

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

ALLEN SPRADLING,

Plaintiff,

v.

**SURGICAL CARE AFFILIATES, LLC, SCAI
HOLDINGS, LLC, ANDREW HAYEK,
UNITEDHEALTH GROUP, INC., UNITED
SURGICAL PARTNERS HOLDING
COMPANY, INC., UNITED SURGICAL
PARTNERS INTERNATIONAL, INC., TENET
HEALTHCARE CORPORATION, and
JOHN DOES 1-10,**

Defendants.

Case No.

CLASS ACTION COMPLAINT

JURY TRIAL DEMANDED

Plaintiff Allen Spradling, on behalf of himself and all others similarly situated, brings this Class Action Complaint against Defendants Surgical Care Affiliates, LLC, SCAI Holdings, LLC, and Andrew Hayek (collectively “SCA”); UnitedHealth Group, Inc. (“United”), United Surgical Partners Holding Company, Inc., United Surgical Partners International, Inc., and Tenet Healthcare Corporation (collectively “USPI”); and John Does 1-10 (“Does”), for violations of Section 1 the Sherman Act, 15 U.S.C. § 1, and Section 4 of the Clayton Act, 15 U.S.C. § 15(a), as follows:

INTRODUCTION

1. SCA, United, USPI, and Does (collectively “Defendants”) agreed not to compete for each other’s senior-level employees in the United States, refraining from soliciting or hiring employees absent the knowledge and consent of their existing employers. Defendants’ conduct is

a per se violation of Section 1 the Sherman Act, 15 U.S.C. § 1, and Section 4 of the Clayton Act, 15 U.S.C. § 15(a). These “no-poach” or “no hire” agreements (collectively “no poach agreements”) began no later than 2010 and continued through at least 2017. Defendants’ most senior executives entered into, monitored and enforced these agreements.

2. Defendants’ no-poach agreements were not necessary to any legitimate business transaction or lawful collaboration among the companies. Defendants’ conspiracy was strictly a tool to suppress their senior-level employees’ compensation, thereby reducing their own expenses.

3. Defendants’ no-poach agreements accomplished their purpose. The agreements reduced competition for Defendants’ senior-level employees and suppressed Defendants’ senior-level employees’ compensation below competitive levels. The conspiracy disrupted the efficient allocation of labor that would have existed if Defendants had competed for, rather than colluded against, their current and prospective senior-level employees.

4. Defendants’ agreements also denied their senior-level employees access to job opportunities, restricted their mobility, and deprived them of significant information that they could have used to negotiate for better compensation and terms of employment.

5. Defendants’ conspiracy was initially revealed publicly on January 7, 2021, when the United States Department of Justice (“DOJ”) issued a press release announcing a criminal indictment against SCA, which detailed the conspiracy. That indictment references two co-conspirator companies—“Company A” and “Company B.” *See Indictment, United States v. Surgical Care Affiliates, LLC*, No. 3:21-cr-00011 (N.D. Tex.) (filed Jan. 5, 2021). Upon information and belief, Plaintiff alleges that “Company A” refers to USPI.

6. Plaintiff is a former, senior-level employee of SCA and brings this suit individually and

on behalf of the Proposed Class to recover damages and injunctive relief to prevent Defendants from retaining the benefits of their antitrust violations.

JURISDICTION AND VENUE

7. Plaintiff brings this action on his own behalf as well as that of the Class to recover damages, including treble damages, costs of suit, and reasonable attorneys' fees arising from Defendants' violations of Section 1 of the Sherman Act (15 U.S.C. § 1) and Section 4 of the Clayton Act (15 U.S.C. § 15(a)), as well as any and all equitable relief afforded them under the federal laws pled herein.

8. Jurisdiction and venue are proper in this judicial district pursuant to Section 12 of the Clayton Act (15 U.S.C. § 22), and 28 U.S.C. § 1391(b), (c) and (d), because a substantial part of the events giving rise to Plaintiff's claims occurred in this District, a substantial portion of the affected interstate trade and commerce was carried out in this District, and one or more of the Defendants reside in this District or are licensed to do business in this District. Defendants transacted business, maintained substantial contacts, and/or committed overt acts in furtherance of the illegal scheme and conspiracy throughout the United States, including in this District. Defendant SCA has its principal place of business in this District. The scheme and conspiracy have been directed at, and have had the intended effect of, causing injury to persons residing in, located in, or doing business throughout the United States, including in this District.

