

PARENTS OF CHLA CANCER PATIENTS SEEK JUSTICE - STEM CELLS DESTROYED THROUGH "SHOCKING AND INTENTIONAL MISCONDUCT" OF CHLA.

As stated in the complaint, CHLA failed to update an "ancient" cryogenic freezer that should have been replaced in 1998. To make matters worse, they turned off the alarms that monitor the tanks prior to the freezer failure.

When the tank at CHLA containing precious stem cells for 56 children suffering from cancer finally failed, the disaster happened 21 years after CHLA should have replaced the freezer ... and months after CHLA deliberately turned off the alarms. Peiffer Wolf Carr Kane & Conway ("Peiffer Wolf") is representing multiple families devastated by CHLA; more families are expected to seek justice in the coming weeks.

Apologies aren't enough. These families have entrusted their children's lives and futures to these facilities. A child fighting cancer shouldn't have to worry about freezers in a lab. We're going to keep fighting until these devastating tragedies never happen again.

-Partner. Adam Wolf



Peiffer Wolf is a national law firm with offices in Los Angeles, San Francisco, New York, Cleveland, St. Louis, Austin, and New Orleans. Peiffer Wolf is nationally recognized for representing victims of laboratory misconduct, including improper freezer handling, and the destruction of stem cells and embryos.

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18	LINDA WRATTEN and TIMOTHY	Case No.	
19	WRATTEN, INDIVIDUALLY AND ON BEHALF OF THEIR MINOR CHILD, E.F.,	COMPLAINT	
20	Plaintiffs,		
21	VS.	DEMAND FOR JURY TRIAL	
22	CHILDREN'S HOSPITAL LOS ANGELES,		
23	Defendant.		
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COMPLAINT

INTRODUCTION

- 1. This lawsuit stems from the catastrophic destruction of frozen stem cells of 56 children who suffer from high-risk cancer, including Plaintiff E.F.
- 2. The stem cells were destroyed as a direct result of shocking and intentional misconduct by Children's Hospital Los Angeles ("CHLA"). Through this suit E.F. and his parents Linda Wratten ("Linda") and Timothy Wratten ("Timothy") (collectively, "Plaintiffs") seek to hold CHLA accountable for the devastation it has wrought upon their family.
- 3. E.F. has neuroblastoma, a particularly aggressive cancer that is very resistant to treatment and very likely to recur. The standard treatment for E.F., like most children with neuroblastoma, includes prolonged high-dose chemotherapy. The chemotherapy kills the cancer cells. But the process also destroys the child's bone marrow, which is necessary to produce red and white blood cells.
- 4. Accordingly, at the outset of chemotherapy, CHLA performed a stem-cell "harvest" for E.F., through which his stem cells were extracted from his body. While this procedure is protracted and extremely painful—especially for a young child like E.F.—it is critically important. A subsequent reintroduction of stem cells during chemotherapy restores the lost bone marrow necessary for survival. For someone like E.F., the harvested stem cells are literally a life saver.
- 5. As is standard practice, CHLA retrieved more stem cells from E.F. than it needed for a single round of reintroduction treatment. This is a critical and necessary precaution to take when harvesting stem cells for use in treatment of aggressive childhood cancers, due to the high likelihood of subsequent relapse. Should relapse occur, necessitating future chemotherapy treatment, additional healthy stem cells would again need to be reintroduced to restore E.F's bone marrow. Following a full battery of high-dose chemotherapy, however, there is no guarantee of successful future stem cell harvests. Accordingly, it is critical to harvest extra stem cells at the outset. Accordingly, CHLA promised Linda, Timothy, and E.F. that it would harvest additional bags of stem cells from E.F. and cryogenically store them until such a time as they may be needed.
- 6. These frozen cells were both a lifeline and a safety net for E.F. and his family. Having these cells available provided them with vital peace-of-mind that they were protected now and into the future.

- 7. CHLA promised Plaintiffs—and Plaintiffs thus believed—that CHLA would preserve and care for E.F.'s precious stem cells. After all, CHLA bills itself as one of the top pediatric cancer facilities in the world, with "state of the art" equipment and "meticulously maintained" facilities. Unfortunately, none of this is true of CHLA's stem-cell lab.
- 8. Unbeknownst to Plaintiffs, CHLA deliberately stored E.F.'s stem cells in a freezer tank that CHLA knew was several decades past the freezer's life expectancy.
- 9. CHLA's callous disregard for E.F.'s stem cells was compounded by its decision to intentionally disable the alarm system that was intended to monitor the freezer tank and alert CHLA personnel if the temperature in its ancient freezer rose to unsafe levels.
- 10. This all came to a head on a fateful day in September 2019, when the temperature in CHLA's old, unmonitored cryogenic freezer rose uncontrollably due to a failure of its decades-old vacuum. And as a result of CHLA's intentional decision to operate the tank without a functioning alarm system, CHLA's personnel did not learn of the malfunction until after all of E.F.'s precious stem cells were destroyed.
- 11. The loss of those cells inflicted an immeasurable toll on Plaintiffs. They now live in constant fear—with the anguish of knowing the safety net E.F. suffered so terribly to preserve is gone because of CHLA's intentional disregard for and violation of its promises.
- 12. CHLA left young E.F. virtually defenseless against his neuroblastoma. As CHLA's own doctors put it, Plaintiffs' "best option at this point is to hope and pray."

