

A. GOLDEN  
**FILED**

JUN 29 2009  
Superior Court of the  
State of California  
County of Nevada

1 Plaintiff SARAH LOCATELLI  
2 In Pro Per  
3 530-274-8198 (phone / fax)  
4  
5

6 **SUPERIOR COURT FOR THE STATE OF CALIFORNIA**  
7 **COUNTY OF NEVADA**  
8

9 SARAH LOCATELLI, an individual, )  
10 Plaintiff, )  
11 vs. )  
12 NARCONON SOUTHERN CALIFORNIA, a )  
13 California Corporation, NARCONON )  
14 JOSHUA HILLS, a California Company, and )  
15 DOES 1 through 20 inclusive, )  
16 Defendants. )  
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Case No. **L75079**  
**LIMITED CIVIL CASE**

**COMPLAINT FOR:**  
**(1) BREACH OF CONTRACT;**  
**(2) CONVERSION;**  
**(3) FRAUD IN THE INDUCEMENT;**  
**(4) FRAUDULENT**  
**MISREPRESENTATION;**  
**(5) NEGLIGENT**  
**MISREPRESENTATION; AND**  
**(6) VIOLATION OF BUSINESS**  
**PROFESSIONS CODE §17200 et seq.**

20 Plaintiff SARAH LOCATELLI alleges as follows:

- 21 1. Plaintiff, SARAH LOCATELLI, is a citizen of the United States and a resident of  
22 the State of California, County of Nevada.  
23 2. Defendant, Narconon Southern California, hereinafter "NARCONON SC," is a  
24 California corporation doing business in the State of California.  
25 3. Defendant, Narconon Joshua Hills, hereinafter "NARCONON JH," is a California  
26 corporation doing business in the State of California.  
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1           4.     Defendants, NARCONON SC and NARCONON JH solicit customers throughout  
2 the state, including customers in Grass Valley, California, County of Nevada.

3           5.     The true names or capacities, whether individual, corporate, associate, or  
4 otherwise, of Defendants named in this action as DOES 1 through 20, are unknown to Plaintiff,  
5 who therefore sues these Defendants by such fictitious names. Plaintiff will amend this  
6 complaint to show the true names and capacities of the fictitiously named defendants when they  
7 have been ascertained.

8           6.     The amount in controversy exceeds the minimum jurisdictional threshold of this  
9 court.

10          7.     Venue is proper because Plaintiff's residence is in this county, and Defendants  
11 NARCONON SC and NARCONON JH, through their agents and representatives (sued herein as  
12 DOES 1 through 20), actively solicit business in this county, and the liability alleged in this  
13 complaint arises directly from acts in this county by Defendants causing injury to Plaintiff.

14                                   **GENERAL ALLEGATIONS**

15          8.     On or about February 1, 2008, Plaintiff began evaluating residential substance  
16 abuse treatment programs to treat her then fiancé, Daniel Locatelli. Mr. Locatelli had stopped  
17 using drugs for a few weeks but desired a program that would help him maintain a drug-free  
18 lifestyle. Thus, Plaintiff was not looking for a detox treatment for Mr. Locatelli, and made this  
19 very clear when inquiring about different treatment centers.

20          9.     Based upon Plaintiff's Internet research and inquiries of several secular treatment  
21 centers, on or about February 3, 2008, she contacted a referral hotline and spoke to a woman who  
22 identified herself as Desiree Romero and who represented herself as a volunteer. Plaintiff asked  
23 for help in locating a facility within the state of California equivalent to Saint Jude of Nebraska.  
24 Plaintiff was pregnant and Mr. Locatelli would need to be nearby to care for their young son in  
25 the event she would have a medical emergency requiring hospitalization. Desiree Romero  
26 assured Plaintiff that a California facility called "Joshua Hills" would provide the treatment that  
27 Saint Jude's would provide which she and Mr. Locatelli were looking for, including one-on-one

1 therapy. Plaintiff emphasized that Mr. Locatelli would not need detox, and they discussed that  
2 his treatment at the center would be approximately 3-5 months. Desiree Romero referred  
3 Plaintiff to a woman named Micki Allen who worked for the Joshua Hills facility they discussed.

