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18 UNITED STATES DISTRICT COURT
19 CENTRAL DISTRICT OF CALIFORNIA, WESTERN DIVISION
20

21 Epic Systems Corporation; OCHIN,
22 Inc.; Reid Hospital & Health Care
23 Services, Inc. d/b/a Reid Health; Trinity
24 Health Corporation; and UMass
25 Memorial Health Care, Inc.,

26 Plaintiffs,

27 vs.

28 Health Gorilla, Inc.; RavillaMed PLLC;
Avinash Ravilla; Shere Saidon;
LlamaLab, Inc.; Unique Medi Tech
LLC, d/b/a Mammoth Dx; Mammoth
Path Solution, LLC; Mammoth Rx,
Inc.; Ryan Hilton; Daniel Baker; Max
Toovey; Unit 387 LLC; SelfRx, LLC
d/b/a Myself.Health; Critical Care
Nurse Consultants, LLC d/b/a
GuardDog Telehealth; Hoppr, LLC;
Meredith Manak, and DOES 1-100,

Defendants.

Case No. 2:26-cv-00321-FMO-RAO

**DEFENDANT HEALTH GORILLA,
INC.'S MEMORANDUM
SUPPORTING ITS MOTION TO
DISMISS THE COMPLAINT
PURSUANT TO RULE 12(B)(6)**

*[Filed concurrently with Notice of
Motion and [Proposed] Order]*

Date: April 23, 2026
Time: 10:00 am
Location: Courtroom 6D

Complaint Filed: January 13, 2026
Trial Date: None Set
District Judge: Hon. Fernando M.
Olguin

TABLE OF CONTENTS

		<u>Page</u>
1		
2		
3	PRELIMINARY STATEMENT	1
4	BACKGROUND	4
5	I. HEALTH RECORD INTEROPERABILITY FRAMEWORK BASICS	4
6	II. THE PARTIES' RELATIONSHIPS AND RELEVANT	
7	OBLIGATIONS	5
8	III. THE CCA AND COMMON AGREEMENT EACH REQUIRE	
9	PRIVATE DISPUTE RESOLUTION BEFORE LITIGATION	7
10	A. Carequality Requires Internal Dispute Resolution Before	
11	Litigation	7
12	B. TEFCA Requires Internal Dispute Resolution Before Litigation.....	7
13	IV. PLAINTIFFS DID NOT PURSUE DISPUTE RESOLUTION BEFORE	
14	FILING SUIT, AND NEVER MOVED FOR INJUNCTIVE RELIEF	8
15	V. PLAINTIFFS ALLEGE ONLY THAT HEALTH GORILLA SHOULD	
16	HAVE KNOWN ABOUT IMPROPER TREATMENT REQUESTS.....	8
17	VI. HAD PLAINTIFFS NOT JUMPED INTO LITIGATION, THEY	
18	WOULD HAVE LEARNED MUCH	8
19	LEGAL STANDARDS	9
20	CHOICE OF LAW	10
21	ARGUMENT.....	10
22	I. THE COMPLAINT SHOULD BE DISMISSED BECAUSE	
23	PLAINTIFFS FAILED TO SATISFY CONTRACTUAL	
24	PRECONDITIONS TO SUIT.....	10
25	A. Plaintiffs Failed To Exhaust Mandatory Alternative Dispute	
26	Provisions.....	11
27	B. The “Immediate Injunctive Relief” Exception Does Not Apply	12
28	C. Plaintiffs Cannot Avoid Their Dispute Resolution Obligations	
	With Vague Futility Arguments.....	12
	D. The Contracts’ Structure Demonstrates Why It Is Important To	
	Follow The Dispute Resolution Processes.....	12
	II. PLAINTIFFS’ CONTRACT CLAIM AGAINST HEALTH GORILLA	
	FAILS	13
	A. Legal Standard For Third-Party Beneficiary Status	13

