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United States District Court  
District of New Jersey

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United States of America ex rel.	)	
GNGH2 Inc.,	)	
	)	
Plaintiff-Relator,	)	
	)	
- against -	)	Index No.:
	)	
BHEIGHTS ASSOCIATES LLC;	)	
OCEANVIEW ASSOCIATES OPERATION LLC;	)	<b><u>Complaint</u></b>
CARNEYS POINT REHAB AND NURSING	)	
CENTER LLC;	)	
GOLDEN REHABILITATION AND NURSING	)	
CENTER LLC;	)	
LAKELAND OPERATIONS LLC;	)	
SK NURSING HOMES ASSOCIATES LLC;	)	
M AND B OPERATIONS, LLC;	)	
SUMMER HILL NURSING AND REHABILITATION	)	
CENTER LLC;	)	
BUCKS HILL OPERATIONS LLC;	)	
CROMWELL OPERATIONS, LLC;	)	
NEW BRITAIN OPERATIONS, LLC;	)	
NORWALK OPERATIONS, LLC;	)	
BRIDGEPARK OPERATIONS LLC;	)	
CHERRY LANE OPERATING GROUP, LLC;	)	
OAKVIEW OPERATOR, LLC;	)	
RIVERVIEW OPERATOR LLC a/k/a RIVERVIEW	)	
OPERATION, LLC;	)	
AJ OPERATIONS LLC; and	)	
CAMEO NURSING HOME LLC	)	
	)	
Defendants.	)	

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Plaintiff-Relator, complaining of the Defendants by its attorney, David Abrams, Attorney  
at Law, respectfully sets forth and alleges as follows:

**I. Nature of the Case**

1. This is a false claims act claim. The Qui Tam Plaintiff and Relator, GNGH2 Inc. ("Relator"), alleges that the Defendants fraudulently obtained CARES Act disaster relief by means of fraudulent certifications of eligibility. As set forth in more detail below, the Defendants in this matter are all affiliates of each other. Taken together, their size and revenues far exceed the maximum threshold for eligibility for disaster relief.

**II. Parties**

2. Plaintiff-Relator GNGH2 is a New Jersey corporation.

3. Defendants BHEIGHTS ASSOCIATES LLC; OCEANVIEW ASSOCIATES OPERATION LLC; CARNEYS POINT REHAB AND NURSING CENTER LLC; GOLDEN REHABILITATION AND NURSING CENTER LLC; LAKELAND OPERATIONS LLC; SK NURSING HOMES ASSOCIATES LLC; M AND B OPERATIONS, LLC; SUMMER HILL NURSING AND REHABILITATION CENTER LLC; BUCKS HILL OPERATIONS LLC; CROMWELL OPERATIONS, LLC; NEW BRITAIN OPERATIONS, LLC; NORWALK OPERATIONS, LLC; BRIDGEPARK OPERATIONS LLC; CHERRY LANE OPERATING GROUP, LLC; OAKVIEW OPERATOR, LLC; RIVERVIEW OPERATOR LLC a/k/a RIVERVIEW OPERATION, LLC; AJ OPERATIONS LLC; and CAMEO NURSING HOME LLC are incorporated entities.

**III. Jurisdiction and Venue**

4. This Court has jurisdiction pursuant to 31 U.S.C. Section 3732(a) which provides that this type of action may be brought in any district where any one Defendant resides or transacts business. In this case, Defendant BHEIGHTS ASSOCIATES LLC operates a nursing home in Berkeley Heights, New Jersey.

**IV. Activities of and Relationship Among the Defendants**

5. There is an organization known as Autumn Lake Health Care which is owned and controlled by Aryeh Stern (the "Autumn Lake Concern"). The CHC Concern owns and operates various nursing homes in New Jersey, Maryland, Connecticut, Wisconsin, and West Virginia.

6. The Defendants in this matter all belong to the Autumn Lake Concern and therefore are under common ownership and control.

