Stone Hawk"). This letter is in response to your complaint filed with the Michigan Attorney General's Office dated January 28, 2009. Please note that before Narconon Stone Hawk can discuss any matters or release any documents relating to you and/or the aforementioned Michigan Attorney General Complaint, we must have a signed HIPAA Release. Until we receive the signed HIPAA Release we are unable to discuss this matter.

Sincerely,

KREIS, ENDERLE, HUDGINS  
& BORSOS, P.C.



Michael J. Toth

JDL/MJT  
Enclosure as stated  
Cc: Beth Thomas

## HIPAA Release and Authorization

I, \_\_\_\_\_, with social security number of \_\_\_\_\_, and date of birth of \_\_\_\_\_, state as follows:

I am either the patient named above or the patient's legally authorized representative.

This release authority applies to any information governed by the Health Insurance Portability and Accountability Act of 1996 (a/k/a HIPAA), 42 USC 1320d and 45 CFR 160-164. Specifically, this release authority complies with the valid authorization requirements of 45 CFR 164.508 (c).

Pursuant to HIPAA, I authorize and direct:

Narconon Freedom Center, Inc., or its agents, parents, subsidiaries, affiliates, shareholders, officers, directors, employees, representatives, predecessors, partners, members, insurers, attorneys, successors, assigns, and all other persons, firms or corporations and anyone claiming under or through Narconon Freedom Center, Inc., that has provided treatment or services to me or that has paid for or is seeking payment from me for such services, to give, **disclose, and release**, without restriction, all of my individually identifiable health information and medical records regarding any past, present, or future medical or mental health condition, to include all information relating the diagnosis and treatment of sexually transmitted diseases, mental illness, and drug or alcohol abuse to the Michigan Attorney General's Office and any of its employees or agents whose address is: G. Mennen Williams Building, 7th Floor, 525 W. Ottawa Street, P.O. Box 30212, Lansing, MI 48909, and telephone number for Consumer Protection is (517) 373-1140.

The purpose of the use and disclosure shall include client's capacity determinations in conducting the client's legal representation, monitoring health care to assure client's maximum access to health care rights and government benefits, and monitoring client's health care to protect client's legal rights where client resides.

I understand that, with certain exceptions, I have the right to revoke this Authorization at any time. If I want to revoke this Authorization, I must do so in writing. The procedure for how I may revoke this Authorization, as well as the exceptions to my right to revoke will be performed in accordance with applicable federal law and any applicable policy of my health care provider.

I understand that I may refuse to sign this Authorization. I also understand that my health care provider cannot deny or refuse to provide treatment, payment, enrollment in a health plan, or eligibility for benefits if I refuse to sign this Authorization.

I understand that, once information is disclosed pursuant to this Authorization, it is possible that it will no longer be protected by applicable federal medical privacy law and could be re-disclosed by the person or agency that receives it, however, I do not authorize such

secondary disclosure.

The authority given shall supersede any prior agreement that I may have made with Narconon Freedom Center, Inc., to restrict access to or disclosure of my individually identifiable health information. The authority given has no expiration date and shall expire only in the event that I revoke the authority in writing and deliver it to my health care provider.

I have read the information in this authorization form and have the legal right to sign this authorization form, and have been advised to seek legal counsel before signing this authorization form prior to its execution; I fully understand the contents there of above and voluntarily sign.

\_\_\_\_\_  
Signed Name Patient/Authorized Representative

\_\_\_\_\_  
Print Name of Patient/Authorized Representative

\_\_\_\_\_  
Date

Please explain Representative's authority to act on behalf of the Patient:

\_\_\_\_\_  
\_\_\_\_\_

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_,  
by \_\_\_\_\_.

**Notary's Stamp**

**Notary's Signature**

Notary Public, State of \_\_\_\_\_, County of \_\_\_\_\_  
My commission expires: \_\_\_\_\_  
Acting in the County of \_\_\_\_\_

\_\_\_\_\_

RECEIVED

JUL 13 2009

Kreis  
Enderle  
Hudgins  
& Borsos

Michael J. Toth

Direct Dial 269-441-4526

Dept. of Attorney General  
Consumer Protection - Franchise

A Professional Corporation  
Attorneys at Law  
One West Michigan Avenue  
Battle Creek, MI 49017  
269-966-3000  
Fax 269-966-3022  
mtoth@koch.com

**Note: This correspondence is inadmissible pursuant to MRE 408**

July 10, 2009

Michigan Department of Attorney General  
Consumer Protection Division  
PO Box 30213  
Lansing, Michigan 48909

Re: **Narconon Stone Hawk Rehabilitation Center, Inc. ("Stone Hawk")**  
Pending matters: [REDACTED]

Settled matters:

Dear

The purpose of this letter is to provide you with a status report regarding the above captioned people. On May 6, 2009, we submitted HIPAA release requests to the above captioned people, and forwarded copies of the requests to your office on the same day. (See Attached Exhibit 1). As of the date of this writing, we have not received signed HIPAA releases from the following:  
Notwithstanding these HIPAA omissions, the following is the current status for the still pending matters:

1.

2.

3. [REDACTED] ([REDACTED] Student) – Similarly to Ms. [REDACTED] Narconon we have only recently received Mr. [REDACTED] signed HIPAA release, accordingly, we are evaluating the terms of settlement. However, it is anticipated that an offer of settlement will be made by the end of the month.

4.

5.

**Settled matters:**

The following complaints were settled on March 12, 2008; however, we have not received verification from your office that these cases have been dismissed. Please forward dismissals for the following complainants for our records.



- 1.
- 2.
- 3.
- 4.
- 5.
- 6.

We will provide another status report in 30 days. In the meantime, if you have any questions, please contact me or my associate, Jim Lance.

Sincerely,

KREIS, ENDERLE, HUDGINS  
& BORSOS, P.C.



Michael J. Toth

Attachments as stated

Michael J. Toth

A Professional Corporation  
Attorneys at Law  
One West Michigan Avenue  
Battle Creek, MI 49017  
Main 269-966-3000  
Fax 269-966-3022  
mtoth@kech.com

May 6, 2009

[REDACTED]  
[REDACTED]  
Buckley, Washington 98321

Re: Michigan Attorney General Complaint ([REDACTED])  
Narconon Stone Hawk Rehabilitation Center, Inc.

Dear Mr. [REDACTED]:

Please be advised that we represent Narconon Stone Hawk Rehabilitation Center, Inc. ("Narconon Stone Hawk"). This letter is in response to your complaint filed with the Michigan Attorney General's Office dated January 28, 2009. Please note that before Narconon Stone Hawk can discuss any matters or release any documents relating to you and/or the aforementioned Michigan Attorney General Complaint, we must have a signed HIPAA Release. Until we receive the signed HIPAA Release we are unable to discuss this matter.

Sincerely,

KREIS, ENDERLE, HUDGINS  
& BORSOS, P.C.

  
Michael J. Toth

JDL MJT  
Enclosure as stated  
Cc: Beth Thomas

State of Michigan  
Attorney Generals Office

RE: AG# 2008-cp12250335523-A

I received your correspondence dated August 3, 2009. There is talk about a settlement in this case but I have not received any such information.

Please explain the status of this case.

[REDACTED]

Buckley, Washington 98321

[REDACTED]

RECEIVED

DEC 02 2009

Kreis  
Enderle  
Hudgins  
& Borsos

James D. Lance

JOHN WARRICK  
DIRECTOR

A Professional Corporation  
Attorneys at Law  
One West Michigan Avenue  
Bartle Creek, MI 49017  
Main 269-966-3000  
Fax 269-966-3022  
jlance@KreisEnderle.com

Note: This correspondence is inadmissible pursuant to MRE 408

December 1, 2009

Michigan Department of Attorney General  
Consumer Protection Division  
PO Box 30213  
Lansing, Michigan 48909

Sent via Post and email: 'cp\_email2@michigan.gov'

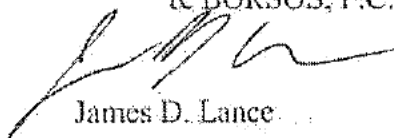
Re: [REDACTED] v Narcónon Stone Hawk/Freedom Center ("Freedom Center")  
AG No.: 2008-cp12250335523-A

To Whom It May Concern:

The purpose of this letter is to provide you with a response to the above captioned complaint as well as your letter dated November 6, 2009, regarding the same. No progress has been made and we have not heard from the plaintiffs.

Sincerely,

KREIS, ENDERLE, HUDGINS  
& BORSOS, P.C.



James D. Lance

Cc: Freedom Center

# Michigan Office Of Attorney General Consumer Complaint Form

Web Complaint Number: 2009-cp01281620449-A

Submitted: 1/28/2009 4:20:52 PM

## Consumer Information

Your Last Name: [REDACTED] First Name: [REDACTED] M.I.: [REDACTED]  
Your Street Address: [REDACTED] City: Clinton  
Your State: MO Zip Code: 64735  
Your County: Outside Michigan  
Your Home Phone: [REDACTED] Your Work Phone: [REDACTED] Ext.:  
Fax Number: E-mail Address: [REDACTED]@yahoo.com

## Primary Company Or Person Your Complaint Is About

Company or Person? Company

Complainee Last Name: Complainee First Name:  
Company Name: Narconon Stonk Hawk City: Battle Creek  
Street Address: 216 St. Mary's Lake Rd Zip Code: 49017  
State: MI Phone: 5176298661  
County: E-mail Address:  
Fax Number: 2313145216 Product Offered: Rehab  
Web Site Address:

## Secondary Company Or Person Your Complaint Is About

Company or Person? Company

Complainee Last Name: Complainee First Name:  
Company Name: City:  
Street Address: Zip Code:  
State: MI Phone:  
County: E-mail Address:  
Fax Number:  
Web Site Address:

## Motor Vehicle Warranty Complaint Information

Vehicle Make, Model, and Year:  
Vehicle VIN No.:

## Complaint Information

Incident Date\Time: 11/19/2007 1:00:00 AM  
Incident Location: Stone Hawk  
Approximate Monetary Value: \$18,500  
Did you sign a contract? True  
Where did you sign this contract? At Home to immediately fax back to Per Wixstrom

Is a court action pending? False

Do you have an attorney representing you on this matter? False

Are you willing to testify in court regarding this complaint? True

Did you complain directly to the business? True

What was the response from the business? none

If no complaint was given to the business directly, why?

Was this complaint filed with any other agencies? True

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Complaint Detail/Inquiry Information

My [REDACTED] entered the Stone Hawk Narconon Program left after about a week with the understanding when she returned continuing the program on the day # she left. She would pick up on the 9 or 10th day but a re entry fee was required of \$3500.00 for testing and this included a [REDACTED]. After being guaranteed she would complete the program by Per Wixstrom. It would take 6 months to a year and he assured me she would stay, work for him and pay me every last penny back. According to my contract that was signed by me and had to be there before she could ever enter the program states \$15000.00 dollars down and \$15,000.00 upon the completion of the first 30 days of the program. She only remained there for a little longer than a week on the second stay too and would have left immediately if she found out she was [REDACTED]. I had paid \$3500 for re testing which was to include a [REDACTED]. She was supposedly given a [REDACTED] and Narconon was baking her in a sauna and feeding her [REDACTED]. She was "assured" she was not [REDACTED] and that it was normal to feel that bad and [REDACTED]. Did they lie to her to get her to stay so they could claim more days????? Per had lied to me on a number of other issues? Thank Goodness she was smart enough to do something about the [REDACTED]. One evening after the [REDACTED] she had a night watchman, not the doctor, they claim to have, get her to the hospital where the doctor confirmed her [REDACTED] and assured her she was far enough along that it should not have been over looked. She immediately left the program and Narconon is charging me the complete cost of the whole program when we did not even make it thru the first 30 days. Which is stated in my contract payment due AFTER the first 30 days. In dispute with Visa they submitted another contract and had my name forged on it. I feel I am entitle to the \$15,000 refund for the program beyond the 30 day stay. This organization needs to clean up their act and quit lying and making false promises!!!! I would love to come in contact with others who felt they had been taken advantage off. This particular Narconon needs to be held accountable for their mistakes and make it right to the consumer. My number is # [REDACTED] if any would like to contact me. Even if there is no way to refund the full \$18,500 then according to the forged contract I am still entitle to \$4000 dollars for the less than 30 day stay. Per Wixstrom is no longer there and I spoke with Michelle Darrell and she was to get back with me about three weeks ago and she won't take any of my phone calls. I have left numerous messages. Is there anything you can do to help me? I am not arguing the first \$15,000 but the second \$18,500 I am. Please help me and give me any ideas on how I can save the next victim of their unethical practices and get my money that I am entitled to back. Desperate in Missouri [REDACTED] DesiredSettlementID: Refund Product\_Or\_Service: Narconon Rehab Purchase\_Price:\$38,500.00

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[False] Check if this referral is just to give us information and you do not need us to respond to you directly.

[False] Check if you want to send documentation. After you submit this form you will be provided with a postal mail address, and facsimile number, to which you may send documents.

[False] Check if you want to sign up for the Consumer Protection Listserv.

[False] Check if you want to sign up for the AG Press Release Listserv.

[True] Check if you want to sign up for the Attorney General Opinions Listserv.

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(\*I certify that the information on this form is true and accurate to the best of my knowledge.

(\*I consent to releasing to the Michigan Attorney General any information or document relative to the investigation of this complaint. By checking this box, I also certify that I have had the opportunity to review the Michigan Attorney General Privacy Policy before submitting this complaint.

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DEPT. OF ATTORNEY GENERAL  
RECEIVED

FEB 06 2009

CONSUMER PROTECTION  
DIVISION

1/31/09

To The Attorney General of Michigan:

I am trying to file a contractual complaint against Narconon Stone Hawk  
216 St Mary's Lake Road  
Battle Creek Michigan.

My [REDACTED] entered Stone Hawk Narconon in Battle Creek Michigan in Nov. 07. I was told in order for her to enter the program THIS contract had to be signed and returned with a \$15,000 payment that very day. Per Wixstrom even sent me a UPS number (per cover page in attached documents) I made the mistake of not making a copy of the original contract. I was hurrying to get this contract mailed so they could "help" my [REDACTED]

My [REDACTED] stayed about 8 days or so and talked them in to letting her return home for the holidays. When she left the program she was assured she could return and pick up on the day she had left on. For example she left on day 8 when she returned it would be day 9. But a re entry fee of \$3500 would be required. This would include testing for [REDACTED] as well as a [REDACTED]

Soon after Christmas she was ready to return to work the program. Nothing was ever mentioned about a new contract.

She was to stay 6 months to a year for the additional \$15,000. I even cancelled her wedding because I was assured by Per Wixstrom she would stay. Per also told me how bad she felt about taking all this money and that when she completed the program she had a job with him and she would pay me back ever last dime. When I asked him how he could guarantee such a thing he said: "Oh, I have a contract signed by her."

She arrived and soon started the sauna. When she was allowed to call me, she complained of how bad she felt and how much she was [REDACTED] Her continuous complaining got her nothing but you are OK, it is "normal." to [REDACTED]

She continued to tuff it out until one night when the [REDACTED] became so severe she talked the night watchman in to taking her to the Battle Creek Health System Hospital.

There it was confirmed that she was about [REDACTED] She called me from the hospital about 1 am on Feb 5. No one from Stone Hawk had informed me of anything going on. The doctor on call indicated that this should have been picked up on a [REDACTED] performed two weeks earlier.

She left the program immediately. Some of the staff assured her she was doing the right thing. After she returned home and it was confirmed again she was [REDACTED] I called Per Wixström. He tried to convince me it was OK to be baked in a sauna when you were [REDACTED] etc... I told him I "wanted my money back" he said he would have to check to see how many days she was there and what I was entitled to. I also requested a copy of my original contract. It was sent with some of the pages missing my initials. It clearly states in the contract that I signed that \$15,000 down with \$15,000 upon completion of the 30<sup>th</sup> day. But I have never heard from Per again. Again, was my [REDACTED] lied to in order to keep her there past the 30 days so none of the monies would be refunded? Was she ever given the [REDACTED]? I would like to see the qualifications of the so called medical staff. Who signed off on the [REDACTED]?

I disputed it with my Visa and Stone Hawk Narconon sent VISA a different contract. My name was clearly forged. I had never seen that contract, nor signed it, and lastly a new contract had never been mentioned when she re entered. I spoke with Michelle Darrell on 12/31/08 about my refund and she was to get back with me. I have called almost every day and it is clearly obvious she is avoiding my calls. I leave message after message and have been unsuccessful on all accounts. I am asking for a copy of my complete original contract and I can not get anywhere.

I hope there is something that can be done to get my \$18,500 back out of the \$33,500 I have paid to them. And stop them from ever baking another [REDACTED] in the sauna. Isn't "no [REDACTED] allowed" posted on ever sauna you have ever seen?

I had no idea getting back what was entitled to me would be such a devilish nightmare.

Enclosed I have included pages of the original contract that I signed. Also note some of the pages were not initialed by me. And they are not all there and I can not get Michelle Darrell to answer any of my calls. If you would Please review and give me any advice, direction, and guidance on what I can do (with minimal expense). I would greatly appreciate any input you can offer.

My [REDACTED] total stay was less than 30 days and would have been 8 or 9 days if she had been told the truth about being pregnant because she would have never checked back in because of the unsanitary living conditions.

Thank You for your time.

Please contact me anytime: [REDACTED]

Clinton, MO 64735



[REDACTED] (home) Please leave message for me to return your call. I usually get home about 2pm from work. Again, Thank you

[REDACTED] of [REDACTED]

[REDACTED]

2-1-09

273 North Avenue  
Battle Creek, MI 49017  
(800) 430-3147  
(269) 963-2810 (office)  
(269) 963-2847 (fax)

# Narconon Stone Hawk

## Fax Coversheet

To: [Redacted] From: PER  
Fax: [Redacted] Pages: 10  
Phone: [Redacted] Date: 11-14-2007  
Re: [Redacted]

Urgent     For Review     Please Comment     Please Reply     Please Recycle

### • Comments

Please see attached documents

Please sign + initial  
Fax Back to 231-314-5216  
thanks -  
UPS + Fed Ex #'s For Check

This message is for the named person's use only. It may contain confidential, proprietary or legally privileged information. No confidentiality or privilege is waived or lost by any mis-transmission. If you receive this message in error, please immediately delete it and all copies of it from your system, destroy any hard copies of it and notify the sender. You must not, directly or indirectly, use, disclose, distribute, print, or copy any part of this message if you are not the intended recipient.

Page 2

**SERVICES PROVIDED:  
THESE SERVICES WERE WRITTEN AND DEVELOPED BY FOUNDER WILLIAM  
BENITEZ & AUTHOR/HUMANITARIAN L. RON HUBBARD**

Services provided include, but are not limited to the following:  
DRUG FREE WITHDRAWAL COMMUNICATIONS COURSE  
THE NEW LIFE DETOXIFICATION PROGRAM  
THE LEARNING IMPROVEMENT COURSE  
COMMUNICATION AND PERCEPTION COURSE  
UPS AND DOWNS IN LIFE COURSE  
PERSONAL VALUES AND INTEGRITY COURSE  
THE WAY TO HAPPINESS COURSE

We also provide, along with this, many other services as needed depending on the individual. These services include but are not limited to intake counseling, IQ testing, personality testing, family counseling services, individualized ethics programs, various medical services including 24 hour nursing staff available, room and board, etc. Most of these services are included in the price of the program.