PARTIES

- 13. Plaintiff Linda Wratten is an individual of the age of majority who is now and at all relevant times mentioned in this Complaint was a citizen of Los Angeles County, California. Linda is E.F.'s mother.
- 14. Plaintiff Timothy Wratten is an individual of the age of majority who is now and at all relevant times mentioned in this Complaint was a citizen of Los Angeles County, California. Timothy is E.F.'s father.

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relapsed three times in his young life.

rounds of high-dose chemotherapy.

22.

E.F. was treated at CHLA. As part of his treatment protocol he underwent multiple

a month thereafter. Unfortunately, and as is typical for neuroblastoma patients, E.F.'s cancer has

- 23. The high-dose chemotherapy given to neuroblastoma patients wreaks havoc on their young bodies. It can cause sterility, and it destroys the patient's bone marrow. One of the primary functions of bone marrow is to produce new red and white blood cells that support the body's basic life functions, including oxygen transport and immunity.
- 24. Stem-cell transplants are thus administered following high-dose chemotherapy treatment in an attempt to rejuvenate the bone marrow and stimulate the production of new red and white blood cells. High-dose chemotherapy of the sort necessary to treat neuroblastoma is not possible without a ready supply of stem cells to administer upon completion.
- 25. Accordingly, it is common for young neuroblastoma patients to undergo a stem-cell collection procedure, or "harvest," early on in their treatment. Some of the harvested cells will be transplanted after chemotherapy is complete to help the patient resume production of red and white blood cells.
- 26. Additional bags of stem cells are cryogenically frozen and stored for use following future courses of chemotherapy treatment.
- 27. Sufficient stores of stem cells are vitally important to neuroblastoma patients because there is no guarantee that a patient will be able to produce sufficient numbers of stem cells in the future. By that time prolonged chemotherapy and other treatments have ravaged the young patient's body, leaving him or her unable to produce excess stem cells on their own. This concern is compounded by the high rate of relapse of neuroblastoma. When neuroblastoma returns, these children likely again will need to undergo further high-dose chemotherapy treatment. It is imperative they have enough stem cells on hand to allow that necessary treatment.
- 28. Frozen stem cells are a lifeline making future treatment possible for young patients like E.F.
- 29. The stored stem cells also provide patients with peace of mind that they are protected as best they can be against a likely relapse.
- 30. Consistent with the foregoing, CHLA's doctors strongly recommended to Linda and Timothy that E.F. undergo a stem-cell collection procedure, or "harvest." CHLA emphasized the

importance of this procedure to Plaintiffs, explaining in no uncertain terms that neuroblastoma patients need to have these cells on hand.

31. CHLA's doctors made it very clear to Plaintiffs that the goal of the harvest procedure is to extract enough stem cells to last the patient for the rest of his or her life because it is unlikely that subsequent harvests will be successful.

The Harvest Procedure

- 32. Based on CHLA's advice, E.F. underwent a stem-cell harvest at CHLA in July 2014, when he was less than two years old.
- 33. The collection process was *incredibly* painful for E.F. and traumatic for both him and his parents.
- 34. On each of the five days leading up to the procedure, E.F. was given a painful injection intended to stimulate production of bone marrow.
- 35. Children who receive these injections report feeling intense pain for days on end, as if their bones are bursting. While E.F. was too young to articulate those precise words, the process was excruciating for him.
- 36. E.F. was also placed under general anesthesia and then underwent surgery to implement two large intravenous ports, known as central lines, into his chest. These central lines allow the patient's blood to be circulated out of his body, into a machine that will attempt to extract stem cells before the blood is circulated back into the patient's body.
- 37. Immediately before the harvest began E.F. was given a sedative so he would remain as still as possible for the twelve or more hours it would take to circulate his blood and extract the stem cells.
- 38. This painful process was hard-fought, but ultimately a resounding success. At the end, CHLA had extracted 6 bags of cells—comprising many millions of stem cells in total. This amount of stem cells should have been able to last E.F. for the rest of his life.
- 39. CHLA advised Plaintiffs that these stem cells were suitable for reinfusion, whenever needed, into E.F.