1	B.	CC Plaintiffs Cannot Sue For Breach Of Contract, And Epic Can Only Sue For Breach Of CCA Section 13	14
2			
3	1.	CC Plaintiffs do not have third party rights to enforce Health Gorilla’s CCA	14
4	2.	Plaintiffs do not have rights to enforce CCA §§ 15 or 16.....	15
5	3.	Plaintiffs cannot enforce the CC Terms against Health Gorilla	15
6	4.	Plaintiffs have no third-party beneficiary standing under the Common Agreement.....	16
7			
8	C.	Epic Has Not Alleged Willful, Reckless, Or Intentional Breach Of CCA Section 13	16
9			
10	III.	PLAINTIFFS DO NOT PLAUSIBLY ALLEGE FRAUD CLAIMS AGAINST HEALTH GORILLA.....	17
11	A.	The Complaint Fails To Identify Any Actionable Misrepresentation From Health Gorilla	17
12			
13	B.	The Complaint Fails To Plead Actual, Justifiable Reliance On Health Gorilla’s Acts	19
14	1.	Plaintiffs disclaimed reliance based on network inclusion	19
15	2.	The Complaint alleges the harm was providing health records; neither Epic nor OCHIN allege they did so.....	20
16	3.	CC Plaintiffs do not allege they acted in response to anything from Health Gorilla	20
17			
18	C.	The Complaint Fails To Plausibly Plead Health Gorilla’s Scierter	21
19			
20	D.	Plaintiffs Fail To Allege Damages Caused By Health Gorilla’s Alleged Fraud.....	21
21	IV.	THE AIDING-AND-ABETTING CLAIMS FAIL FOR LACK OF ACTUAL KNOWLEDGE	22
22			
23	V.	EPIC’S CLAIMS ARE BASED ON VOLUNTARY COSTS AND SHOULD BE DISMISSED	23
24		CONCLUSION.....	24

TABLE OF AUTHORITIES

Page(s)

Cases

<i>Ahmed v. Hamilton Ins. DAC,</i> 409 So.3d 704 (Fla. 3d DCA 2025).....	14
<i>Balsam v. Tucows Inc.,</i> 627 F.3d 1158 (9th Cir. 2010)	14
<i>Beckwith v. Dahl,</i> 205 Cal. App. 4th 1039 (2012).....	20, 22
<i>Bell Atlantic v. Twombly,</i> 550 U.S. 544 (2007)	9
<i>Bhatia v. Silvergate Bank,</i> 725 F. Supp. 3d 1079 (S.D. Cal. 2024)	22
<i>Caltex Plastics v. Raytheon Co.,</i> 2014 WL 12687419 (C.D. Cal. Apr. 24, 2014).....	16
<i>Casey v. U.S. Bank Nat’l Ass’n,</i> 127 Cal. App. 4th 1138 (2005).....	23
<i>Chess v. CF Arcis IX LLC,</i> 2020 WL 4207322 (N.D. Cal. July 22, 2020)	12
<i>Clapper v. Amnesty International USA,</i> 568 U.S. 398 (2013)	23
<i>Columbia Cas. Co. v. Cottage Health Sys.,</i> 2015 WL 4497730 (C.D. Cal. July 17, 2015)	11
<i>Dix v. Nova Benefit Plans, LLC,</i> 2015 WL 12859221 (C.D. Cal. Apr. 28, 2015).....	20
<i>In re First Alliance Mortgage Co.,</i> 471 F.3d 977 (9th Cir. 2006)	22
<i>In re Gilead Scis. Sec. Litig.,</i> 536 F.3d 1049 (9th Cir. 2008)	10

