

**UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF TEXAS  
TEXARKANA DIVISION**

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BLUE CROSS BLUE SHIELD OF TEXAS, A  
DIVISION OF HEALTH CARE SERVICE  
CORPORATION, A MUTUAL LEGAL  
RESERVE COMPANY

*Plaintiff,*

vs.

HALOMD, LLC, ALLA LAROQUE, and SCOTT  
LAROQUE

*Defendants.*

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Case No. 5:25-cv-00132-RWS

**NOTICE OF PLAINTIFF'S HEARING PRESENTATION**

Plaintiff Blue Cross Blue Shield of Texas files this Notice of Hearing Presentation.

Dated: March 10, 2026

By: /s/ Geoff Culbertson

**PATTON, TIDWELL & CULBERTSON**

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forthcoming

*Attorneys for Plaintiff Blue Cross Blue Shield of  
Texas*

**CERTIFICATE OF SERVICE**

The undersigned certifies that all counsel of record who are deemed to have consented to electronic service are being served this 10th day March, 2026, with this document via the Court's CM/ECF system.

/s/ Geoff Culbertson  
Geoffrey Culbertson

# Defendants' Motion to Dismiss

Case No. 5:25-cv-00132-RWS





No Suprises Act



SB 1264

# The IDR Process

1. Provider initiates open negotiation period within 30 days of health plan's first notice of payment or denial
2. Provider must exhaust 30-day open negotiation period
3. Provider must file formal IDR Process within four business days after exhaustion of open negotiations period



## Notice of IDR Initiation

OMB Control Number: 1210-0169 Expiration Date: 11/30/2025



**i** Disputing parties will generally have **4 business days** from the conclusion of their open negotiation period to submit a Notice of IDR Initiation, unless the dispute qualifies for an exception, such as the dispute being subject to the 90-day cooling off period, the dispute having received prior approval for an extension, or a certified IDR entity has requested the party to resubmit the dispute.

**IMPORTANT:** The administrative fee is \$115.00.

**NOTE:** Once you complete the Notice of IDR Initiation, download a copy and send the Notice of IDR Initiation PDF to the Non-Initiating Party.

**REMINDER:** You must complete and submit the form in a single session. For security reasons and protection of personal data, your session will time out after 60 minutes of inactivity.

Use this form if you participated in an open negotiation period that has expired without an agreement for an out-of-network total payment amount for the qualified IDR item or service.

Answer the following:

If you're a third-party administrator, please indicate which party you are working on behalf of below.

\* Indicates a required field

 Need help with terms? See a [glossary of insurance terms and definitions](#) that are commonly used in this form.

\* Was the service in question provided prior to 1/1/2022?

Yes

No

 This dispute is not eligible for the federal IDR process because the date of service you provided is before 1/1/2022.

\* Was the service in question provided prior to 1/1/2022?

- Yes  
 No

**\* Health Plan Type:**

Select an Option

Individual health insurance issuer

Fully-insured ERISA group health plan

Either partially or fully self-insured ERISA group health plan

Federal Employees Health Benefits (FEHB) carrier

Church Plan

Non-federal governmental plan (e.g., state or local government plan)

No Plan/Issuer Response

**\* When did the open negotiation period start?** 

Mar 5, 2026



The 30 business-day open negotiation period must elapse before starting the federal IDR process. (Use format Dec 31, 2024)

### Line Item

\* Claim Number:

\* Date of the qualified IDR item or service:

Enter date MMMD, YYYY



### Payment Information

Qualified IDR items or services that are billed by a provider, facility, or provider of air ambulance services as part of a bundled payment arrangement, can be submitted under one item or service code for the entire episode of care.

\* Enter the description of the item or service.

\* Qualifying Payment Amount (QPA):

\$####.##

I, the undersigned initiating party (or representative of the initiating party), attest that to the best of my knowledge the preferred certified IDR entity does not have a disqualifying conflict of interest and that the item(s) and/or service(s) at issue are qualified item(s) and/or service(s) within the scope of the Federal IDR process.

\* Initiating party (or representative of the initiating party):

Print Name

\* Date:

Nov 9, 2022



## Certified IDR entity selection notification

Auto Reply Federal IDR Questions <auto-reply-federalidrquestions@cms.hhs.gov>

Fri 2/9/2024 4:19 AM

To:NSA Disputes <nsa.disputes@bcbstx.com>

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### This Message Is From an External Sender

This message came from outside your organization.

CAUTION: Do not click on links or open attachments unless you recognize the sender and know the content is safe.

Report Suspicious

**IDR dispute status:** Certified IDR Entity Selection Notification

**IDR reference number:** **DISP-945439**

**C2C Innovative Solutions, Inc.** has been selected as the certified Independent Dispute Resolution (IDR) entity to make a payment determination for **DISP-945439**, subject to the certified IDR Entity's attestation that it does not have a conflict of interest and confirmation of eligibility of the dispute. During the Federal IDR process **C2C Innovative Solutions, Inc.** will contact you to collect fees, request additional information (if necessary), and communicate the resolution of your payment determination.

**(5) Payment determination**

**(A) In general**

Not later than 30 days after the date of selection of the certified IDR entity with respect to a determination for a qualified IDR item or service, the certified IDR entity shall--

(i) taking into account the considerations specified in subparagraph (C), **select one of the offers submitted** under subparagraph (B) to be the amount of payment for such item or service determined under this subsection for purposes of subsection (a)(1) or (b)(1), as applicable; and

(ii) **notify the provider or facility and the group health plan or health insurance issuer offering group** or individual health insurance coverage party to such determination of the offer selected under clause (i).

(v) Review by certified IDR entity. After selection by the parties (including when the initiating party selects a certified IDR entity and the other party does not object), or by the Secretary under paragraph (c)(1)(iv) of this section, the certified IDR entity must review the selection and attest that it meets the requirements of paragraph (c)(1)(ii) of this section. If the certified IDR entity is unable to attest that it meets the requirements of paragraph (c)(1)(ii) of this section within 3 business days of selection, the parties, upon notification, must select another certified IDR entity under paragraph (c)(1) of this section, treating the date of notification of the failure to attest to the requirements of (c)(1)(ii) as the date of initiation of the Federal IDR process for purposes of the time periods in paragraphs (c)(1)(i) and (iv) of this section. Additionally, the certified IDR entity selected must review the information submitted in the notice of IDR initiation to determine whether the Federal IDR process applies. If the Federal IDR process does not apply, the certified IDR entity must notify the Secretary and the parties within 3 business days of making that determination.

**(F) Costs of independent dispute resolution process**

In the case of a notification under paragraph (1)(B) submitted by a nonparticipating provider, nonparticipating emergency facility, group health plan, or health insurance issuer offering group or individual health insurance coverage and submitted to a certified IDR entity--

**(i) if such entity makes a determination with respect to such notification under subparagraph (A),** the party whose offer is not chosen under such subparagraph shall be responsible for paying all fees charged by such entity; and

**(ii) if the parties reach a settlement with respect to such notification prior to such a determination,** each party shall pay half of all fees charged by such entity, unless the parties otherwise agree.



**(C) Considerations in determination**

**(i) In general**

In determining which offer is the payment to be applied pursuant to this paragraph, the certified IDR entity, with respect to the determination for a qualified IDR item or service shall consider--

**(I)** the qualifying payment amounts (as defined in subsection (a)(3)(E)) for the applicable year for items or services that are comparable to the qualified IDR item or service and that are furnished in the same geographic region (as defined by the Secretary for purposes of such subsection) as such qualified IDR item or service; and

**(II)** subject to subparagraph (D) information on any circumstance described in clause (ii), such information as requested in subparagraph (B)(i)(II), and any additional information provided in subparagraph (B)(ii).

**(I)** The level of training, experience, and quality and outcomes measurements of the provider or facility that furnished such item or service (such as those endorsed by the consensus-based entity authorized in [section 1395aaa](#) of this title).