**V. Background**

7. Throughout most of 2020, the United States was faced with a large scale outbreak of the virus commonly known as "Coronavirus" and "COVID-19." (the "Coronavirus Epidemic").

8. In addition to the Coronavirus Epidemic itself, the United States was faced with large scale outbreaks of panic and hysteria as a result of the Coronavirus Epidemic.

9. All of the above has resulted in major economic disruption and as a result Congress enacted the Coronavirus Aid, Relief, and Economic Security Act, commonly known as the "CARES Act."

10. The CARES Act contains a provision which permitted qualifying business which were affected by the foregoing disruption to obtain forgivable disaster relief.

11. Each of the Defendants herein applied for and received such funding as follows:

Party	Date	Amount
Bheights Associates LLC	4/27/2020	\$1,053,500
Ocean View Associates Operation LLC	4/28/2020	\$1,208,200
Carneys Point Rehabilitation and Nursing Center LLC	4/16/2020	\$1,266,200
Golden Rehabilitation and Nursing Center, LLC	4/28/2020	\$309,700
Lakeland Operations LLC	4/28/2020	\$406,700

SK Nursing Homes Associates LLC	4/28/2020	\$454,700
M and B Operations LLC	4/28/2020	\$415,000
Summer Hill Nursing & Rehabilitation Center LLC	4/28/2020	\$1,200,000
Bucks Hill Operations LLC	4/27/2020	\$923,200
Cromwell Operations LLC	4/16/2020	\$1,245,200
New Britain Operations LLC	4/28/2020	\$2,448,200
Norwalk Operations LLC	4/27/2020	\$1,638,200
Bridgepark Operations LLC	4/28/2020	\$1,126,500
Cherry Lane Operating Group LLC	4/16/2020	\$1,529,500
Oakview Operator LLC	4/27/2020	\$1,124,000
Riverview Operator LLC	4/28/2020	\$1,500,000
AJ Operations LLC	4/15/2020	\$786,000
Cameo Nursing Home, LLC	4/16/2020	\$1,007,000
Total:		\$19,641,800

12. With a few inapplicable exceptions, the eligibility rules require that all affiliated and related entities be considered in determining whether a business qualifies for such loans.

13. Looking at the Defendants (and other affiliates) as a whole, the Defendants had far more than the maximum assets, payroll size, and revenue for qualification.

14. Thus, the Defendants necessarily made false statements when they executed SBA Form 2483 stating as follows:

The Applicant is eligible to receive a loan under the rules in effect at the time this application is submitted that have been issued by the Small Business Administration (SBA) implementing the Paycheck Protection Program under Division A, Title I of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) (the Paycheck Protection Program Rule).

15. These statements would have been made shortly before the dates set forth above. As a result of these statements, the Defendants received substantial funds to which they would not otherwise have been entitled.

**VI. (Count I) Violation of the False Claims Act**

16. The False Claims Act imposes liability on a person or entity who " knowingly makes, uses, or causes to be made or used, a false record or statement material to a false or fraudulent claim" 31 U.S.C. Section 3729(a)(1)(B)

17. The Courts have held that this can include false statements regarding eligibility to participate in a program. See *United States ex rel. Kirk v. Schindler Elevator Corp.*, 601 F.3d 94, 116 (2d Cir. 2010), rev'd on other grounds, 131 S.Ct. 1885 (2011) ("[C]laims may be false even though the services are provided as claimed if, for example, the claimant is ineligible to participate in the program.")

18. Thus, the Defendants' certifications of eligibility violated the False Claims Act because they were false and required for eligibility for disaster relief.

**VII. Relief Sought**

19. On behalf of the government, Relator is seeking judgment for the triple damages and civil penalties set forth in 31 U.S.C. Section 3729.

20. The Defendants received at least approximately \$19,641,800 in disaster relief as a result of the certifications set forth above.

21. Accordingly, Relator seeks judgment in the amount of \$58,925,400 against the Defendants and in favor of the United States, together with costs, interest, civil penalties, an appropriate qui tam award, and such other and further relief as the Court deems just.

