


Lawsuit claims assisted living operator cheated residents in order to build profits

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A lawsuit filed last week in Portland claims the parent company of several assisted living centers in Douglas County misrepresented the number of skilled care providers it employed and cheated residents out of services paid for but not provided.

The lawsuit, filed Thursday in Multnomah County Circuit Court, was brought against Sunwest Management. The Salem-based company operates 50 residential facilities in Oregon, including the Forest Glen Retirement & Respite in Canyonville and Callahan Court Memory Care, Callahan Village Assisted Living, and Manor House Memory Care & Respite in Roseburg.

“This is about broken promises for higher profits,” attorney Kathryn Stebner, who filed the lawsuit, said in a release. “It’s shameful that Sunwest is preying on our senior citizens and their families at such a vulnerable time.

Stebner, from San Francisco, is also serving as co-counsel for a similar lawsuit filed against Sunwest Management in California.

That suit, filed in January, alleges that residents in 16 facilities operated by Sunwest were charged for services they weren’t provided.

Wallace Gutzler, Sunwest Management’s attorney, did not return a telephone call placed to his office Tuesday. In an interview with a reporter from the Oregonian in Portland, Gutzler denied the company violated state law.

The Oregon lawsuit was filed on behalf of Gwen Olmstead, 80, and Cathleen Naylor, 81. They both reside at Deer Meadow Assisted Living, a Sunwest facility in Sherwood. Olmstead has lived at the Washington County facility since January 2003, while Naylor has been there since February 2004.

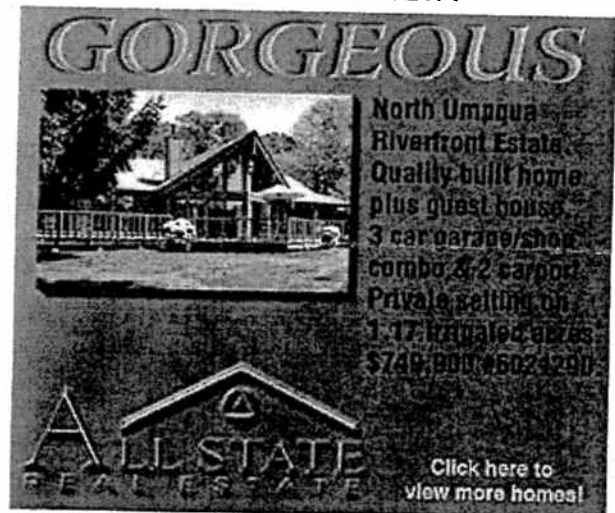
The suit alleges Sunwest, which operates more than 200 facilities nationwide, intentionally ignored state laws governing senior residential facilities in order to increase business profits.

The company was formed in 1991 and has created a niche operating facilities in mostly rural areas. Other facilities owned by the company in southern Oregon are located in Cottage Grove, Grants Pass, Rogue River, Eagle Point and Ashland.

Specifically, the lawsuit accuses Sunwest corporate officials of establishing budgets for each individual facility, including those in Douglas County, that called for the “widespread non-compliance with minimum staffing standards.”

The 39-page complaint claims the company misrepresented the number of skilled careworkers employed at each facility. The company counted all staff members, including those who weren’t qualified or involved in resident care, when describing caregiver-to-staff ratios in contracts signed by incoming residents.

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In addition, the lawsuit claims that some employees who were hired as caregivers were not properly qualified or trained to properly care for residents.

Residents and potential residents were led to believe the standard of care provided at each of the company's facilities was better than it actually was, the lawsuit claims. As a result, residents did not receive what they paid for.

"The Defendants conceived and implemented a plan to wrongfully increase business profits at the expense of the health of residents such as Cathleen A. Naylor and Gwen E. Olmstead," the court complaint said, "and others similarly situated through the chronic understaffing and under-funding of their facilities which prevented their facilities from providing adequate and proper care to their residents. ..."

Although Naylor and Olmstead were the only named plaintiffs, the lawsuit also seeks class action status. That would allow more than 3,000 residents of the company's facilities in Oregon to ask to be added as plaintiffs.

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