4 10. Upon information and belief, Desiree Romero is a paid employee or agent of  
5 Defendant NARCONON SC and/or Defendant NARCONON JH rather than "just a volunteer"  
6 for a drug rehab center referral hotline at [www.drug-rehab-center-hotline.com](http://www.drug-rehab-center-hotline.com) as represented to  
7 Plaintiff in February 2008.

8 11. Thereafter, on or about February 3, 2008, Plaintiff contacted by phone and spoke  
9 to Micki Allen, a saleswoman for Defendant NARCONON SC and/or Defendant NARCONON  
10 JH. Plaintiff and Ms. Allen discussed Mr. Locatelli's needs and the fact that he was no longer  
11 using drugs and was not in need of detox treatment. Plaintiff was advised that Mr. Locatelli's  
12 needs and Plaintiff's program requirements would be met at Defendant's "Joshua Hills facility in  
13 Palm Desert," Desiree Romero further informed Plaintiff that Joshua Hills was just like  
14 Plaintiff's first choice Saint Jude, only better and closer to home. Strategically, neither Desiree  
15 Romero nor Micki Allen gave any mention of Defendants true identity as being a Narconon  
16 facility.

17 12. Plaintiff and Ms. Allen further discussed the fact that the center would provide  
18 dual diagnosis, one on one therapy, drug education, group therapy, and 24-hour access to  
19 medical care by qualified physicians when necessary. These representations are also made on  
20 the website for Defendants NARCONON SC and NARCONON JH.

21 13. The web page further claims that their rehab center provides a safe environment  
22 and caring staff. When asked, Ms. Allen told the Plaintiff that Joshua Hills respected its clients,  
23 built on their self esteem and provided a positive environment for its residence. Neither Ms.  
24 Allen's nor the Joshua Hill's websites make any mention of "Bull Baiting." This practice was  
25 undisclosed and performed on Mr. Locatelli and as a result made him feel very uncomfortable.  
26 Also not mentioned by Ms. Allen or the web pages was that Mr. Locatelli would be required to  
27 perform janitorial duties on a regular basis.

1           14.     Based upon representations made by Defendants' agents, employees or  
2 representatives, including Desiree Romero and Micki Allen, and based upon representations on  
3 Defendants' websites, Plaintiff decided on "Joshua Hills" and agreed to pay a \$7,000 deposit by  
4 credit card towards the total cost of the program by giving Micki Allen her credit card  
5 information over the phone. Micki Allen still had made no distinction that the money was going  
6 to Defendant NARCONON SC. The next day Plaintiff was then instructed to make out post-  
7 dated checks for the balance of the fee payable to "Narconon Southern California," this being the  
8 first disclosure to Plaintiff of the true name of the business entity that would be taking the funds  
9 in exchange for services promised. Plaintiff paid to Defendant NARCONON SC an admission  
10 fee of \$20,000 (the payment receipt is attached as Exhibit A) so that Mr. Locatelli would receive  
11 treatment for several months at Defendant NARCONON JH's rehabilitation center in Palm  
12 Desert, California. Plaintiff was never provided with Defendants' form of agreements (attached  
13 as Exhibits B and C) contemplating Plaintiff as "Person Responsible for Payment" until Mr.  
14 Locatelli was already home from the facility. Plaintiff did not, and has not, signed such  
15 agreements because the facility did not deliver the services promised and was not what it was  
16 represented to be.

17           15.     Upon information and belief, the Newport Beach center is the principal place of  
18 business of Defendant NARCONON SC and is a California detoxification and rehabilitation  
19 facility. Despite Plaintiff's and Mr. Locatelli's repeated insistence that he did not require a detox  
20 treatment, Mr. Locatelli was first admitted to Defendant NARCONON SC's center in Newport  
21 Beach on or about February 17, 2008, with his program including the unnecessary "detox."

