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11 Attorneys for NATIONAL UNION FIRE  
12 INSURANCE COMPANY OF  
13 PITTSBURGH, PA.

14

15 **UNITED STATES DISTRICT COURT**  
16 **CENTRAL DISTRICT OF CALIFORNIA, WESTERN DIVISION**

17 NATIONAL UNION FIRE  
18 INSURANCE COMPANY OF  
19 PITTSBURGH, PA., as assignee and  
20 subrogee of Universal Health Services,  
21 Inc. and Palmdale Regional Medical  
22 Center,

23 Plaintiff,

24 v.

25 SCOTT FINSTEIN, an individual;  
26 RICHARD YANIK, individually and  
27 dba RM POWER and/or MEKR  
28 ADVANCE SERVICES; THOMAS  
MATHIS, individually and dba PBS  
FIRE PROTECTION SERVICES  
and/or PATRIOT BUILDING  
SERVICES; and DOES 1-20,

Defendants.

Case No.

**COMPLAINT FOR MONETARY  
DAMAGES**

23 Plaintiff, National Union Fire Insurance Company of Pittsburgh, Pa., by and  
24 through its undersigned counsel, files this Complaint against Defendants, Scott  
25 Finstein (“Finstein”) an individual, Richard Yanik, individually and dba RM Power  
26 and/or MEKR Advance Services (“Yanik”), Thomas Mathis, individually and dba  
27 PBS Fire Protection Services and/or Patriot Building Services (“Mathis”), and DOES  
28 1-20, and in support thereof avers the following:

## THE PARTIES

2       1. Plaintiff, National Union Fire Insurance Company of Pittsburgh, Pa.  
3 (“National Union”) is a Pennsylvania insurance corporation formed and existing in  
4 accordance with the laws of the Commonwealth of Pennsylvania, with a principal  
5 place of business located at 1271 Ave of the Americas, Floor 37, New York, NY  
6 10020-1304.

7       2.     Defendant, Scott Finstein, is an individual who resides at 19601 Rose  
8     Ave., Tehachapi, CA 93561.

9       3.     Defendant, Richard Yanik is an individual who resides at 39434 Basalt  
10 Ct., Palmdale, CA 93551.

11       4.     Mr. Yanik does business or has done business as RM Power and MEKR  
12     Advance Services.

13       5.     Defendant, Thomas Mathis is an individual who resides at 8675 Brook  
14     Glen Ln., Huntersville, NC 28078.

15       6.     Mr. Mathis does business or has done business as PBS Fire Protection  
16 and Patriot Building Services.

17       7. Defendants, DOES 1-20 are individual persons and/or corporations,  
18 limited liability companies and/or other business entities of form currently unknown  
19 to Plaintiff despite reasonable investigation.

## **JURISDICTION AND VENUE**

21       8.     This Court has subject matter jurisdiction over the claims in this  
22 Complaint pursuant to 28 U.S.C. § 1332, because National Union does not share state  
23 citizenship with any of the identifiable Defendants and the amount in controversy,  
24 exclusive of interest and costs, exceeds \$75,000.

25        9.     This court has personal jurisdiction over Finstein and Yanik, because  
26 they reside in the state of California.

27       10. This court has personal jurisdiction over Mathis because his actions,  
28 which give rise to National Union's claims, occurred in the state of California.

1       11.   Venue is proper in this District pursuant 28 U.S.C. §§1331(b)(1) because  
 2 Yanik resides in this District, and a substantial part of the events giving rise to this  
 3 action occurred in this District.

4       **FACTUAL ALLEGATIONS**

5       12.   Upon information and belief, Plaintiff alleges as follows:

6       13.   Palmdale Regional Medical Center (“Palmdale”) is an acute care facility  
 7 located in Palmdale, California. Palmdale is a wholly owned subsidiary of Universal  
 8 Health Services, Inc. (“Universal Health”).

9       14.   During the period of 2008 to 2019, Finstein was employed as the  
 10 Director of Plant Operations at Palmdale.

11       15.   In his position as Director of Plant Operations, Finstein was responsible  
 12 for coordinating and overseeing the construction and maintenance work performed at  
 13 Palmdale, including work performed by outside vendors.

14       16.   Finstein also was responsible for reviewing invoices submitted by  
 15 vendors and issuing authorizations for Palmdale to pay such invoices.

16       17.   From 2008 to 2019, Finstein engaged in a scheme with the other  
 17 Defendants whereby he approved invoices that resulted in payments to the other  
 18 Defendants despite knowing that such individuals and/or their business entities did  
 19 not perform the services or provide the products to Palmdale listed on the invoices.