Respectfully submitted,



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Attorney for Relator  
GNGH2 Inc.

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Tel. 212-897-5821  
dnabrams@gmail.com

Dated: New York, NY  
December 3, 2021

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON NEXT PAGE OF THIS FORM.)

**I. (a) PLAINTIFFS**

GNGH2 Inc.

(b) County of Residence of First Listed Plaintiff Bergen  
(EXCEPT IN U.S. PLAINTIFF CASES)

(c) Attorneys (Firm Name, Address, and Telephone Number)  
David Abrams PO Box 3353 Church St Stn  
New York NY 10008 212-897-5821

**DEFENDANTS**

see attached schedule

County of Residence of First Listed Defendant \_\_\_\_\_  
(IN U.S. PLAINTIFF CASES ONLY)

NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE TRACT OF LAND INVOLVED.

Attorneys (If Known)

**II. BASIS OF JURISDICTION** (Place an "X" in One Box Only)

- 1 U.S. Government Plaintiff
- 3 Federal Question (U.S. Government Not a Party)
- 2 U.S. Government Defendant
- 4 Diversity (Indicate Citizenship of Parties in Item III)

**III. CITIZENSHIP OF PRINCIPAL PARTIES** (Place an "X" in One Box for Plaintiff and One Box for Defendant)

- |   |                            |                            |   |                            |                            |
|---|----------------------------|----------------------------|---|----------------------------|----------------------------|
|   | <b>PTF</b>                 | <b>DEF</b>                 |   | <b>PTF</b>                 | <b>DEF</b>                 |
| Citizen of This State                   | <input type="checkbox"/> 1 | <input type="checkbox"/> 1 | Incorporated or Principal Place of Business In This State     | <input type="checkbox"/> 4 | <input type="checkbox"/> 4 |
| Citizen of Another State                | <input type="checkbox"/> 2 | <input type="checkbox"/> 2 | Incorporated and Principal Place of Business In Another State | <input type="checkbox"/> 5 | <input type="checkbox"/> 5 |
| Citizen or Subject of a Foreign Country | <input type="checkbox"/> 3 | <input type="checkbox"/> 3 | Foreign Nation  | <input type="checkbox"/> 6 | <input type="checkbox"/> 6 |

**IV. NATURE OF SUIT** (Place an "X" in One Box Only)

Click here for: [Nature of Suit Code Descriptions.](#)