22           16.     Upon information and belief, the Newport Beach center is the principal place of  
23 business of Defendant NARCONON SC and is focused on the detoxification of drug abusers.  
24 During the time Mr. Locatelli was there, from February 17<sup>th</sup> through the 19<sup>th</sup>, he was made to  
25 participate in and practice specific exercises prescribed by Defendants' detox program while the  
26 center was overcrowded with residents and understaffed. Additionally, there was no medical  
27 doctor on staff as represented by the program saleswomen, Ms. Allen and the websites of

1 Defendants NARCONON SC and NARCONON JH.

2 17. Plaintiff had specifically inquired about access to medical care because Mr.  
3 Locatelli had Bronchitis at the time he was going to be admitted to one of Defendants' centers  
4 and was likely to need medical attention. Mr. Locatelli had been prescribed antibiotics to treat  
5 the Bronchitis before he arrived at the treatment center, but was advised by his doctor that his  
6 condition could get worse and he could develop Pneumonia. Plaintiff was assured by Ms. Allen  
7 that Mr. Locatelli would receive the medical attention he required by a medical doctor at the  
8 treatment center.

9 18. On or about February 19, 2008, Mr Locatelli requested a taxi because Defendant  
10 NARCONON SC was not providing the services that were promised and paid for by Plaintiff.  
11 Mr. Locatelli believed the environment not to be safe and positive as described, instead the  
12 facility at NARCONON SC was illegally overcrowded and understaffed and the Scientology  
13 based "training routines" were insulting and degrading.

14 19. While at NARCONON SC Mr. Locatelli packed his bags and requested that staff  
15 call Mr. Locatelli a taxi. Staff at NARCONON SC did not call a taxi, instead they called Senior  
16 Director of Defendant NARCONON JH to come from Palm Desert, California to pick up Mr.  
17 Locatelli. NARCONON SC's staff made promises to Mr. Locatelli that the other location at  
18 Defendant NARCONON SC would be better. Mr. Locatelli was coerced into trying to continue  
19 the program at the other location because Defendant NARCONON SC's staff would not let Mr.  
20 Locatelli call any family. Mr. Locatelli felt cornered and at their mercy as he had no access to his  
21 money, wallet or phone.

22 20. On or about February 19, 2008, Mr. Locatelli was picked up by the Senior  
23 Director of Defendant's center, David Herion, to be taken to the NARCONON JH's facility for  
24 continued treatment. The trip from Newport Beach to Palm Desert should have been  
25 approximately 2 hours by car, but Mr. Herion told Mr. Locatelli that he was lost and they did not  
26 arrive at NARCONON JH for 6 ½ hours. At that time, Mr. Locatelli was exhausted and feeling  
27 very ill. Upon arrival at the NARCONON JH facility, Mr. Locatelli was instructed to sign

1 additional admission papers before being allowed to rest that night.

2 21. Plaintiff called Defendant NARCONON SC on or about February 20, 2008 to  
3 inquire about Mr. Locatelli's health. Plaintiff wanted to make sure that the Bronchitis was being  
4 treated and that Mr. Locatelli's infection was going away. She spoke with a gentleman named  
5 Scott Edwards who claimed to be the Director at the facility, who falsely informed her that Mr.  
6 Locatelli was healthy and did so well during the two days at NARCONON SC that he was  
7 transferred to NARCONON JH.

8 22. The next day, on or about February 20, 2008, Mr. Locatelli requested to be seen  
9 by a medical doctor. Defendant NARCONON JH informed Mr. Locatelli that he would have to  
10 wait but that he would be seen by a medical doctor the next day. Mr. Locatelli was then  
11 instructed to read several hundred pages of a book of Scientology study routines written by L.  
12 Ron Hubbard and participate in training routines. Mr. Locatelli completed all the Scientology  
13 based readings as instructed. He also completed the Scientology based training routine which  
14 required Mr. Locatelli to sit with another resident and endure name-calling and "bull baiting."  
15 For instance, certain other residents called Mr. Locatelli a "cocksucker, gay farm boy." They  
16 told him "you like to suck cock" told him he was "gay and wanted to hang out in the sauna with  
17 a bunch of naked dicks," and "you wear ratty thrift store clothes." Again Mr. Locatelli did not  
18 feel as though he were in a safe and positive environment that built on self esteem as promised  
19 by Ms. Allen.

20 23. During his stay at either Defendant NARCONON SC and NARCONON JH, Mr.  
21 Locatelli had yet to receive any individual counseling, drug education, or group sessions as  
22 defined by the California State Department of Alcohol and Drug Programs. None of the literature  
23 or "training routines" included anything about drugs, drug use, drug abuse, rehabilitation or  
24 recovery.