- 40. Against that backdrop, CHLA pledged that the stem cells extracted from E.F. would be cryogenically frozen and preserved on-premises at CHLA.
- 41. Plaintiffs trusted that CHLA would preserve E.F.'s precious stem cells. They would inevitably be crushed, however, when they eventually discovered that their faith in CHLA had been terribly misplaced.

CHLA was Obligated to Preserve E.F.'s Precious Stem Cells

- 42. Stem cells cannot live in ambient air. Rather, if they might be reintroduced into E.F.'s body at some later date, they need to be stored in very low temperatures.
- 43. Consistent therewith, harvested stem cells are cryogenically frozen in specially designed freezers that are kept at temperatures below -150 degrees Celsius.
- 44. CHLA represented to Plaintiffs that it had the proper equipment and procedures to preserve E.F.'s delicate and irreplaceable cells.
- 45. CHLA bills itself as an innovator in the field of pediatric oncology, with a special emphasis on treating children like E.F. who have neuroblastoma. CHLA's website proudly trumpets that it has been ranked "as a top health care facility for children by *U.S. News & World Report* magazine every year since the magazine began ranking pediatric hospitals in 1990."
- 46. As an award-winning hospital with a dedicated "Stem Cell Analytics Lab," CHLA is intimately familiar with standard practices for preserving and protecting stem cells.
 - 47. On these bases Plaintiffs trusted CHLA with E.F.'s irreplaceable cells.
 - 48. E.F.'s stem cells were cryogenically frozen and stored in a freezer at CHLA.
- 49. The use of appropriate technologies and maintenance protocols is paramount to ensure that these freezer tanks maintain proper temperature and other conditions necessary to preserve the precious cells contained inside.
- 50. Unlike a standard freezer of the type used in residential applications, where the machinery can simply be plugged in and ignored for long periods of time, a cryogenic freezer used to store stem cells must be carefully and continuously monitored and adjusted to ensure continued safe storage. Cryogenic freezers use liquid nitrogen ("LN2") to keep their contents cold. As LN2 constantly evaporates, precise monitoring is critical to ensure that the temperature inside the tank is maintained

through regular refilling as the LN2 evaporates. Additionally, cryogenic freezers rely on a vacuum between the inner vessel and the outer layer of the tank to keep the contents cold. It is axiomatic that a perfect vacuum cannot last forever, due to inevitable wear on the tank components. Accordingly, Chart storage tanks, such as the one at issue here, have only a ten-year expected lifetime.

51. Perhaps the two most basic principles are thus the following: (i) replace aging tanks before they reach their shelf life and break, and (ii) ensure that a working alarm system is attached to the tank to advise of rising temperatures so that appropriate remedial measures may be taken <u>before</u> material in the tank is subjected to uncontrolled warming. Shockingly, however, CHLA intentionally violated both principles.

CHLA's First Failure: Storing E.F.'s Stem Cells in a Dangerously Outdated Freezer Tank

- 52. In entrusting E.F.'s cells to CHLA, Plaintiffs understood and relied upon their belief that CHLA, as a self-professed industry leader with state-of-the-art facilities, was using industry-standard equipment.
- 53. CHLA stored E.F.'s stem cells in a freezer that was manufactured by Chart, Inc. in approximately 1988 (the "CHLA Freezer Tank" or the "Freezer").
- 54. The CHLA Freezer Tank had a life expectancy of ten years, meaning, it was due for replacement in or around *1998*.
- 55. E.F.'s cells were placed in the CHLA Freezer Tank in 2014—nearly twenty years past its outside life expectancy.
- 56. CHLA had actual and constructive knowledge that the CHLA Freezer Tank was overdue for replacement. But it inexplicably made the affirmative decision not to replace the Freezer.
- 57. CHLA, as a hospital and laboratory entrusted with preserving children's invaluable life-saving stem cells, including E.F.'s, had a duty to take reasonable precautions to store those cells. This includes a duty to use functional and reasonably current equipment.
- 58. CHLA breached that duty by storing E.F.'s stem cells in an ancient tank that was purchased in the late 1980s and should have been retired in the 1990s.
- 59. Plaintiffs were unaware that CHLA made the decision to store E.F.'s cells in a tank that was due for replacement more than 15 years before E.F. was born.

60.	Given the extreme age of the tank, it was entirely foreseeable—and in fact inevitable—
that the Tank	would deteriorate and ultimately fail.