1	<i>Godecke v. Kinetic Concepts,</i>	
2	937 F.3d 1201 (9th Cir. 2019).....	10
3	<i>Goonewardene v. ADP, LLC,</i>	
4	434 P.3d 124 (Cal. 2019).....	13, 14, 16
5	<i>Greenstein v. Noblr Reciprocal Exch.,</i>	
6	585 F. Supp. 3d 1220 (N.D. Cal. 2022).....	24
7	<i>Guido v. Koopman,</i>	
8	1 Cal. App. 4th 837 (1991).....	19
9	<i>Kearns v. Ford Motor Co.,</i>	
10	567 F.3d 1120 (9th Cir. 2009).....	10, 17, 18
11	<i>Laatz v. Zazzle, Inc.,</i>	
12	682 F. Supp. 3d 791 (N.D. Cal. 2023).....	13
13	<i>Loffman v. California Dep’t of Educ.,</i>	
14	119 F.4th 1147 (9th Cir. 2024).....	23
15	<i>Lujan v. Defs. of Wildlife,</i>	
16	504 U.S. 555 (1992)	23
17	<i>Morsi v. Wellington Reg’l Med. Ctr., LLC,</i>	
18	419 So.3d 93 (Fla. 4th DCA 2025)	14
19	<i>In re Nexus 6P Prods. Liab. Litig.,</i>	
20	293 F. Supp. 3d 888 (N.D. Cal. 2018).....	10, 11
21	<i>Petersen v. Allstate Indem. Co.,</i>	
22	281 F.R.D. 413 (C.D. Cal. 2012).....	21
23	<i>Sanford v. MemberWorks, Inc.,</i>	
24	625 F.3d 550 (9th Cir. 2010).....	17
25	<i>Tellabs, Inc. v. Makor Issues & Rts., Ltd.,</i>	
26	551 U.S. 308 (2007)	10
27		
28		
	<u>Other Authorities</u>	
	Fed. R. Civ. P. 9(b).....	10, 17, 18
	Fed. R. Civ. P. 12(b)(6)	9

GLOSSARY

Term	Definition	Source
Applicant	“The Party that has signed the CCA and agreed to comply with its terms as a Carequality Implementer.”	CCA § 1.3 (Compl. Ex. A)
Carequality	“[A] 501(c)(3) nonprofit organization that operates a national interoperability framework (the ‘Carequality Framework’) designed to enable the exchange of electronic healthcare information among participating entities.”	Compl. ¶ 53
Carequality Connected Agreement (“CCA”)	The agreement executed by “organizations that elect to engage in exchange activities through the Carequality Elements,” enabling them “to interoperate with all other Implementers and avoid the need to join multiple data exchange networks.”	CCA Recitals (Compl. Ex. A)
Carequality Connection (“CC”)	“An organization that is properly listed in the Carequality Directory in accordance with the requirements of Section 15 of this CCA.”	CCA § 1.7 (Compl. Ex. A)
Carequality Connection Terms (“CC Terms”)	“The terms set forth in Exhibit 1” of the CCA. Implementers shall “require such Carequality Connections to, at a minimum, comply with the Carequality Connection Terms.”	CCA §§ 1.8, 15.2 (Compl. Ex. A)
Carequality Directory	“A set of information that includes entries for all organizations who have been accepted as Carequality Implementers, along with those organizations’ Carequality Connections which serves as the definitive reference for identifying those organizations who are valid participants in exchange activities through the Carequality Elements.”	CCA § 1.9 (Compl. Ex. A)
Common Agreement (“CA”)	“[T]he Common Agreement for Nationwide Health Information Interoperability, the QHIN Technical Framework (QTF), all Standard Operating Procedures (SOPs), and all other attachments, exhibits, and artifacts incorporated therein by reference.” Entered into “by and between The Sequoia Project, Inc.... acting as the current Recognized Coordinating Entity ... and [Signatory].”	CA § 1.1, Recitals (Compl. Ex. E)
Dispute	Under the CCA: “Any controversy, dispute, or disagreement arising out of or relating to the interpretation or implementation of the Carequality Elements.” Under the CA: “(i) a disagreement about any provision of this Common Agreement . . . or (ii) a concern or complaint about the actions, or any failure to act, of Signatory, the RCE, any other QHIN, or another QHIN’s Participant(s) or Subparticipant(s).”	CCA § 1.17 (Compl. Ex. A); CA § 1.1 (Compl. Ex. E)
Dispute Resolution Process	The “non-binding dispute resolution process established by Carequality.”	CCA §§ 20.1–20.2 (Compl. Ex. A);
Implementer	“An organization that has signed the Carequality Connected Agreement and been accepted as such by Carequality.”	CCA § 1.23 (Compl. Ex. A)