**(II)** The market share held by the nonparticipating provider or facility or that of the plan or issuer in the geographic region in which the item or service was provided.

**(III)** The acuity of the individual receiving such item or service or the complexity of furnishing such item or service to such individual.

**(IV)** The teaching status, case mix, and scope of services of the nonparticipating facility that furnished such item or service.

**(V)** Demonstrations of good faith efforts (or lack of good faith efforts) made by the nonparticipating provider or nonparticipating facility or the plan or issuer to enter into network agreements and, if applicable, contracted rates between the provider or facility, as applicable, and the plan or issuer, as applicable, during the previous 4 plan years.

**IDR dispute status:** Payment Determination Made 620  
**IDR reference number:** DISP-1130396

C2C Innovative Solutions, Inc. has reviewed your Federal Independent Dispute Resolution (IDR) dispute with reference number **DISP-1130396** and has determined that NPPA Services is the prevailing party in this dispute. NPPA Services prevailed in 4 out of 4 dispute line items.

**Determination 1**

After considering all permissible information submitted by both parties, C2C Innovative Solutions, Inc. has determined that the out-of-network payment amount of \$ [REDACTED] offered by NPPA Services is the appropriate out-of-network rate for the item or service 95865 on this claim [REDACTED] under this dispute.

C2C Innovative Solutions, Inc. based this determination on a review of the following:

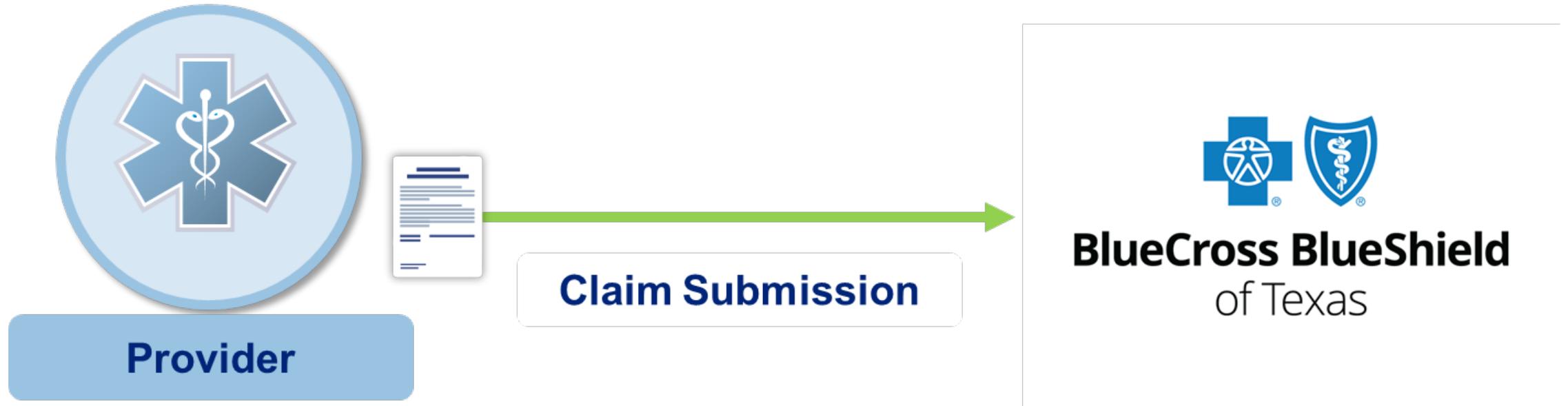
NPPA Services submitted an offer of [REDACTED]

BCBSTX submitted an offer of \$ [REDACTED]

For each of the following determination factors, an “x” in the Initiating Party and/or Non-Initiating Party column means the party provided supporting information.

	Additional Circumstances	Initiating Party	Non-Initiating Party
1	The level of training, experience, and quality and outcomes measurements of the provider or facility that furnished such item or service (such as those endorsed by the consensus-based entity authorized in section 1890 of the Social Security Act)	X	
2	The market share held by the nonparticipating provider or facility or that of the plan or issuer in the geographic region in which the item or service was provided	X	
3	The acuity of the individual receiving such item or service or the complexity of furnishing such item or service to such individual	X	
4	The teaching status, case mix, and scope of services of the nonparticipating facility that furnished such item or service		
5	Demonstrations of good faith efforts (or lack of good faith efforts) made by the disputing parties to enter into network agreements and, if applicable, contracted rates between the disputing parties during the previous 4 plan years	X	
6	Additional information submitted by a party		

# Defendants' Scheme





<b>PATIENT:</b>	[REDACTED]	<b>IDENTIFICATION NO:</b>	[REDACTED]	<b>CLAIM TYPE:</b>	<b>MC</b>
<b>PERF PRV:</b>	[REDACTED]	<b>PATIENT NO:</b>	[REDACTED]		
<b>CLAIM NO:</b>	[REDACTED]				

**( 4 ). PAYMENT CANNOT EXCEED THE ALLOWABLE CHARGE DETERMINED BY MEDICARE .**

# Defendants



**Notice of IDR Initiation**

**OMB Control Number: 1210-0169 Expiration Date: 06/30/2025**

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**Dispute Reference Number: DISP-2625952**



A close-up of a questionnaire  
AI-generated content may be incorrect. (Rectangle)

## Notice of IDR Initiation

OMB Control Number: 1210-0169 Expiration Date: 06/30/2025

Dispute Reference Number: DISP-2625952

### Qualification Questions

Was the service in question provided prior to 1/1/2022?

### Health Plan Type:

Either partially or fully self-insured private (employment-based) group health plan

**ERISA Plan self insured**

**Yes**

ERISA Plan self insured

Yes



## Notice of IDR Initiation

OMB Control Number: 1210-0169 Expiration Date: 06/30/2025

Dispute Reference Number: DISP-2625952

A close-up of a questionnaire  
AI-generated content may be incorrect. (Rectangle)

I, the undersigned initiating party (or representative of the initiating party), attest that to the best of my knowledge the preferred certified IDR entity does not have a disqualifying conflict of interest and that the item(s) and/or service(s) at issue are qualified item(s) and/or service(s) within the scope of the Federal IDR process.

**Signature:**

HaloMD

**Date:**

02/22/2025

Health Plan Type:

Either partially or fully self-insured private (employment-based) group health plan

ERISA Plan self insured

Yes



**BlueCross BlueShield**  
of Texas

This dispute includes items or services under a coverage type not subject to the No Surprises Act.

**\* Which items or services are under a coverage type not subject to the NSA and what coverage type(s) is the item or service under?**

Objection to the following items or service which are under a coverage type not subject to the No Surprises Act:  
PAYMENT CANNOT EXCEED THE ALLOWABLE CHARGE DETERMINED BY MEDICARE. Therefore, this submission is not eligible for the Federal IDR Process. [REDACTED]

**\$220.96**  
Medicare Rate



**\$1,413.09**  
Award

**\$1,025.00**  
Fees

10. For example, HaloMD initiated more than \$300 overlapping IDR proceedings for the same services under both the federal and Texas IDR Processes, even though the two IDR Processes' eligibility requirements are mutually exclusive. Put another way, HaloMD sought (and often received) duplicate payments for the same services, in two different IDR Processes, despite eligibility for one IDR Process rendering the service ineligible for the other. HaloMD cannot honestly attest to the eligibility of the same disputed claims and services in both venues.

11. As another example, the federal IDR Process has strict timing requirements, including that an "open negotiations period" must be initiated by a provider within 30 days of payment for a given item or service and the formal IDR Process can only be initiated within four days after an initial open negotiation period lapses. HaloMD consistently and intentionally initiates formal IDR proceedings outside the timeframe allowed by statute. For instance, HaloMD procured

awards in over 34,000 IDR Processes initiated more than 50 days after the deadline to do so under the NSA—21,000 of those awards come from IDR Processes initiated over 100 days after the deadline, and 7,900 of those awards result from IDR Processes initiated more than 200 days after the deadline.