**FEE SCHEDULE:**

A person enrolling into the program ("Student"), or any Responsible Party, Conservator or Guardian (referred to herein collectively as "Responsible Party") who shall sign this agreement as a third-party beneficiary, is primarily responsible for payment of any and all of the Narconon program fees and related charges, and must make full and satisfactory payment arrangements with Narconon Stone Hawk prior to Student's entry into the program. All payments are non-refundable except otherwise provided herein.

Payment for the standard Narconon program as described in the program description must be made by one of the following methods: Cash, certified funds, personal checks, credit cards (3% admin fee). An administrative fee of 3 % will be charged for payments made by credit card. We do not accept American Express for payment

Extra charges for the withdrawal portion of the program may apply.

\$15,000.00 dollars down and \$15,000 upon the completion of the first 30 days of the program.

A person may have medical insurance which may pay all or some of the program fees. It is the policy of Narconon Stone Hawk that we do not accept insurance as payment, but will assist the student and/or family in submitting necessary

Initial

information to the insurance company for reimbursement. The Student and Responsible Party must call the insurance company (if any) and pre-certify the student before his/her arrival at Stone Hawk. The Student and Responsible party also understand that there is no guarantee they will receive any reimbursement from the insurance company and that your insurance company's rejection does not alter or modify your obligation to Narconon. You must request reimbursement from your insurance company in writing within two days of execution of this enrollment agreement. The Student, guardian, conservator or Responsible Party, who shall also sign this Agreement, shall remain the primary party responsible for full payment of all fees associated with the individual's stay with Narconon Stone Hawk.

A person entering into the program may appoint a guardian, conservator, or other Responsible Party to assist in paying the fees and charges incurred during participation in the program. A guardian/conservator/responsible party can be a parent or other relative, friend, or merely a person or organization interested in the individual's welfare. To the extent that a guardian or conservator has been appointed to represent the interest of the participant, then the guardian/conservator or Responsible Party shall be required to read, understand and sign a copy of the underlying Enrollment Agreement. It must be understood that a person enrolling in the program and the guardian/conservator or Responsible Party are jointly and severally liable for payment of the fees and charges arising under the Enrollment Agreement.

By signing this Enrollment Agreement, it is understood that Narconon Stone Hawk provides a highly successful program to those entering. However, each individual's success depends upon and is based on the individual and their investment and involvement with the program and services provided. A person's success is his/her own and there are no guarantees, although every opportunity is awarded an individual for his/her success.

#### NO-REFUND POLICY:

I (we) understand that Narconon Stone Hawk customizes each individual student's program for that individual student's entire term and reserves a place for the student in the program. Consequently, the expenses of the program and facilities are largely budgeted well in advance. I (we) agree that my (our) obligation to pay the program fees, related charges and other fees for the full term of the program is absolute and unconditional and is in no way affected or excused by the absence, withdrawal, discharge or suspension of the applicant (student) for any reason, unless otherwise stated herein. The major expense and cost to Narconon for the operation of the program is experienced in the earliest days of the Student's participation, including but not limited to, initial nursing assessment, 24 hour trained Withdrawal Specialist, 24 hour registered nursing, evaluations and assessments, physical (performed by Medical Doctor), psychological evaluation (if needed), administration fees (intake), room and board, personal hygiene products (if needed), a complete set of books for the entire program, family counseling services, IQ testing, personality testing, all blood work, pregnancy testing (when applicable), and personal counseling services (if needed).

Initial \_\_\_\_\_



above and beyond the cost of the Narconon program. Such additional costs may include dental work, x-rays, hospitalization, prescriptions, etc. We request an additional \$500.00 be placed on deposit to cover these costs. Monies not used from this separate deposit, will be refunded upon completion of the program. In the event these additional medical expenses exceed that on deposit for this purpose, Student and Responsible Party accept responsibility for any additional costs or expenses for said medical or dental care.

Student and Responsible Party agree and acknowledge that in the event either or both brings a legal action against Narconon Stone Hawk under this agreement, Student or Responsible Party shall, as the non-prevailing party, pay all actual expenses incurred therefore, including actual attorney fees, court costs and other related expenses incurred by Narconon Stone Hawk.

#### DEPOSIT OF VALUABLES:

Narconon shall not be responsible for any money, valuables, or personal effects which you bring onto the Narconon campus. Certain items may be delivered to a Narconon Security Officer for safekeeping and the items are received and documented in writing. It is your responsibility to ensure that you get a receipt.

#### STUDENT ACCOUNTS:

Throughout a person's program, they will be in need of personal items not supplied by the center these items may include: shampoo, female hygiene items, cigarettes, phone cards, etc. It is important that a student have money available in their account for such items. It is against policy to loan a student money or to transfer money from another's account to theirs. They will not be allowed credit on their account. It is the responsibility of the Student and/or his/her Responsible Party to assure money on account for this purpose. Any credit card charge for student accounts will incur a 10% administrative fee.

#### LOYALTY, RESPECT AND CONFIDENTIALITY

Student and Responsible Party understand and agree that, during the course of the Program, Student will learn obtain confidential information about other students and staff members, including information about their private lives, their personal histories, and their familial situations. Student agrees and acknowledges that such information is to be treated with the utmost confidentiality and shall not be used or disclosed to any third party. Student and Responsible Party further agree they shall not, during or following Student's departure from the program, whether successfully or unsuccessfully, disparage or otherwise denigrate the Program, Narconon, its staff or fellow students to anyone.

Initial \_\_\_\_\_

**DISCHARGE OR SUSPENSION FROM THE PROGRAM:**

The Student may, at his/her request, or the request of the Responsible Party be discharged from the program at any time. In addition, Student may be discharged or suspended from the program at the sole discretion of Narconon Stone Hawk, under any of the following circumstances:

1. If you breach any of the terms of this Agreement;
2. If you breach any of the Student Rules of Conduct;
3. If you engage in activities reasonably determined by Narconon to be harmful to yourself, other participants in the program, persons residing in or visiting residences neighboring the Center, or staff;
4. If you make any warranties or representations in this Agreement which are materially false or incorrect in any respect;
5. As the responsible party, if your loved one is suspended and/or decides to leave against medical advice; please choose one of the following:

Please Initial below your choice as to the disposition of Student in the event he/she is prematurely discharged from the program:

INITIAL x \_\_\_\_\_ A. Place Student in a hotel for 24 hours and see if they want to come back and attempt to call Responsible Party at contact numbers. (Hotel fees to be paid by Responsible Party). The student will receive \$10.00 upon discharge unless you specify smaller dollar amount.

INITIAL x \_\_\_\_\_ B. Hold Student at the Center for a maximum period of 12 hours while Responsible Party flies or drives to Narconon Stone Hawk to pick up Student.

INITIAL x \_\_\_\_\_ C. Contact Responsible Party to make travel arrangements for Student. Narconon will bring Student to the airport, bus terminal, or other transportation, or set up transportation, so long as such public transportation hub is within 45 miles of Narconon Stone Hawk. Transport fees will be paid by Responsible Party. The student will receive \$10.00 upon discharge unless you specify a smaller dollar amount. Student's departure on such public transportation shall be no later than 16 hours from the time the Student or Responsible Party discharges from the program.

INITIAL x \_\_\_\_\_ D. Send student to a hotel with \$10.00 and a request to shelter.

In the event that you are suspended from or otherwise leave the program, you may reapply for readmission under certain specified criteria. Readmission will depend upon

Initial \_\_\_\_\_

the following: 1) meeting the established criteria; 2) reapplying and completing an amendment to the Enrollment Agreement; and 3) having your requests for readmission approved by the Narconon Stone Hawk Executive Council.

If you are discharged or suspended from the program, your status as a student will cease immediately and Narconon will no longer have any responsibility for your welfare or safety (you are an adult). You understand that if you are discharged or suspended, that you waive the confidentiality of your ethics file and we will contact the appropriate parties. You also understand that if you are involved with the court and judicial system and being here is part of your probation or sentence, we will notify the appropriate parties, courts, probation or legal system of your discharge, suspension or withdrawal from the program.

**STUDENT RULES OF CONDUCT:** Except as otherwise stated herein, you, both the Student and the Responsible Party, have been provided with a current copy of the Student Rules of Conduct. These have been explained to you and by signing them you have acknowledged that you understand all of these rules and agree Student will be required to abide by them. Breaking of these rules can result in immediate discharge or suspension and eviction from the program.

I \_\_\_\_\_ understand that breaking the Student Rules of Conduct may result in my immediate discharge, suspension and/or eviction from the program and no refund will be given.

Signature \_\_\_\_\_

**LEAVE OF ABSENCE:**

It is our policy that leaves of absence from the program will not be allowed for students except under extreme emergency circumstances. A student granted a leave must sign a Leave of Absence form. A person will be allowed a leave of absence only for reasons of either: 1) a verified family emergency; or 2) a verified court hearing which cannot be postponed or rescheduled. The above will be at the discretion of Narconon Stone Hawk.

**RE-ENTRY FEES:**

A person returning from a leave of absence, a discharge or suspension must sign a waiver which places responsibility on you for any additional costs incurred in the event there is a relapse while you are away from the program. Prior to reentry, the individual will be subject to urinalysis and/or breathalyzer and be interviewed by the ethics section to gain acceptance and re-admission.

Cost of re-entry will include the cost of the subsequent withdrawal you require and any other part of the program that must be re-done. Any re-entering student must complete at least 24 hours of withdrawal. Withdrawal carries a minimum

Initial \_\_\_\_\_

**STUDENT:**

By: \_\_\_\_\_  
Signature: \_\_\_\_\_  
Address: \_\_\_\_\_  
Phone: \_\_\_\_\_  
Birthdate: \_\_\_\_\_  
Social Security Number: \_\_\_\_\_

Date: \_\_\_\_\_

**GUARDIAN/CONSERVATOR/RESPONSIBLE PARTY**

X By: \_\_\_\_\_  
Signature: \_\_\_\_\_  
Phone: \_\_\_\_\_  
Birthdate: \_\_\_\_\_  
Address: \_\_\_\_\_  
Social Security Number: \_\_\_\_\_

11-15-07

**NARCONON STONE HAWK REPRESENTATIVE:**

By: \_\_\_\_\_

Date: \_\_\_\_\_

Initial \_\_\_\_\_



Kreis  
Enderle  
Hudgins  
& Borsos

Michael J. Toth

A Professional Corporation  
Attorneys at Law  
One West Michigan Avenue  
Battle Creek, MI 49017  
Main 269-966-3000  
Fax 269-966-3022  
mjt@kreb.com

DEPT. OF ATTORNEY GENERAL  
RECEIVED

May 6, 2009

MAY 07 2009

CONSUMER PROTECTION  
DIVISION

[REDACTED]  
Clinton, Missouri 64735

Re: Michigan Attorney General Complaint ([REDACTED])  
Narconon Stone Hawk Rehabilitation Center, Inc.

Dear Ms. [REDACTED]:

Please be advised that we represent Narconon Stone Hawk Rehabilitation Center, Inc. ("Narconon Stone Hawk"). This letter is in response to your complaint filed with the Michigan Attorney General's Office dated January 28, 2009. Please note that before Narconon Stone Hawk can discuss any matters or release any documents relating to you and/or the aforementioned Michigan Attorney General Complaint, we must have a signed HIPAA Release. Until we receive the signed HIPAA Release we are unable to discuss this matter.

Sincerely,

KREIS, ENDERLE, HUDGINS  
& BORSOS, P.C.

  
Michael J. Toth

JDL/MJT  
Enclosure as stated  
Cc: Beth Thomas

## HIPAA Release and Authorization

I, \_\_\_\_\_, with social security number of \_\_\_\_\_, and date of birth of \_\_\_\_\_, state as follows:

I am either the patient named above or the patient's legally authorized representative.

This release authority applies to any information governed by the Health Insurance Portability and Accountability Act of 1996 (a/k/a HIPAA), 42 USC 1320d and 45 CFR 160-164. Specifically, this release authority complies with the valid authorization requirements of 45 CFR 164.508 (c).

Pursuant to HIPAA, I authorize and direct:

Narconon Freedom Center, Inc., or its agents, parents, subsidiaries, affiliates, shareholders, officers, directors, employees, representatives, predecessors, partners, members, insurers, attorneys, successors, assigns, and all other persons, firms or corporations and anyone claiming under or through Narconon Freedom Center, Inc., that has provided treatment or services to me or that has paid for or is seeking payment from me for such services, to **give, disclose, and release**, without restriction, all of my individually identifiable health information and medical records regarding any past, present, or future medical or mental health condition, to include all information relating the diagnosis and treatment of sexually transmitted diseases, mental illness, and drug or alcohol abuse to the Michigan Attorney General's Office and any of its employees or agents whose address is: G. Mennen Williams Building, 7th Floor, 525 W. Ottawa Street, P.O. Box 30212, Lansing, MI 48909, and telephone number for Consumer Protection is (517) 373-1140.

The purpose of the use and disclosure shall include client's capacity determinations in conducting the client's legal representation, monitoring health care to assure client's maximum access to health care rights and government benefits, and monitoring client's health care to protect client's legal rights where client resides.

I understand that, with certain exceptions, I have the right to revoke this Authorization at any time. If I want to revoke this Authorization, I must do so in writing. The procedure for how I may revoke this Authorization, as well as the exceptions to my right to revoke will be performed in accordance with applicable federal law and any applicable policy of my health care provider.

I understand that I may refuse to sign this Authorization. I also understand that my health care provider cannot deny or refuse to provide treatment, payment, enrollment in a health plan, or eligibility for benefits if I refuse to sign this Authorization.

I understand that, once information is disclosed pursuant to this Authorization, it is possible that it will no longer be protected by applicable federal medical privacy law and could be re-disclosed by the person or agency that receives it, however, I do not authorize such

secondary disclosure.

The authority given shall supersede any prior agreement that I may have made with Narconon Freedom Center, Inc., to restrict access to or disclosure of my individually identifiable health information. The authority given has no expiration date and shall expire only in the event that I revoke the authority in writing and deliver it to my health care provider.

**I have read the information in this authorization form and have the legal right to sign this authorization form, and have been advised to seek legal counsel before signing this authorization form prior to its execution; I fully understand the contents there of above and voluntarily sign.**

\_\_\_\_\_  
Signed Name Patient/Authorized Representative

\_\_\_\_\_  
Print Name of Patient/Authorized Representative

\_\_\_\_\_  
Date

Please explain Representative's authority to act on behalf of the Patient:

\_\_\_\_\_  
\_\_\_\_\_

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_,  
by \_\_\_\_\_.

**Notary's Stamp**

**Notary's Signature**

Notary Public, State of \_\_\_\_\_, County of \_\_\_\_\_  
My commission expires: \_\_\_\_\_  
Acting in the County of \_\_\_\_\_

\_\_\_\_\_

RECEIVED

JUL 13 2009

Kreis  
Enderle  
Hudgins  
& Borsos

Michael J. Toth

Direct Dial 269-441-4526

Dept. of Attorney General  
Consumer Protection - Franchise

A Professional Corporation  
Attorneys at Law  
One West Michigan Avenue  
Battle Creek, MI 49017  
269-966-3000  
Fax 269-966-3022  
mtoth@kech.com

**Note: This correspondence is inadmissible pursuant to MRE 408**

July 10, 2009

Michigan Department of Attorney General  
Consumer Protection Division  
PO Box 30213  
Lansing, Michigan 48909

**Re: Narconon Stone Hawk Rehabilitation Center, Inc. ("Stone Hawk")**  
**Pending matters: , Mills, '**

**Settled matters:**

Dear

The purpose of this letter is to provide you with a status report regarding the above captioned people. On May 6, 2009, we submitted HIPAA release requests to the above captioned people, and forwarded copies of the requests to your office on the same day. (See Attached Exhibit 1). As of the date of this writing we have not received signed HIPAA releases from the following:  
Notwithstanding these HIPAA omissions, the following is the current status for the still pending matters:

1.

2. [REDACTED] ( [REDACTED] Student) – We have only recently received Ms. [REDACTED] signed HIPAA release, accordingly, we are evaluating the terms of settlement. However, it is anticipated that an offer of settlement will be made by the end of the month.

3.

4.

5.

**Settled matters:**

The following complaints were settled on March 12, 2008; however, we have not received verification from your office that these cases have been dismissed. Please forward dismissals for the following complainants for our records.

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.

We will provide another status report in 30 days. In the meantime, if you have any questions, please contact me or my associate, Jim Lance.

Sincerely,

KREIS, ENDERLE, HUDGINS  
& BORSOS, P.C.



Michael J. Toth

Attachments as stated

Kreis  
Enderle  
Hudgins  
& Borsos

Michael J. Toth

A Professional Corporation  
Attorneys at Law  
One West Michigan Avenue  
Battle Creek, MI 49017  
Main 269-966-3000  
Fax 269-966-3022  
mtoth@kech.com

May 6, 2009



Clinton, Missouri 64735

Re: Michigan Attorney General Complaint ([REDACTED])  
Narconon Stone Hawk Rehabilitation Center, Inc.

Dear Ms. Drury:

Please be advised that we represent Narconon Stone Hawk Rehabilitation Center, Inc. ("Narconon Stone Hawk"). This letter is in response to your complaint filed with the Michigan Attorney General's Office dated January 28, 2009. Please note that before Narconon Stone Hawk can discuss any matters or release any documents relating to you and/or the aforementioned Michigan Attorney General Complaint, we must have a signed HIPAA Release. Until we receive the signed HIPAA Release we are unable to discuss this matter.

Sincerely,

KREIS, ENDERLE, HUDGINS  
& BORSOS, P.C.

Michael J. Toth

JDL:MJT

Enclosure as stated

Cc: Beth Thomas

DEPT. OF ATTORNEY GENERAL  
RECEIVED

AUG 25 2009

CONSUMER PROTECTION  
DIVISION

August 19, 2009

Dear Attorney General Customer Protection Division:

I recently received a letter from your office regarding my Student ( [REDACTED] )  
[REDACTED] in Narconon Stone Hawk Rehab Center / Freedom Center.

In the correspondence from Kreis, Enderle, Hugins, and Borsos dated July 10<sup>th</sup> 2009, it states an anticipated offer will be made by the end of the month. It is August 19<sup>th</sup> and I have not received any settlement offer from them. I was just wondering if you had heard anything or if you knew where I might stand in this process.

Again, thank you for your help in resolving this matter.

Sincerely,

[REDACTED]

I



DEPT. OF ATTORNEY GENERAL  
RECEIVED

Kreis  
Enderle  
Hudgins  
& Borsos

James D. Lance

DEC 0 8 2009

CONSUMER PROTECTION  
DIVISION

A Professional Corporation  
Attorneys at Law  
One West Michigan Avenue  
Battle Creek, MI 49017  
Main 269-966-3000  
Fax 269-966-3022  
jlance@KreisEnderle.com

Note: This correspondence is inadmissible pursuant to MRE 408

December 1, 2009

Michigan Department of Attorney General  
Consumer Protection Division  
PO Box 30213  
Lansing, Michigan 48909

Sent via Post and email: 'cp\_email2@michigan.gov'

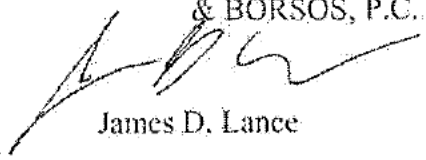
Re: [REDACTED] & [REDACTED] v Narconon Stone Hawk/Freedom Center ("Freedom Center")  
AG No.: 2009-cp01281620449-A

To Whom It May Concern:

The purpose of this letter is to provide you with a response to the above captioned complaint as well as your letter dated November 6, 2009, regarding the same. No progress has been made and we have not heard from the plaintiffs.