25 24. On or about February 21, 2008, Mr. Locatelli again requested a medical doctor to  
26 treat his Bronchitis and was finally driven to a location where he was told he would be seen by a  
27 physician. Mr. Locatelli was not seen by a physician and driven back to Defendant

1 NARCONON JH.

2 25. Upon returning to the facility, Mr. Locatelli was instructed that he should repeat  
3 the same exercises from the previous day. Upon his request to terminate the program and leave,  
4 Dave Herion called Plaintiff to convince Mr. Locatelli to stay. Three staff members followed Mr.  
5 Locatelli around the house preventing him from having a private conversation. Staff tried to  
6 convince Mr. Locatelli to stay another night and they were not cooperating with Mr. Locatelli's  
7 request to leave. Mr. Locatelli felt there was no other escape except to collect his belongings,  
8 sign himself out of the center and start walking. He was later picked up by a representative from  
9 Defendant NARCONON JH and was driven to the airport. Mr. Locatelli was also advised by  
10 David Herion that he and Plaintiff would receive a refund because he was only at the center for a  
11 few days.

12 26. On several occasions after February 21, 2008, Plaintiff called Defendant  
13 NARCONON SC and requested a refund of the admission fee paid for Mr. Locatelli's treatment.  
14 Her request was not answered, so on or about March 11, 2008, Plaintiff sent a letter to Defendant  
15 NARCONON SC requesting a refund because Mr. Locatelli did not receive the treatment that  
16 was represented to Plaintiff when she was persuaded to admit Mr. Locatelli.

17 **CAUSES OF ACTION**

18 **FIRST CAUSE OF ACTION**  
19 **(Breach of Contract)**

20 27. Plaintiff realleges and incorporates herein by reference, as though fully  
21 hereinafter set forth at length, each and every allegation contained in paragraphs 1 through 26.

22 28. Plaintiff and Defendants entered into a verbal agreement over the telephone at the  
23 time that Plaintiff paid to Defendant the admission fee (the "Agreement"). In consideration of  
24 Plaintiff's payment, Defendants promised to provide to Mr. Locatelli, among other things, dual  
25 diagnosis, one on one therapy, drug education, group therapy, and 24-hour access to medical care  
26 by qualified physicians when necessary, and a safe environment. Defendant's website also  
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1 touted these same benefits. Defendants materially breached this Agreement when they refused to  
2 provide the services as promised under such Agreement and refused to refund the money paid as  
3 promised by Defendants' representative.

4 29. Plaintiff has performed all conditions, covenants, and promises required on its  
5 part to be performed according to its Agreement with Defendants.

6 30. Defendant's breaches have caused to Plaintiff past, present, and future damages,  
7 in amount to be proved at trial.

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9 SECOND CAUSE OF ACTION  
10 **(Conversion)**

11 31. Plaintiff realleges and incorporates herein by reference, as though fully  
12 hereinafter set forth at length, each and every allegation contained in paragraphs 1 through 30.

13 32. As a result of Defendants' material breaches of the Agreement, Defendants had a  
14 duty to repay to Plaintiff the entire amounts paid to Defendants under the express and implied  
15 terms of the Agreement. Yet, through the direction of Defendants' agents, Defendant(s)  
16 converted for itself or themselves the money due to Plaintiff by refusing to issue a refund to  
17 Plaintiff.

18 33. Plaintiff never consented to, approved, waived or ratified any such conversion by  
19 Defendants.

20 34. Plaintiff took all reasonable steps to ensure that she would be paid all sums due  
21 her from Defendants, in accordance with the Agreement between Plaintiff and Defendants.

22 35. Defendants knowingly and intentionally converted Plaintiff's funds in order to  
23 further their personal business interests while ignoring Plaintiff's repeated demands.

24 36. Plaintiff has been damaged by such conversion.

25 THIRD CAUSE OF ACTION  
26 **(Fraud in the Inducement)**  
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1           37. Plaintiff realleges and incorporates herein by this reference as though more fully  
2 set forth in the allegations contained in paragraphs 1 through 36 herein.