CHLA's Second Failure: Disabling the Alarm on the Ancient CHLA Freezer Tank

- 61. The CHLA Freezer Tank in which E.F.'s cells were stored was kept cold through the use of LN2. As LN2 naturally evaporates, it must be frequently added to the tank to prevent an uncontrolled thaw. To ensure that the temperature and LN2 levels stay within safe ranges for the stored material inside, such tanks come with controller systems that monitor the tank continuously.
- 62. As is typical, the CHLA Freezer Tank's controller included a local and remote alarm system that would alert CHLA's staff if the temperatures and/or LN2 levels in the tank fall outside of acceptable ranges.
- 63. Use of an alarm is industry-standard and serves the critical purpose of alerting CHLA personnel of potentially disastrous issues *before* stored contents are subjected to dangerous temperatures. Assuming staff is alerted in time, they can add LN2 to the tank to maintain safe temperatures or, in the event of a catastrophic vacuum failure, they can quickly move the stored material to another tank or dewar filled with LN2 before the material is irrevocably damaged by an uncontrolled thaw.
- 64. Beginning in or around Summer 2019, the alarm on the CHLA Freezer Tank sounded repeatedly, alerting CHLA personnel that the temperature and/or LN2 levels in that Freezer were fluctuating and/or not maintaining proper levels.
- 65. Rather than replace the controller and alarm, replace the ancient Freezer, or merely move its contents to another storage tank, CHLA instead opted to simply disable the alarm and continue to operate the Freezer without benefit of continuous monitoring or any safeguard to alert staff in the event of equipment malfunction. CHLA's decision was made in spite of its awareness that an alarm system is an industry-standard component for this type of cryogenic freezer, as well as a critical safeguard necessary to alert CHLA personnel to potentially dangerous conditions in the CHLA Freezer Tank before its contents were damaged.

- 66. CHLA made this troubling, intentional decision with full knowledge that the CHLA Freezer Tank was decades past its expected lifetime and thus had an unreasonably high risk of failure to begin with.
- 67. Plaintiffs never imagined that CHLA would knowingly operate a cryogenic freezer—much less one so far past its expected lifetime—without benefit of an industry-standard alarm necessary to monitor the tank and alert CHLA of any problem that could imperil the survival of E.F.'s precious stem cells.

Catastrophe Strikes in or Around September 2019

- 68. As described in more detail above, CHLA failed to adhere to standard practices for preserving and protecting E.F.'s and others' stem cells by (i) knowingly refusing to update its equipment, including the CHLA Freezer Tank, and (ii) intentionally disabling the Alarm that would have alerted CHLA to the impeding destruction of E.F.'s and others' cells while there was still time to act.
- 69. CHLA's actions are not a mere failure of best practices; they represent a complete abdication of responsibility, conscious disregard, and deliberate indifference to Plaintiffs' wellbeing. This misconduct is all the more egregious when one considers that CHLA undertook to store, preserve, and safeguard life-saving and irreplaceable material, like harvested stem cells of a child with neuroblastoma.
- 70. CHLA's years of conscious indifference for the wellbeing of E.F. and others came to a head on a fateful day in early fall 2019, when CHLA discovered that a vacuum seal on the CHLA Freezer Tank had failed.
- 71. This vacuum seal had kept the inside of the freezer cold. The failure of the seal allowed the temperature inside the tank to rise above the level needed to preserve the stem cells contained inside.
- 72. There were hundreds of bags of stem cells inside of the CHLA Freezer Tank, including at least six bags belonging to E.F. Tragically, each and every one of these bags was lost.
- 73. Had a functional alarm system been in place, as soon as the temperature and/or LN2 levels fluctuated outside of preset parameters, an alarm would have sounded locally in the lab. If no one addressed the local alarm, the controller system would have set off a phone tree, alerting employees

living nearby to immediately rush to the lab and investigate the problem. Without an operational alarm system, however, CHLA had no way of knowing when the vacuum seal failed. By the time the issue was discovered, hundreds of millions of stem cells belonging to E.F. and others had already thawed and died.

- 74. Plaintiffs could not have reasonably avoided injury from CHLA's unfair conduct. Plaintiffs did not know, and had no reasonable means of learning, that CHLA was utilizing ancient, substandard equipment like the CHLA Freezer Tank, or that CHLA had disabled the Alarm intended to backstop that equipment.
- 75. E.F.'s stem cells were destroyed as a direct and proximate result of CHLA's conduct. If CHLA had used a tank within its expected lifetime and/or a functional alarm, E.F.'s stem cells would still be viable. If CHLA had disclosed its decision to forego use of either of the foregoing, Plaintiffs would have stored E.F.'s stem cells elsewhere, and those cells still would be useable today.
- 76. The consequences of CHLA's misconduct cannot be overstated. Indeed, because of CHLA's grossly negligent, reckless, and intentional misconduct, it is entirely possible that E.F. may die.
- 77. To be clear, Plaintiffs are not bringing a claim of wrongful death; fortunately, that has not occurred. Rather, they live in *constant* fear and emotional anguish because of what CHLA took from them.