Sincerely,

KREIS, ENDERLE, HUDGINS  
& BORSOS, P.C.



James D. Lance

Cc: Freedom Center

**Perrin, Margaret (AG)**

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**From:** [REDACTED] <[REDACTED]@yahoo.com>  
**Sent:** Monday, December 21, 2009 7:48 PM  
**To:** jlance@KreisEnderle.com  
**Cc:** CP\_Email2  
**Subject:** [REDACTED] vs Narconon Stonk Hawk/Freedom Center

Dec. 21, 2009

Dear Mr. Lance,

I have tried to reach you on numerous occasions and left you many messages for you to please return my calls. Starting 12/16/09.

According to the correspondence I received in August from Michigan's Attorney General's office, your letter to them clearly stated an anticipated offer of settlement would be made by the end of the month. The month being July 09. Here it is Dec. 09 and still no \$18,500.00 and no success in getting you to take a phone call from me or my husband. All I want is my \$18,500.00 back from Narconon. Since you do not have the time to take or return my calls would you Please correspond to me thru an email?

Thank You for your time.

[REDACTED]

**Perrin, Margaret (AG)**

---

**From:** [REDACTED] <[REDACTED]@yahoo.com>  
**Sent:** Friday, January 15, 2010 8:29 AM  
**To:** CP\_Email2  
**Subject:** Fw: [REDACTED] vs Narconon Stonk Hawk/Freedom Center

Beth,

This is the where we are on the [REDACTED]  
vs Narconon Stone Hawk/Freedom Center  
I keep trying to reach you by phone but can never get thru.

Thanks  
[REDACTED]

----- Forwarded Message -----

**From:** [REDACTED] <[REDACTED]@yahoo.com>  
**To:** Jim Lance <jlance@KreisEnderle.com>  
**Sent:** Fri, January 15, 2010 7:23:42 AM  
**Subject:** Re: [REDACTED] vs Narconon Stonk Hawk/Freedom Center

January 14, 2010

Dear Mr. Lance,

As you say, there are 3 sides to every story and I feel the offer of \$6500.00 is unacceptable. Remember I had ALREADY paid \$15,000.00 prior to this \$18,500.00

Yes, at first, I had only demanded \$15,000 in return because I was trying to be "fair" and pay for what I agreed to, then I was faced with the difficulty of your client being able to be contacted. Therefore, I took it upon myself to do further investigation and for all the time, advice, and valuable information I obtained has led me to believe that I am entitled to the full refund of \$18,500.00.

One of the many verbal agreements from Purr Wixstrom was that my [REDACTED] would stay and complete the 6 month to a year program. Purr GUARANTEED me this time and time again. He made mention time and time again that [REDACTED] had signed a contract with him and would stay til completion and would be employed by them and that she would pay me back every cent. [REDACTED] probably would have stayed and completed the program. However, after suffering night after night of severe [REDACTED] and she was told time and time again by the "so called" medical staff it was "normal" she finally realized it could NOT be normal.....she got the night watchman to take her to a "hospital" emergency room. There she learned she was [REDACTED]. So where was the so called doctor on staff? Better yet where was the [REDACTED] that had been run for \$3500.00 just a week or so before? And this gives Narconon Stone Hawk the right to not admit to any liability? Where are my rights promised to me

? ...OH, they had the best of the best of everything. So you tell me, how can they dispute a [REDACTED]? Narconon Stone Hawk needs to be held accountable!!! How do I know she was even tested or were we lied to just to keep her past the 30 day mark. If this is what they want then we can let a jury decide, but I am almost certain NO one would want to send their [REDACTED] to a place that promises all these "wonderful amenities" and screws up to this magnitude. Why should I be responsibility for their stupidity or greediness whatever you choose to call it? And how could you expect anyone to want to stay in a place where every "ounce of trust" has been filled with absorbent amounts of [REDACTED] and baked in sauna day after day harming your [REDACTED] [REDACTED] I would like for you to address that in my next letter of correspondence.

As far as the forged Visa I think you were misled. When I disputed the Visa charged of \$18,500 Narconon supplied Visa with a forged contract, not the one I signed that stated that the money was not due until the 30th day of stay and there was a full medical staff etc.... I bet they also failed to mention the extra \$800.00 they tacked on without my consent that was disputed and credited to my account later.

Now, it looks as if there is a \$12,000.00 difference is our settlement demand and your offer. I will be willing to split the difference with them and not a penny less!!! Giving a new demand of \$12,500. But if they choose we can go to court, I'm sure we can get fair treatment in Federal Court in Michigan. I'm very sure a jury would see this issue my way and your client would spend alot more in time and money in the defense of this matter than my counter demand.

Please contact your client and let me know so I can proceed accordingly.

Thank you

[REDACTED]

---

**From:** Jim Lance <jlance@KreisEnderle.com>  
**To:** [REDACTED] <[REDACTED]@yahoo.com>  
**Sent:** Mon, January 11, 2010 9:16:21 AM  
**Subject:** [REDACTED] vs Narconon Stonk Hawk/Freedom Center

[REDACTED]

---

**From:** Jim Lance <jlance@KreisEnderle.com>  
**To:** [REDACTED] <[REDACTED]@yahoo.com>  
**Sent:** Mon, January 11, 2010 9:16:21 AM  
**Subject:** [REDACTED] vs Narconon Stonk Hawk/Freedom Center

█  
Please see attached letter.

Jim

James D. Lance  
Kreis, Enderle, Hudgins & Borsos, PC

[jlance@KreisEnderle.com](mailto:jlance@KreisEnderle.com)  
[www.KreisEnderle.com](http://www.KreisEnderle.com)

Battle Creek Office:  
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Direct (269) 441-4522  
fax: (269) 966-3022

Lansing Office:  
One Michigan Avenue Building  
120 North Washington Square, Suite 805  
Lansing , MI 48933  
Ph: (517) 316-9000  
fax: (517) 482-9006

This e-mail may contain confidential or privileged information. If you are not the intended recipient, please advise sender by return e-mail and immediately delete this e-mail without reading or forwarding to others.

NOTICE TO PERSONS SUBJECT TO UNITED STATES TAXATION DISCLOSURE UNDER TREASURY CIRCULAR 230: The United States Federal tax advice, if any, contained in this document and its attachments may not be used or referred to in the promoting, marketing, or recommending of any entity, investment plan, or arrangement, nor is such advice intended or written to be used, and may not be used, by a taxpayer for the purpose of avoiding federal tax penalties. Advice that complies with Treasury Circular 230 "covered opinion" requirements (and, thus, may be relied on to avoid tax penalties) may be obtained by contacting the author of this document.

**Perrin, Margaret (AG)**

---

**From:** [REDACTED] <[REDACTED]@yahoo.com>  
**Sent:** Friday, February 12, 2010 10:29 PM  
**To:** jlance@KreisEnderle.com  
**Cc:** CP\_Email2  
**Subject:** Counter Offer from 2/1/10

February 12, 2010

Dear Mr. Lance,

I am checking on the status of my counter offer. In the past, you had responded in such a timely fashion that I wanted to check and make sure you received my last offer.. The counter offer of \$11,225 was sent to you February 1, 2010.

I was recently contacted by the Michigan Attorney General's office wanting to know if this case had been settled. I told them I was waiting on a response from my counter offer. I would let them know as soon as I knew something.

Please let me know that you received this and if your client is willing to accept this offer.

Thank you

[REDACTED]

ltr\_to\_[REDACTED].PDF (10KB)

Click [here](#) to report this email as spam.

Please Note:

The information in this E-mail message, and any files transmitted with it, is confidential and may be legally privileged. It is intended only for the use of the individual(s) named above. If you are the intended recipient, be aware that your use of any confidential or personal information may be restricted by state and federal privacy

laws. If you, the reader of this message, are not the intended recipient, you are hereby notified that you should not further disseminate, distribute, or forward this E-mail message. If you have received this E-mail in error, please notify the sender and delete the material from any computer. Thank you.

**Perrin, Margaret (AG)**

---

**From:** [REDACTED] <[REDACTED]@yahoo.com>  
**Sent:** Monday, February 22, 2010 11:43 AM  
**To:** CP\_Email2  
**Subject:** Fw: Counter Offer from 2/1/10

----- Forwarded Message -----

**From:** [REDACTED] <[REDACTED]@yahoo.com>  
**To:** jlance@KreisEnderle.com  
**Sent:** Mon, February 22, 2010 10:15:37 AM  
**Subject:** Re: Counter Offer from 2/1/10

Dear Mr. Lance,

I agree on the dollar figure of \$10,000.00 but ask that it be paid in one lump sum. I don't think that is too much to ask because Narconon requires you pay in one lump sum. I also will request a cashiers check be made to me. ( [REDACTED]

[REDACTED] Please send me the agreement that you would like for me to read and sign. If agreeable to these terms Please forward the release/settlement documents.

Thank You

[REDACTED]

---

**From:** Jim Lance <jlance@KreisEnderle.com>  
**To:** [REDACTED] <[REDACTED]@yahoo.com>  
**Sent:** Thu, February 18, 2010 9:09:15 AM  
**Subject:** RE: Counter Offer from 2/1/10

Please see attached.

---

**From:** [REDACTED] [mailto:[REDACTED]@yahoo.com]  
**Sent:** Friday, February 12, 2010 10:29 PM  
**To:** Jim Lance  
**Cc:** cp\_email2@michigan.gov  
**Subject:** Counter Offer from 2/1/10

February 12, 2010

Dear Mr. Lance,



I am checking on the status of my counter offer. In the past, you had responded in such a timely fashion that I wanted to check and make sure you received my last offer.. The counter offer of \$11,225 was sent to you February 1, 2010.

I was recently contacted by the Michigan Attorney General's office wanting to know if this case had been settled. I told them I was waiting on a response from my counter offer. I would let them know as soon as I knew something.

Please let me know that you received this and if your client is willing to accept this offer.

Thank you

██████████

ltr\_to\_██████████.PDF (10KB)

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|

Click [here](#) to report this email as spam.

Please Note:

The information in this E-mail message, and any files transmitted with it, is confidential and may be legally privileged. It is intended only for the use of the individual(s) named above. If you are the intended recipient, be aware that your use of any confidential or personal information may be restricted by state and federal privacy laws. If you, the reader of this message, are not the intended recipient, you are hereby notified that you should not further disseminate, distribute, or forward this E-mail message. If you have received this E-mail in error, please notify the sender and delete the material from any computer. Thank you.

DEPT. OF ATTORNEY GENERAL  
RECEIVED

MAR 05 2010

CONSUMER PROTECTION  
DIVISION

Feb. 28<sup>th</sup>, 2010  
Better Business Bureau of Michigan

To Whom It May Concern:

This letter is to let you know that Narconon Stone Hawk/ Freedom Center and I have come to a livable Settlement on February 28, 2010.

I reported Narconon to your agency on or about 9/2/08. File number [REDACTED]

As part of the settlement I was to let you know that we have resolved this issue.

Thank You  
[REDACTED]

RECEIVED  
MAR 08 2010  
LANSING

Kreis  
Enderle  
Hudgins  
& Borsos

A Professional Corporation  
Attorneys at Law  
One West Michigan Avenue  
Battle Creek, MI 49017  
269-966-3000  
Fax 269-966-3022  
jlance@kreisenderle.com

James D. Lance  
Direct Dial 269-441-4522

March 5, 2010

Note: This correspondence is inadmissible pursuant to MRE 408

Michigan Department of Attorney General  
Consumer Protection Division  
PO Box 30213  
Lansing, Michigan 48909

Sent via Post  
and email: 'cp\_email2@michigan.gov'

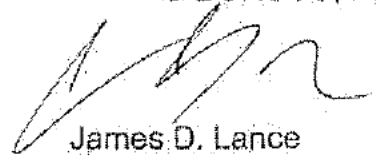
Re: [REDACTED] & [REDACTED] v Narconon Stone Hawk/Freedom Center  
("Freedom Center")  
AG No.: 2009-cp01281620449-A

To Whom It May Concern:

The purpose of this letter is to provide you with a response to the above captioned complaint as well as your letter dated March 1, 2010, regarding the same. Please be advised that the parties have settled this matter.

Sincerely,

KREIS, ENDERLE, HUDGINS  
& BORSOS, P.C.



James D. Lance

JDL/kef

**Perrin, Margaret (AG)**

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**From:** [REDACTED] <[REDACTED]@yahoo.com>  
**Sent:** Tuesday, May 11, 2010 10:17 PM  
**To:** CP\_Email2  
**Cc:** jlance@KreisEnderle.com  
**Subject:** [REDACTED] vs Narconon

Beth,  
Just a quick little note to let you know that Narconon (Jim Lance) has paid me the \$10,000 in full as of May 8th, 2010.

Thank You,  
[REDACTED]

[REDACTED]  
Ann Arbor, MI 48104

July 17, 2007

Attorney General's Office  
Consumer Protection Division  
RE: AG# 200709365 Narconon Stone Hawk

To Whom It May Concern:

Attached are copies of correspondence with the drug treatment facility that my son was in from February 16, 2007 until March 21, 2007. He was supposed to be there for four to six months. I had to pay over \$3000 per week, as they will not refund any of my money. In fact, they have not even paid me the courtesy of responding to my letters except to send back the certified mail postcard.

I am also enclosing the "contract" that we signed. If nothing else, I think their practice of not telling us that it is a no refund program until we got there is unethical. They take advantage of people who are desperate to get help for their loved ones and then throw this contract at us that has us agree to no refund and to never suing them or for paying their legal fees if we do sue them. How ethical is that? They wouldn't let me see beyond the front lobby so how was I to know what awaited my son behind closed doors?

In addition to violating my son's privacy (for which he has filed a complaint with the Office of Civil Rights), I believe they violated our trust in two ways:

- 1) They misled us by claiming that the facility had no connection to Scientology. Since my son enrolled there, they now have a blog, which does better explain the connection. Had I had access to that prior to taking Larry to Battle Creek, I probably would have searched for a different facility.
- 2) They violated the contract by either hiring people who were untrustworthy or by having lax security measures regarding confidential information. I believe that protecting a patient's privacy is implied in any contract signed with a substance abuse facility. They violated that responsibility to protect my son's privacy.

In short, I believe that they advertise their program with smoke and mirrors. They prey on vulnerable and desperate people. I am not alone in my concerns about this business. As a consumer, I believe that I was misled or even lied to about the program. I believe that I was taken advantage of and "forced" out of sheer desperation to sign a contract that gives me no rights. I would like you to investigate them and ultimately, I would like to get my money back from this so-called business. I will also be contacting the appropriate agency in Michigan responsible for licensing substance abuse treatment programs.

My son is still in desperate need of help. He has no insurance and I borrowed to my limits in order to send him to Narconon Stone Hawk. I am still paying that debt. Were the money refunded, I would be able to send Larry to another program, which is critical to his survival and functioning.

Ann Arbor, MI 48104

April 9, 2007\*

Mr. Jai Ehler  
Director, Narconon Stonehawk  
216 St. Mary's Lake Road  
Battle Creek, Michigan

Dear Jai:

It is with very mixed emotions that I write asking for a full refund. Larry was doing so well in your program until his medical/intake records were stolen and revealed. Under the circumstances, we have decided to try another program. He feels that he can't successfully complete your program without constantly looking over his shoulder wondering who knows what. He also feels that the fact that [REDACTED] is still there is simply an incident waiting to happen. He feels betrayed by you and Kate Wickstrom in that you promised to get rid of all involved and did not.

As you probably know, the information contained in [REDACTED] records is highly sensitive – not only in an official sense but in a personal sense in terms of what he has or has not divulged to people in his life. He has yet to come to terms with it and it is obviously one of the main sources of his anger and addictions. Knowing that anyone within the program may know that information is devastating to him. Not knowing who knows what makes it even worse. Even if you were to dismiss [REDACTED], [REDACTED] has no way of knowing who else has been told.

In addition, I feel as though I was lied to and that we entered the program under false pretenses. We specifically called Derek Jordan a week before I brought [REDACTED] to your facility to ask if Narconon Stonehawk was in any way affiliated with Scientology. He assured us that it was not. In fact, he said Stonehawk was "the only facility that wasn't." Then I come to find out that L. Ron Hubbard's picture is hanging all over the place and that he wrote every single part of the curriculum. Derek said the only thing you used was Hubbard's "technology" of the New Life Detox program. Then I find out that Hubbard wrote ALL the books used by the students in Narconon! I don't know much about Scientology except for Tom Cruise's erratic behavior, but I do know that we entered [REDACTED] into the program under false pretenses. The fact that your program is permeated with the writings and teachings of L. Ron Hubbard and that you deny a connection to Scientology, makes me very uncomfortable! I don't know a lot about this kind of thing, but I have been told that I can file for a violation of the Consumer Protection Act. I understand that I can refer this to the Attorney General's office and get attorney fees paid.

So, these being our reasons, I am requesting a full refund. I have been in touch with attorneys and know that [REDACTED] can file a complaint with the Office of Civil Rights and that he has recourse to recoup costs plus damages for violation of his privacy. I know that I can file a complaint of violation of the Consumer Protection Act and all that entails. We

know this would take time and as we agree that [REDACTED] needs to continue treatment, we would prefer an immediate refund in order to pay for another program. In return, we would both promise to not seek legal damages nor to file a complaint with either the Office of Civil Rights or the State Attorney General against Narconon Stonehawk. If we do not receive a full refund, I guarantee that I will pursue every possible action.

Although I am just a simple teacher, I am not without connections and resources. My [REDACTED] was a U.S. Senator from Michigan and Chairman of the Board of Detroit Edison. My [REDACTED] are or have been trustees/regents at Albion College and the University of Michigan. Two [REDACTED] and three [REDACTED] and multiple [REDACTED] are attorneys in Michigan. One [REDACTED] currently works for Jennifer Granholm. That particular [REDACTED] also worked for Granholm in her office when she was Attorney General of Michigan as well as for Frank Kelley when he was Attorney General. I have relatives who are or have been prosecutors and judges. We own businesses and have been integral to various civic projects for decades. I have friends in the State Legislature, some of whose children I have taught. Although I have been reluctant to ask my family for financial help, in this situation since I was the one who paid the money, they would support me with no holds barred. I promise you that there is nothing they do better than coming to the assistance of a family member who has been wronged.

That being said, in an attempt to keep this civil and to do what is ethically right and in the interest of time, I would simply like you to send me a check for \$14,100 and we will sign whatever you want us to sign. If necessary, we will meet with you in a neutral location and sign whatever waivers you would like when you hand me the check.

As time is of the essence, I expect to hear from you within a week of your receipt of this letter or we will find it necessary to take action. Thank you.

Sincerely,

[REDACTED]

Cc: Kate Wickstrom  
Tom Blaske

\* This letter has been delayed in order to research this matter to include the most valid information without contacting regulatory offices. 4/21/07

[REDACTED]  
Ann Arbor, MI 48104

Dear Jai:

7/15/07

Well, school is finally out and I now have time to follow up on my previous letter. Yes, sometimes I truly regret allowing [REDACTED] to leave your facility, but we both know your staff was responsible in causing that to happen. And, that doesn't diminish his need for further treatment. He is [REDACTED] and without financial resources I can't get him the help he so desperately needs.