12. HaloMD has wrongly obtained awards in excess of well over \$100 million from BCBSTX and its plan sponsors by initiating tens of thousands of IDR Proceedings for ineligible items, services, and claims. In addition, HaloMD's improper submissions have caused BCBSTX to incur more than \$30 million in administrative fees, and additional administrative and staffing expenses, all of which continue to accrue due to HaloMD's continued improper submissions.

# Judicial Review

140 S.Ct. 1062

Supreme Court of the United States.

**Pedro Pablo GUERRERO-LASPRILLA, Petitioner**

v.

**William P. BARR, Attorney General;  
Ruben Ovalles, Petitioner**

v.

**William P. Barr, Attorney General**

Nos. 18–776 and 18–1015

Argued December 9, 2019

Decided March 23, 2020

Consider first “a familiar principle of statutory construction: the presumption favoring judicial review of administrative action.” *Kucana v. Holder*, 558 U.S. 233, 251, 130 S.Ct. 827, 175 L.Ed.2d 694 (2010). Under that “well-settled” and “strong presumption,” *McNary v. Haitian Refugee Center, Inc.*, 498 U.S. 479, 496, 498, 111 S.Ct. 888, 112 L.Ed.2d 1005 (1991), when a statutory provision “is reasonably susceptible to divergent interpretation, we adopt the reading that accords with traditional understandings and basic principles: that executive determinations generally are subject to judicial review.” *Kucana*, 558 U.S. at 251, 130 S.Ct. 827 (quoting

135 S.Ct. 1645  
Supreme Court of the United States  
MACH MINING, LLC, Petitioner  
v.  
EQUAL EMPLOYMENT  
OPPORTUNITY COMMISSION.

No. 13–1019  
|  
Argued Jan. 13, 2015.  
|  
Decided April 29, 2015.

Congress rarely intends to prevent courts from enforcing its directives to federal agencies. For that reason, this Court applies a “strong presumption” favoring judicial review of administrative action. *Bowen v. Michigan Academy of Family Physicians*, 476 U.S. 667, 670, 106 S.Ct. 2133, 90 L.Ed.2d 623 (1986). That presumption is rebuttable: It fails when a statute’s language or structure demonstrates that Congress wanted an agency to police its own conduct. See *Block v. Community Nutrition Institute*, 467 U.S. 340, 349, 351, 104 S.Ct. 2450, 81 L.Ed.2d 270 (1984). But the agency bears a “heavy burden” in attempting to show that Congress “prohibit [ed] all judicial review” of the agency’s compliance with a legislative mandate. *Dunlop v. Bachowski*, 421 U.S. 560, 567, 95 S.Ct. 1851, 44 L.Ed.2d 377 (1975).

113 S.Ct. 2485  
Supreme Court of the United States

Janet RENO, Attorney  
General, et al., Petitioners

v.

CATHOLIC SOCIAL SERVICES, INC., et al.

No. 91-1826.

|  
Argued Jan. 11, 1993.

|  
Decided June 18, 1993.

entirely under those circumstances. As we stated recently in *McNary*, however, there is a “well-settled \*64 presumption favoring interpretations of statutes that allow judicial review of administrative action,” *McNary*, 498 U.S., at 496, 111 S.Ct., at 898; and we will accordingly find an intent to preclude such review only if presented with “ ‘clear and convincing evidence,’ ” *Abbott Laboratories*, 387 U.S., at 141, 87 S.Ct., at 1511 (quoting *Rusk v. Cort*, 369 U.S. 367,

## **(E) Effects of determination**

### **(i) In general**

A determination of a certified IDR entity under subparagraph (A)--

**(I)** shall be binding upon the parties involved, in the absence of a fraudulent claim or evidence of misrepresentation of facts presented to the IDR entity involved regarding such claim; and

**(II)** shall not be subject to judicial review, except in a case described in any of paragraphs (1) through (4) of section 10(a) of Title 9.

## **(5) Payment determination**

### **(A) In general**

Not later than 30 days after the date of selection of the certified IDR entity with respect to a determination for a qualified IDR item or service, the certified IDR entity shall--

**(i)** taking into account the considerations specified in subparagraph (C), select one of the offers submitted under subparagraph (B) to be the amount of payment for such item or service determined under this subsection for purposes of subsection (a)(1) or (b)(1), as applicable; and

**(ii)** notify the provider or facility and the group health plan or health insurance issuer offering group or individual health insurance coverage party to such determination of the offer selected under clause (i).

## Guardian Flight I

- Provider sued to confirm and enforce IDR award
- Court found no private right of action to do so
- No discussion of eligibility

*Guardian Flight, L.L.C. v. Health Care Serv. Corp.*, 140 F.4th 271, 273 (5th Cir. 2025)

## Guardian Flight II

- Providers sued over calculation of the QPA
- Claims related solely to a final payment determination, so subject to Subparagraph A and its judicial review provisions

*Guardian Flight, L.L.C. v. Med. Evaluators of Tex. ASO, L.L.C.*, 140 F.4th 613, 618–20 (5th Cir. 2025)

# SB 1264's 45-Day Time Limitation

10. For example, HaloMD initiated more than 5,400 overlapping IDR proceedings *for the same services* under both the federal and Texas IDR Processes, even though the two IDR Processes' eligibility requirements are mutually exclusive. Put another way, HaloMD sought (and often received) duplicate payments for the same services, in two different IDR Processes, despite eligibility for one IDR Process rendering the service ineligible for the other. HaloMD cannot honestly attest to the eligibility of the same disputed claims and services in both venues.

94. In doing so, and in order to initiate the open negotiations period and formal IDR Processes, HaloMD makes a series of misrepresentations to BCBSTX, the entities overseeing the IDR Processes, and state or federal governmental bodies to make a service appear eligible for either the NSA or SB 1264 (when it was not), including:

## § 1467.089. Effect of Decision

Effective: September 1, 2019

### Currentness

(a) An arbitrator's decision under [Section 1467.088](#) is binding.

(b) Not later than the 45th day after the date of an arbitrator's decision under [Section 1467.088](#), a party not satisfied with the decision may file an action to determine the payment due to an out-of-network provider.

(c) In an action filed under Subsection (b), the court shall determine whether the arbitrator's decision is proper based on a substantial evidence standard of review.

(d) Not later than the 30th day after the date of an arbitrator's decision under [Section 1467.088](#), a health benefit plan issuer or administrator shall pay to an out-of-network provider any additional amount necessary to satisfy the binding award.

§ 1467.088. Decision

Effective: September 1, 2019

Currentness

(a) Not later than the 51st day after the date the arbitration is requested, an arbitrator shall provide the parties with a written decision in which the arbitrator:

- (1) determines whether the billed charge or the payment made by the health benefit plan issuer or administrator, as those amounts were last modified during the issuer's or administrator's internal appeal process, if the provider elects to participate, or the informal settlement teleconference required by Section 1467.084(d), as applicable, is the closest to the reasonable amount for the services or supplies determined in accordance with Section 1467.083(b); and
- (2) selects the amount determined to be closest under Subdivision (1) as the binding award amount.

# Collateral Attack Doctrine

	<b>Traditional Arbitration</b>	<b>NSA Federal IDR</b>
<b>Source of Authority</b>	Voluntary and based on mutual agreement	Statutorily compelled
<b>Opportunity for Evidence, Briefing, Hearing, and Rebuttal</b>	Motion practice, discovery, briefing, live testimony, and the ability to rebut opposing party’s submissions	No discovery, no live testimony, no motion practice, and no opportunity to rebut the opposing party’s submissions.  Parties do not see each other’s submissions.
<b>Decision Framework</b>	Arbitrators with broad, discretionary powers to provide remedies and award damages.	IDRE must choose one of the two submitted offers, regardless of whether either offer is reasonable.
<b>Substantive Factors Considered</b>	The parties’ arbitration agreement determines the governing law, evidence presented, and other factors relevant to the arbitrator’s determination.	The IDRE’s consideration is limited to enumerated statutory factors (including QPA, provider experience, market share), and the NSA explicitly prohibits certain considerations.