PARTIES

9. Allen Spradling is a resident of Hoover, Alabama. He was employed by Defendant Surgical Care Affiliates, LLC from September 22, 2008 to April 26, 2013, first as a Manager, Program Management Office, and then as a Director, Information Technology.

10. Defendant Surgical Care Affiliates, LLC is a company organized and existing under the laws of Delaware with its principal place of business at 510 Lake Cook Road, Suite 400,

Deerfield, Illinois, 60015. Surgical Care Affiliates, LLC is a wholly owned subsidiary of UnitedHealth Group, Inc.

11. Defendant SCAI Holdings, LLC is a company organized and existing under the laws of Delaware with its principal place of business at 510 Lake Cook Road, Suite 400, Deerfield, Illinois, 60015. SCAI Holdings, LLC is a wholly owned subsidiary of UnitedHealth Group, Inc.

12. Defendant Andrew Hayek is a resident of Illinois. He was President and Chief Executive Officer of SCA from 2008 until 2017. In 2017, he became Chief Executive Officer of OptumHealth. In 2019, he became Executive Vice President of Optum. Upon information and belief, Defendant Hayek is referred to as “Individual 1” in the DOJ indictment.

13. Defendants Surgical Care Affiliates, LLC, SCAI Holdings, LLC, and Andrew Hayek are collectively referred to as “SCA.” SCA owns and operates approximately 230 outpatient medical care facilities across the United States and employs approximately 10,000 individuals to operate its business at its headquarters location and at other locations across the United States, serving almost one million patients each year. SCA’s mission is to “provid[e] high quality outcomes and a better experience for patients and providers, all at a lower total cost of care.” In Fiscal Year 2016, SCA had net operating revenues of approximately \$1.2 billion, with \$226 million in EBITDA. In 2017, SCA was acquired by United through its subsidiaries for \$2.3 billion.

14. Defendant UnitedHealth Group, Inc. (“United”) is a company organized and existing under the laws of Delaware, with its principal place of business at 9900 Bren Road East, UnitedHealth Group Center, Minnetonka, MN 55343. Through its subsidiaries, United operates two distinct business platforms: health insurance and health services. In 2020, it was the second-largest healthcare company by revenue with \$257.1 billion, and the largest insurance company by Net Premiums. United was ranked 7th on the 2020 Fortune 500 list.

15. Defendant United Surgical Partners Holding Company, Inc. is a company organized and existing under the laws of Delaware with its principal place of business at 14201 Dallas Parkway, Dallas, Texas, 75254. United Surgical Partners Holding Company, Inc. is a wholly owned subsidiary of Defendant Tenet.

16. Defendant United Surgical Partners International, Inc. is a company organized and existing under the laws of Delaware with its principal place of business at 14201 Dallas Parkway, Dallas, Texas, 75254. United Surgical Partners International, Inc. is a wholly owned subsidiary of Defendant Tenet.

17. Defendant Tenet Healthcare Corporation (“Tenet”) is a company organized and existing under the laws of Nevada with its principal place of business at 14201 Dallas Parkway, Dallas, Texas 75254. Tenet, through its many subsidiaries, owns and operates outpatient medical facilities throughout the United States. Tenet is a public company traded on the New York Stock Exchange under the symbol “THC.” Tenet is the parent corporation of USPI. On June 16, 2015, Tenet completed a transaction that combined its freestanding ambulatory surgery and imaging center assets with the surgical facility assets of USPI. In April 2016, Tenet paid \$127 million to purchase additional shares, which increased its ownership interest in USPI from 50.1% to approximately 56.3%. In July 2017, Tenet paid \$716 million for the purchase of additional shares, which increased its ownership interest in USPI to 80.0%. In April 2018, Tenet paid approximately \$630 million for the purchase of an additional 15% ownership interest in USPI, which increased its ownership interest in USPI to 95%.

18. Defendants United Surgical Partners Holding Company, Inc., United Surgical Partners International, Inc., and Tenet Healthcare Corporation are collectively referred to as “USPI.” USPI “is the largest ambulatory surgery platform in the country,” owns and operates over 550

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