20       **A.   RM Power’s Fraudulent Invoices.**

21       18.   On behalf of Palmdale, Finstein retained a vendor identified as “RM  
 22 Power” to perform services for Palmdale.

23       19.   RM Power is and was the business alias of Defendant Richard Yanik.

24       20.   At all relevant times, Finstein and Yanik were personal friends.

25       21.   From 2009 through 2018, Yanik, under the alias RM Power, provided  
 26 invoices to Palmdale for various services that he represented had been performed and  
 27 had benefited Palmdale, including but not exclusively carpentry, storm drain clean-  
 28 outs, electrical work, and valve replacements.

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1       22. Neither Yanik nor anyone on his behalf performed the services that were  
 2 described in RM Power's invoices.

3       23. Finstein knew that Yanik did not perform the services that were  
 4 described in RM Power's invoices.

5       24. Nevertheless, Finstein approved the invoices and authorized Palmdale to  
 6 pay RM Power's invoices, despite knowing that the invoices contained false  
 7 information and that the services had not been provided.

8       25. Upon receiving Finstein's approval of the invoices, Palmdale paid RM  
 9 Power (and, therefore, Yanik) for the amounts stated on the invoices.

10      26. As a result, Palmdale improperly paid \$66,816.33 to Yanik for services  
 11 that RM Power and Yanik did not perform and Palmdale never received.

12      **B. MEKR Advance Systems' Fraudulent Invoices.**

13      27. On behalf of Palmdale, Finstein retained a vendor identified as "MEKR  
 14 Advance Systems" to perform services for Palmdale.

15      28. MEKR Advance Systems also was the business alias of Yanik.

16      29. From 2011 through 2018, Yanik, under the alias of MEKR Advance  
 17 Systems, provided invoices to Palmdale for various services that he represented had  
 18 been performed and had benefited Palmdale including coil cleaning, cooling tower  
 19 cleaning, infrared inspections, automatic transfer switch maintenance, filter changes,  
 20 line isolation testing, compressor replacement, master alarm replacement, fire pump  
 21 replacement, and valve replacements.

22      30. Neither Yanik nor anyone on his behalf performed the services that were  
 23 described in MEKR Advance Systems' invoices.

24      31. Finstein knew that Yanik did not perform the services that were  
 25 described in MEKR Advance Systems' invoices.

26      32. Nevertheless, Finstein approved the invoices and authorized Palmdale to  
 27 pay MEKR Advance Systems' invoices, despite knowing that the invoices contained  
 28 false information and that the services had not been provided.

1       33. Upon receiving Finstein's authorization, Palmdale paid MEKR Advance  
 2 Systems (and, therefore, Yanik) for the amounts stated on the invoices.

3       34. As a result, Palmdale improperly paid \$187,097.74 to Yanik for services  
 4 that MEKR Advance Systems and Yanik did not perform and Palmdale never  
 5 received.

6       **C. Patriot Building Services' Fraudulent Invoices.**

7       35. On behalf of Palmdale, Finstein retained a vendor identified as "Patriot  
 8 Building Services" to perform services and to provide products to Palmdale.

9       36. Patriot Building Services is and was the business alias of Mathis.

10       37. From 2011 through 2018, Mathis, under the alias of Patriot Building  
 11 Services, provided invoices to Palmdale for various products, supplies and services  
 12 that he represented had been performed and had benefited Palmdale, including but not  
 13 exclusively line isolation testing, condensate for steam boilers, return line treatment,  
 14 oxygen scavengers, degreaser, and hand cleaner.

15       38. Neither Mathis nor anyone on his behalf performed the services or  
 16 provided the products that were described in Patriot Building Services' invoices.

17       39. Finstein knew that Mathis did not perform the services that were  
 18 described in Patriot Building Services' invoices.

19       40. Nevertheless, Finstein approved the invoices and authorized for  
 20 Palmdale to pay Patriot Building Supplies' invoices, despite knowing that the invoices  
 21 contained false information and the products, supplies and services had not been  
 22 provided.

23       41. Upon receiving Finstein's authorization, Palmdale paid Patriot Building  
 24 Services (and, therefore, Mathis) for the amounts stated on the invoices.

25       42. As a result, Palmdale improperly paid \$147,573.09 to Mathis for  
 26 products, supplies and services that Patriot Building Services and Mathis did not  
 27 provide or perform and products that Palmdale never received.

28       ///

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