2025 WL 3063648

Only the Westlaw citation is currently available.

**NOT FOR PUBLICATION**

United States District Court, D. New Jersey.

MODERN ORTHOPAEDICS OF NJ, Plaintiff,

v.

PREMERA BLUE CROSS, Defendant.

Case No. 2:25-cv-01087 (BRM) (JSA)

1

Signed November 3, 2025

\*7 Stated simply, the IDR process is far too different from arbitration for this Court to conclude that Congress implied for the FAA to govern the IDR process in general. The only parallels are the incorporation of Section 10 and the use of “baseball-style dispute resolution,” a rare arbitration procedure. *Health Care Serv. Corp.*, 140 F.4th at 273. Modern Ortho has not provided a single case from any court holding that an IDR is arbitration or enforced under Section 9. (ECF No. 27-1 at 8.)

*Modern Orthopaedics of NJ v. Premera Blue Cross*, No. 2:25-CV-01087 (BRM) (JSA), 2025 WL 3063648, at \*7 (D.N.J. Nov. 3, 2025)

2025 WL 3496382

Only the Westlaw citation is currently available.  
United States District Court, S.D. New York.

T.V. SESHAN M.D., P.C., Plaintiff,

v.

BLUE CROSS BLUE SHIELD  
ASSOCIATION, Defendant.

No. 25-CV-499 (CS), No. 25-CV-1255 (CS),  
No. 25-CV-1264 (CS), No. 25-CV-2049 (CS)

|

Signed December 5, 2025

at 1083. But that is not the only difference between NSA IDR and FAA arbitration. For example, in an arbitration governed by the FAA, if a party fails to submit to arbitration, the other parties can compel arbitration through the courts. *See Mod. Orthopaedics of NJ*, 2025 WL 3063648, at \*6. But when a party fails to submit to an IDR, the result is an effective default. *See id.* Further, CIDREs who oversee the IDR “are subject matter experts certified by the HHS Secretary specifically to handle payment disputes,” whereas parties to an arbitration governed by the FAA may choose any arbitrator they like. *Id.* Finally, the IDR process is highly restricted by statute, as it proceeds via baseball-style arbitration and ends with the CIDRE choosing an award from one of the offers submitted. *See id.* By contrast, parties to other arbitrations may agree to a more robust process with discovery and a hearing, and the arbitrator has more flexibility to grant any remedy or relief. *See id.* Thus, “the IDR process is far too different from arbitration for this Court to conclude that Congress implied for the FAA to govern the IDR process in general.” *Id.* at \*7.

*T.V. Seshan M.D., P.C. v. Blue Cross Blue Shield Ass’n*, No. 25-CV-1255, 2025 WL 3496382, at \*5 (S.D.N.Y. Dec. 5, 2025)

7 F.3d 1085

United States Court of Appeals,  
Second Circuit.

Tuaha MIAN, Plaintiff–Appellant,

v.

DONALDSON, LUFKIN & JENRETTE  
SECURITIES CORPORATION, a Delaware  
Corporation; Smith Barney, Harris Upham  
& Co., Incorporated, Defendants–Appellees.

The fact that a major component of the damages sought would consist of the amount of the arbitration award—if the plaintiff can prove that but for the discrimination, the arbitrators would have ruled in his favor—does not mean that Mian's suit is one to challenge the award within the meaning of § 10 of the Federal Arbitration Act. Although we do not consider the issue to be free of all doubt, and until the Supreme Court

*Mian v. Donaldson, Lufkin & Jenrette Securities Corp.*,  
7 F.3d 1085 (2d Cir.1993)

512 F.3d 742

United States Court of Appeals, Fifth Circuit.

GULF PETRO TRADING COMPANY,  
INC.; Petrec International, Inc.; James S.  
Faulk; James W. Faulk, Plaintiffs–Appellants,

v.

NIGERIAN NATIONAL PETROLEUM  
CORPORATION; Bola Ajibola; Jackson

- 5 To take Gulf Petro's example of a hypothetical RICO lawsuit relating to “irregularities arising from conduct relating to arbitration,” it seems likely that if the link between the conduct complained of and the arbitration was indeed so attenuated that the wrongdoing could truly be characterized as only “arising from conduct relating to arbitration,” then at least some of the resulting claims would be based on harm independent of the arbitration award and therefore could not be construed as a collateral attack. Such a suit, however, is not before this court.

*Gulf Petro Trading Co., Inc. v. Nigerian Nat. Petroleum Corp.*,  
512 F.3d 742, 751 (5th Cir. 2008)

12. HaloMD has wrongly obtained awards in excess of well over \$100 million from BCBSTX and its plan sponsors by initiating tens of thousands of IDR Proceedings for ineligible items, services, and claims. In addition, HaloMD's improper submissions have caused BCBSTX to incur more than \$30 million in administrative fees, and additional administrative and staffing expenses, all of which continue to accrue due to HaloMD's continued improper submissions.

# Displacement & Preemption

127 S.Ct. 2383

Supreme Court of the United States

CREDIT SUISSE SECURITIES  
(USA) LLC, fka Credit Suisse First  
Boston LLC, et al., Petitioners,

v.

Glen BILLING et al.

No. 05–1157

|

Argued March 27, 2007.

|

Decided June 18, 2007.

The upshot is that all four elements present in *Gordon* are present here: (1) an area of conduct squarely within the heartland of securities regulations; (2) clear and adequate SEC authority to regulate; (3) active and ongoing agency regulation; and (4) a serious conflict between the antitrust and regulatory regimes. We therefore conclude that the securities laws are “clearly incompatible” with the application of the antitrust laws in this context.

*Credit Suisse Sec. (USA) LLC v. Billing*, 551 U.S. 264, 285 (2007)

990 F.3d 868

United States Court of Appeals, Fifth Circuit.

Mary ALDRIDGE; Ben Alexander; Tara Alexander; Barbara Allen; Theodore Ambrose; Et al, Plaintiffs—Appellants,  
v.

MISSISSIPPI DEPARTMENT OF CORRECTIONS; State of Mississippi; Burl Cain, Commissioner, Mississippi Department of Corrections; Tate Reeves, in His Official Capacity as Governor of the State of Mississippi; John Doe  
Defendants 1-25, Defendants—Appellees.

We therefore turn to conflict preemption. Conflict preemption, which is not “rigidly distinct”<sup>27</sup> from field preemption, is present when (1) “compliance with both state and federal law is impossible,” or (2) state law “stands as an obstacle to the accomplishment and execution of the full purposes and objectives of Congress.”<sup>28</sup> “[B]oth forms of conflicting state law are ‘nullified’ by the Supremacy Clause ....”<sup>29</sup>

*Aldridge v. Mississippi Department of Corrections*, 990 F.3d 868, 875 (2021)

# Article III Standing

140 F.4th 226

United States Court of Appeals, Fifth Circuit.

ESTATE OF La'mello PARKER; L. S.,  
a minor, by and through Kevin Smith his  
next friend, individually and on behalf of all  
entitled to recover, Plaintiffs—Appellants,

v.