Do you have no sense of doing what is right? I paid you for what was supposed to be a 4-6 month program and he was only there about 5 weeks. Surely you can see your way clear to at least refund part of my money on a pro-rated basis. I have been through hell for a year now and I need some relief. He is willing to get further treatment but we can't afford it. Please, please, please couldn't you at least consider it?

It is not in my nature to be mean, yet I am feeling at the end of my rope. I may have to file for bankruptcy due to your refusal to refund money for services not rendered. I know that you or Narconon International retain attorneys so a legal battle would only hurt me and my family. They will support me but I prefer to avoid that - it's not their battle. Clearly, an implied condition of our contract with you was that you would protect [REDACTED] privacy. You or people that you supervise violated that condition.

Perhaps my best recourse is the media. In addition, the Better Business Bureau and whoever grants licenses in the State of Michigan would be free resources to me. But most appealing are the local news stations. They might be very interested in [REDACTED] experience when he was told that his records were read and he was told about it in a way that let him know they would use the information if he did not comply with whatever was requested of him. At the very least, it would be negative publicity and draw more unwanted attention to Narconon Stonehawk. Vince Daniels, of course, is another avenue I might pursue. [REDACTED] would like to bring in a camera crew to expose the horrible living conditions that people pay so much money for.

I also would like to know why you denied a connection to Scientology? If you believe in it and if you think it might work for people like [REDACTED] why aren't you proud of it? Why pretend that it doesn't have a huge influence on the Narconon program? It seems to me that if you are as successful as you claim that it would be positive PR for Scientology. I will never understand why Derek Jordan so flatly denied any affiliation with Scientology when your own blog now, since we enrolled [REDACTED] is quite open about a connection. Had I been given that same information, I would have felt that you had been honest and open with me and I probably would have looked for another program. As it stands, your refusal to even respond to my letter indicates bad faith and will not come off well in the media.

I don't expect to hear a response from you as you didn't give me the courtesy of responding to my last letter. Nevertheless I wanted you to know that I have not gone away and don't intend to. However, if you could find it in your heart, I would appreciate some sort of acknowledgement and, of course, a check.

Sincerely

[REDACTED]



[REDACTED]  
*Ann Arbor, MI 48104*

July 17, 2007

Jai Ehlert and Kate Wickstrom  
216 St. Mary's Lake Road  
Battle Creek, Michigan 49017

Dear Jai and Kate:

I am not going away. I want my money back! What you are doing is unconscionable! It is your fault, not mine that [REDACTED] had to leave the program. You are responsible for his medical records having been read and then lorded over him by the thugs that work for you. He felt like he was being [REDACTED] by the custodian and that the information was used for intimidation purposes by the security guards.

YOU violated our contract, not us. Your hirelings at your facility breached [REDACTED] privacy and not only read his records but let it be known that they'd read his records. If it hadn't been for that he would probably be graduating by now.

Shame on you. Shame on everyone. All I did out of sheer desperation is try to put my [REDACTED] into the best possible program and your people ruined it. He was doing great prior to that, right?

I have contacted the news media. We have filed a complaint with the Attorney General's Office and the Office of Civil Rights. I am in the process of filing a complaint with the state license division for substance abuse programs. I can withdraw any and all of these if you will just refund my money.


[REDACTED] is a very sick man. He is not only an [REDACTED] but is also [REDACTED]. He is [REDACTED] and if I can't get him some serious help very soon, his death will be on your hands. Please, please, PLEASE send me back my money. I will await your reply.

Sincerely,

[REDACTED]

**NARCONON ® STONE HAWK  
REHABILITATION CENTER**

**ENROLLMENT AGREEMENT**

TO: 

PHONE: \_\_\_\_\_

FAX: \_\_\_\_\_

DATE: 2.16.07 TIME: 1:50 pm

FROM: Ramsy Darwish  
Narconon Stone Hawk Representative

You have contacted Narconon Stone Hawk in regard to enrollment into the program, either for yourself or another. Below are the financial arrangements you are agreeing to. Please complete the information after reading this agreement and fax back to us at 269.963.2847.

Should you have any questions, please feel free to contact us at 800.420.3147.

Initial 

**SERVICES PROVIDED:**

THESE SERVICES WERE WRITTEN AND DEVELOPED BY FOUNDER WILLIAM BENÍTEZ & AUTHOR/HUMANITARIAN L. RON HUBBARD

Services provided include, but are not limited to the following:

DRUG FREE WITHDRAWAL COMMUNICATIONS COURSE

THE NEW LIFE DETOXIFICATION PROGRAM

THE LEARNING IMPROVEMENT COURSE

COMMUNICATION AND PERCEPTION COURSE

UPS AND DOWNS IN LIFE COURSE

PERSONAL VALUES AND INTEGRITY COURSE

THE WAY TO HAPPINESS COURSE

We also provide, along with this, many other services as needed depending on the individual. These services include but are not limited to intake counseling, IQ testing, personality testing, family counseling services, individualized ethics programs, various medical services including 24 hour nursing staff available, room and board, etc. Most of these services are included in the price of the program, but there are extra services.

**FEE SCHEDULE:** A person enrolling into the program ("Student"), or any Responsible Party, Conservator or Guardian (referred to herein collectively as "Responsible Party") who shall sign this agreement as a third-party beneficiary, is primarily responsible for payment of any and all of the Narconon program fees and related charges, and must make full and satisfactory payment arrangements with Narconon Stone Hawk prior to entry. All payments are nonrefundable except at the sole discretion of the Narconon Stone Hawk Executive Council.

Payment for the standard Narconon program as described in the program description must be made by one of the following methods:

1. Cash. A payment in full of \$27,900.00 (Twenty-seven thousand nine hundred dollars) is due prior to or upon arrival.
2. Terms. Any payment that is not paid in full at the time of enrollment shall be due and paid as follows: \$15,000.00 prior to or upon arrival and a balance of \$15,000.00 within 30 days of arrival. *Failure to pay the balance in full within 30 days of arrival will result in immediate discharge of the applicant (student) from the program with no refund of any monies paid.*
3. Certified funds (cashier's check or money order). Personal checks, if accepted, will be verified for sufficient funds.
4. Credit card payment. An administrative fee of 3 % will be charged.
5. Extra charges for withdrawal may apply.

A person may have medical insurance which may pay all or some of the program fees. It is the policy of Narconon Stone Hawk that we do not accept insurance as payment, but will assist the student and/or family upon completion of the Narconon program in submitting necessary information to the insurance company for reimbursement. The Student and Responsible Party must call the insurance company (if any) and pre-certify the student before his/her arrival at Stone Hawk. The Student and Responsible party also understands without any doubt or reservation that there is no guarantee they will receive any reimbursement from the insurance company and understands that your insurance company's rejection does not alter or modify your obligation to Narconon. This must be requested of your insurance company in writing within two days of execution of this enrollment agreement. The Student, guardian, conservator or Responsible Party, who shall also sign this Agreement, shall remain the primary party responsible for full payment of all fees associated with the individual's stay with Narconon Stone Hawk.

A person entering into the program may appoint a guardian, conservator, or other Responsible

Party to assist in paying the fees and charges incurred during participation in the program. A guardian/conservator/responsible party can be a parent or other relative, friend, or merely a person or organization interested in the individual's welfare. To the extent that a guardian or conservator has been appointed to represent the interest of the participant, then the guardian/conservator or Responsible Party shall be required to read, understand and sign a copy of the underlying Enrollment Agreement. It must be understood that a person enrolling in the program and the guardian/conservator or Responsible Party are jointly and severally liable for payment of the fees and charges arising under the Enrollment Agreement.

By signing this Enrollment Agreement, it is understood that Narconon Stone Hawk provides a highly successful program to those entering. However, each individual's success depends upon and is based on the individual and their investment and involvement with the program and services provided. A person's success is his own and there are no guarantees, although every opportunity is awarded an individual for his/her success.

#### NO-REFUND POLICY:

I (we) understand that Narconon Stone Hawk customizes each individual student's program for that individual student's entire term and reserves a place for the student in the program. Consequently, the expenses of the program and facilities are largely budgeted well in advance. I (we) agree that my (our) obligation to pay the program fees, related charges and other fees for the full term of the program is absolute and unconditional and is in no way affected or excused by the absence, withdrawal, discharge or suspension of the applicant (student) for any reason, unless otherwise stated herein. There are NO REFUNDS except those granted at the sole discretion of the Narconon Stone Hawk Executive Council.

Student and Responsible Party understands and acknowledges that they are bound by the terms and conditions of this No-Refund Policy and the other provisions of this Agreement. Responsible Party further agrees and acknowledges that he/she has a personal relationship with enrolling Student the characteristics of which result in Responsible Party's desire for Student to participate in the program. Responsible Party affirms and agrees that he/she is receiving a direct benefit to him/herself as a result of Student's participation in the Program, which benefit constitutes good and valuable consideration for the commitments made by Responsible Party hereunder.

Student and Responsible Party agree and acknowledge that in the event either or both brings legal action to seek a refund for amounts paid under this agreement, Student or Responsible Party shall pay all actual attorney fees incurred by Narconon. *Notice is hereby given to Applicant that this provision shall act as an Affirmative Defense and/or basis for Summary Proceedings in any suit for any attempt in recovery of a refund of payment made to Provider.*

#### ADDITIONAL FEES:

As a person withdraws from the use of drugs and alcohol, physical ailments that have been hidden from the use of drugs or alcohol, may surface and present a problem with an individual during his/her program. The cost for services to correct these issues is above and beyond the cost of the Narconon program. Such additional costs may include dental work, x-rays, hospitalization, prescriptions, etc. We request an additional \$500.00 be placed on deposit to cover these costs. Monies not used from this separate deposit, will be refunded upon completion of the program. In the event these additional medical expenses exceeds that on deposit for this purpose, Student and Responsible Party accept responsibility for any additional costs or expenses for said medical or dental care.

Student and Responsible Party agree and acknowledge that in the event either or both brings a legal action against Narconon Stone Hawk under this agreement, enrollee or responsible party shall, as the non-prevailing party, pay all actual expenses incurred therefore, including actual attorney fees, court costs and other related expenses incurred by Narconon Stone Hawk.

**DEPOSIT OF VALUABLES:**

Narconon shall not be responsible for any money, valuables, or personal effects which you bring onto the Narconon campus. Certain items may be delivered to a Narconon Security Officer for safekeeping and the items are received and documented in writing. It is your responsibility to ensure that you get a receipt.

**STUDENT ACCOUNTS:**

Throughout a person's program, they will be in need of personal items not supplied by the center these items may include: shampoo, female hygiene items, cigarettes, phone cards, etc. It is important that a student have money available in their account for such items. It is against policy to loan a student money or to transfer money from another's account to theirs. They will not be allowed credit on their account. It is the responsibility of the Student and/or his/her Responsible Party to assure money on account for this purpose. Any credit card charge for student accounts will incur a 10% administrative fee.

**LOYALTY, RESPECT AND CONFIDENTIALITY**

Student and Responsible Party understand and agree that, during the course of the Program, Student will learn obtain confidential information about other students and staff members, including information about their private lives, their personal histories, and their familial situations. Student agrees and acknowledges that such information is to be treated with the utmost confidentiality and shall not be used or disclosed to any third party. Student and Responsible Party further agree they shall not, during or following Student's departure from the program, whether successfully or unsuccessfully, disparage or otherwise denigrate the Program, Narconon, its staff or fellow students to anyone.

**STUDENT RULES OF CONDUCT:** Except as otherwise stated herein, you, both the Student and the Responsible Party, have been provided with a current copy of the Student Rules of Conduct. These have been explained to you and by signing them you have acknowledged that you understand all of these rules and agree Student will be required to abide by them. Breaking of these rules can result in immediate discharge or suspension and eviction from the program.

I, [redacted] understand that breaking the Student Rules of Conduct may result in my immediate discharge, suspension and/or eviction from the program and no refund will be given.

Signature [redacted]

**DISCHARGE OR SUSPENSION FROM THE PROGRAM:**

You may at your request, be discharged from the program at any time. In addition, you may be discharged or suspended from the program at the sole discretion of Narconon Stone Hawk, under any of the following circumstances:

1. If you breach any of the terms of this Agreement;
2. If you breach any of the Student Rules of Conduct;
3. If you engage in activities reasonably determined by Narconon to be harmful to yourself, other participants in the program, persons residing in or visiting residences neighboring the Center, or staff;

4. If you make any warranties or representations in this Agreement which are materially false or incorrect in any respect.

In the event that you are suspended from or otherwise leave the program, you may reapply for readmission under certain specified criteria. Readmission will depend upon the following: 1) meeting the established criteria; 2) reapplying and completing an amendment to the Enrollment Agreement; and 3) having your requests for readmission approved by the Narconon Stone Hawk Executive Council.

If you are discharged or suspended from the program, your status as a student will cease immediately and Narconon will no longer have any responsibility for your welfare or safety (you are an adult). You understand that if you are discharged or suspended, that you waive the confidentiality of your ethics file and we will contact the appropriate parties. You also understand that if you are involved with the court and judicial system and being here is part of your probation or sentence, we will notify the appropriate parties, courts, probation or legal system of your discharge, suspension or withdrawal from the program.

#### LEAVE OF ABSENCE:

It is our policy that leaves of absence from the program will not be allowed for students except under extreme emergency circumstances. A student granted a leave must sign a Leave of Absence form. A person will be allowed a leave of absence only for reasons of either: 1) a verified family emergency; or 2) a verified court hearing which cannot be postponed or rescheduled. The above will be at the discretion of Narconon Stone Hawk.

#### RE-ENTRY FEES:

A person returning from a leave of absence, a discharge or suspension must sign a waiver which places responsibility on you for any additional costs incurred in the event there is a relapse while you are away from the program. Prior to reentry, the individual will be subject to urinalysis and/or breathalyzer and be interviewed by the ethics section to gain acceptance and re-admission.

Cost of re-entry will include the cost of the subsequent withdrawal you require and any other part of the program that must be redone. Any re-entering student must complete at least 24 hours of withdrawal. Withdrawal carries a minimum fee of \$1,050.00 per day. Any re-entering student will also be required to complete one ethics cycle at a cost of \$1,500.00 (minimum charge) if the student tests positive for drugs and/or alcohol, the minimum cost is \$3,500.00 but can be higher.

#### ENTIRE AGREEMENT:

This Agreement expresses the entire agreement and understanding between the parties to this agreement. Except as expressly stated herein, there are no other representations, warranties, covenants or undertakings, written or oral, prior to or contemporaneous to the execution of this Agreement between the parties related to the subject matter of this Agreement. This Agreement can only be amended, supplemented or changed by a written instrument signed by all the parties.

#### SIGNATURES

Student and Responsible Party/Conservator/Guardian agree that they may be signing by facsimile and affirm and warrant that their signature, including by facsimile is as valid and enforceable as an original signature.

**NON-ASSIGNABILITY:**

Student's and Responsible Party's rights and obligations under this agreement may not be assigned or transferred.

**APPLICABLE LAW AND FORUM:**

This agreement shall be governed by and construed in accordance with the laws of the State of Michigan. Any action arising from a dispute between the parties arising from or related to the subject matter of this Agreement shall be brought in Calhoun County, Michigan. Narconon Stone Hawk Rehabilitation Center, as prevailing party in any litigation arising from or related to the subject matter of this Agreement shall be entitled to recover its actual court costs and reasonable attorney fees.

*In the event that any provision in this Agreement is found unenforceable and invalid, the finding will not invalidate the entire Agreement, but only the subject provision.*

**STUDENT:**

By:

[Redacted Signature]

Date:

2-26-07

Address:

[Redacted Address]

*Mich*

Phone:

[Redacted Phone]

Birthdate:

[Redacted Birthdate]

Social Security Number:

[Redacted Social Security Number]

**GUARDIAN / CONSERVATOR / RESPONSIBLE PARTY:**

Address:

[Redacted Address]

*MI 48104*

By:

[Redacted Signature]

Phone:

[Redacted Phone]

Birthdate:

[Redacted Birthdate]

Social Security Number:

[Redacted Social Security Number]

**NARCONON STONE HAWK REPRESENTATIVE:**

By:

*Randy Davis*

Date:

2-16-07

Feb 16 2007 2:17PM

Narconon Stonehawk

269-963-2846

p. 1

CONTRACT FOR PAYMENT

This contract (hereinafter referred to as the "Contract") is hereby executed on February 16<sup>th</sup>, 20 07 by and between Narconon Stone Hawk Rehabilitation Center ("Treatment Provider") whose address is 216 St. Mary's Lake Road, Battle Creek, Michigan, 49017 ("Resident") whose address is NOW THEREFORE, in consideration of the following, the parties hereto agree as following: The Treatment Provider agrees to provide detoxification services to the Resident. (The Resident acknowledges that he/she received a copy of the detoxification services, some of which are incorporated in this Contract by express reference.) In exchange for these detoxification services, the Resident agrees to pay

the total sum of \$ 15,000<sup>00</sup> <sup>TR</sup> Same amount is due as follows: \$ 13,000<sup>00</sup> is due upon execution of this Contract; the remaining amount of \$ 2,000<sup>00</sup> is due within 30 days after the execution of this contract. The Resident specifically acknowledges and agrees that his/her failure to pay the remaining amount of \$ 2,000<sup>00</sup> as outlined above, shall result in an additional 10% administrative fee that shall be added to the remaining balance of \$ 2,000 and an additional monthly finance charge of 18.5% that shall be added to the remaining balance of \$ 2,000<sup>00</sup>. The Resident understands and specifically agrees that paying the total SUM of \$ 2,000<sup>00</sup> is an express condition to the admission of the Resident to and the retention of the Resident in the Treatment Center. The Resident understands and specifically agrees that if the Treatment Center becomes a party to any legal proceeding related to this Contract, the Resident shall pay the Treatment Center its attorneys fees and all other costs in connection therewith. This Contract shall be deemed to be a Contract under, and shall be governed by and construed in accordance with the Internal laws of the State of Michigan (exclusive of any conflict of law provision of any jurisdiction), any claim shall be settled in Calhoun County Courts in Battle Creek, MI.

In the event that any provision in this Contract shall be determined to be invalid, illegal or otherwise unenforceable, the remaining provision(s) of this Contract shall not be affected, and the illegal, invalid or unenforceable provision(s) shall be separated from this Contract and there shall be added another provision(s) that is/are similar in term(s) and intent to the separated provision(s) in order that the same provision(s) be made legal, valid and/or enforceable. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Any waiver, amendment, modification or supplement of or to any term or condition of this Agreement shall be effective only if in writing and signed by all parties hereto, and the parties hereto waive the right to amend the provisions of this Section orally. The article headings contained in this Contract are for reference purposes only, and are not part of this Contract and shall not effect the meaning or the interpretation of this Contract. The signer understands and agrees that this is a non-refundable program

Resident-

Payee

(sig

(signature)

Print:

Print:

Witness

Social Security #  
Birthdate





## Stone Hawk Rehabilitation Center

216 St. Mary's Lake Road, Battle Creek, MI 49017  
(269) 969-9773 • Fax (269) 969-9759 • www.narcononstonehawk.com  
For immediate assistance call 1-800-420-3147

21 March 2007

Re: [REDACTED]

To Whom It May Concern:

My name is Andy Wilson and I am the Ethics Officer at Narconon Stone Hawk Rehabilitation Center in Battle Creek, MI. We are a long-term, private pay, in-patient facility. I am writing on behalf of one of our clients, [REDACTED] who has business before you.