Term	Definition	Source
Organization	“The Carequality Connection on which these Carequality Connection Terms are binding.”	CC Terms § 1.22 (Compl. Ex. B)
Participant	“[A] U.S. Entity that has entered into the ToP in a legally binding contract with a QHIN to use the QHIN’s Designated Network Services to participate in TEFCA Exchange in compliance with the ToP.”	CA § 1.1 (Compl. Ex. E)
Qualified Health Information Network (“QHIN”)	“[A] Health Information Network that is a U.S. Entity that has been Designated by the RCE and is a Party to the Common Agreement countersigned by the RCE.”	CA § 1.1 (Compl. Ex. E)
Recognized Coordinating Entity (“RCE”)	“[T]he entity selected by ONC that enters into the Common Agreement with QHINs in order to impose, at a minimum, the requirements of the Common Agreement, including the SOPs and the QTF, on the QHINs and administer such requirements on an ongoing basis.”	CA § 1.1, Recitals (Compl. Ex. E)
Subparticipant	“[A] U.S. Entity that has entered into the ToP in a legally binding contract with a Participant or another Subparticipant to use the Participant’s or Subparticipant’s Connectivity Services to participate in TEFCA Exchange in compliance with the ToP.”	CA § 1.1 (Compl. Ex. E)
TEFCA (Trusted Exchange Framework and Common Agreement)	“[A] federally endorsed network-of-networks, with Qualified Health Information Networks(QHINs) enabling exchange of data among their network members and customers, referred to as Participants and Subparticipants.”	CA Recitals (Compl. Ex. E); QTF Overview (Compl. Ex. I)
Terms of Participation (“ToP”)	“[T]he requirements set forth in Exhibit 1 to the Common Agreement to which: QHINs must contractually obligate their Participants to agree; to which QHINs must contractually obligate their Participants to contractually obligate their Subparticipants ... to agree, in order to participate in TEFCA Exchange.”	CA § 1.1 (Compl. Ex. E)

PRELIMINARY STATEMENT

With this lawsuit, Plaintiffs bypass mandatory contractual dispute resolution procedures and attempt to escalate a healthcare governance dispute into a federal action. These efforts are the latest in Epic’s strategy to undermine nationwide healthcare interoperability. At issue are Carequality and TEFCA, frameworks healthcare providers use to exchange billions of patient records. Interoperability through these frameworks is critical to patient safety and efficient healthcare nationwide: it enables providers to access a patient’s history and medications. Without it, patients face delayed care or even mistaken prescriptions.

For years, Epic has punished those who uphold interoperability networks that do not leave Epic with veto power over who can gain and facilitate lawful EHR access. With smear campaigns advanced in public and private, Epic has brazenly sought to deter both its competitors and customers from embracing innovation in interoperability and supporting a more efficient, safer healthcare system. Epic has even attempted to use its dominant position in EHR-exchange markets to control information shared on the networks and exclude smaller participants for Epic’s benefit.

This lawsuit is part of that strategy.

As Plaintiffs note, the Carequality and TEFCA networks can only proceed based on trust—trust that participants will do everything reasonably possible to ensure safe exchange, and that those with incentives to damage the networks will not do so. Epic has abused that trust in the guise of acting as the networks’ unappointed protector. By calling into question the networks’ ability to self-police—which is written into the very operative contracts that Epic helped to draft in the formation of Carequality and TEFCA—Plaintiffs have done far more damage to the networks than the limited instances of alleged improper record requests. Make no mistake: this lawsuit is an attack on interoperability, led by a party that stands most to profit from

1 the networks’ downfall.¹ The lawsuit also relies on facts that Health Gorilla *provided*
2 *to Epic* after it cooperated in investigations concerning certain network participants,
3 during a months-long process involving Carequality, the TEFCA network
4 administrator, and several of the nation’s largest health providers. None of the
5 providers that joined Health Gorilla’s investigation are plaintiffs, which is telling—
6 as discovery and trial would show, there is nothing *there* that supports claims against
7 Health Gorilla for wrongdoing.