MISSISSIPPI DEPARTMENT OF PUBLIC  
SAFETY; Troy Peterson, Harrison County

Unlike tort law, Article III causation imposes no stringent or inflexible standard.<sup>14</sup> Indeed, “an indirect causal relationship will suffice”<sup>15</sup> for standing, and plaintiffs may satisfy the requirement by alleging “a chain of causation between defendants' [conduct] and plaintiffs' injuries.”<sup>16</sup> It is often enough that the defendant's conduct was one of multiple contributing causes.<sup>17</sup> And “the fact that \*237 the defendant is only one of several persons who caused the harm does not preclude a finding of causation sufficient to support standing.”<sup>18</sup> Even an uncertain or indirect causal connection may suffice at the pleading stage.<sup>19</sup>

Plaintiffs have cleared this low causation bar at the standing stage. Even if Doe Trooper 1's bullet was the most immediate cause of La'Mello's death, Plaintiffs allege that the conduct of the other officers was an additional, indirect cause.

*Estate of Parker v. Mississippi Department of Public Safety*, 140 F.4th 226, 236-237 (2025)

225. Further, HaloMD intended for the entities and individuals overseeing the Federal and Texas IDR Processes—e.g., the federal government (HHS, the Department of Labor, and the Department of the Treasury), the Texas Department of Insurance, arbitrators, and IDREs—to rely upon HaloMD’s misrepresentations, and then take actions that were detrimental to BCBSTX as a result of this reliance. Specifically, HaloMD intended that these entities and individuals allow the Federal and Texas IDR Processes to proceed on ineligible claims, and issue awards on ineligible services and claims.

226. Had HaloMD not made these misrepresentations, the Federal and Texas IDR Processes would not have proceeded; HaloMD would not have been able to obtain awards for providers on the ineligible claims; and BCBSTX would not have incurred administrative fees, unnecessary overhead costs, and other expenses to manage HaloMD’s ineligible Federal and Texas IDRs.

253. As a direct and proximate result of these misrepresentations, HaloMD, at the direction of Alla LaRoque and Scott LaRoque, caused BCBSTX to suffer damages in an amount to be proven at trial, including without limitation: Federal and Texas IDR awards fraudulently procured against BCBSTX by HaloMD for ineligible claims; administrative fees and costs imposed on BCBSTX as part of the Federal and Texas IDR Processes; and forcing BCBSTX to bear the costs of the overhead and resources necessary to respond to Federal and Texas IDR Processes initiated by HaloMD for ineligible claims.

302. As a direct and proximate result of these racketeering activities and violations of 18 U.S.C. § 1343, and under 18 U.S.C. § 1964(c), BCBSTX has been injured in its business and property by paying tens of millions in ineligible awards for services, items, and/or claims that were not legitimately eligible for Federal or Texas IDR Processes, but were submitted to the respective Process because of the racketeering acts Alla and Scott LaRoque used the HaloMD Enterprise to commit.

2019 WL 12536916

Only the Westlaw citation is currently available.

United States District Court, W.D.

Texas, San Antonio Division.

AETNA INC. and Aetna Life  
Insurance Company, Plaintiffs,

v.

The PEOPLE'S CHOICE  
HOSPITAL, LLC, et al., Defendants.

Civil No. SA-18-CV-00323-OLG

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Signed 03/28/2019

\*6 Further, even absent Aetna's allegation regarding its "authorization" to file claims with respect to the self-funded plans that it administers, the Court would find that Aetna's general allegations satisfy the threshold pleading requirement with respect to standing. The allegations must be viewed in the light most favorable to Aetna, and Aetna's Complaint repeatedly alleges general injury related to both fully-insured and self-funded plans. *See e.g.*, docket no. 130 ¶¶ 190, 204 & 207. Moreover, the Complaint specifically alleges that Aetna was required to "process" and "issue payment" with respect to the allegedly fraudulent claims related to self-funded plans, *see id.* at ¶¶ 61, 214 & 227, and the Complaint further indicates that Aetna has been required to expend resources to investigate Defendants' alleged scheme. *See, e.g., id.* at ¶ 169. Thus, the face of the Complaint indicates that Aetna may have suffered injuries unrelated to the money utilized to make payments related to self-funded plans. Thus, Aetna may also have standing to assert claims on that additional basis. *See Conn. Gen. Life Ins. Co. v. True View Surgery Center One, LP*, 128 F. Supp. 3d 501, 509 (D. Conn. 2015) (finding standing

*Aetna Inc. v. People's Choice Hosp., LLC*, No. SA-18-CV-00323-OLG, 2019 WL 12536916, at \*1 (W.D. Tex. Mar. 28, 2019)

<b><i>Aetna Inc. v. People's Choice Hospital, LLC</i></b>	<b>BCBSTX's Complaint</b>
“general injury related to both fully-insured and self-funded plans”	¶¶ 12; 89; 99
“required to ‘process’ and ‘issue payment’ with respect to the allegedly fraudulent claims related to self-funded plans”	¶¶ 137; 139; 174; 176
“been required to expend resources to investigate Defendants' alleged scheme”	¶¶ 12; 226; 235; 243

*Noerr-Pennington*

615 F.2d 1372

United States Court of Appeals,  
Fifth Circuit.

MID-TEXAS COMMUNICATIONS  
SYSTEMS, INC., et al., Plaintiffs-Appellees,  
v.  
AMERICAN TELEPHONE AND  
TELEGRAPH COMPANY et al., Defendants,  
Southwestern Bell Telephone  
Company, Defendant-Appellant.

The crux of the Noerr-Pennington immunity is the need to protect efforts directed to governmental officials for the purpose of seeking redress. The doctrine has been applied only to situations involving direct actions made to influence governmental decisionmaking. See, e. g., Noerr, supra (publicity campaign designed to influence passage of state laws); California Motor, supra (instituting state and federal proceedings to defeat award of operating rights); Franchise

*Mid-Tex. Communications Sys., Inc. v. Am. Tel. & Tel. Co.*, 615 F.2d 1372, 1375 (5th Cir. 1980)

185 F.Supp.2d 363  
United States District Court, S.D. New York.  
  
In re BUSPIRONE PATENT LITIGATION.  
In re Buspirone Antitrust Litigation.  
  
MDL Docket No. 1410  
|  
Feb. 14, 2002.

the Orange Book. However, in deciding whether a particular type of conduct is petitioning activity for *Noerr-Pennington* purposes, it is critical to distinguish between activities in which the government acts or renders a decision only after an independent review of the merits of a petition and activities in which the government acts in a merely ministerial or non-discretionary capacity in direct reliance on the representations made by private parties.<sup>3</sup> One of the reasons for \*370

*In re Buspirone Patent Litig.*, 185 F. Supp. 2d 363, 370 (S.D.N.Y. 2002)

116 F.4th 917

United States Court of Appeals, Ninth Circuit.

RELEVANT GROUP, LLC, a Delaware limited liability company; 1541 Wilcox Hotel, LLC, a Delaware limited liability company; 6516 Tommie Hotel, LLC, a Delaware limited liability company; 6421 Selma Wilcox Hotel, LLC, a California limited liability company, Plaintiffs-Appellants,

v.

Stephen NOURMAND, aka Saeed Nourmand an individual; Sunset Landmark Investment, LLC, a California limited liability company; Nourmand and Associates, a California corporation; Does, 1-10, Defendants-Appellees.

No. 23-55574

However, “neither the Petition Clause nor the *Noerr-Pennington* doctrine protects sham petitions, and statutes need not be construed to permit them.” *Id.* at 932. Our

Cited by Defendants  
at D.E. 28 at 16

2016 WL 4597638

Only the Westlaw citation is currently available.

United States District Court, W.D. Texas, Austin Division.

Stephenie and Gabriel WOLF, d/b/a Lone Wolf Photography, and Lone Wolf Photography, A Series of Ma'itsoh, LLC, Plaintiffs,

v.

COWGIRL TUFF CO., Defendant.