We are currently allowing [REDACTED] to go on an approved emergency leave of absence to handle a serious matter regarding his [REDACTED]. It has come to my attention that [REDACTED] will be attempting to [REDACTED]. I am requesting that [REDACTED] be given full consideration in this matter based on his performance, progress, and positive attitude. In his time here, [REDACTED] has been a model student. He has a very high level of responsibility and has on numerous occasions taken time out of his own program to help other students through difficulties of their own. In fact, [REDACTED] is our Student IC. This is a position given to only two students at any given time. It is a position that entails a great deal of responsibility. What this student does is oversee the other students in doing chores, making announcements, orienting new students to the program, and being a major terminal for communicating other students' requests and concerns to the staff. [REDACTED] has done an exemplary job in this position. He has shown an ability to help others, get them back on track, and at the same time maintain good relations even when attempting to handle difficult situations with fellow students.

We are not a 12-step program, but rather a more holistic and educational type facility that treats addiction as a behavioral issue, not a disease. Our program includes extensive communication drills, a body purification program through the use of vitamins, exercise and sauna, and extensive study done in a classroom setting. Typically, our program takes anywhere from 3-6 months depending on the individual. Our entire program, as well as each individual step, is done at the individuals' own pace. Our focus is not on clean time, but rather on each individual truly achieving the purpose of what they are working on so they can apply it to their life. This is exactly the attitude we have sent out of [REDACTED]. We have a roughly 70% success rate, and I have no doubt that [REDACTED] will one day be among that 70%.  
If you have any questions in regards to this matter, please feel free to contact me at any time.

Sincerely,

Andrew Wilson  
Ethics Officer  
Narconon Stone Hawk

RECEIVED

AUG 07 2007

Dept. of Attorney General  
Consumer Protection Division

Kreis  
Enderle  
Callander  
& Hudgins

Michael J. Toth

A Professional Corporation  
Attorneys at Law  
One West Michigan Avenue  
Battle Creek, MI 49617  
269-966-3000  
Fax 269-966-3022  
mtoth@kech.com

August 6, 2007

Mr. Mike Cox, Attorney General  
State of Michigan Department of Attorney General  
P.O. Box 30213  
Lansing, MI 48909

RE: [REDACTED]  
AG No. 200709365  
Web No. cp78va1170n

Dear Mr. Cox:

We serve as general counsel for Narconon Stone Hawk Rehabilitation Center. Our client has asked us to respond to your letter dated July 25, 2007, concerning [REDACTED]. Please be advised that the facts as represented by [REDACTED] in her correspondence to your office are not accurate. Her [REDACTED] was a resident in the inpatient rehabilitation center. First of all, [REDACTED] paid only for a one-half program (\$15,000) for which she only paid \$13,000. All of the paperwork, including the enrollment form, was properly executed by all appropriate parties. Contrary to [REDACTED] representations, her [REDACTED] left the facility on an "emergency leave" in order to address a State of Michigan Circuit Court Family Law Division custody matter involving his [REDACTED]. It remains his choice to return to finish his program. Finally, [REDACTED] has been in direct contact with Narconon Stone Hawk for several months and in April of 2007, she attempted to coerce a payment from Narconon Stone Hawk to her based upon her alleged political connections.

Based upon the information that I have received, Mr. [REDACTED] made terrific strides during his inpatient treatment program and I believe he would be welcome to return in order to finish the program.

In closing, from a legal as well as equitable standpoint, no refund is warranted in this situation. If you require any further information, please contact me directly.

Very truly yours,

KREIS, ENDERLE,  
CALLANDER & HUDGINS, P.C.

Michael J. Toth

MJT:kad

DEPT. OF ATTORNEY GENERAL  
RECEIVED

AUG 28 2007

CONSUMER PROTECTION  
DIVISION

[REDACTED]  
*Ann Arbor, Michigan 48104*

August 24, 2007

Mr. Mike Cox, Attorney General  
State of Michigan Department of Attorney General  
P.O. Box 30213  
Lansing, MI 48909

RE: AG No. 200709365  
Web No. cp78val170n

Dear Mr. Cox:

I appreciate your timely response to my complaint. As for the response given to you by Narconon Stone Hawk's attorneys, I do have information to the contrary. First of all, I paid out of my own pocket \$14,100 to Narconon Stone Hawk and I have the cancelled checks to prove it. (My [REDACTED] gave them his credit card for the last \$900.) So, Mr. Toth's statement about my only paying \$13,000 is false. Secondly, I was told that the money I paid was for the full program and that [REDACTED] was considered a "work study" student. I frankly don't know how that works out, but it still should not cost almost \$3000 per week! At best, someone paying \$30,000 for six months would pay approximately \$1153 per week. If, as Mr. Toth alleges, I paid for only half a program, then my rate should be about the same for half the time. Thirdly, my statement that [REDACTED] left because of the violation of his privacy is absolutely correct, though he did not want any further confrontations with Jai Ehlert so he used an incident that did occur with his [REDACTED] to get the "emergency leave." There was never any date scheduled at that time with the State of Michigan Circuit Court Family Law Division and that can be easily verified. I don't know where Mr. Toth got that idea and I deeply resent Mr. Toth's statement that I lied. I am stunned by his allegation that "the facts represented by [REDACTED] are not accurate," when his own "facts" are easily disputed.

Furthermore, Mr. Toth never responded to my complaint that we were misled and possibly even lied to about Narconon Stone Hawk's connection to Scientology. Had we not been misled, we would not be in the position we are in now. Secondly, he did not respond to my assertion that they violated our "contract" through a lack of care for protecting the confidentiality of one of their patients, which ultimately led to that patient's decision to leave Narconon Stone Hawk. Thirdly, they did not respond to my concerns that we (and others who arrive there) were not informed prior to arrival that it is a no refund program and that we felt we signed the contract under duress as we were both in crisis at the time. I was so at my wit's end that I would have signed any piece of paper they put in front of me. Call it temporary insanity if you will. [REDACTED] my [REDACTED] was/is definitely insane when he is using and he had used \$300 worth of crack cocaine the night before, quitting only hours prior to our arrival in Battle Creek. He'd stolen my car and the \$300 from me. Neither of us had slept. He wanted to get help and I wanted him to get help and by the time we got to Battle Creek, we were so desperate we would have signed anything - which is what we did. To not sign meant we would have been turned away and we were too desperate to have to take the time to look for another program. Had we been told about the no refund policy prior to going, we could have looked for other programs.

Mr. [REDACTED] is currently sitting in jail on a drug related charge. He is a victim of alcohol and drugs and the people who sell them. I agree that he did seem to be doing well at Narconon Stone Hawk. But circumstances led to his leaving early and he relapsed within a week. It was neither his fault nor mine that he felt he could no longer work his program after unauthorized personnel read his confidential records. In fact, one could argue that his relapse was caused by the violation of his privacy. I was led to believe that prior to that he was a model student. However, Mr. Toth's assertion that he is welcome to return did not indicate under what circumstances. According to [REDACTED] last conversation with Mr. Ehlert, we would have to pay another \$1500 in order for them to accept him back! I still have not received a refund from the personal and medical accounts I set up which is somewhere around \$1500 and by state law is to be refunded without having to ask for it.

Lastly, if what I said in my first letter to Mr. Ehlert was construed as attempting to "coerce a payment from Narconon Stone Hawk...based upon [my] alleged political connections," I am deeply sorry for that misconception. I can see how I perhaps got carried away in attempting to make a different point. I was trying to let Mr. Ehlert know that I personally had no resources left to draw upon to pursue this matter, but that members of my family did have resources and would be willing to help me. That is still the case. However, I believe that this situation should be resolvable by reasonable parties if they are willing to be reasonable. I would like to try. My [REDACTED] still needs treatment. He says he can't go back to Narconon Stone Hawk after what happened to him there. He tried to continue for several days after he found out about his records, but his trust was violated and that undermined his program and has ruined the possibility of his return.

If there is anything else you could do, it would be appreciated. If not, thank you for your efforts on our behalf. It just seems that the legal system is not set up to help the little people — those who most need the state to intercede on their behalf. And, I guess I am referring to myself as one of those little people, but mostly I am referring to my " [REDACTED] who is not my blood [REDACTED] but rather someone I have tried to foster for the past 20 years. His biological [REDACTED] was 15 years old when she had him. He lived in an apartment with rats as a baby, almost died and was surrounded by violence, drugs and alcohol, and criminals for most of his young life. His [REDACTED] was an [REDACTED] and his [REDACTED] was absent. He worked hard and overcame a lot and even had started his own business. Then his home burned down in 2002 and he lost everything. He put his business on hold to rebuild his home. Then his [REDACTED] divorced him and moved her [REDACTED] into the house that Larry had rebuilt. Unfortunately he did not choose appropriate behavior in response to these setbacks. But he does have worth as a person. He has a lot of good in him. He just needs some extra care and assistance to get clean and sober and then he could be truly amazing. I think Jai Ehlert would probably concur. [REDACTED] has three beautiful children who need him. It just seems to me that if Narconon Stone Hawk were truly concerned about helping substance abusers, they would want to do the right thing by accepting responsibility for their lack of oversight and giving us some kind of financial relief so that [REDACTED] could get the help he so desperately needs. Thank you for your suggestions about other avenues we can pursue. I will follow up with them.

Sincerely,

[REDACTED]

# CP INTERNET WEB COMPLAINT

Date Received: 06/23/2007

CP No. 200709365

Internet ID No. cp78va1170n

Present Status: Open

## Consumer Information

Name [REDACTED]  
Address [REDACTED]  
City, State, Zip ANN ARBOR MI 48104  
County WASHTENAW  
Home Phone No. [REDACTED] Work Phone No. [REDACTED]

## Primary Company Complained Against

Name NARCONON STONEHAWK  
Address 216 ST. MARY'S LAKE RD.  
City, State, Zip BATTLE CREEK MI 49014  
County CALHOUN  
Company Ph No. [REDACTED] Company Fax No. [REDACTED]  
Company Email [REDACTED]  
Company Website [REDACTED]

## Secondary Company Complained Against

Name KATE AND PER WICKSTROM, OWNERS; JAI EHLERT, DIRECTOR  
Address 216 ST. MARY'S LAKE RD.  
City, State, Zip BATTLE CREEK MI 49014  
Company Ph No. [REDACTED] Company Fax No. [REDACTED]  
Company Email [REDACTED]

## Complaint Information

Did you sign a contract? y Y = Yes N = No  
Where did you sign this contract? BATTLE CREEK AT NARCONON STONEHAWK FACILITY  
Is there a court action pending? n Y = Yes N = No

## Motor Vehicle Warranty Complaint Information

Vehicle Make, Model and Year: [REDACTED]  
VIN No.: [REDACTED]

Is there additional documentation being forwarded?

How? [REDACTED]

## Complaint Detail Information

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On February 16, 2007 I admitted my [REDACTED] to the Narconon Stonehawk Drug Treatment Facility. He is addicted to crack cocaine and needed serious help. The advertisement on the internet indicated that this facility was very successful in treating hardcore addicts. I paid \$14,100 and signed a contract which indicated they did not do refunds.

About five weeks into the program, staff members (a custodian and two security guards) revealed to my [REDACTED] that they had read his medical records. He, of course, hadn't even read them, but he knew that he had told counselors some highly confidential information. The custodian told him she could use the information if he didn't do what she wanted - sort of like

[REDACTED] This really upset him and was affecting his work in the program.

Then, I discovered that I had been lied to about whether or not Narconon Stonehawk is connected to Scientology in any way I had seen on their website reference to L. Ron Hubbard's "technology", so I called a counselor, Derek Jordan, about a week prior to taking my [REDACTED] to Battle Creek. I asked him if Narconon Stonehawk was in any way affiliated with Scientology and he assured me that it wasn't. Then I find out that L. Ron Hubbard wrote every part of the curriculum used by the "students." And his picture is prominently displayed around the facility. According to Scientology, everything that L. Ron Hubbard ever wrote or spoke is Scientology.

So, I am filing a complaint against Narconon Stonehawk based on two things:

1) Violation of the contract. I believe that when entering someone into a rehabilitation facility there is an implied condition of the contract (over and above HIPPA) that they will protect the privacy of the individual. I believe that staff at Narconon Stonehawk violated that agreement.

2) False statements pertaining to their affiliation with Scientology which allowed me to be misled and were ultimately false advertising. The fact that they would deny any connection (whether it's on paper or not) is very troublesome to me and as a consumer I feel like their lie cost me dearly. I would not have spent \$14,100 for a program that is based on Scientology.

I would like a refund or at the least, a pro-rated refund subtracting the five weeks that my [REDACTED] was there. I have sent them two letters and received no reply. I can send you copies of the letters but the contract is temporarily misplaced.



# FAX COVER SHEET

**NJ Department of Law & Public Safety  
Division of Gaming Enforcement  
P.O. Box 047  
Trenton, NJ 08625**

**Anne Milgram**  
Attorney General

**Josh Lichtblau**  
Director

**TO:** Michael Cox  
**FROM:** [REDACTED]  
**SUBJECT:** Narconon StoneHawk, Battle Creek, Michigan  
**FAX #:** 517-241-3771  
**DATE:** October 6, 2008  
**# OF PAGES (INCLUDING COVER SHEET):** 5

**MESSAGE**

please see attached.

### CONFIDENTIALITY NOTICE

The information contained in this facsimile transmission from the Division of Gaming Enforcement may be privileged and confidential and is intended for the sole use of the persons or entities named on this transmittal cover page. If you are not an intended recipient of this transmission, the dissemination, distribution, copying or use of the information it contains is strictly prohibited. If you have received this transmission in error, please call the sender immediately to arrange for the return of this information.

**If you do not receive all pages, please call back immediately.**

**VOICE:** [REDACTED]

**FAX:** (609)

[REDACTED]  
Wall, NJ 07719  
October, 6, 2008

Mr Michael Cox  
Michigan Attorney General  
G. Mennen Williams Building, 7<sup>th</sup> Floor  
525 W. Ottawa St.  
Lansing Michigan 48909

Dear Mr Cox:

My [REDACTED] was a patient at Narconon Stone Hawk Rehabilitation Center, 216 St Marys Lake Road, Battle Creek, Michigan from March 17, 2008 to when he left on his own on or about May 23, 2008. When we dropped him off on the 17<sup>th</sup> of March we had to pay in full (\$30,000 and \$500 medical charges for a total of \$30,500 -see attached). At that state of mind all you are concerned with as devoted [REDACTED] is stopping your [REDACTED] drug addiction and saving his life. We trusted the facility with our [REDACTED] life and well being.

Since [REDACTED] has been home all our attention, has been on his health and the health of other family members. We has not had the time or the state of mind to address his stay at StoneHawk. Through some research I have come to realize that we are not the only ones that know that we had been ripped-off. not only financially, but with the treatment our [REDACTED] had at the facility.

During his stay, not only his mental health, but his physical health was at risk. His room was filthy and the water was brown. The food was poor to say the least. At a cost of \$30,500 you expected that he would receive good medical attention and that the living accommodations would be more then adequate and the food would not only taste good but would also be healthy. He was constantly complaining to us about the living accommodations and the poor quality of food. We thought that he was just lying to get us to bring him home. We were wrong.

The way in which StoneHawk filing our claim with out insurance company is down right fraud. They only filed a claim for \$21,000 (attached) and not for the \$30,500 that we were charged. I was told by [REDACTED] of 1<sup>st</sup> Choice Billing, 3522 Ashford Dunwoody Road NE, Suite 418, Atlanta, GA 30319-2002, who was handing the claim for StoneHawk that the appeal was denied. I recently spoke to her and obtained my [REDACTED] file which did not include any medical records from StoneHawk or any proof of the amount claimed to the insurance company. At this time Miss [REDACTED] advised that she no longer represents StoneHawk, adding that she found through her brief representation for StoneHawk that the facility is hard to deal with and does not put the effort needed to properly file the claims with the insurance companies. Her cell phone # is 770-891-4958.



Page 2 of 2

Not only was the treatment that my [REDACTED] received for the short period of time he was there was poor to say the least, StoneHawk has misrepresented our insurance claim by \$9,000 and has failed to cooperate with the insurance company to settle my claim. For these reasons I would like to receive a full refund of the \$30,500 which was wrongfully paid to Stone Hawk. I hope the Michigan Attorney General's Office puts a stop to the misrepresentation and poor treatment received by the patients who are fooled by deception that the employees of StoneHawk make of the facility and the treatment received.

Please advise how I can legally file a claim against StoneHawk to obtain the total fee of \$30,500 I can be contacted on my cell phone at anytime [REDACTED] Thank you

Sincerely yours,  
[REDACTED]

# NARCONON STONE HAWK INCOME ACKNOWLEDGEMENT

Div 6 Staff: Ramsey

STUDENT NAME: [REDACTED]

RESPONSIBLE PARTY: [REDACTED]

ADMISSION DATE: 3/1/08

TYPE OF ADMISSION: 1<sup>ST</sup> ADMIT RE-TREAD TRANSFER OTHER

PROGRAM COST: 30,000<sup>00</sup> - Fr. Ch. 025 Merit Detel

ADDITIONAL CHARGES: 500<sup>00</sup> - med

DISCOUNT: \_\_\_\_\_

TOTAL DUE: 30,500<sup>00</sup>

AMOUNT PAID: 30,500<sup>00</sup>

AMOUNT APPLIED TO PROGRAM: 30,000<sup>00</sup>

APPLIED TO STUDENT ACCOUNT: \_\_\_\_\_

MEDICAL: 500<sup>00</sup>

LEGAL: \_\_\_\_\_

BALANCE DUE: \_\_\_\_\_

TYPE OF PAYMENT: CA [REDACTED] CREDIT CARD WORK EXCHANGE OTHER

CHECK: NAME [REDACTED]  
ADDRESS [REDACTED]

PHONE [REDACTED]

DRIVER'S LICENSE [REDACTED]

CREDIT CARD: VISA MASTER CARD See Reverse

NAME ON CARD \_\_\_\_\_  
CARD NUMBERS \_\_\_\_\_  
EXPIRATION DATE \_\_\_\_\_

PAYMENT ARRANGEMENTS IF OTHER THAN FULL PAYMENT:  
\_\_\_\_\_  
\_\_\_\_\_

EXECUTIVE AUTHORIZATION: \_\_\_\_\_ RC/BS

INSURANCE: Company HORIZON N.S. Plus SS# \_\_\_\_\_ DOB \_\_\_\_\_  
Insured Name \_\_\_\_\_  
Group # \_\_\_\_\_ Insurance Phone # \_\_\_\_\_  
Student Name \_\_\_\_\_ SS# \_\_\_\_\_ DOB \_\_\_\_\_

*Handwritten note:* Please T/C Ramsey



Horizon Blue Cross Blue Shield of New Jersey  
PO BOX 820  
NEWARK, NJ 07101-0820

NJ DIRECT  
CUSTOMER SERVICE  
1-800-414-7427  
MONDAY-FRIDAY 8AM-6PM  
WWW.HORIZONBLUE.COM/SHBP

DATE: 7/17/2008 PAGE 2 OF 3

**EXPLANATION OF BENEFITS**  
**THIS IS NOT A BILL**



SUBSCRIBER NAME: [REDACTED]

SUBSCRIBER ID: [REDACTED]

**SUMMARY INFORMATION**

| PATIENT NAME | RELATION  | CLAIM NUMBER | GROUP NUMBER | TOTAL CHARGE | HORIZON PAID |
|--------------|-----------|--------------|--------------|--------------|--------------|
| [REDACTED]   | DEPENDENT | [REDACTED]   | [REDACTED]   | 42,000.00    | 0.00         |

**DETAIL INFORMATION**

| DATE OF SERVICE    | PROVIDER TYPE OF SERVICE                         | BILLED AMT       | ALLOWED AMT | YOUR COINS/COPY AMT | YOUR DEDUCTIBLE AMT | OTHER CARRIER PAYMENT AMT | NOT COV AMT | HORIZON PAID AMT | MESSAGE CODE         | SUBSCRIBER RESPONSIBILITY |
|--------------------|--|------------------|-------------|---------------------|---------------------|---------------------------|-------------|------------------|----------------------|---------------------------|
| 3/17/08<br>4/23/08 | NARCONON STONE HAWK EAST<br>ROOM&BOARD-SEMI PRIV | 15,500.00        |             |                     |                     |                           |             | 0.00             | X279                 | 0.00                      |
| 3/17/08<br>4/23/08 | NARCONON STONE HAWK EAST<br>ROOM&BOARD-SEMI PRIV | 15,500.00        |             |                     |                     |                           |             | 0.00             | X279                 | 0.00                      |
| 3/17/08<br>4/23/08 | NARCONON STONE HAWK EAST<br>MAJOR MED BENEFIT    |                  |             |                     |                     |                           |             | 0.00             | X279                 | 15,500.00                 |
| 3/17/08<br>4/23/08 | NARCONON STONE HAWK EAST<br>ROOM&BOARD           | 5,500.00         |             |                     |                     |                           |             | 0.00             | X279                 | 0.00                      |
| 3/17/08<br>4/23/08 | NARCONON STONE HAWK EAST<br>ROOM&BOARD           | 6,500.00         |             |                     |                     |                           |             | 0.00             | X279                 | 0.00                      |
| 3/17/08<br>4/23/08 | NARCONON STONE HAWK EAST<br>MAJOR MED BENEFIT    |                  |             |                     |                     |                           |             | 0.00             | X279                 | 5,500.00                  |
| <b>TOTAL:</b>      |  | <b>42,000.00</b> |             |                     |                     |                           |             | <b>0.00</b>      | <b>Z028<br/>Z632</b> | <b>21,000.00</b>          |

NAZ084 YOUR TOTAL LIABILITY (INCLUDING DEDUCTIBLE, COINSURANCE AND OTHER AMOUNTS NOT COVERED) FOR THIS CLAIM IS \$21000.00.