CHLA Notified Plaintiffs of this Tragedy through a Form Letter and Misleading Press Release

- 78. CHLA did not personally notify Plaintiffs, or any of the other affected families, that CHLA had destroyed their stem cells.
- 79. Instead, CHLA opted for a generic form letter that it mass-mailed to the 56 families whose stem cells had been lost in the CHLA Freezer Tank incident. The form letter stated, in extremely brief terms, that the Tank had failed, but did not explain how or why. No mention was made of the Tank's age, or the fact that CHLA had disabled the Alarm prior to the catastrophic incident.
- 80. Compounding this lack of sensitivity, CHLA addressed its form letter directly to the impacted children, *i.e.*, not to their parents. For example, the letter notifying Plaintiffs absurdly was addressed to young E.F. himself.

- 81. Moreover, CHLA originally sent the devastating letter to E.F. at an incorrect address. This is particularly curious because CHLA managed to properly address the bills it sent to Plaintiffs around this same time.
- 82. E.F.'s parents broke down in tears when they read CHLA's devastating message informing them that E.F.'s stem cells were gone, forever.
- 83. For neuroblastoma patients like E.F., even something as minor as a stomachache can signal a relapse of their horrific disease. These everyday occurrences are agonizing for Plaintiffs. Prior to CHLA's Freezer failure, E.F.'s stem cells provided a tangible safety net that afforded his parents (and E.F. himself) some small daily comfort that if and when that relapse occurs, they would be prepared to fight. CHLA has taken that comfort away from them. Plaintiffs suffer extreme emotional distress on a daily basis due to the loss of their safety net. The entirely preventable loss of E.F.'s stem cells has inflicted profound and life-long wounds on each of the Plaintiffs.
- 84. Adding insult to injury, CHLA followed up on its mis-directed and mis-addressed form letter by posting a public "apology" on its website that substantially misrepresented the facts of the incident. Included in this "apology" post were the following serious misrepresentations:
 - i. "No child's health is in jeopardy due to this incident." This is false. E.F. and all of the other children impacted by this incident are at a high risk of relapse and have substantially lower chances of survival without their life-saving stem cells. CHLA knows that E.F. and the other victims of the tank failure could need these cells to support further treatment. And CHLA knows that E.F. and the other victims probably will not be able to produce sufficient numbers of cells to support further treatment. Indeed, CHLA's suggestion to Plaintiffs that they "pray for a miracle" plainly illustrates this horrific truth.
 - ii. CHLA's post also suggested that the cells it destroyed were "not needed," but were only collected in the "unlikely event that they could become helpful in the future." This, too, is a lie. CHLA is well aware—and repeatedly stressed to Plaintiffs—that the majority of neuroblastoma patients will suffer one or more relapses. CHLA knows that stem cells are necessary to support the high-dose chemotherapy that is needed to fight

- those relapses, and further knows that the odds of a successful subsequent harvest are slim. For these reasons, it is CHLA's standard practice to harvest and cryogenically preserve these stem cells early on in the course of the original chemotherapy cycle.
- iii. "The cause was a failure of freezer temperature sensors." CHLA attempted to deflect blame for its malfeasance. It set this course of events in motion when it opted to store irreplaceable cells in a tank more than 20 years past its shelf life. Incredibly, CHLA then doubled-down on its incomprehensible recklessness by disabling the Alarm that would have alerted its staff to the specific "failure" that caused this devastating loss.
- iv. "Safeguards were in place at the time but were insufficient." On the contrary, there is nothing "safe" about storing precious material in a freezer tank that should have been replaced decades ago. And while the Alarm provided an ostensible "safeguard,"
 CHLA knowingly disabled that alarm *prior* to the incident. As a result, there were *no safeguards* in place at the time of the incident—and this situation was due solely to CHLA's own intentional choices.

CHLA's Conduct Amounts to Breach of the Duties It Owed Plaintiffs, Foreseeably Resulting in Their Substantial Damages

- 85. CHLA is ethically, legally, and contractually obligated to try to help its patients, not hurt them.
- 86. Replacing the critical Freezer used to store E.F's stem cells by the end of its expected lifetime would have cost a relatively tiny amount of money to CHLA, and it would have avoided this life-changing catastrophe for E.F. and 55 other families.
- 87. Enabling a functional alarm system—rather than disabling it—also could have easily avoided this tragedy.
- 88. Instead, CHLA made the conscious and intentional decision not to do either of these things.
- 89. As a direct and proximate result of CHLA's acts, omissions, and breaches, Plaintiffs have suffered actual damages, including but not limited to, the loss of E.F.'s invaluable and likely irreplaceable stem cells, and their resulting severe emotional distress.