CONTRACT	TORTS	FORFEITURE/PENALTY	BANKRUPTCY	OTHER STATUTES
<input type="checkbox"/> 110 Insurance <input type="checkbox"/> 120 Marine <input type="checkbox"/> 130 Miller Act <input type="checkbox"/> 140 Negotiable Instrument <input type="checkbox"/> 150 Recovery of Overpayment & Enforcement of Judgment <input type="checkbox"/> 151 Medicare Act <input type="checkbox"/> 152 Recovery of Defaulted Student Loans (Excludes Veterans) <input type="checkbox"/> 153 Recovery of Overpayment of Veteran's Benefits <input type="checkbox"/> 160 Stockholders' Suits <input type="checkbox"/> 190 Other Contract <input type="checkbox"/> 195 Contract Product Liability <input type="checkbox"/> 196 Franchise	<b>PERSONAL INJURY</b> <input type="checkbox"/> 310 Airplane <input type="checkbox"/> 315 Airplane Product Liability <input type="checkbox"/> 320 Assault, Libel & Slander <input type="checkbox"/> 330 Federal Employers' Liability <input type="checkbox"/> 340 Marine <input type="checkbox"/> 345 Marine Product Liability <input type="checkbox"/> 350 Motor Vehicle <input type="checkbox"/> 355 Motor Vehicle Product Liability <input type="checkbox"/> 360 Other Personal Injury <input type="checkbox"/> 362 Personal Injury - Medical Malpractice	<input type="checkbox"/> 365 Personal Injury - Product Liability <input type="checkbox"/> 367 Health Care/Pharmaceutical Personal Injury Product Liability <input type="checkbox"/> 368 Asbestos Personal Injury Product Liability <b>PERSONAL PROPERTY</b> <input type="checkbox"/> 370 Other Fraud <input type="checkbox"/> 371 Truth in Lending <input type="checkbox"/> 380 Other Personal Property Damage <input type="checkbox"/> 385 Property Damage Product Liability	<input type="checkbox"/> 625 Drug Related Seizure of Property 21 USC 881 <input type="checkbox"/> 690 Other <b>LABOR</b> <input type="checkbox"/> 710 Fair Labor Standards Act <input type="checkbox"/> 720 Labor/Management Relations <input type="checkbox"/> 740 Railway Labor Act <input type="checkbox"/> 751 Family and Medical Leave Act <input type="checkbox"/> 790 Other Labor Litigation <input type="checkbox"/> 791 Employee Retirement Income Security Act <b>IMMIGRATION</b> <input type="checkbox"/> 462 Naturalization Application <input type="checkbox"/> 465 Other Immigration Actions	<input checked="" type="checkbox"/> 375 False Claims Act <input type="checkbox"/> 376 Qui Tam (31 USC 3729(a)) <input type="checkbox"/> 400 State Reapportionment <input type="checkbox"/> 410 Antitrust <input type="checkbox"/> 430 Banks and Banking <input type="checkbox"/> 450 Commerce <input type="checkbox"/> 460 Deportation <input type="checkbox"/> 470 Racketeer Influenced and Corrupt Organizations <input type="checkbox"/> 480 Consumer Credit (15 USC 1681 or 1692) <input type="checkbox"/> 485 Telephone Consumer Protection Act <input type="checkbox"/> 490 Cable/Sat TV <input type="checkbox"/> 850 Securities/Commodities/Exchange <input type="checkbox"/> 890 Other Statutory Actions <input type="checkbox"/> 891 Agricultural Acts <input type="checkbox"/> 893 Environmental Matters <input type="checkbox"/> 895 Freedom of Information Act <input type="checkbox"/> 896 Arbitration <input type="checkbox"/> 899 Administrative Procedure Act/Review or Appeal of Agency Decision <input type="checkbox"/> 950 Constitutionality of State Statutes
REAL PROPERTY	CIVIL RIGHTS	PRISONER PETITIONS	INTELLECTUAL PROPERTY RIGHTS	SOCIAL SECURITY
<input type="checkbox"/> 210 Land Condemnation <input type="checkbox"/> 220 Foreclosure <input type="checkbox"/> 230 Rent Lease & Ejectment <input type="checkbox"/> 240 Torts to Land <input type="checkbox"/> 245 Tort Product Liability <input type="checkbox"/> 290 All Other Real Property	<input type="checkbox"/> 440 Other Civil Rights <input type="checkbox"/> 441 Voting <input type="checkbox"/> 442 Employment <input type="checkbox"/> 443 Housing/Accommodations <input type="checkbox"/> 445 Amer. w/Disabilities - Employment <input type="checkbox"/> 446 Amer. w/Disabilities - Other <input type="checkbox"/> 448 Education	<b>Habeas Corpus:</b> <input type="checkbox"/> 463 Alien Detainee <input type="checkbox"/> 510 Motions to Vacate Sentence <input type="checkbox"/> 530 General <input type="checkbox"/> 535 Death Penalty <b>Other:</b> <input type="checkbox"/> 540 Mandamus & Other <input type="checkbox"/> 550 Civil Rights <input type="checkbox"/> 555 Prison Condition <input type="checkbox"/> 560 Civil Detainee - Conditions of Confinement	<input type="checkbox"/> 422 Appeal 28 USC 158 <input type="checkbox"/> 423 Withdrawal 28 USC 157 <input type="checkbox"/> 820 Copyrights <input type="checkbox"/> 830 Patent <input type="checkbox"/> 835 Patent - Abbreviated New Drug Application <input type="checkbox"/> 840 Trademark <input type="checkbox"/> 880 Defend Trade Secrets Act of 2016	<input type="checkbox"/> 861 HIA (1395ff) <input type="checkbox"/> 862 Black Lung (923) <input type="checkbox"/> 863 DIWC/DIWW (405(g)) <input type="checkbox"/> 864 SSID Title XVI <input type="checkbox"/> 865 RSI (405(g))