An Independent Member of the Blue Cross Blue Shield Association

*800-991-5579  
9/14/08 myself level 2 appeal*



**Stone Hawk Rehabilitation Center**

216 St. Mary's Lake Road, Battle Creek, MI 49017  
(269) 969-9773 • Fax (269) 969-9759 • www.narcononstonehawk.com  
For immediate assistance call 1-800-420-3147

October 14, 2008

State of Michigan  
Office of the Attorney General  
P.O. Box 30213  
Lansing, MI 48909


Re: [REDACTED]  
AG No: 2008-3030033-A

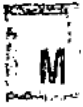
Attorney General:

I have received the complaint regarding Mr. [REDACTED]. I have reviewed the folder and enrollment agreement regarding the complaint. Mr. [REDACTED] was in the program from 3/17/08-5/19/08. After reviewing all of the documentation regarding his insurance (attached) we are confident that we fulfilled our obligation to what was wanted/needed from us to complete his insurance claim.

In our effort to improve the overall quality of how we do business, we have changed our policy and personnel to better suit the consumer's needs.

Sincerely,

  
Michelle Darrell  
Narconon Stone Hawk



**MAGELLAN**  
HEALTH SERVICES  
*Getting Better All the Time*

To Doug - From [Redacted]



March 20, 2008

Attention Doug

RE: [Redacted]  
DOB: [Redacted]  
ID#: [Redacted]  
CASE#: [Redacted]  
PROVIDER: Dr. Agelston  
FACILITY: Narconon Stone Hawk  
Rehabilitation Center  
ADMIT DATE: 3/17/08



Belmar, NJ 07719

Dear [Redacted]

Magellan Behavioral Health has been authorized by NJ PLUS to administer its Managed Mental Health Program. As such, we are responsible for reviewing mental health and/or substance abuse treatment to ensure that it is medically necessary and appropriate for payment purposes.

NJ PLUS requires that the covered service or treatment is medically necessary and appropriate. Please refer to NJ PLUS Member Handbook for a summary of covered services and supplies as well as the charges not covered by the Plan.

We recently conducted a review for Residential Substance Abuse treatment for the above-named member with the provider and/or facility.

This letter confirms the conversation between Dr. Agelston, who is part of the treatment team, and Dr. Kelly, our Physician Advisor. During that conversation, it was advised that Residential Treatment, Substance-Related Disorder, Adult treatment is not medically necessary based on American Society of Addiction Medicine (ASAM) criteria due to the following reason(s): The member does not show evidence of needing 24 hour per day/ 7 day per week supervision, intervention, and treatment in a therapeutic facility for addiction recovery or detoxification needs. There are no reported medical and/or psychiatric issues that would necessitate 24 hour monitoring. The member does not have reported inability to maintain abstinence while in a recent adequate professional outpatient treatment for substance/alcohol use, is not residing in an environment that would undermine outpatient treatment, and is not reported to be an immediate risk of harm to self or others based on continued use. Additionally, there is no adequate reported evidence that the member's symptoms would not safely respond to treatment at a less

Participant NJ07054  
SHBP Initial MNC Non-Authorization



April 14, 2008

Appeals Coordinator, NJ Plus  
 Magellan Behavioral Health  
 199 Pomeroy Road  
 3<sup>rd</sup> Floor  
 Parsippany, NJ 07054

RE: [REDACTED]  
 DOB: [REDACTED]  
 ID#: [REDACTED]  
 Case#: [REDACTED]  
 Provider: Dr. Agelston  
 Facility: Narconon Stone Hawk  
                   Rehab Center  
 Admit Date: 03/17/2008

To whom it may concern:

Please accept the enclosed documentation to support the medical necessity of the above referenced claim.

Sincerely,

*Penny DiCarlo*

Penny DiCarlo (authorized billing specialist for Narconon Stone Hawk)

CEO

Enclosed: 6 Pages Total

1522 Ashford Dunwoody Road NE, #418, Atlanta, GA 30319-2002  
 (404) 551-3341 ph (404) 437-6699 fax  
[www.1stchoicebilling.com](http://www.1stchoicebilling.com)



██████ year old ██████ was admitted to Narconon Stone Hawk Rehabilitation Center on March 17, 2008 for in-patient, intensive detoxification and rehabilitation. The events leading up to ██████ admission are as follows:

- ██████ started using drugs and alcohol at the age of 14
- ██████ drug habit progressed from ██████ ██████
- Two arrests for shopping lifting to support his habit
- ██████ were obviously concerned for their ██████ health, safety and wellbeing: they tried to get ██████ to go to counseling; he went once and would not return.
- They tried an outpatient treatment program (JSAS HealthCare Inc., Asbury Park, NJ)
- While in Outpatient treatment ██████ was again hanging out with a bad crowd, stealing again and finally arrested for smoking ██████ while driving. All this while enrolled in an outpatient treatment program.
- ██████ was also very ██████ and stated that he hated his life: his ██████ were fearful of what he may do.
- As a last resort ██████ had their ██████ admitted to Narconon Stone Hawk for in-patient treatment. His parents consulted with ██████ outpatient counselor Kristie who agreed that ██████ need to get away from his current environment and needed more intensive 24/7 treatment.

**Summary:**

██████ had an escalating ██████ in the four years preceding his admission to Narconon Stone Hawk. He was in trouble with the law and the ██████ attempts to address the problem on and outpatient basis were unsuccessful. All that, coupled with sign of ██████ and an environment that kept him in contact with other users, led to ██████ admission for in-patient treatment.

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As you can see: patient [REDACTED] situation does meet all the criteria necessary for coverage of Residential Substance Abuse treatment.

- [REDACTED]
- Unsuccessful outpatient treatment
- Inability to abstain from [REDACTED] while in an unsupervised treatment program
- A social environment not conducive to recovery

We ask that you carefully consider our appeal and review the supporting documentation. We look forward to a positive resolution and expeditious processing of our previously submitted claim for the services render by Narconon Stone Hawk Rehabilitation Center.

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April 14, 2008

To whom it may concern,

This letter is being written to try to explain my [redacted] on going drug addiction [redacted] was born on [redacted] and will be [redacted] years old this May. As a devoted [redacted] I tried to watch over him, the friends he kept, and his activities

Over last summer, my [redacted] was working, had a steady [redacted] and seemed to be your typical [redacted] year old. He knew everything and as a parent I knew nothing. He was very independent. To my surprise starting in July 2007 things started to change. Items including money started to disappear. My [redacted] and I were suspicious of his friends and even his [redacted]. When his [redacted] who at the time was [redacted] years old was sent to an inpatient rehab for [redacted] addiction we had a long talk with [redacted] and he convinced us that his [redacted] had the [redacted] problem and he was trying to help her stop.

By the end of November it was apparent that [redacted] also had a [redacted] problem. Money was missing, he was not working, and he had new friends (of course other [redacted]). He keep denying any [redacted]. We found out that he was arrested twice for shoplifting. When we had proof of him taking money in our house, he broke down and admitting to having a major [redacted]. As my [redacted] and I listened, he explained that he had been doing drugs since he was [redacted]. Starting with [redacted] and moving up to [redacted] [redacted] continued to say he was now on a \$50 a day [redacted] and hated his life. He stated that he had no life, his [redacted] was taken away, without being able to say goodbye. He could not talk to her, or have any contact. Everyday was hell. He was quite hysterical. It was a horrifying night. We as [redacted] had no idea what to do. We knew he needed immediate help.

[redacted] stated he wanted to go to a local [redacted] and that the [redacted] would get him off the [redacted] by slowly reducing his dosage. That's great! A drug to get off of [redacted] and allow him to function in the real world. So the next day we took him to JSAS HealthCare Inc., 1200 Memorial Drive, Asbury Park, NJ. As an adult he had full control of what was going on. He stated because of the amount of [redacted] he was using daily he need a 4 month program not the 30 day program. We were so confused, and at the same time excited that this was the beginning of his recovery. What we did not know was that [redacted] was also an addicting [redacted] and that it was harder to withdraw from then [redacted]. What had we done? We stated to look for other alternatives, but were informed that until his dosage of [redacted] was reduced he could not go to a rehab.

We convinced [redacted] to see a psychologist, Mr Robert LoPresti, 569 River Road, Fair Haven, NJ (telephone #732-842-4553) We all went to the first meeting on December 31, 2007. [redacted] thought it was a waste of time. We could not convince him to going back or to seeing any other psychologists.

We talked to his counselor, Kristie Livingston (telephone #732-988-8877), who admitted that the [redacted] clinic was probably not the solution for [redacted]. He needed to go to an inpatient rehab.

During this period of time he was able to get a job pumping gas. Things looked OK. No way! Near the end of the [redacted] program, money was missing. He was arrested for driving and smoking [redacted]. The police officer saw him driving and smoking from a glass pipe! [redacted] again admitted he had a major drug problem and agreed that he needed to go to an inpatient program. He again stated he hated his life and just wanted for things to get normal again. Over this whole ordeal, my [redacted] and I were petrified that our [redacted] was so [redacted] that we were not sure what he was capable of doing. Within two days we took [redacted] to the Narconon Stone Hawk Rehabilitation Center, 216 St Mary's Lake Road, Battle Creek, Michigan.

After taking him there, we found out that he was recently fired from his job pumping gas for too many shortages. My [redacted] and I are positive that [redacted] needed to go to a full time facility, and needed 24 hour care. He was falling fast and God only knows what could of happened. [redacted] needed to go far away from home for several months and get professional help. Drugs had full control of him. It was clear at this point that our attempt to get our [redacted] the help he needed, in an outpatient program setting, was unsuccessful. He was still using and got arrested while in treatment. He was at the end of his rope!

If you have any questions, I can be contacted at 732-556-7158

Sincerely yours,

[redacted signature block]

[redacted address block]


Student Folder  
Cc: Legal Folder  
Cc: Ethics Folder  
Cc: Student

Date: 19 May 08

ETHICS OFFICER

I, , am leaving Narconon Stone  
Hawk for the purpose of:

- Suspension
- Leaving Against Medical Advice (Unauthorized)
- Legal LOA (authorized)
- Medical LOA (authorized)
- Emergency LOA (authorized)

While I am away, I will be in contact with 

Whose relationship to me is Parents

The numbers to reach them are 

I agree to stay in communication with the Ethics Officer while I am away  
and give permission for the Ethics Officer to call and verify my care



19 May 08  
Date

  
Witness

19 May 08  
Date

ED  
D/FD  
PRES

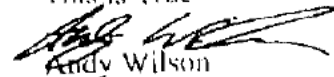
19 May 08

E/O

### Knowledge Report

██████████ left the program today AMA. He has been here under protest and making efforts to blow for some time. I received his folder this morning because he refused to go to court. I pulled him in and he told me he was leaving. He said that he has never wanted to be here and that he no longer feels a need to after 2 months of clean time. He also told me that a friend of his put money in his bank account, and that he was going to use this to buy a bus ticket home. I informed his family, as they were unaware. ██████████ actually removed them from his calling list to help facilitate his leaving, but they were on his irrevocable release. I informed his ██████████ of what was happening and then I spoke with ██████████. We talked for over an hour, and while he agreed that this was probably a bad decision, he still could not bear that thought of staying. His ██████████ was notified that he was leaving and ██████████ also refused to talk with either of his ██████████. He signed his forms and was transported to in BC. He will be taken to the bus station tomorrow.

This is True



Andy Wilson  
Ethics Officer

199 Pomcroy Road  
Parsippany, NJ 07054



June 25, 2008

PT: [REDACTED]  
ID#: [REDACTED]  
DOS: 03/17/08-04/23/08

Narconon Stone Hawk Rehab, Center  
216 St. Mary's Lake Road  
Battle Creek, MI 49017-9710  
Attn: Penny DiCarlo/Billing Specialist

Dear Ms. DiCarlo:

This is to acknowledge that we have received your request for an appeal on 06/25/08 for the above referenced services.

We will make a determination in 21 calendar days and you will then be notified of the review decision.

\*\*\*\*\*IF This Is A Financial Company Representing a Hospital/ Doctor:\*\*\*\*\*

Please be aware that under HIPPA guidelines a Business Associate (BA) agreement between your institution and the facility/ doctor's office is required before we can send you any patient specific communications regarding appeals. When sending any and all appeal requests please be sure to attach a copy of the BA agreement to insure that correspondence and determinations are sent directly to you. If the BA agreement is not attached to an appeal request please be aware the correspondence and determination letters will be sent directly to the facility/ doctor you are representing.

If you have any questions please call 1-800-991-5579.

Sincerely,

A handwritten signature in black ink that reads "Rae Dancsak". The signature is written in a cursive, flowing style.

Rae Dancsak  
Appeals Department



June 25, 2008

PI: [REDACTED]  
ID: [REDACTED]  
PROVIDER: Narconon Stone Hawk Rehab  
DOS: 3/17/08-4/23/08  
LEVEL OF CARE: Residential Substance Abuse

Penny DiCarlo  
Billing Specialist  
Narconon Stone Hawk Rehab. Center  
216 St. Mary's Lake Road  
Battle Creek, Mi. 49017-9710


Dear Ms. DiCarlo:

Magellan Behavioral Health is in receipt of a level 2 review request for the above named member. Please be advised in order to make a determination, medical records are needed. Please send any information related to the requested treatment that would demonstrate that treatment is medically necessary, including but not limited to the following items:

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> admitting face sheet  | <input checked="" type="checkbox"/> physician's discharge summary                |
| <input checked="" type="checkbox"/> emergency room report   | <input checked="" type="checkbox"/> laboratory results                           |
| <input checked="" type="checkbox"/> medical history and physical examination                      | <input checked="" type="checkbox"/> psychosocial history                         |
| <input checked="" type="checkbox"/> psychiatric evaluation  | <input checked="" type="checkbox"/> consultations                                |
| <input checked="" type="checkbox"/> chemical dependency assessment                                | <input checked="" type="checkbox"/> medication administration sheets             |
| <input checked="" type="checkbox"/> nursing assessment  | <input checked="" type="checkbox"/> results of other tests and procedures        |
| <input checked="" type="checkbox"/> physician order sheets  | <input checked="" type="checkbox"/> other professional assessments / evaluations |
| <input checked="" type="checkbox"/> vital signs monitoring sheets                                 | <input checked="" type="checkbox"/> progress notes                               |
| <input checked="" type="checkbox"/> treatment plan / after care plan                              | Other:   |
| <input checked="" type="checkbox"/> any records or documents that would be helpful to your appeal |  |

If you have any questions, please feel free to contact me directly at (973) 526-3240.