1:15-CV-1195 RP

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Signed 09/02/2016

7 Additionally, it is only in “relatively rare circumstances where facts sufficient to rule on an affirmative defense are alleged in the complaint.” *Goodman v. Praxair*, 494 F.3d 458, 464 (4th Cir. 2008). The applicability of the sham exception to Defendant’s affirmative defense of *Noerr-Pennington* immunity requires the Court to first assess the merits of the threatened litigation underlying the cease and desist letter and, if they are objectively lacking, to then assess Defendant’s subjective motivation in sending the letter. These inquiries are typically only “properly analyzed through a consideration of evidence outside of the pleadings ... and as such, are not appropriately considered in the present Rule 12(b)(6) context.” See *Morrone Co. v. Barbour*, 241 F. Supp. 2d 683, 690 (S.D. Miss. 2002) (denying the defendant’s motion to dismiss based on *Noerr-Pennington* immunity).

*Wolf v. Cowgirl Tuff Co.*, No. 1:15-CV-1195 RP, 2016 WL 4597638, at \*9 n.7 (W.D. Tex. Sept. 2, 2016)

2020 WL 7364606

Only the Westlaw citation is currently available.

United States District Court, E.D. Texas, Marshall Division

TESO LT, UAB, Metacluster LT,  
UAB, Code200, UAB, Plaintiffs,

v.

LUMINATI NETWORKS LTD.,  
EMK Capital, LLP, Defendants.

CIVIL ACTION NO. 2:20-CV-00073-JRG

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Signed 12/15/2020

The Court finds that Teso need not plead around *Noerr-Pennington*, as it is an affirmative defense and thus not grounds for 12(b)(6) dismissal.<sup>3</sup> See *Bayou Fleet*, 234 F.3d at 860. Moreover, given the underlying factual determinations necessary to decide whether the sham patent litigation exception applies, the Court finds it inappropriate to make that decision now. See *Fisher*, 667 F.3d at 609.

*Teso LT, UAB v. Luminati Networks Ltd.*, No. 2:20-CV-00073-JRG, 2020 WL 7364606, at \*7 (E.D. Tex. Dec. 15, 2020)

# Judicial Proceedings Privilege

1. “to exercise judgment and discretion”;
- ✘ 2. “to hear and determine or to ascertain facts and decide”;
3. “to make binding orders and judgments”;
4. “to affect the personal or property rights of private persons”;
- ✘ 5. “to examine witnesses, to compel the attendance of witnesses, and to hear the litigation of issues on a hearing”;  
and
- ✘ 6. “to enforce decisions or impose penalties.”

*Hernandez v. Hayes*, 931 S.W.2d 648, 651 (Tex. Ct. App. 1996)

464 S.W.3d 650  
Supreme Court of Texas.

SHELL OIL COMPANY and Shell  
International, E & P, Inc., Petitioners,

v.

Robert WRITT, Respondent

NO. 13–0552

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Argued November 6, 2014

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OPINION DELIVERED: May 15, 2015

In Texas, the absolute privilege is also extended to quasi-judicial proceedings and other limited instances in which the benefit of the communication to the general public outweighs the potential harm to an individual. *Bird v. W.C.W.*, 868 S.W.2d 767, 771 (Tex.1994); *see also Reagan v. Guardian*

*Shell Oil Co. v. Witt*, 464 S.W.3d 650, 655 (Tex. 2015)

# Fraud

766 F.Supp.3d 692

United States District Court, W.D. Texas, El Paso Division.

EL PASO DISPOSAL, LP et al., Plaintiffs,

v.

ECUBE LABS CO., Defendant.

CAUSE NO. EP-24-CV-97-KC

|

Signed February 17, 2025

Finally, to the extent that Defendant faults Plaintiffs for failing to itemize with particularity each and every action that formed a part of the fraudulent scheme, plaintiffs are not required to do so, but need only provide some representative examples. *See Bledsoe*, 501 F.3d at 509 (“Where the allegations in a relator’s complaint [under the False Claim Act] are ‘complex and far-reaching, pleading every instance of fraud would be extremely ungainly, if not impossible.’ ” (citation omitted)); *SC Shine PLLC*, 2023 WL 4216989, at \*20 (citing *U.S. ex rel. Joshi v. St. Luke’s Hosp., Inc.*, 441 F.3d 552, 557 (8th Cir. 2006)). Plaintiffs allege that Defendant created “more than 2,500 fake profiles” on its customer portal. Compl. ¶ 35. Requiring them to provide a play-by-play would be absurd. *See Bledsoe*, 501 F.3d at 509.

*El Paso Disposal, LP v. Ecube Labs Co.*, 766 F. Supp. 3d 692, 708 (W.D. Tex. 2025)

6. HaloMD was started in 2022 by Alla LaRoque. Her husband, Scott LaRoque, is on HaloMD's Board of Directors and runs a related company, MPOWERHealth.

89. At the direction of Scott and Alla LaRoque, HaloMD's business model is built on lies and misrepresentations, which ultimately damage both BCBSTX and its plan sponsors to the tune of hundreds of millions of dollars.

215. Alla and Scott LaRoque caused HaloMD to submit false statements to governmental entities, the entities overseeing the Federal and Texas IDR Processes, and to health plans (such as BCBSTX) to make a service, item, or claim appear eligible when it is not, including but not limited to:

220. These misrepresentations were made at the direction of Scott LaRoque and Alla LaRoque and a result of their strategy, plan, and scheme.

221. At the direction of Scott and Alla LaRoque, HaloMD made these misrepresentations directly to BCBSTX, the federal government (HHS, the Department of Labor, and the Department of the Treasury), the Texas Department of Insurance, arbitrators, and IDREs.

229. HaloMD made these misrepresentations with full knowledge of their falsity or with reckless disregard for the truth. Scott and Alla LaRoque were aware of the statements' falsity as well. HaloMD's knowledge of falsity is illustrated throughout its actions and inactions, which were done at the direction of Scott and Alla LaRoque, including but not limited to the following:

235. As a direct and proximate result of these misrepresentations, HaloMD, at the direction of Alla and Scott LaRoque, caused BCBSTX to suffer damages in an amount to be proven at trial, including without limitation: Federal and Texas IDR awards fraudulently procured against

211. Upon information and belief, the TDI has also had direct conversations with HaloMD regarding the submission of ineligible claims. Specifically, upon information and belief, TDI met with HaloMD staff, supervisors, the COO, and even Alla LaRoque herself about HaloMD's practice of submitting huge volumes of ineligible claims to the Texas IDR process. Upon information and belief, in addition to reviewing data showing HaloMD's ineligible submissions, TDI provided HaloMD with examples of specific requests that should not have been submitted to the Texas IDR process and reminded them of HaloMD's obligations to submit only eligible claims and to attest that the claim is eligible with each submission.

# Claims Against the LaRoques

752 F.2d 168

United States Court of Appeals, Fifth Circuit.

Elbie MOZINGO, Plaintiff-  
Appellant, Cross-Appellee,

v.

CORRECT MANUFACTURING  
CORPORATION and G.W.

Way, Defendants-Appellees,  
Correct Manufacturing Corporation,  
Defendant-Appellee, Cross-Appellant.

personally liable. The thrust of the general rule is that the officer to be held personally liable must have some direct, personal participation in the tort, “as where the defendant was the ‘guiding spirit’ behind the wrongful conduct ... or the ‘central figure’ in the challenged corporate activity.” *Escrude Cruz v. Ortho Pharmaceutical Corp.*, 619 F.2d

*Mozingo v. Correct Mfg. Corp.*, 752 F.2d 168, 174 (5th Cir. 1985)

United States Court of Appeals,  
Fifth Circuit.

In the matter of John Thomas CLOUD, Debtor.  
900 Capital Services, Inc, Appellant  
v.  
John Thomas Cloud, Appellee.

No. 99-51109.

*Kinkler v. Jurica*, 19 S.W. 359, 360 (Tex.1892). “It is not necessary that the ‘corporate veil’ be pierced in order to impose personal liability, as long as it is shown that the corporate officer knowingly participated in the wrongdoing.”  
*Barclay v. Johnson*, 686 S.W.2d 334, 337 (Tex.App.1985, no writ) (citations omitted).

