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Sunwest hit with class action suit

*Lawsuit claims retirement
center operator charges for
services it doesn't provide*

By NICOLE MONTESANO
Of the News-Register

A San Francisco elder rights attorney has filed a class action lawsuit against national retirement care operator Sunwest Management Inc., which operates four facilities in Yamhill County — Hillside, Osprey Pointe and Osprey Court in McMinnville and Dear Meadow in Sheridan.

Kathryn Stebner, who is licensed to practice in Oregon as well as California, alleges the Oregon-based company charges at many of its units for services it has no intention of providing. In the suit, filed in Multnomah County Circuit Court, names all 50 of the residential facilities Sunwest operates in the state.

"This is about broken promises for higher profits," said Stebner, who also is serving as co-counsel in a class action lawsuit against the company in California. "It's shameful that Sunwest is preying on our senior citizens and their families at such a vulnerable time."

But Wally Gutzler, executive vice president of Sunwest in Salem, called the lawsuit "frivolous and inaccurate."

Gutzler said, "Our company has enjoyed a long history of quality operations in a variety of states, and we deeply regret the filing of this frivolous and inaccurate claim. We also deeply regret the actions of a handful of trial lawyers, who file such misguided class action lawsuits in a variety of states in order to advance their own practices."

The suit alleges contracts residents are asked to sign promise care and services at a level Sunwest has neither the means nor intent of providing.

Gutzler said that's not the case. He

Sunwest

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said company officials "look forward to addressing the issues in the lawsuit via the judicial process, where we are confident that the true facts of the situation will come to light."

Named as representative plaintiffs in the class action are 81-year-old Cathleen Naylor and 80-year-old Gwen Olmstead, residents of Deer Meadow Assisted Living in Sheridan.

The lawsuit states that Naylor and Olmstead signed contracts at Deer Meadow obligating them to pay for services that never were provided. It goes on to allege the center is in violation of state laws governing the operation of residential facilities.

Naylor has been a resident of the home since February 2004 and Olmstead since January 2003. Naylor declined comment on the lawsuit and the News-Register was not able to reach Olmstead.

The Oregon filing follows the February filing in California of a trio of lawsuits accusing the company of ignoring staffing problems at the Meadowlark Assisted Living facility in

Yreka.

Those suits say two people died after falls at Meadowlark, and others suffered injuries. They blame understaffing, inadequate training and negligence.

The Oregon suit does not allege any neglect or negligence, only of failure to meet contractual obligations. In addition to Deer Meadow, it names the following units locally — Hillside Assisted Living, Osprey Pointe Assisted Living & Retirement, Osprey Court Memory Care and Memory Care & Retirement Community.

Sunwest operates more than 200 residential facilities for seniors around the country. About 25 percent of them are located in Oregon, where it maintains its home base in Salem.

Many of Sunwest's Oregon facilities are located in smaller communities. In addition to the four it already operates in Yamhill County, it is in the process of developing a facility called Chehalem Springs in Newberg.

According to Stebner, the Oregon centers average about 60 residents. That would put the total number in the class at about 3,000.

— News-Register reporter Paul Daquilante contributed to this report.

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