Sincerely,

  
Joselyn Conwell  
Appeal Coordinator

CC: [REDACTED]  
File: Magellan

*sent - 7-30-08*

Date: 7/15/2008  
 PAGE 2 OF 2

Sequence No. 8728816  
 Payco ID 899424

| PATIENT   |      |         |     |      |     | SUBSCRIBER              |             |      |                        | SUB ID |             | CLAIM NO.                  |           |        | PATIENT AGCT |      |  |  |  |  |  |  |  |  |  |  |  |    |  |         |  |  |  |  |  |           |      |  |      |      |      |      |           |  |      |      |         |      |      |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |      |      |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |      |      |  |  |  |  |  |  |  |  |  |  |  |  |  |  |                     |  |  |  |  |  |           |      |  |      |      |      |      |           |  |      |      |
|---|------|---------|-----|------|-----|-------------------------|-------------|------|------------------------|--------|-------------|----------------------------|-----------|--------|--------------|------|--|--|--|--|--|--|--|--|--|--|--|----|--|---------|--|--|--|--|--|-----------|------|--|------|------|------|------|-----------|--|------|------|---------|------|------|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|------|------|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|------|------|--|--|--|--|--|--|--|--|--|--|--|--|--|--|---------------------|--|--|--|--|--|-----------|------|--|------|------|------|------|-----------|--|------|------|
| DOS   | RHK  | REV COD | QTY | PROC | MSD | BILLED                  | NOT ALLOWED | REAS | ALLOWED                | CO-INS | COPAY       | DEDUCTIBLE                 | CUST LIAB | REAS   | OTHER CARR   | PAID |  |  |  |  |  |  |  |  |  |  |  |    |  |         |  |  |  |  |  |           |      |  |      |      |      |      |           |  |      |      |         |      |      |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |      |      |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |      |      |  |  |  |  |  |  |  |  |  |  |  |  |  |  |                     |  |  |  |  |  |           |      |  |      |      |      |      |           |  |      |      |
| <b>INPATIENT SECTION</b>  |      |         |     |      |     |                         |             |      |                        |        |             |                            |           |        |              |      |  |  |  |  |  |  |  |  |  |  |  |    |  |         |  |  |  |  |  |           |      |  |      |      |      |      |           |  |      |      |         |      |      |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |      |      |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |      |      |  |  |  |  |  |  |  |  |  |  |  |  |  |  |                     |  |  |  |  |  |           |      |  |      |      |      |      |           |  |      |      |
| <b>NJ DIRECT</b>  |      |         |     |      |     |                         |             |      |                        |        |             |                            |           |        |              |      |  |  |  |  |  |  |  |  |  |  |  |    |  |         |  |  |  |  |  |           |      |  |      |      |      |      |           |  |      |      |         |      |      |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |      |      |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |      |      |  |  |  |  |  |  |  |  |  |  |  |  |  |  |                     |  |  |  |  |  |           |      |  |      |      |      |      |           |  |      |      |
| <table border="1"> <thead> <tr> <th colspan="11"></th> <th colspan="2">NA</th> </tr> </thead> <tbody> <tr> <td>3/17/08</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>42,000.00</td> <td>0.00</td> <td></td> <td>0.00</td> <td>0.00</td> <td>0.00</td> <td>0.00</td> <td>21,000.00</td> <td></td> <td>0.00</td> <td>0.00</td> </tr> <tr> <td>4/23/08</td> <td>X279</td> <td>1200</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td>Z632</td> <td>1200</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td>X279</td> <td>1200</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td colspan="6"><b>CLAIM TOTAL:</b></td> <td>42,000.00</td> <td>0.00</td> <td></td> <td>0.00</td> <td>0.00</td> <td>0.00</td> <td>0.00</td> <td>21,000.00</td> <td></td> <td>0.00</td> <td>0.00</td> </tr> </tbody> </table> |      |         |     |      |     |                         |             |      |                        |        |             |                            |           |        |              |      |  |  |  |  |  |  |  |  |  |  |  | NA |  | 3/17/08 |  |  |  |  |  | 42,000.00 | 0.00 |  | 0.00 | 0.00 | 0.00 | 0.00 | 21,000.00 |  | 0.00 | 0.00 | 4/23/08 | X279 | 1200 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | Z632 | 1200 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | X279 | 1200 |  |  |  |  |  |  |  |  |  |  |  |  |  |  | <b>CLAIM TOTAL:</b> |  |  |  |  |  | 42,000.00 | 0.00 |  | 0.00 | 0.00 | 0.00 | 0.00 | 21,000.00 |  | 0.00 | 0.00 |
|   |      |         |     |      |     |                         |             |      |                        |        | NA          |                            |           |        |              |      |  |  |  |  |  |  |  |  |  |  |  |    |  |         |  |  |  |  |  |           |      |  |      |      |      |      |           |  |      |      |         |      |      |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |      |      |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |      |      |  |  |  |  |  |  |  |  |  |  |  |  |  |  |                     |  |  |  |  |  |           |      |  |      |      |      |      |           |  |      |      |
| 3/17/08   |      |         |     |      |     | 42,000.00               | 0.00        |      | 0.00                   | 0.00   | 0.00        | 0.00                       | 21,000.00 |        | 0.00         | 0.00 |  |  |  |  |  |  |  |  |  |  |  |    |  |         |  |  |  |  |  |           |      |  |      |      |      |      |           |  |      |      |         |      |      |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |      |      |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |      |      |  |  |  |  |  |  |  |  |  |  |  |  |  |  |                     |  |  |  |  |  |           |      |  |      |      |      |      |           |  |      |      |
| 4/23/08   | X279 | 1200    |     |      |     |                         |             |      |                        |        |             |                            |           |        |              |      |  |  |  |  |  |  |  |  |  |  |  |    |  |         |  |  |  |  |  |           |      |  |      |      |      |      |           |  |      |      |         |      |      |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |      |      |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |      |      |  |  |  |  |  |  |  |  |  |  |  |  |  |  |                     |  |  |  |  |  |           |      |  |      |      |      |      |           |  |      |      |
|   | Z632 | 1200    |     |      |     |                         |             |      |                        |        |             |                            |           |        |              |      |  |  |  |  |  |  |  |  |  |  |  |    |  |         |  |  |  |  |  |           |      |  |      |      |      |      |           |  |      |      |         |      |      |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |      |      |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |      |      |  |  |  |  |  |  |  |  |  |  |  |  |  |  |                     |  |  |  |  |  |           |      |  |      |      |      |      |           |  |      |      |
|   | X279 | 1200    |     |      |     |                         |             |      |                        |        |             |                            |           |        |              |      |  |  |  |  |  |  |  |  |  |  |  |    |  |         |  |  |  |  |  |           |      |  |      |      |      |      |           |  |      |      |         |      |      |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |      |      |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |      |      |  |  |  |  |  |  |  |  |  |  |  |  |  |  |                     |  |  |  |  |  |           |      |  |      |      |      |      |           |  |      |      |
| <b>CLAIM TOTAL:</b>   |      |         |     |      |     | 42,000.00               | 0.00        |      | 0.00                   | 0.00   | 0.00        | 0.00                       | 21,000.00 |        | 0.00         | 0.00 |  |  |  |  |  |  |  |  |  |  |  |    |  |         |  |  |  |  |  |           |      |  |      |      |      |      |           |  |      |      |         |      |      |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |      |      |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |      |      |  |  |  |  |  |  |  |  |  |  |  |  |  |  |                     |  |  |  |  |  |           |      |  |      |      |      |      |           |  |      |      |
| <b>INPATIENT TOTALS:</b>  |      |         |     |      |     | <b>NUMBER OF CASES:</b> |             | 1    | <b>BILLED CHARGES:</b> |        | \$42,000.00 | <b>CLAIMS PAID AMOUNT:</b> |           | \$0.00 |              |      |  |  |  |  |  |  |  |  |  |  |  |    |  |         |  |  |  |  |  |           |      |  |      |      |      |      |           |  |      |      |         |      |      |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |      |      |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |      |      |  |  |  |  |  |  |  |  |  |  |  |  |  |  |                     |  |  |  |  |  |           |      |  |      |      |      |      |           |  |      |      |

**REMARK CODES:**

Z632 1200  
 CLAIMS MUST BE FURNISHED WITHIN 1 YEAR AND 90 DAYS AFTER THE END OF THE CALENDAR YEAR IN WHICH THE CHARGES WERE INCURRED. FOR EXAMPLE, IF A SERVICE WAS PROVIDED IN 2004, YOU WOULD HAVE UNTIL MARCH 31, 2006 TO FILE A CLAIM

X279 1200  
 THE CLAIM WAS NOT PAID BECAUSE WE ARE REQUESTING MEDICAL RECORDS TO BE SUBMITTED FOR REVIEW  
 THE CLAIM WAS NOT PAID BECAUSE WE ARE REQUESTING MEDICAL RECORDS TO BE SUBMITTED FOR REVIEW.

THIS VOUCHER WAS PREPARED WITH THE INFORMATION AVAILABLE TO US AT THE TIME OF PROCESSING.  
 YOUR PATIENTS HAVE RECEIVED AN INDIVIDUALIZED EXPLANATION FORM WITH SIMILAR INFORMATION.

**NJ DIRECT INQUIRY ADDRESS :**

PO BOX 820  
 NEWARK NJ 07101-0820



# FAX COVER SHEET

Anne Milgram  
Attorney General

Josh Lichtblau  
Director

NJ Department of Law & Public Safety  
Division of Gaming Enforcement  
P.O. Box 047  
Trenton, NJ 08625

TO: Beth Thomas  
FROM: [REDACTED]  
SUBJECT: Narconon  
FAX #: 517-241-3771  
DATE: April 7, 2009

# OF PAGES (INCLUDING COVER SHEET): 2

## MESSAGE

See attached. Thank you

## CONFIDENTIALITY NOTICE

The information contained in this facsimile transmission from the Division of Gaming Enforcement may be privileged and confidential and is intended for the sole use of the persons or entities named on this transmittal cover page. If you are not an intended recipient of this transmission, the dissemination, distribution, copying or use of the information it contains is strictly prohibited. If you have received this transmission in error, please call the sender immediately to arrange for the return of this information.

If you do not receive all pages, please call back immediately.

VOICE: [REDACTED]

FAX: (609)



[REDACTED]  
April 7, 2009

Ms. Beth Thomas  
Michigan Attorney General Office  
G. Mennen Williams Building, 7<sup>th</sup> Floor  
525 W. Ottawa St.  
Lansing Michigan 48909

Dear Ms Thomas

This letter is being sent to update the status of my previously letter addressed to Michael Cox, Attorney General, dated October 6, 2008, concerning my [REDACTED] disappointment with Narconon Stone Hawk Rehabilitation Center, 216 St Marys Lake Road, Battle Creek, Michigan. Because of the poor treatment and misrreprsentations of the facility I believe I'm entitled to a full refund.

Please be advised that as of this date I have not been able to obtain any refund from the facility. I have left several telephone messages with no call backs.

My [REDACTED] returned home in May, complained about the treatment he received, and the living accommodations at Narconon. Shortly after returning he relapsed. The good news is after going to another rehabilitation center that was clean, had good living accommodations, and staff that helped and cared about the patients, he has been clean for six months and on the right path.

Again, I'm requesting that the Michigan Attorney General's Office assist in my attempt to obtain the refund of \$30,500.

I can be contacted at my cell # 732-556-7158 or my home #732-919-7425. Thank you.

Sincerely yours,  
[REDACTED]  
[REDACTED]

Kreis  
Enderle  
Hudgins  
& Borsos

Michael J. Toth

A Professional Corporation  
Attorneys at Law  
One West Michigan Avenue  
Battle Creek, MI 49017  
Main 269-966-3000  
Fax 269-966-3022  
mtoth@kech.com

DEPT. OF ATTORNEY GENERAL  
May 6, 2009 RECEIVED

MAY 07 2009

CONSUMER PROTECTIVE  
DIVISION

[REDACTED]

Wall, New Jersey 07719

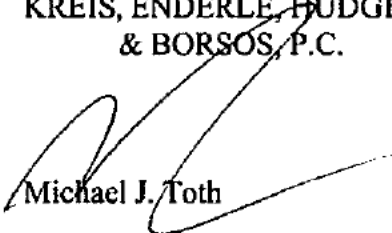
Re: Michigan Attorney General Complaint [REDACTED]  
Narconon Stone Hawk Rehabilitation Center, Inc.

Dear Mr. [REDACTED]

Please be advised that we represent Narconon Stone Hawk Rehabilitation Center, Inc. ("Narconon Stone Hawk"). This letter is in response to your complaint filed with the Michigan Attorney General's Office dated October 6, 2008. Please note that before Narconon Stone Hawk can discuss any matters or release any documents relating to you and/or the aforementioned Michigan Attorney General Complaint, we must have a signed HIPAA Release. Until we receive the signed HIPAA Release we are unable to discuss this matter.

Sincerely,

KREIS, ENDERLE HUDGINS  
& BORSOS, P.C.

  
Michael J. Toth

JDL/MJT

Enclosure as stated

Cc: Beth Thomas

## HIPAA Release and Authorization

I, \_\_\_\_\_, with social security number of \_\_\_\_\_, and date of birth of \_\_\_\_\_, state as follows:

I am either the patient named above or the patient's legally authorized representative.

This release authority applies to any information governed by the Health Insurance Portability and Accountability Act of 1996 (a/k/a HIPAA), 42 USC 1320d and 45 CFR 160-164. Specifically, this release authority complies with the valid authorization requirements of 45 CFR 164.508 (c).

Pursuant to HIPAA, I authorize and direct:

Narconon Freedom Center, Inc., or its agents, parents, subsidiaries, affiliates, shareholders, officers, directors, employees, representatives, predecessors, partners, members, insurers, attorneys, successors, assigns, and all other persons, firms or corporations and anyone claiming under or through Narconon Freedom Center, Inc., that has provided treatment or services to me or that has paid for or is seeking payment from me for such services, to give, disclose, and release, without restriction, all of my individually identifiable health information and medical records regarding any past, present, or future medical or mental health condition, to include all information relating the diagnosis and treatment of sexually transmitted diseases, mental illness, and drug or alcohol abuse to the Michigan Attorney General's Office and any of its employees or agents whose address is: G. Mennen Williams Building, 7th Floor, 525 W. Ottawa Street, P.O. Box 30212, Lansing, MI 48909, and telephone number for Consumer Protection is (517) 373-1140.

The purpose of the use and disclosure shall include client's capacity determinations in conducting the client's legal representation, monitoring health care to assure client's maximum access to health care rights and government benefits, and monitoring client's health care to protect client's legal rights where client resides.

I understand that, with certain exceptions, I have the right to revoke this Authorization at any time. If I want to revoke this Authorization, I must do so in writing. The procedure for how I may revoke this Authorization, as well as the exceptions to my right to revoke will be performed in accordance with applicable federal law and any applicable policy of my health care provider.

I understand that I may refuse to sign this Authorization. I also understand that my health care provider cannot deny or refuse to provide treatment, payment, enrollment in a health plan, or eligibility for benefits if I refuse to sign this Authorization.

I understand that, once information is disclosed pursuant to this Authorization, it is possible that it will no longer be protected by applicable federal medical privacy law and could be re-disclosed by the person or agency that receives it, however, I do not authorize such

secondary disclosure.

The authority given shall supersede any prior agreement that I may have made with Narconon Freedom Center, Inc., to restrict access to or disclosure of my individually identifiable health information. The authority given has no expiration date and shall expire only in the event that I revoke the authority in writing and deliver it to my health care provider.

**I have read the information in this authorization form and have the legal right to sign this authorization form, and have been advised to seek legal counsel before signing this authorization form prior to its execution; I fully understand the contents there of above and voluntarily sign.**

\_\_\_\_\_  
Signed Name Patient/Authorized Representative

\_\_\_\_\_  
Print Name of Patient/Authorized Representative

\_\_\_\_\_  
Date

Please explain Representative's authority to act on behalf of the Patient:

\_\_\_\_\_  
\_\_\_\_\_

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_,  
by \_\_\_\_\_.

**Notary's Stamp**

Notary Public, State of \_\_\_\_\_, County of \_\_\_\_\_  
My commission expires: \_\_\_\_\_  
Acting in the County of \_\_\_\_\_

**Notary's Signature**

\_\_\_\_\_

DEPT. OF ATTORNEY GENERAL  
RECEIVED

JUN 02 2009

CONSUMER PROTECTIO  
DIVISION



May 26, 2009

Ms. Beth Thomas  
Michigan Attorney General Office  
G. Mennen Williams Building, 7<sup>th</sup> Floor  
525 W. Ottawa St.  
Lansing Michigan 48909

Dear Ms Thomas:

Enclosed find the documents, including the HIPAA Release signed by my [REDACTED] [REDACTED] I have sent to Mr Toth of Kreis, Enderle, Hudgins, & Borcos, Battle Creek, MI, concerning my request for a refund from Stonehawk Narconon.

Thank you for your ongoing assistance in this matter.

I can be contacted at my cell # [REDACTED] or my home # [REDACTED] Thank you.

Sincerely yours,



[REDACTED]  
May 26, 2009

Mr. Michael Toth  
Kreis, Enderle, Hudgins & Borsos  
One West Michigan Ave  
Battle Creek, MI 49017

Dear Mr Toth;

Per your request and our telephone conversation enclosed the HIPAA Release and Authorization signed by my [REDACTED] [REDACTED] which is also notarized. This release also allows you to discuss his stay at StoneHawk Narconon with me.

Also, enclosed find the letters I had previously sent to the Michigan Attorney General's Office dated October 6, 2008 and April 7, 2009 expressing my total disappointment in the StoneHawk facility. At this point I requested a full refund of the fee of \$30,500.

I'm enclosing a recent response from my insurance company dated May, 9, 2009, which shows that StoneHawk misrepresented the total fees I paid them (they listed \$22,500, not the \$30,500 as shown in the contract-also attached). After over a year of dealing with my insurance company, and Stonehawk's numerous failures to supply the requested documentation, my insurance company reimbursed me a total of \$4,412.50. Therefore I'm requesting the remaining amount of \$26,087.50 to be refunded promptly.

Please respond to my request. I can be contacted on my cell phone at [REDACTED]

Sincerely yours,  
[REDACTED]

## HIPAA Release and Authorization

I, [REDACTED] with social security number of [REDACTED], and date of birth of [REDACTED], state as follows:

I am either the patient named above or the patient's legally authorized representative.

This release authority applies to any information governed by the Health Insurance Portability and Accountability Act of 1996 (a/k/a HIPAA), 42 USC 1320d and 45 CFR 160-164. Specifically, this release authority complies with the valid authorization requirements of 45 CFR 164.508 (c).

Pursuant to HIPAA, I authorize and direct:

Narconon Freedom Center, Inc., or its agents, parents, subsidiaries, affiliates, shareholders, officers, directors, employees, representatives, predecessors, partners, members, insurers, attorneys, successors, assigns, and all other persons, firms or corporations and anyone claiming under or through Narconon Freedom Center, Inc., that has provided treatment or services to me or that has paid for or is seeking payment from me for such services, to give, disclose, and release, without restriction, all of my individually identifiable health information and medical records regarding any past, present, or future medical or mental health condition, to include all information relating the diagnosis and treatment of sexually transmitted diseases, mental illness, and drug or alcohol abuse to the Michigan Attorney General's Office and any of its employees or agents whose address is: G. Mennen Williams Building, 7th Floor, 525 W. Ottawa Street, P.O. Box 30212, Lansing, MI 48909, and telephone number for Consumer Protection is (517) 373-1140, and to my parents, [REDACTED] and [REDACTED] who reside at [REDACTED].

The purpose of the use and disclosure shall include client's capacity determinations in conducting the client's legal representation, monitoring health care to assure client's maximum access to health care rights and government benefits, and monitoring client's health care to protect client's legal rights where client resides.

I understand that, with certain exceptions, I have the right to revoke this Authorization at any time. If I want to revoke this Authorization, I must do so in writing. The procedure for how I may revoke this Authorization, as well as the exceptions to my right to revoke will be performed in accordance with applicable federal law and any applicable policy of my health care provider.

I understand that I may refuse to sign this Authorization. I also understand that my health care provider cannot deny or refuse to provide treatment, payment, enrollment in a health plan, or eligibility for benefits if I refuse to sign this Authorization.

I understand that, once information is disclosed pursuant to this Authorization, it is possible that it will no longer be protected by applicable federal medical privacy law and could be re-disclosed by the person or agency that receives it, however, I do not authorize such

secondary disclosure.

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I have read the information in this authorization form and have the legal right to sign this authorization form, and have been advised to seek legal counsel before signing this authorization form prior to its execution; I fully understand the contents there of above and voluntarily sign.

[Redacted Signature]

Signed Name Patient/Authorized Representative

[Redacted Name]

Print Name of Patient/Authorized Representative

5/16/09  
Date

Please explain Representative's authority to act on behalf of the Patient:

\_\_\_\_\_  
\_\_\_\_\_

STATE OF New Jersey  
COUNTY OF Berlin

The foregoing instrument was acknowledged before me this 16th day of May, 2009 by [Redacted]

Notary's Stamp

Notary Public, State of NJ, County of Berlin  
My commission expires: 11/7/2012  
Acting in the County of Berlin

Notary's Signature

[Redacted Signature]



[Redacted Signature]  
NOTARY PUBLIC OF NEW JERSEY  
My Commission Expires Nov. 7, 2012



[REDACTED]  
October, 6, 2008

Mr. Michael Cox  
Michigan Attorney General  
G. Mennen Williams Building, 7<sup>th</sup> Floor  
525 W. Ottawa St.  
Lansing Michigan 48909

Dear Mr. Cox:

My [REDACTED] was a patient at Narconon Stone Hawk Rehabilitation Center, 216 St Marys Lake Road, Battle Creek, Michigan from March 17, 2008 to when he left on his own on or about May 23, 2008. When we dropped him off on the 17<sup>th</sup> of March we had to pay in full (\$30,000 and \$500 medical charges for a total of \$30,500 -see attached). At that state of mind all you are concerned with as devoted [REDACTED], is stopping your [REDACTED] and saving his life. We trusted the facility with our [REDACTED] life and well being.