FIRST CAUSE OF ACTION – FRAUDULENT CONCEALMENT

(On Behalf of All Plaintiffs)

- 90. Plaintiffs incorporate all paragraphs by reference.
- 91. CHLA promised that E.F.'s extracted stem cells would be stored safely at CHLA for use in future treatment.
- 92. Plaintiffs relied upon CHLA's representation that it would properly safeguard and preserve E.F.'s stem cells.
- 93. Plaintiffs' reliance was reasonable and premised upon, *inter alia*, CHLA's affirmative statements to Plaintiffs and CHLA's public statements that it was a world-renowned medical facility with state-of-the-art equipment.
- 94. CHLA was armed with superior knowledge of the equipment, methods, and techniques used to store E.F.'s stem cells.
- 95. CHLA had a duty to disclose all material facts pertaining to storage of E.F.'s stem cells that were exclusively within CHLA's knowledge and could not have been known to Plaintiffs absent disclosure by CHLA.
- 96. CHLA did not disclose to Plaintiffs that E.F.'s stem cells would be stored in an ancient and outdated tank that should have been replaced more than 15 years before E.F. was even born, *i.e.*, the CHLA Freezer Tank.
- 97. CHLA likewise did not disclose that it disabled the Alarm intended to monitor the freezer CHLA used to store E.F.'s stem cells.
- 98. If Plaintiffs had been made aware of either of the foregoing, they would not have stored E.F.'s stem cells at CHLA.
- 99. CHLA knowingly, intentionally, and/or recklessly chose to hide these material facts from Plaintiffs. CHLA did this to protect its reputation and to avoid losing customers.
- 100. As a direct and proximate result of CHLA's actions, Plaintiffs suffered actual damages, including but not limited to, the loss of E.F.'s invaluable and likely irreplaceable stem cells.

101. Plaintiffs have suffered actual, and extreme, emotional distress due to CHLA's actions, including but not limited to, the emotional devastation they experience on a daily basis knowing that E.F.'s lifeline is now gone.

SECOND CAUSE OF ACTION – VIOLATIONS OF CALIFORNIA'S CONSUMER LEGAL REMEDIES ACT, CAL. CIV. CODE § 1750 et seq.

(On Behalf of All Plaintiffs)

- 102. Plaintiffs incorporate all paragraphs by reference.
- 103. CHLA represented to Plaintiffs that CHLA's stem-cell laboratory was capable of safely storing E.F.'s stem cells.
- 104. CHLA represented to Plaintiffs that it would preserve, store, and safeguard E.F.'s stem cells in order to make them available for future use.
- 105. Any reasonable person would understand CHLA's statements to mean that it utilized reasonably up-to-date equipment and basic monitoring procedures to safeguard those cells—particularly insofar as CHLA touts its national ranking, "state of the art" facilities, and dedicated stem cell lab.
- 106. The Consumer Legal Remedies Act prohibits a defendant from engaging in certain enumerated unlawful practices, including in relevant part, representing that its services had characteristics, uses, and benefits that they did not have (Cal. Civ. Code § 1770(a)(5)); or that its services were of a particular standard, quality, or grade when they were not (Cal. Civ. Code § 1770(a)(7)).
- 107. The Consumer Legal Remedies Act further prohibits a defendant from advertising services with intent not to sell them as advertised (Cal. Civ. Code § 1770(a)(9)); or representing that the subject of a transaction had been supplied in accordance with a previous representation when it had not (Cal. Civ. Code § 1770(a)(16)).
- 108. CHLA's representations and/or omissions were misleading and/or false, in violation of the Consumer Legal Remedies Act, in the following non-exclusive particulars:
 - i. CHLA failed to disclose that the CHLA Freezer Tank in which CHLA stored E.F.'s stem cells was 20 years or more past its shelf-life;

ii. CHLA failed to disclose that it did not consistently utilize the Alarm designed to alert

115. Plaintiffs have suffered actual, and extreme, emotional distress due to CHLA's actions, including but not limited to, the emotional devastation they experience on a daily basis knowing that E.F.'s lifeline is now gone.

THIRD CAUSE OF ACTION – VIOLATIONS OF CALIFORNIA'S UNFAIR COMPETITION LAW, CAL. BUS. & PROF. CODE §§ 17200, ET SEQ.

