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No. 312348  
WASHINGTON STATE SUPREME COURT

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GREGG BECKER,

Plaintiff,

v.

COMMUNITY HEALTH SYSTEMS, INC. d/b/a COMMUNITY  
HEALTH SYSTEMS PROFESSIONAL SERVICES CORPORATION  
d/b/a COMMUNITY HEALTH SYSTEMS PSC, INC. d/b/a ROCKWOOD  
CLINIC P.S.; and ROCKWOOD CLINIC, P.S.,

Defendants.

**PETITIONERS' REPLY IN SUPPORT OF PETITION FOR REVIEW**

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 ORIGINAL

Defendants/petitioners file this short reply to clarify that respondent Becker has not sought review of the issue to which he devotes most of his Answer to Petition for Review (“Answer”), i.e., the trial court’s decision dismissing Community Health Systems, Inc. (“CHSI”) from this lawsuit. While Becker spends three-fourths of his Answer feigning confusion about the corporate structure of the organization of which defendant/petitioner Community Health Systems Professional Services Corporation (“CHSPSC”) is a part, Becker barely touches on the question of whether this Court should accept review of the Court of Appeals’ decision regarding application of the “jeopardy” test to Becker’s claim. Indeed, Becker offers no good reason for this Court to decline review.

1. **The Trial Court Dismissed CHSI, and No Party Seeks Review of that Decision.**

One might think that Becker’s purpose in devoting so much of his Answer to a discussion of corporate structure is to challenge the Superior Court’s decision to dismiss CHSI for lack of personal jurisdiction. Becker acknowledges that CHSI was dismissed by the Superior Court and is no longer a party to this litigation. *See* Answer at 2 (“[CHSI] is *not* the Petitioner”), 13 (“[CHSI]” is dismissed.”).<sup>1</sup> But Becker fails to acknowledge

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<sup>1</sup> There is no question that CHSI has been dismissed. Despite the fact that all of the parties to this litigation agree that CHSI has been dismissed (and the record is clear on this point), and despite the fact that CHSI never sought discretionary review from the

that he has never sought review of the trial court's dismissal of CHSI.

Becker did not previously seek appellate review of the order dismissing CHSI for lack of personal jurisdiction. And upon a very close reading of the Answer, it is clear that Becker does not seek review of that order now. Thus, the collateral issue of personal jurisdiction over CHSI will not clutter this Court's review of the question squarely presented: Do the myriad governmental and private enforcement mechanisms (of which SOX is merely one) adequately promote the public policy of honest financial reporting, so that Becker's quitting his post as CFO of Rockwood and bringing a state court claim for violation of public policy was not the only available adequate means to promote the public policy?

2. **CHSI's Absence Will Not Impede Appellate Review.**

CHSI's absence from this lawsuit will not impede this Court's review of the "jeopardy" issue in any way. CHSI need not be a party to this litigation for the Court to find that SOX (and many other enforcement mechanisms) adequately promotes the public policy of honesty in financial reporting. As the U.S. Department of Labor's investigation found, "Respondent Rockwood Clinic, P.S. is covered under the SOX because

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Court of Appeals, Division III erred by referring to CHSI as a petitioner. *See* Opinion at 1 (A-059). In a motion for reconsideration, Defendants asked the Court of Appeals to correct its opinion to state that petitioners/defendants are Rockwood and CHSPSC, not CHSI. The Court of Appeals failed to act on this request.

Respondent is a subsidiary of a company within the meaning of 18 U.S.C. § 1514A,” and “Complainant [Becker] is covered under the SOX because Complainant is an employee within the meaning of 18 U.S.C. § 1514A.” (A-042). The U.S. Department of Labor found that it had jurisdiction over Becker’s SOX claim, but dismissed his claim on the merits because “there is no reasonable cause to believe that Respondent violated the law[.]” *Id.* Even Becker is forced to admit that his SOX complaint was dismissed on the merits. *See* Answer at 1 (“SOX provides no remedy under Becker’s facts.”).

Defendants have never argued, intimated, or hinted that Rockwood is not covered by SOX,<sup>2</sup> and thus CHSI’s proper dismissal from this lawsuit will not in any way impede or complicate review of the “jeopardy” issue.

### 3. Conclusion.

Respondent offers no reason for this Court not to accept review. For

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<sup>2</sup> Becker erroneously states that in the SOX administrative proceeding, Defendants “argued that since Becker had refused to falsify information or violate the law, neither Petitioner had ever reported false financial information. *CP 931.*” Answer at 14. This is an outrageous mischaracterization of the arguments presented in the SOX administrative proceeding. Defendants have never contended that Becker’s quitting is the reason that no false financial information was reported. Indeed, the reasons “Community Health Systems, Inc. has not reported any false financial information and has in no way defrauded investors” (CP 931) have nothing to do with what Becker did or didn’t do. Rather, in asking Becker to design an operating plan to reduce Rockwood’s losses to \$4,000,000.00, Rockwood and CHSPSC never asked Becker to falsify information and would never have reported false financial information regardless of what Becker did or did not do. Becker similarly falsely states that the U.S. District Court “agreed with Becker that his core claim was a state claim of constructive discharge, not a SOX claim.” Answer at 9. Judge Suko did no such thing. Rather, Judge Suko permitted Becker to file an amended complaint that stripped out Becker’s federal SOX allegations, which Becker did so he would get his lawsuit out of federal court. (CP 720–23 (Order Granting Motion for Stay and to Amend); CP 724–48 (Amended Complaint))

all the reasons stated in the Petition for Review, petitioners Rockwood and CHSPSC ask this Court to accept review of the Court of Appeals' decision.

Respectfully submitted this 29th day of December, 2014.

**LAW FIRM OF KELLER W. ALLEN, P.C.**

*Keller Allen* by *Katherine Heaton*  
*WSBA No. 44075*

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*KH*

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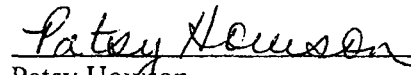
**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that a true and correct copy of the foregoing was served on the following:

Mary Schultz Mary Schultz Law, P.S. 2111 E. Red Barn Lane Spangle, WA 99031 E-mail: mary@mschultz.com  Attorney for Respondent/Plaintiff	<input type="checkbox"/> Via Hand Delivery <input checked="" type="checkbox"/> Via U.S. Mail <input type="checkbox"/> Via Facsimile <input checked="" type="checkbox"/> Via Email
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I certify under penalty of perjury under the laws of the State of Washington that the foregoing is true and correct.

Executed at Seattle, Washington, this 29th day of December, 2014.

  
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Patsy Howson

## OFFICE RECEPTIONIST, CLERK

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Attached for filing is the following document:

- Petitioners' Reply in Support of Petition for Review

I am submitting this for filing on behalf of Katherine Heaton, 206-839-4842, WSBA No. 44075, [katherine.heaton@dlapiper.com](mailto:katherine.heaton@dlapiper.com). Thank you.

Patsy Howson  
Assistant to Katherine Heaton



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