**V. ORIGIN** (Place an "X" in One Box Only)

- 1 Original Proceeding
- 2 Removed from State Court
- 3 Remanded from Appellate Court
- 4 Reinstated or Reopened
- 5 Transferred from Another District (specify)
- 6 Multidistrict Litigation - Transfer
- 8 Multidistrict Litigation - Direct File

**VI. CAUSE OF ACTION**

Cite the U.S. Civil Statute under which you are filing (Do not cite jurisdictional statutes unless diversity):  
False Claims Act

Brief description of cause:  
Disaster Relief Fraud

**VII. REQUESTED IN COMPLAINT:**

CHECK IF THIS IS A CLASS ACTION UNDER RULE 23, F.R.Cv.P. **DEMAND \$** \_\_\_\_\_ **CHECK YES only if demanded in complaint:**  
**JURY DEMAND:**  Yes  No

**VIII. RELATED CASE(S) IF ANY**

(See instructions): N/A  
JUDGE \_\_\_\_\_ DOCKET NUMBER \_\_\_\_\_

DATE 12/3/2021 SIGNATURE OF ATTORNEY OF RECORD [Signature]

**FOR OFFICE USE ONLY**

RECEIPT # \_\_\_\_\_ AMOUNT \_\_\_\_\_ APPLYING IFP \_\_\_\_\_ JUDGE \_\_\_\_\_ MAG. JUDGE \_\_\_\_\_

**Schedule of Defendants' Names and Addresses**

Bheights Associates LLC	35 Cottage Street Berkeley Heights NJ 07922
Ocean View Associates Operation LLC	2721 Route 9 Oceanview NJ 08230
Carneys Point Rehabilitation & Nursing Center LLC	201 5th Avenue Carneys Point NJ 08069
Golden Rehabilitation and Nursing Center, LLC	438 Salem Woodstown Rd Salem NJ 08079
Lakeland Operations LLC	25 Fifth Avenue Haskell NJ 07420
Sk Nursing Homes Associates LLC	1640 South Lincoln Ave Vineland NJ 08360
M and B Operations LLC	449 S Pennsville Auburn Rd Carneys Point NJ 08069
Summer Hill Nursing & Rehabilitation Center LLC	111 Route 516 Old Bridge, NJ 08857
Bucks Hill Operations LLC	2817 North Main St Waterbury CT 06704
Cromwell Operations LLC	385 Main Street Cromwell CT 06416
New Britain Operations LLC	400 Brittany Farms Road New Britain CT 06053
Norwalk Operations LLC	34 Midrocks Dr Norwalk CT 06851
Alice Operator LLC	2095 Rockrose Ave Baltimore MD 21211
Bridgepark Operations LLC	4017 Liberty Heights Ave Baltimore MD 21207
Cherry Lane Operating Group LLC	9001 Cherry Lane Laurel Maryland 20708
Oakview Operator LLC	2700 Barker Street Silver Spring MD 20910
Pikesview Operator LLC	7 Sudbrook Ln Pikesville MD 21208
Riverview Operator LLC	1 Eastern Blvd Essex MD 21221
King David at Autumn Lake LLC	4204 Old Milford Mill Rd Pikesville MD 21208
Post-Acute Care Center Opco LLC	5009 Frankford Ave Baltimore MD 21206
Aj Operations LLC	2121 Pioneer Dr Benoit WI 53511
Cameo Nursing Home, LLC	5790 South 27th St Milwaukee WI 53221