Since [REDACTED] has been home all our attention, has been on his health and the health of other family members. We has not had the time or the state of mind to address his stay at StoneHawk. Through some research I have come to realize that we are not the only ones that know that we had been ripped-off, not only financially, but with the treatment our [REDACTED] had at the facility.

During his stay, not only his mental health, but his physical health was at risk. His room was filthy and the water was brown. The food was poor to say the least. At a cost of \$30,500 you expected that he would receive good medical attention and that the living accommodations would be more then adequate and the food would not only taste good but would also be healthy. He was constantly complaining to us about the living accommodations and the poor quality of food. We thought that he was just lying to get us to bring him home. We were wrong.

The way in which StoneHawk filing our claim with out insurance company is down right fraud. They only filed a claim for \$21,000 (attached) and not for the \$30,500 that we were charged. I was told by [REDACTED] of 1<sup>st</sup> Choice Billing, 3522 Ashford Dunwoody Road NE, Suite 418, Atlanta, GA 30319-2002, who was handing the claim for StoneHawk that the appeal was denied. I recently spoke to her and obtained my son's file which did not include any medical records from StoneHawk or any proof of the amount claimed to the insurance company. At this time Miss [REDACTED] advised that she no longer represents StoneHawk, adding that she found through her brief representation for StoneHawk that the facility is hard to deal with and does not put the effort needed to properly file the claims with the insurance companies. Her cell phone # is [REDACTED]

Page 2 of 2

Not only was the treatment that my [REDACTED] received for the short period of time he was there was poor to say the least, StoneHawk has misrepresented our insurance claim by \$9,000 and has failed to cooperate with the insurance company to settle my claim. For these reasons I would like to receive a full refund of the \$30,500 which was wrongfully paid to Stone Hawk. I hope the Michigan Attorney General's Office puts a stop to the misrepresentation and poor treatment received by the patients who are fooled by deception that the employees of StoneHawk make of the facility and the treatment received.

Please advise how I can legally file a claim against StoneHawk to obtain the total fee of \$30,500. I can be contacted on my cell phone at anytime [REDACTED] Thank you.

Sincerely yours,  
[REDACTED]  
[REDACTED]

[REDACTED]  
April 7, 2009

Ms. Beth Thomas  
Michigan Attorney General Office  
G. Mennen Williams Building, 7<sup>th</sup> Floor  
525 W. Ottawa St.  
Lansing Michigan 48909

Dear Ms Thomas

This letter is being sent to update the status of my previously letter addressed to Michael Cox, Attorney General, dated October 6, 2008, concerning my family's disappointment with Narconon Stone Hawk Rehabilitation Center, 216 St Marys Lake Road, Battle Creek, Michigan. Because of the poor treatment and misrepresentations of the facility I believe I'm entitled to a full refund.

Please be advised that as of this date I have not been able to obtain any refund from the facility. I have left several telephone messages with no call backs.

My [REDACTED] returned home in May, complained about the treatment he received, and the living accommodations at Narconon. Shortly after returning he relapsed. The good news is after going to another rehabilitation center that was clean, had good living accommodations, and staff that helped and cared about the patients, he has been clean for six months and on the right path.

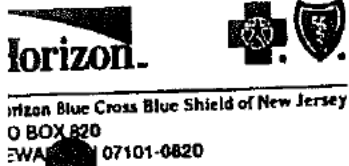
Again, I'm requesting that the Michigan Attorney General's Office assist in my attempt to obtain the refund of \$30,500.

I can be contacted at my cell # 732-556-7158 or my home #732-919-7425. Thank you.

Sincerely yours,

[REDACTED]

[REDACTED]



SHBP-NJ PLUS  
 CUSTOMER SERVICE  
 1-800-414-SHBP (7427)  
 MONDAY-FRIDAY 8AM-6PM  
 WWW.HORIZONBLUE.COM/SHBP

**EXPLANATION OF BENEFITS**  
 THIS IS NOT A BILL



SUBSCRIBER NAME: [REDACTED]

SUBSCRIBER ID: [REDACTED]

**SUMMARY INFORMATION**

| PATIENT NAME | RELATION  | CLAIM NUMBER | GROUP NUMBER | TOTAL CHARGE | HORIZON PAID |
|--------------|-----------|--------------|--------------|--------------|--------------|
| [REDACTED]   | DEPENDENT | [REDACTED]   | [REDACTED]   | 22,500.00    | 4,412.50     |

**DETAIL INFORMATION**

| DATE OF SERVICE | PROVIDER TYPE OF SERVICE                 | BILLED AMT | ALLOWED AMT | YOUR COINS/COPAY AMT | YOUR DEDUCTIBLE AMT | OTHER CARRIER PAYMENT AMT | NOT COV AMT | HORIZON PAID AMT | MESSAGE CODE | SUBSCRIBER RESPONSIBILITY |
|-----------------|--|------------|-------------|----------------------|---------------------|---------------------------|-------------|------------------|--------------|---------------------------|
| 3/17/08         | MARCONON STONE HAWK ROOM&BOARD-SEMI PRIV | 5,500.00   | 5,500.00    | 1,637.50             |                     |                           |             | 3,862.50         | P003<br>Z189 | 1,637.50                  |
| 3/22/08         | MARCONON STONE HAWK ROOM&BOARD-SEMI PRIV | 550.00     | 550.00      |                      |                     |                           |             | 550.00           | P003         | 0.00                      |
| 3/23/08         | MARCONON STONE HAWK ROOM&BOARD-SEMI PRIV | 4,950.00   |             |                      |                     |                           |             | 0.00             | X013         | 4,950.00                  |
| 4/01/08         | MARCONON STONE HAWK ROOM&BOARD-SEMI PRIV |            |             |                      |                     |                           |             | 0.00             | X013         | 10,000.00                 |
| 4/02/08         | MARCONON STONE HAWK ROOM&BOARD-SEMI PRIV | 10,000.00  |             |                      |                     |                           |             |                  |              |                           |

An Independent Member of the Blue Cross Blue Shield Association

X

**DO NOT CASH IF ANY OF THE BELOW SECURITY FEATURES ARE NOT PRESENT AND VISIBLE**

**Security Features:**  
 Metal Security Strip  
 Warming Blank  
 Hologram  
 Artificial Fibers  
 Colored Ink  
 Void

**Description of Features:**  
 Responds to search light between front & back of document or bursts on if the strip is torn & reattached  
 Alerts holder the document contains security features  
 Engraved lines  
 Fiber under light  
 Pattern of fibers  
 Hidden "VOID" words when viewed with special paper

DO NOT WRITE OR STAMP BELOW THIS LINE



SHBP-NJ PLUS  
 CUSTOMER SERVICE  
 1-800-414-SHBP (7427)  
 MONDAY-FRIDAY 8AM-6PM  
 WWW.HORIZONBLUE.COM/SHBP

**EXPLANATION OF BENEFITS**  
**THIS IS NOT A BILL**

Horizon Blue Cross Blue Shield of New Jersey  
 P.O. BOX 820  
 NEW JERSEY 07101-0820



SUBSCRIBER NAME: [REDACTED]

SUBSCRIBER ID: [REDACTED]

**DETAIL INFORMATION**

| DATE OF SERVICE | PROVIDER TYPE OF SERVICE | BILLED AMT       | ALLOWED AMT     | YOUR COINS/COPAY AMT | YOUR DEDUCTIBLE AMT | OTHER CARRIER PAYMENT AMT | NOT COV AMT | HORIZON PAID AMT | MESSAGE CODE                 | SUBSCRIBER RESPONSIBILITY |
|-----------------|--------------------------|------------------|-----------------|----------------------|---------------------|---------------------------|-------------|------------------|------------------------------|---------------------------|
| 5/13/08         | NARCONON STONE HAWK      | 1,500.00         |                 |                      |                     |                           |             | 0.00             | X013                         | 1,500.00                  |
| 5/14/08         | ROOM&BOARD-SEMI PRIV     |                  |                 |                      |                     |                           |             | 4,412.50         | Z473<br>Z028<br>Z875<br>Z832 | 18,087.50                 |
| <b>TOTAL:</b>   |                          | <b>22,500.00</b> | <b>6,050.00</b> | <b>1,637.50</b>      |                     |                           |             |                  |                              |                           |

NA2084 YOUR TOTAL LIABILITY (INCLUDING DEDUCTIBLE, COINSURANCE AND OTHER AMOUNTS NOT COVERED) FOR THIS CLAIM IS \$18087.50.

**MESSAGE CODE EXPLANATION**

- Z473** IF YOU HAVE A QUESTION REGARDING AN ALCOHOL/SUBSTANCE ABUSE OR MENTAL HEALTH RELATED CLAIM, PLEASE CONTACT MAGELLAN BEHAVIORAL HEALTH BY CALLING 1-800-891-5579, OR BY WRITING TO : 199 POMEROY RD., 3RD FLOOR, PARSIPPANY, NJ 07054.
- Z028** IF YOU ARE COVERED BY MORE THAN ONE HEALTH BENEFIT PLAN, YOU SHOULD FILE ALL YOUR CLAIMS WITH EACH PLAN AND PROVIDE EACH PLAN WITH INFORMATION REGARDING THE OTHER PLANS UNDER WHICH YOU ARE COVERED.
- Z875** YOU OR YOUR REPRESENTATIVE MAY ASK HORIZON BLUE CROSS BLUE SHIELD OF NEW JERSEY TO RECONSIDER ANY CLAIM, OR PORTION OF A CLAIM, FOR WHICH YOU BELIEVE BENEFITS HAVE BEEN ERRONEOUSLY DENIED BASED ON THE LIMITATIONS AND/OR EXCLUSIONS IN OUR BENEFITS BOOKLET. IF YOU WISH TO APPEAL, YOU MUST DO SO WITHIN 12 MONTHS FROM THE DATE YOU RECEIVED THIS NOTICE OF DENIAL. PLEASE INCLUDE ANY ADDITIONAL INFORMATION THAT WILL HELP US IN OUR DETERMINATION. YOUR REQUEST SHOULD BE MADE IN WRITING AND INCLUDE THE FOLLOWING: NAME(S) AND ADDRESS(ES) OF PATIENT AND CUSTOMER, CUSTOMER'S HORIZON BLUE CROSS BLUE SHIELD IDENTIFICATION NUMBER, DATE(S) OF SERVICE(S), CLAIM NUMBER, PROVIDER'S NAME AND ADDRESS, AND WHY YOU THINK THIS CLAIM SHOULD BE RECONSIDERED.
- Z832** CLAIMS MUST BE FURNISHED WITHIN 1 YEAR AND 90 DAYS AFTER THE END OF THE CALENDAR YEAR IN WHICH THE CHARGES WERE INCURRED. FOR EXAMPLE, IF A SERVICE WAS PROVIDED IN 2004, YOU WOULD HAVE UNTIL MARCH 31, 2006 TO FILE A CLAIM.
- P003** BASED ON THE REPORTED INFORMATION, THIS PAYMENT REPRESENTS THE MAXIMUM COVERED BENEFIT FOR THIS SERVICE.
- Z189** A COPAYMENT WAS REQUIRED FOR THIS SERVICE AND IS INCLUDED IN THE SUBSCRIBER LIABILITY.
- X013** PRECERTIFICATION NOT ON FILE; PRECERTIFICATION REQUIRED.

CONTRACT FOR PAYMENT

This contract (hereinafter referred to as the "Contract") is hereby executed on 3/17/08, 20 08, by and between Narconon Stone Hawk Rehabilitation Center ("Treatment Provider") whose address is 216 St Mary's Lake Road, Battle Creek, Michigan, 49017 ("Resident") whose address is NOW THEREFORE, in consideration of the following, the parties hereto agrees as follows: The Treatment Provider agrees to provide detoxification services to the Resident (The Resident acknowledges that he/she received a copy of the detoxification services, some of which are incorporated in this Contract by express reference). In exchange for these detoxification services, the Resident agrees to Pay the total sum of \$ 30,500<sup>00</sup> same amount is due as follows: \$ 30,500<sup>00</sup> is due upon execution of this Contract; the remaining amount of \$ 0 is due within 0 days after the execution of this Contract. The Resident specifically acknowledges and agrees that his/her failure to pay the remaining amount of \$ 0 as outlined above, shall result in an additional 10% administrative fee that shall be added to the remaining balance of \$ 0 and an additional monthly finance charge of 18.5% that shall be added to the remaining balance of \$ 0. The Resident understands and specifically agrees that paying the total SUM of \$ 30,500<sup>00</sup> is an express condition to the admission of the Resident to and the retention of the Resident in the Treatment Center. The Resident understands and specifically agrees that if the Treatment Center becomes a party to any legal proceeding related to this Contract, the Resident shall pay the Treatment Center its attorney's fees and all other costs in connection therewith. This Contract shall be deemed to be a Contract under and shall be governed by and construed in accordance with the internal laws of the State of Michigan (exclusive of any conflict of law provision of any jurisdiction) any claim shall be settled in Calhoun County Courts in Battle Creek, MI.

In the event that any provision in this Contract shall be determined to be Invalid, illegal or otherwise unenforceable, the remaining provision(s) of this Contract shall not be affected and the illegal, invalid or unenforceable provision(s) shall be separated from this Contract and there shall be added another provision(s) that is/are similar in term(s) and intent as the separated provision(s) in order that the same provision(s) be made legal, valid and enforceable. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Any wavier, amendment, modification or supplement of or to any term or condition of this Agreement shall be effective only if in writing and signed by all parties hereto and the parties hereto waive the right to amend the provisions of this Section orally. The article headings contained in this Contract are for reference purposes only and are not part of this Contract and shall not affect the meaning or the interpretation of this Contract. The signer understands and agrees that this is a non-refundable program.

Resident-  
(Signature) [Redacted]  
Print: [Redacted]  
Witness: [Signature]

Rayee-  
(Signature) [Redacted]  
Print: [Redacted]  
Witness: [Signature]

RECEIVED

JUL 13 2009

Kreis  
Enderle  
Hudgins  
& Borsos

Michael J. Toth

Direct Dial 269-441-4526

Dept. of Attorney General  
Consumer Protection - Franchise

A Professional Corporation  
Attorneys at Law  
One West Michigan Avenue  
Battle Creek, MI 49017  
269-966-3000  
Fax 269-966-3022  
mtoth@kech.com

**Note: This correspondence is inadmissible pursuant to MRE 408**

July 10, 2009

Michigan Department of Attorney General  
Consumer Protection Division  
PO Box 30213  
Lansing, Michigan 48909

**Re: Narconon Stone Hawk Rehabilitation Center, Inc. ("Stone Hawk")**

**Pending matters:** [REDACTED]

**Settled matters:**

Dear

The purpose of this letter is to provide you with a status report regarding the above captioned people. On May 6, 2009, we submitted HIPAA release requests to the above captioned people, and forwarded copies of the requests to your office on the same day. (See Attached Exhibit 1). As of the date of this writing, we have not received signed HIPAA releases from the following:

Notwithstanding these HIPAA omissions, the following is the current status for the still pending matters:

1.

2.

3.

4.

5. [REDACTED] ( [REDACTED] Student) -- Mr. [REDACTED] Complaint involves insurance billing. Stone Hawk bills insurance on a pro rata basis. Mr. [REDACTED] paid \$30,500 (program fees) to Stone Hawk. The majority of this fee went to medical insurance. That is, Stone Hawk submitted \$21,000 of Mr. [REDACTED] program fees towards insurance, which was denied. Please note that there is a \$21,000 cap on insurance therefore, Stone Hawk could only submit that amount. Stone Hawk then appealed the insurance denial but the appeal was also denied. The enrollment form provided that:

A person may have medical insurance that may pay all or some of the program fees. It is the policy of Narconon Stone Hawk that we do not accept insurance as payment, but will assist the student and/or family in submitting necessary information to the insurance company for reimbursement. **The Student and Responsible Party must call the insurance company (if any) and pre-certify the student before his/her arrival at Stone Hawk. The Student and Responsible Party also understand that there is no guarantee they will receive any reimbursement from the insurance company and that your insurance company's rejection does not alter or modify your obligation to Narconon.**

(Emphasis added.)

Accordingly, because Stone Hawk incurred \$30,500 in program fees, and [REDACTED] spent 63 days on the program, and because the insurance company denied the insurance claim and appeal, Mr. [REDACTED] is not entitled to any refunds of money. Accordingly, Stone Hawk requests that the Attorney General dismiss this Complaint.

**Settled matters:**

The following complaints were settled on March 12, 2008; however, we have not received verification from your office that these cases have been dismissed. Please forward dismissals for the following complainants for our records.



1.

2.

3.

4.

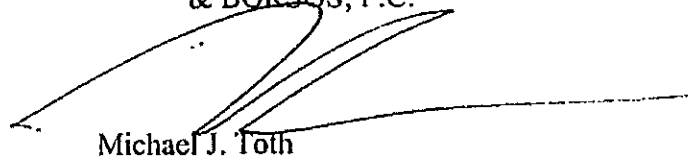
5.

6.

We will provide another status report in 30 days. In the meantime, if you have any questions, please contact me or my associate, Jim Lance.

Sincerely,

KREIS, ENDERLE, HUDGINS  
& BORSOS, P.C.

A handwritten signature in black ink, appearing to read "Michael J. Toth", written over the printed name below.

Michael J. Toth

Attachments as stated

Kreis  
Enderle  
Hudgins  
& Borsos

Michael J. Toth

A Professional Corporation  
Attorneys at Law  
One West Michigan Avenue  
Battle Creek, MI 49017  
Main 269-966-3000  
Fax 269-966-3022  
mtoth@kech.com

May 6, 2009

[REDACTED]  
Wall, New Jersey 07719

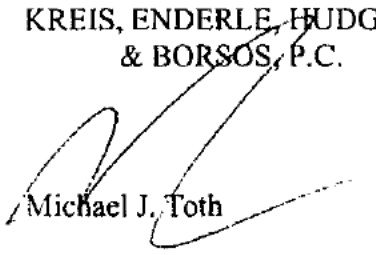
Re: Michigan Attorney General Complaint ([REDACTED])  
Narconon Stone Hawk Rehabilitation Center, Inc.

Dear Mr. [REDACTED]

Please be advised that we represent Narconon Stone Hawk Rehabilitation Center, Inc. ("Narconon Stone Hawk"). This letter is in response to your complaint filed with the Michigan Attorney General's Office dated October 6, 2008. Please note that before Narconon Stone Hawk can discuss any matters or release any documents relating to you and/or the aforementioned Michigan Attorney General Complaint, we must have a signed HIPAA Release. Until we receive the signed HIPAA Release we are unable to discuss this matter.

Sincerely,

KREIS, ENDERLE, HUDGINS  
& BORSOS, P.C.

  
Michael J. Toth

JDL MJT

Enclosure as stated

Cc: Beth Thomas