*In re Cloud*, 214 F.3d 1350, 2000 WL 634637, at \*3 (5th Cir. 2000)

# Reliance

**BCBSTX Objected**

**No BCBSTX Objection**

228. As for the misrepresentations made to the entities and individuals overseeing the Federal and Texas IDR Processes, the federal government (HHS, the Department of Labor, and the Department of the Treasury), the Texas Department of Insurance, arbitrators, and IDREs reasonably and justifiably rely upon HaloMD's submission of information and attestations that the underlying services and claims are eligible for the Federal and Texas IDR Processes. Once the Federal and Texas IDR Processes were allowed to proceed as a result of HaloMD's misrepresentations to third-parties, BCBSTX was forced, by statute, to rely upon HaloMD's misrepresentations and to participate in the Federal and Texas IDR Processes.

One who makes a fraudulent misrepresentation is subject to liability to the persons *or class of persons* whom he intends *or has reason to expect to act* or to refrain from action in reliance upon the misrepresentation, for pecuniary loss suffered by them through their justifiable reliance in the type of transaction in which he intends or has reason to expect their conduct to be influenced.

Restatement (Second) of Torts § 531 (1977) (emphasis added).

*Sandwich Chef*, 319 F.3d at 224 (emphasis added). Unlike the state regulator's limited role in *Sandwich Chef*, a bankruptcy court's role in the present case would be an *essential* factor inducing a debtor to pay the fees in accordance with the terms of the order. As an example, if a bankruptcy court ordered a debtor to pay a creditor's costs, what choice would that debtor have? The options are: compliance, appeal, or contempt. The state regulators did not carry this kind of authority in *Sandwich Chef*.

51 S.W.3d 573  
Supreme Court of Texas.

ERNST & YOUNG, L.L.P., Petitioner,  
v.  
PACIFIC MUTUAL LIFE  
INSURANCE COMPANY, Respondent.

No. 00-0232  
|  
Argued Jan. 3, 2001.  
|  
Decided June 21, 2001.

Our fraud jurisprudence has traditionally focused not on whether a misrepresentation is directly transmitted to a known person alleged to be in privity with the fraudfeasor, but on whether the misrepresentation was intended to reach a third person and induce reliance. *See, e.g., Gainesville Nat'l*

However, the allegation of indirect reliance is clear. Plaintiffs assert that the FDA relied on defendants' representations in permitting the distribution of the drugs in question within the United States and that plaintiffs' relied on the FDA's assessment as to the drugs' safety in choosing to use the drugs. Such indirect reliance is sufficient to state a claim of fraud.

*Hawkins v. Upjohn Co.*, 890 F. Supp. 609, 612 (E.D. Tex. 1994)

to cancel a contract entered into by reason of it. But it is sound doctrine that a third person, **\*\*961** to whom they were not directly made, can maintain an action of deceit, and seek the cancellation of a contract, made by him, if it appear that the defendant's false representations were made with a direct intent that he should act upon them in the manner which occasioned the injury. *Eaton v. Avery*, 83 N. Y. 31. If the

*Gainesville Nat'l Bank v. Bamberger*, 13 S.W. 959 (Tex. 1890)

227. BCBSTX reasonably and justifiably relied upon HaloMD’s misrepresentations.

HaloMD “delay and dump” tactics prevent BCBSTX from contesting eligibility for many Federal and Texas IDRs. Thus, BCBSTX has to reasonably and justifiably rely upon HaloMD’s submission of information and attestations that the underlying services and claims are eligible for the Federal and Texas IDR Processes.

in each instance the IDRE actually and solely relied on HaloMD's submissions. It is just as plausible, given its mandated duties, that the IDREs also reviewed other information, including eligibility challenges, or the lack thereof, by BCBSTX, and independently reached their decisions. BCBSTX's fraud, negligent misrepresentation, and fraudulent inducement claims should be dismissed for failing to plead a particularized or plausible theory of reliance.

# Fraudulent Inducement

263. BCBSTX reasonably and justifiably relied upon HaloMD’s misrepresentations. BCBSTX is unable to contest eligibility on all of the Federal and Texas IDR Processes initiated by HaloMD because, in part, of the “delay and dump” tactics discussed herein. Thus, BCBSTX has to reasonably and justifiably rely upon HaloMD’s submission of information and attestations that the underlying services and claims are eligible for the Federal and Texas IDR Processes.

266. This further induced BCBSTX to settle with HaloMD on certain ineligible claims submitted into the Federal and Texas IDR Processes.

# RICO – Litigation Activities Exemption

## RICO – Litigation Activities Exemption

- 1) IDR Process is not equivalent to “litigation activities”
- 2) No evidence BCBCSTX’s claims would chill legitimate IDR petitioning
- 3) Corruption and multiplicity exceptions apply

*Pendergraft*, 297 F.3d 1198, 1208 (11th Cir. 2002) (same). BCBSTX’s attempted invocation of the “multiplicity of wrongful suits” exception also misses the mark. Opp. at 30–31. That exception evaluates whether “a pattern of baseless, repetitive claims” demonstrates that proceedings were filed “not out of a genuine interest in redressing grievances, but as part of a pattern or practice of successive filings undertaken essentially *for purposes of harassment.*” *USS-POSCO Indus. v.*

# RICO – Causation

164 F.4th 426

United States Court of Appeals, Fifth Circuit.

ALLSTATE INDEMNITY COMPANY;  
Allstate Property and Casualty Company;  
Allstate County Mutual Insurance  
Company; Allstate Fire and Casualty  
Insurance Company, Plaintiffs—Appellants,  
v.  
Akash BHAGAT; Emergency Healthcare

Proximate cause is “a flexible concept” employed to “label generically the judicial tools used to limit a person's responsibility for the consequences of that person's own acts.”

*Bridge*, 553 U.S. at 654, 128 S.Ct. 2131 (internal quotation

Those cases point the way here. Allstate sufficiently alleged the Memorial Heights scheme proximately caused it to pay for fraudulently billed services as part of the settlements between Allstate and the relevant patients. Just as in *Bridge*, proximate cause is not defeated merely because Allstate was a third party to the allegedly fraudulent statements (medical bills) that Memorial Heights made to claimants' attorneys. See 553 U.S. at 656–57, 128 S.Ct. 2131 (quoting \*434 Restatement (Second) of Torts §§ 870 & cmt. h, 435A cmt. a (A.L.I. 1979)).

*Allstate v. Bhagat*, 164 F4th 426 (5th Cir. 2026)

164 F.4th 426

United States Court of Appeals, Fifth Circuit.

*ALLSTATE INDEMNITY COMPANY;*  
*Allstate Property and Casualty Company;*  
*Allstate County Mutual Insurance*  
*Company; Allstate Fire and Casualty*  
*Insurance Company, Plaintiffs—Appellants,*  
v.  
*Akash BHAGAT; Emergency Healthcare*

at 671–72. We held that Allstate proved the scheme was the proximate cause of its injury because the insurers were not “unforeseeable victims or otherwise wronged by the caprice of chance” as the entire objective and structure of the enterprise “was to collect from the insurance companies.” *Id.* at 676.

*Allstate v. Bhagat*, 164 F4th 426 (5th Cir. 2026)

*Sandwich Chef*, 319 F.3d at 224 (emphasis added). Unlike the state regulator's limited role in *Sandwich Chef*, a bankruptcy court's role in the present case would be an *essential* factor inducing a debtor to pay the fees in accordance with the terms of the order. As an example, if a bankruptcy court ordered a debtor to pay a creditor's costs, what choice would that debtor have? The options are: compliance, appeal, or contempt. The state regulators did not carry this kind of authority in *Sandwich Chef*.

