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URMC sued by former CEO

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Amid controversy at Manchester's United Regional Medical Center, the former chief executive officer and a shareholder on behalf of a limited liability company with interests in the hospital have filed separate lawsuits.

Robert George, who had been the hospital's CEO until his employment was recently terminated, has filed a lawsuit in Coffee County Circuit Court seeking payment from Coffee Medical Group Company, doing business as United Regional, according to what he deems as an employment agreement.

He is seeking 24 months salary and benefits. The suit says he stopped receiving compensation, according to his contract, on July 23.

The other lawsuit is by Lisa Veteto, who holds a membership interest in United Regional through the Kentucky-based Fairmont Group Limited Liability Company, (See URMC, Page 2A)

URMC —

(Cont. from Page 1A)

which has invested in the hospital.

Coffee Medical Group is also named as a nominal defendant because George, as CEO, had represented its interests

Veteto says in the lawsuit that George “breached his fiduciary duty and standard of care to the company by, among other things, failing and refusing to provide financial and business records to members of the company to which they were statutorily and contractually required to produce.”

George is also accused in the lawsuit of “diverting corporate assets for his own use,” failing to “fairly and accurately report the operations and financial condition of URMC and mismanagement of corporate assets.”

Attempts were made by *The News* to contact George, but he was not immediately available for comment.

Veteto’s suit says that George’s employment termination was announced at Coffee Medical Group’s June 27 annual membership meeting: “for reasons which the Board of Governors did not wish to discuss.”

The suit says that United Regional should be required to produce all corporate records, all financial records and submit to a corporate audit by an independent certified professional accountant” so that the court and URMC members can evaluate the company’s financial circumstances.

It also says that: “If defendant George has diverted corporate assets for his own use, then URMC should recover all those sums, plus pre-judgment interest from defendant George.”

The lawsuit further states that Veteto and Fairmont Group maintain that the “wrongful nonfeasance of defendant George and the current board of governors have substantially harmed URMC, plaintiffs and other members of the company for which the plaintiffs and URMC are entitled to recover.”

Several exhibits in the same lawsuit say that Fairmont Group and Veteto made attempts to gather financial information regarding United Regional. They also requested to be able to sell their membership interests totaling \$50,000 — \$25,000 each for Fairmont and Veteto.

The exhibits, letters from the Henry & McCord law firm to Mark Williams, an attorney representing Coffee Medical Group, and

to George, say that requests had been made to get URMC’s financial information. However, the suit says the information was not received.