(On Behalf of All Plaintiffs)

- 116. Plaintiffs incorporate all paragraphs by reference.
- 117. CHLA advised Plaintiffs to undergo a stem-cell harvest procedure, and affirmatively represented to Plaintiffs that the extracted cells would be cryogenically preserved in CHLA's stem cell lab for future use.
- 118. CHLA did not disclose to Plaintiffs that the CHLA Freezer Tank in which it would store E.F.'s cells was hopelessly antiquated and unsuitable for the task at hand.
- 119. CHLA did not disclose to Plaintiffs that CHLA had a practice of disabling the industry-standard alarm system intended to alert CHLA's personnel to dangerous fluctuations of temperature and/or other issues that have a direct impact on the viability of the stem cells contained in CHLA's Freezer.
- 120. CHLA thus convinced Plaintiffs to store, and continue storing, E.F.'s stem cells at CHLA without disclosing material information that would have impacted Plaintiffs' decision. If Plaintiffs had known about CHLA's substandard equipment and conscious disregard of basic oversight responsibilities, they would have stored E.F.'s cells elsewhere.
- 121. CHLA knowingly and intentionally failed to disclose this information, as it would have caused Plaintiffs, or any reasonable consumer, to store E.F.'s stem cells elsewhere.
- 122. CHLA's failures to disclose material information were compounded by its representations that it was a top-rated facility with a state-of-the-art stem-cell laboratory. Plaintiffs, like any other reasonable consumer, reasonably understood these and other representations to suggest that CHLA utilized functional equipment and would take industry-standard precautions—at the very least—to protect E.F.'s stem cells.

- 123. CHLA's failures to disclose the true conditions under which E.F.'s stem cells would be stored was fraudulent and would have deceived any reasonable consumer. It in fact deceived Plaintiffs, who were induced by CHLA to store E.F.'s stem cells at CHLA's substandard stem-cell facility.
- 124. Against this backdrop CHLA voluntarily took responsibility for safeguarding E.F.'s stem cells for long-term freezer storage. CHLA breached that trust and acted in an unfair, unlawful, fraudulent, unethical, unscrupulous, outrageous, oppressive, and substantially injurious manner by, among other things:
 - intentionally failing to disclose and actively concealing the lack of appropriate
 processes and systems in place to protect E.F.'s precious and irreplaceable property
 (stem cells);
 - ii. failing to adequately institute systems and processes that would ensure the safe and uninterrupted long-term storage of E.F.'s life-saving and irreplaceable property, *i.e.*, his stem cells, despite representing to Plaintiffs that these cells would be cryogenically preserved and safeguarded in a state-of-the-art facility;
 - iii. intentionally failing to institute systems and processes that would ensure all critical laboratory equipment, including the CHLA Freezer Tank, was replaced no later than the end of its expected lifetime, in accordance with industry standards, despite representing to Plaintiffs that E.F.'s stem cells would be cryogenically preserved;
 - iv. intentionally disabling the critical Alarm on the ancient Freezer Tank, despite representing to Plaintiffs that E.F.'s stem cells would be cryogenically preserved;
 - v. intentionally or recklessly failing to follow reasonable scientific and laboratory procedures for safeguarding precious and irreplaceable property while representing to Plaintiffs and the public that reasonable procedures would be followed; and
 - vi. intentionally making false and misleading representations on the CHLA website regarding the nature of services and standard of care provided to clients, as well as the causes and consequences of the catastrophic Freezer Tank failure in September 2019.
- 125. The gravity of the harm resulting from CHLA's conduct far outweighs the utility of that conduct. There is no rational business purpose that can be used to justify CHLA's failure to replace

CHLA converted E.F.'s stem cells by assuming control over those cells and then

149. Plaintiffs have suffered actual, and extreme, emotional distress due to CHLA's actions, including but not limited to, the emotional devastation they experience on a daily basis knowing that E.F.'s lifeline is now gone.

SIXTH CAUSE OF ACTION: BREACH OF CONTRACT

(On Behalf of All Plaintiffs)

- 150. Plaintiffs incorporate all paragraphs by reference.
- 151. Plaintiffs entered into a contract with CHLA whereby CHLA, through its physicians or other authorized personnel, offered to cryogenically preserve, store, and use reasonable care to safeguard E.F.'s stem cells. In return, Plaintiffs agreed to pay CHLA for these services, either directly or through Plaintiffs' health insurance.
 - 152. The contract between Plaintiffs and CHLA was an oral contract.
- 153. Plaintiffs provided consideration for these services and upheld their end of the bargain by promptly paying all bills, either directly or through their health insurance.
- 154. It was the intent of Plaintiffs and CHLA that all sides would be held to their end of the bargain, *i.e.*, that the parties had a binding legal contract.
- 155. CHLA had a contractual duty to perform all services as agreed upon and as memorialized in the parties' agreements, and in CHLA's stated intentions. This included a contractual duty to safeguard E.F.'s stem cells.
- 156. CHLA materially breached its obligations to Plaintiffs. Instead of safeguarding E.F.'s stem cells as it was contractually obligated to do, CHLA destroyed E.F.'s stem cells by intentionally declining to take necessary steps to ensure their safekeeping.
- 157. Due to the highly sensitive nature of the services to be provided under this contract, it was reasonably foreseeable to CHLA that any breach of its obligations would result in substantial emotional damages, in addition to the physical damage of the loss of E.F.'s stem cells.
- 158. As a direct and proximate result of CHLA's breach, Plaintiffs suffered actual damages, including but not limited to, the loss of E.F.'s invaluable and likely irreplaceable stem cells.