*In re Mounce*, 390 B.R. 233, 248 (Bankr. W.D. Tex. 2008)

# RICO – Injury

*RICO Injury*

302. As a direct and proximate result of these racketeering activities and violations of 18 U.S.C. § 1343, and under 18 U.S.C. § 1964(c), BCBSTX has been injured in its business and property by paying tens of millions in ineligible awards for services, items, and/or claims that were not legitimately eligible for Federal or Texas IDR Processes, but were submitted to the respective Process because of the racketeering acts Alla and Scott LaRoque used the HaloMD Enterprise to commit.

338. As a direct and proximate result of these racketeering activities and violations of 18 U.S.C. § 1343, and under 18 U.S.C. § 1964(c), BCBSTX has been injured in its business and property by paying tens of millions in awards, overhead, and administrative fees on ineligible services, items, and/or claims.

# RICO – Enterprise

**VIOLATION OF RACKETEER INFLUENCED AND CORRUPT ORGANIZATIONS  
ACT (“RICO”) – HaloMD Enterprise  
(Against Defendants Alla LaRoque and Scott LaRoque)**

275. BCBSTX incorporates by reference as if fully set forth herein the allegations in the preceding paragraphs.

276. Alla LaRoque and Scott LaRoque violated 18 U.S.C. § 1962(c) because they are associated with the HaloMD Enterprise, which engaged in and affected interstate commerce, and Alla LaRoque and Scott LaRoque conducted or participated, directly or indirectly, in the conduct of the HaloMD Enterprise’s affairs through a pattern of racketeering activities, *e.g.*, violations of 18 U.S.C. § 1343 (Wire Fraud).

***The OON Enterprise***

306. Alla LaRoque, Scott LaRoque, HaloMD, and the OON Providers who contracted with HaloMD formed the “OON Enterprise,” as that term is defined in 18 U.S.C. § 1961(4), for the purposes of stealing and defrauding funds from BCBSTX through the fraudulent submission of ineligible services, items, and/or claims and inflated settlement demands under the Federal and Texas IDR Processes.

82. While it holds itself out as a standalone company, HaloMD is largely an extension of the MPowerHealth Affiliates. Indeed, the majority of the services/claims for which HaloMD initiates disputes through the IDR Processes are for MPowerHealth Affiliates. Thus, HaloMD and MPowerHealth are really all one and the same.

83. Among other things, both HaloMD and MPOWERHealth are headquartered in the same building: 5080 Spectrum Drive, E Addison, Texas. HaloMD and the MPowerHealth Affiliates also jointly hire employees (*e.g.*, MPOWERHealth lists job opportunities for HaloMD).

84. HaloMD and the MPowerHealth Affiliates also share employees.

85. Roxanna LaRoque—a family member of Scott and Alla LaRoque and MPOWERHealth’s Director of Client Experience—is identified as an “Authorized Official” on the U.S. Centers for Medicare & Medicaid Services (“CMS”) national provider identifier registry for dozens of MPowerHealth Affiliates, many of which share the same reported address.

129 S.Ct. 2237  
Supreme Court of the United States

Edmund BOYLE, Petitioner,  
v.  
UNITED STATES.

No. 07–1309.  
|  
Argued Jan. 14, 2009.  
|  
Decided June 8, 2009.

From the terms of RICO, it is apparent that an association-in-fact enterprise must have at least three structural features: a purpose, relationships among those associated with the enterprise, and longevity sufficient to permit these associates to pursue the enterprise's purpose. As we succinctly put it in *Turkette*, an association-in-fact enterprise is “a group of persons associated together for a common purpose of engaging in a course of conduct.” 452 U.S., at 583, 101 S.Ct. 2524.

*Boyle v. U.S.*, 556 U.S. 938, 946 (2009)

# Money Had and Received

164 F.4th 426

United States Court of Appeals, Fifth Circuit.

ALLSTATE INDEMNITY COMPANY;  
Allstate Property and Casualty Company;  
Allstate County Mutual Insurance  
Company; Allstate Fire and Casualty  
Insurance Company, Plaintiffs—Appellants,  
v.  
Akash BHAGAT; Emergency Healthcare

Second, a money-had-and-received claim seeks to determine “to which party ... the money, in equity, justice, and law, belong[s].” *Bank of Saipan v. CNG Fin. Corp.*, 380 F.3d 836, 840 (5th Cir. 2004) (quoting *Staats v. Miller*, 150 Tex. 581, 243 S.W.2d 686, 687–88 (1951)). It is “less restricted and fettered by technical rules and formalities than any other form of action,” aimed at “abstract justice,” and only asks “whether the defendant holds money, which belongs to the plaintiff.”

*Allstate Indem. Co. v. Bhagat*, 164 F.4th 426, 436 (5th Cir. 2026)

**COUNT IV**  
**MONEY HAD AND RECEIVED**  
**(Against Defendant HaloMD)**

270. BCBSTX incorporates by reference as if fully set forth herein the allegations in the preceding paragraphs.

271. HaloMD caused BCBSTX to wrongfully pay providers for improper awards and/or settlements related to claims that are ineligible for the Federal and Texas IDR Processes.

272. HaloMD received a portion of these payments from the providers.

273. BCBSTX would not have paid those claims but for the wrongful conduct of HaloMD, as described herein.

# Declaratory Relief

341. BCBXTX seeks a declaration that Defendants' conduct in submitting false attestations and initiating Federal and State IDR Processes for ineligible IDR claims, items, or services is unlawful. BCBSTX additionally seeks a declaration that IDR awards for such ineligible IDR claims, items, or services are not binding. It further seeks an injunction prohibiting Defendants from continuing to submit false attestations and initiate Federal and State IDR Processes for claims, items, or services that are not eligible for IDR, or from seeking to enforce non-binding awards entered on items and services not eligible for IDR.

661 F.2d 369  
United States Court of Appeals,  
Fifth Circuit.

Mary Beth MEYER, Plaintiff-Appellee,  
v.  
BROWN & ROOT CONSTRUCTION  
COMPANY, Defendant-Appellant.

No. 81-1222  
|  
Summary Calendar.  
|  
Nov. 13, 1981.

118, 58 L.Ed.2d 131 (1978). The specificity requirement is not unwieldy, however. An injunction must simply be framed so that those enjoined will know what conduct the court has prohibited. *International Longshoremen's Association v. Philadelphia Marine Trade Association*, 389 U.S. 64, 76, 88

*Meyer v. Brown & Root Const. Co.*, 661 F.2d 369, 373 (5th Cir. 1981)

## Federal Rules of Civil Procedure Rule 65

### Rule 65. Injunctions and Restraining Orders

#### **(d) Contents and Scope of Every Injunction and Restraining Order.**

**(1) *Contents.*** Every order granting an injunction and every restraining order must:

**(A)** state the reasons why it issued;

**(B)** state its terms specifically; and

**(C)** describe in reasonable detail--and not by referring to the complaint or other document--the act or acts restrained or required.

661 F.2d 369  
United States Court of Appeals,  
Fifth Circuit.

Mary Beth MEYER, Plaintiff-Appellee,  
v.  
BROWN & ROOT CONSTRUCTION  
COMPANY, Defendant-Appellant.

No. 81-1222  
|  
Summary Calendar.  
|  
Nov. 13, 1981.

S.Ct. 201, 208, 19 L.Ed.2d 236 (1967). In the case at bar, the district court judgment provided the specificity necessary to comply with Rule 65(d). The judgment recited that defendant violated Title VII by constructively discharging plaintiff when she was pregnant. In particular, the judgment stated that defendant failed to treat plaintiff in the same manner as other temporarily disabled workers who were given the opportunity to perform light or limited work during the period of disability. This statement adequately informs defendant of the conduct prohibited in the future.

*Meyer v. Brown & Root Const. Co.*, 661 F.2d 369, 373 (5th Cir. 1981)