3           38. When Defendants, through their respective employees, made representations to  
4 Plaintiff that Plaintiff would receive individualized therapy, case management, and 24-hour  
5 access to a medical doctor during his stay at Defendants' facilities, Defendants knew them to be  
6 false, and the representations were made with the intent to defraud and deceive Plaintiff, and  
7 with the intent to induce Plaintiff to purchase the services that Mr. Locatelli and Plaintiff were  
8 promised.

9           39. When Defendants entered into the Agreement with Plaintiff, Defendants knew  
10 that they in fact would use this arrangement to keep for themselves Plaintiff's \$20,000.00,  
11 regardless of whether Mr. Locatelli was ever to receive the services promised to him and  
12 Plaintiff, and concealed this information from Plaintiff and Mr. Locatelli.

13           40. At the time these representations were made, and at the time it took the actions  
14 herein alleged, Plaintiff was ignorant of the falsity of the Defendants' representations.

15           41. In reliance upon these representations, Plaintiff was induced to enter into an  
16 Agreement with Defendants promising the services set forth therein.

17           42. Had Plaintiff known the actual facts, Plaintiff would not have entered into any  
18 such Agreement, and not acted in the manner alleged herein.

19           43. Plaintiff's reliance on the Defendants' representations was justified and  
20 reasonable because of her belief that Defendant was making representations to Plaintiff fairly,  
21 honestly and in good faith, and because there was nothing that led Plaintiff to believe that the  
22 Defendants would defraud and exploit Plaintiff.

23           44. As a proximate result of Defendants' fraud and deceit, and the facts alleged  
24 herein, Plaintiff has been damaged in an amount according to proof at trial.

25           45. In doing the acts herein alleged, Defendants acted fraudulently, willfully,  
26 maliciously, oppressively, and with callous and intentional disregard of Plaintiff's interests, and  
27 subjected Plaintiff to unjust hardship, knowing that Defendants' conduct was substantially likely

1 to damage Plaintiff. As a result of Defendants' conduct, Plaintiff is entitled to an award of  
2 punitive damages.

3 **FOURTH CAUSE OF ACTION**  
4 **(Fraudulent Misrepresentation)**

5 46. Plaintiff realleges and incorporates herein by this reference as though more fully  
6 set forth the allegations contained in paragraphs 1 through 45 herein.

7 47. When Defendants made multiple representations to Plaintiff that Plaintiff's Mr.  
8 Locatelli would receive individualized therapy, drug education, group sessions and 24-hour  
9 access to a medical doctor during his stay at Defendants' facilities, Defendants knew them to be  
10 false, and the representations were made with the intent to defraud and deceive Plaintiff, and  
11 with the intent to induce Plaintiff to purchase the services, on behalf of Mr. Locatelli, that  
12 Plaintiff and Mr. Locatelli were promised.

13 48. When Defendant entered into the Agreement with Plaintiff, Defendants knew that  
14 they in fact would use this arrangement to keep for themselves Plaintiff's \$20,000.00, regardless  
15 of whether Mr. Locatelli was ever to receive the services promised to him and Plaintiff, and  
16 concealed this information from Plaintiff and Mr. Locatelli.

17 49. At the time these representations were made, and at the time she took the actions  
18 herein alleged, Plaintiff was ignorant of the falsity of the Defendants' representations.

19 50. In reliance upon these representations, Plaintiff was induced to enter into an  
20 Agreement with Defendants promising the services set forth therein.

21 51. Had Plaintiff known the actual facts, Plaintiff would not have entered into any  
22 such Agreement, and not acted in the manner alleged herein.

23 52. Plaintiff's reliance on the Defendants' representations was justified and  
24 reasonable because of its belief that Defendants were making representations to Plaintiff fairly,  
25 honestly and in good faith, and because there was nothing that led Plaintiff to believe that the  
26 Defendants would defraud and exploit Plaintiff.

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53. As a proximate result of Defendants' fraud and deceit, and the facts alleged herein, Plaintiff has been damaged in an amount according to proof at trial.

54. In doing the acts herein alleged, Defendants acted fraudulently, willfully, maliciously, oppressively, and with callous and intentional disregard of Plaintiff's interests, and subjected Plaintiff to unjust hardship, knowing that Defendants' conduct was substantially likely to damage Plaintiff. As a result of Defendants' conduct, Plaintiff is entitled to an award of punitive damages.