8 But there is no reason to reach discovery. Notwithstanding the Complaint’s
9 resounding factual misrepresentations, Plaintiffs are improperly before this Court and
10 assert deficient claims.

11 ***First***, and as further evidence that this lawsuit is nothing more than an attempt
12 to undermine the legitimacy of healthcare interoperability frameworks, Plaintiffs
13 failed to satisfy Carequality’s and TEFCA’s mandatory dispute resolution provisions.
14 Each framework requires participants to engage in internal processes instead of
15 running to court exactly because public litigation on nuanced issues such as these can
16 have disastrous effects for the networks, those operating within them, and patients
17 who depend on them. As the Complaint itself shows, Carequality and the TEFCA
18 RCE (the administrator appointed under the TEFCA framework) are capable of acting
19 in their contractually appointed role. And the Complaint further shows why
20 addressing dispute resolution within the framework is important: previous parties
21 Epic has accused of wrongdoing have been found by the governing bodies completely
22 blameless. Given Plaintiffs have failed to pursue their contractually mandated
23 disputed resolution process, they cannot as a matter of law pursue this lawsuit.

24 ***Second***, even if the Complaint were properly brought, Plaintiffs have no
25 enforceable contractual rights against Health Gorilla. Plaintiffs attempt to invoke
26

27 ¹ Epic touts in its introduction that “over 1,900 hospitals and 49,000 clinics” use its
28 EHR software. Compl. ¶6.

1 third-party beneficiary status, but TEFCA provides *no* third-party beneficiary status
2 at all and the plain terms of the Carequality Connected Agreement (“CCA”) and
3 Carequality Connection (“CC”) Terms show that no CC Plaintiff can sue Health
4 Gorilla, and Epic and OCHIN can only sue for breach of CCA Section 13. As to
5 Section 13, the Complaint facially fails to allege a breach.

6 ***Third***, the fraud and aiding-and-abetting claims (Counts 1-6) fail to satisfy
7 Rule 9’s pleading requirements as to Health Gorilla, as well as basic requirements for
8 each claim. The Complaint does not identify any specific false statement by Health
9 Gorilla. Instead, it speculates about what Health Gorilla “would have affirmed” during
10 onboarding of the other defendants onto the networks, and it conflates administrative
11 acts with affirmative misrepresentations. No Plaintiff alleges reliance (let alone
12 reasonable reliance) on any particular statement by Health Gorilla, and the scienter
13 allegations are both circular and insufficient. The aiding-and-abetting claims similarly
14 fail because Plaintiffs must allege Health Gorilla actually knew about the fraud;
15 however, the Complaint pleads at most that Health Gorilla should have been more
16 suspicious; *i.e.*, was negligent. That is not enough.

17 ***Fourth***, OCHIN and Epic each lack standing. Epic is at once the mastermind
18 of this lawsuit and the main beneficiary of crippled interoperability networks as the
19 self-proclaimed “pioneer” in EHR exchange, *i.e.*, a long-entrenched and dominant
20 market player, Compl. ¶6.² Yet their claimed damages are costs incurred in
21 investigating alleged fraud on their customers, as well as investments to supposedly
22 prevent future fraud. Voluntary costs are not compensable damages, and neither Epic
23 nor OCHIN allege they suffered (or even could suffer, since they are not providers)
24 the specifically enumerated harms in the complaint; *i.e.*, providing health records to
25 one of the non-Health Gorilla defendants.

26
27
28 ² All “¶” citations are to the Complaint.