159. Plaintiffs have suffered actual, and extreme, emotional distress due to CHLA's breach, including but not limited to, the emotional devastation they experience on a daily basis knowing that E.F.'s lifeline is now gone.

SEVENTH CAUSE OF ACTION: BREACH OF IMPLIED COVENANT OF GOOD FAITH AND FAIR DEALING

(On Behalf of All Plaintiffs)

- 160. Plaintiffs incorporate all paragraphs by reference.
- 161. Plaintiffs entered into a contract with CHLA whereby CHLA agreed to preserve, store, and safeguard E.F.'s stem cells.
- 162. The parties' relationship, including but not limited to their contractual relationship, included an implied covenant of good faith and fair dealing that extended from CHLA to Plaintiffs.
- 163. Proper preservation of E.F.'s stem cells for future use required CHLA to utilize reasonably up-to-date and functional equipment to ensure that E.F.'s stem cells would remain viable.
- 164. Accordingly, Plaintiffs reasonably understood that CHLA would use reasonably up-to-date and functional equipment—in this case freezer tanks and an enabled alarm system—for storing E.F.'s stem cells.
- 165. CHLA's conscious and deliberate failures to uphold these promises, as well as its failure to fully disclose all aspects of their breaches while Plaintiffs still had time to act to remove E.F.'s stem cells from CHLA's custody, were unreasonable and prevented Plaintiffs from receiving the expected benefit of their agreement with CHLA.
- 166. As a direct and proximate result of CHLA's actions, Plaintiffs suffered actual damages, including but not limited to, the loss of E.F.'s invaluable and likely irreplaceable stem cells.
- 167. Plaintiffs have suffered actual, and extreme, emotional distress due to CHLA's actions, including but not limited to, the emotional devastation they experience on a daily basis knowing that E.F.'s lifeline is now gone.

EIGHTH CAUSE OF ACTION: PREMISES LIABILITY (On Behalf of All Plaintiffs)

168. Plaintiffs incorporate all paragraphs by reference.

1	represent an extreme departure from	n the ordinary standard of conduct applicable in the field.	
2	194. As a direct and proximate result of CHLA's actions, Plaintiffs suffered actual damages,		
3	including but not limited to, the loss of E.F.'s invaluable and likely irreplaceable stem cells.		
4	195. Plaintiffs have suffered actual, and extreme, emotional distress due to CHLA's actions,		
5	including but not limited to, the emotional devastation they experience on a daily basis knowing that E.F.'s		
6	lifeline is now gone.		
7	PRAYER FOR RELIEF		
8	WHEREFORE, Plaintiffs respectfully pray for relief and judgment as follows:		
9	(a) Compensatory and property damages in an amount to be proven at trial;		
10	(b) Statutory damages and other	r relief permitted by statute and otherwise;	
11	(c) Emotional damages in an ar	mount to be proven at trial;	
12	(d) Attorneys' fees;		
13	(e) Costs of suit; and		
14	(f) Such further relief as this Court deems equitable, just, and proper.*		
15	Date: August 18, 2020	Respectfully submitted,	
16			
17		Ad Wolf	
18		ADAM B. WOLF (Cal. Bar No. 215914) TRACEY B. COWAN (Cal. Bar No. 250053)	
19		PEIFFER WOLF CARR KANE & CONWAY, A PROFESSIONAL LAW CORPORATION	
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27 28		quent discovery will support the imposition of punitive damages duct described in this Complaint. Plaintiffs reserve the right to seek	

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DEMAND FOR JURY TRIAL 1 2 All Plaintiffs hereby demand a jury trial of all causes of action so triable. 3 Date: August 18, 2020 Respectfully submitted, 4 Ad Wolf 5 6 7 8 5042 Wilshire Blvd., No. 304 9 Los Angeles, CA 90036 10 Facsimile: (415) 402-0058 11 12 13 14 New Orleans, LA 70130 15 Telephone: (504) 523-2434 Facsimile: (504)-608-1465 16 17 Attorneys for Plaintiffs 18 19 20 21 22 23 24 25 26 27 28

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