**FIFTH CAUSE OF ACTION**  
**(Negligent Misrepresentation)**

55. Plaintiff realleges and incorporates herein by this reference as though more fully set forth the allegations contained in paragraphs 1 through 54 herein.

56. When Defendants made multiple representations to Plaintiff that Plaintiff's Mr. Locatelli would receive individualized therapy, drug education, group therapy and 24-hour access to a medical doctor during his stay at Defendants' facilities, Defendants knew or should have known them to be false, and thereby induced Plaintiff to purchase the services, on behalf of Mr. Locatelli, that Plaintiff and Mr. Locatelli were promised.

57. When Defendants entered into the Agreement with Plaintiff, Defendants knew or should have known that they in fact would use this arrangement to keep for themselves Plaintiff's \$20,000.00, regardless of whether Mr. Locatelli was ever to receive the services promised to him and Plaintiff, and concealed this information from Plaintiff and Mr. Locatelli. Because of Defendants' negligent misrepresentation, Plaintiff suffered substantial damages.

58. Defendants had a duty to disclose facts they knew or should have known would materially and adversely affect Plaintiff's decision to enter into the Agreement with Defendants, and breached this duty. Defendants are therefore liable for Plaintiff's damages proximately caused by their negligent misrepresentation.

1 SIXTH CAUSE OF ACTION  
2 (Violation of Business and Professions Code §17200 et seq. - Fraudulent Acts or Practices)

3 59. Plaintiff realleges and incorporates herein by this reference as though more fully  
4 set forth the allegations contained in paragraphs 1 through 58 herein.

5 60. California Business and Professions Code §17200, et seq. prohibits acts of unfair  
6 competition, which mean, and include, any "fraudulent business act or practice." Conduct which  
7 is "likely to deceive" is "fraudulent" within the meaning of Section 17200.

8 61. When Defendants, through its employees, made representations to Plaintiff that  
9 Plaintiff would receive individualized therapy, case management, and 24-hour access to a  
10 medical doctor during his stay at Defendants' facilities, Defendants knew them to be false, and  
11 the representations were made with the intent to defraud and deceive Plaintiff, and with the intent  
12 to induce Plaintiff to purchase the services that Daniel Locatelli and Plaintiff were promised.  
13 Defendants statements above were likely to deceive, and did in fact deceive, Plaintiff,  
14 proximately causing substantial damages and injury to Plaintiff.

15 62. By misrepresenting Desiree Romero as a volunteer to Plaintiff in February 2008,  
16 rather than a paid employee or agent of Defendant NARCONON SC and/or Defendant  
17 NARCONON JH, Defendants knew them to be false, and the representations were made with the  
18 intent to defraud and deceive Plaintiff, and with the intent to induce Plaintiff to purchase the  
19 services that Mr. Locatelli and Plaintiff were promised. Defendants statements above were  
20 likely to deceive, and did in fact deceive, Plaintiff, proximately causing substantial damages and  
21 injury to Plaintiff.

22 63. When Defendants entered into the Agreement with Plaintiff, Defendants knew  
23 that they in fact would use this arrangement to keep for themselves Plaintiff's \$20,000.00,  
24 regardless of whether Plaintiff was entitled to a refund as represented as being part of the  
25 Agreement, and concealed this information from Plaintiff. Instead, Defendant's strategy  
26 involved Mr. Locatelli signing Defendants' form agreements containing contrary terms.  
27 Defendants' representations under the Agreement that Plaintiff would receive a refund if entitled

1 to a refund were likely to deceive, and did in fact deceive, Plaintiff, proximately causing  
2 substantial damages and injury to Plaintiff.

3 64. Plaintiff is, therefore, entitled to relief under Business and Professions Code  
4 §17200 et seq.

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**WHEREFORE**, Plaintiff prays for judgment against Defendants, and each of them, as follows:

1. For damages in the amount of \$20,000.00 plus interest at the legal rate;
2. For punitive damages as allowed by law;
3. For reasonable attorneys' fees in amount to be determined at trial;
4. For costs of suit in this action; and
5. For such other and further relief as the Court may deem proper.

Dated: June 29, 2009

By: Sarah Locatelli  
SARAH LOCATELLI