1 Epic tries to paint itself as a good actor because it has come under sustained
2 criticism and inquiry from regulators and private plaintiffs for its widespread unfair
3 business practices, and it desperately needs a distraction from its primary goals, which
4 are to continue enriching itself at the expense of patients nationwide. The case should
5 be dismissed.

6 **BACKGROUND**

7 **I. HEALTH RECORD INTEROPERABILITY FRAMEWORK BASICS**

8 Carequality and the Trusted Exchange Framework and Common Agreement
9 (“TEFCA”) are national interoperability frameworks designed to enable the electronic
10 exchange of healthcare information. ¶¶53, 81. The frameworks, which are federally
11 mandated but private, operate through a hub-and-spoke contractual structure wherein
12 “Implementers” (in Carequality parlance) and Qualified Health Information
13 Networks, aka “QHINs” (in TEFCA) execute a form contract with the framework
14 administrator to act as infrastructure providers. ¶¶54, 59, 88. For Carequality, the
15 framework administrator is Carequality itself. ¶¶53, 55. Under TEFCA, the
16 administrator is called the Recognized Coordinating Entity (“RCE”). ¶83. The
17 agreement a Carequality Implementer signs is called the Carequality Connected
18 Agreement (the “CCA”). ¶59; *see also* Compl. Ex. A. A QHIN signs the TEFCA
19 itself, which is more commonly called the “Common Agreement.” ¶99.

20 Both Carequality and TEFCA facilitate, *inter alia*, the free exchange of health
21 records for “treatment” purposes. ¶¶64, 95, 97. Congress mandates such exchange to
22 improve patient care coordination, reduce health disparities, and eliminate
23 information blocking. ¶81. If, say, a dominant healthcare software provider were not
24 subject to this requirement, it could act as a bottleneck by imposing unreasonable fees
25 for basic access to patients’ health records.

26 After contracting with a framework administrator, an Implementer (in
27 Carequality) or QHIN (in TEFCA) onboards providers and other entities that will
28 actually exchange patient records on its network. In Carequality, these network

1 participants are called Carequality Connections (“CCs”); in TEFCA, they are
2 “Participants,” and their sub-entities are “Subparticipants.” ¶¶7, 102. The
3 Implementer/QHIN onboards these entities through contracts called the Carequality
4 Connection Terms (“CC Terms”) and TEFCA Terms of Participation (“ToP”). ¶¶60,
5 89. Implementers/QHINs thus serve as infrastructure providers and gatekeepers,
6 whereas CCs/Participants are the entities that actually hold and exchange patient data.

7 When a CC initiates a query for records through the Carequality network, the
8 query is routed directly to the healthcare provider that maintains the requested record,
9 which compiles and returns it to the requesting CC. ¶68. The Complaint emphasizes
10 that the framework is fully automated: “Exchanges are machine-to-machine, meaning
11 that no person is in the middle reviewing each request.” ¶68.

12 TEFCA operates similarly: a Participant sends a query through its QHIN to all
13 other QHINs; if a Participant has the requested data, it returns the records through the
14 same QHIN chain. ¶98.

15 **II. THE PARTIES’ RELATIONSHIPS AND RELEVANT OBLIGATIONS**

16 Plaintiffs OCHIN, Reid, Trinity, and UMass Memorial Health (“CC
17 Plaintiffs”) are CCs/Participants of Epic and connect to the respective networks
18 through Epic; they “are the custodians of the patient records.” Compl. ¶121. CC
19 Plaintiffs, not Epic, “store data containing patient records on-site on their own
20 servers,” or “they contract out to third-party hosting services.” ¶194.

21 As an Implementer and QHIN, Health Gorilla onboarded Defendants
22 RavillaMed, Mammoth, and Unit 387 (“CC Defendants”) as CCs and Participants.
23 ¶¶31, 58, 86. The onboarding process involves an Implementer entering information
24 about a CC into the Carequality directory (or TEFCA equivalent), which then
25 distributes that information to other participants. ¶¶55-56, 98.

1 The CCA specifies Health Gorilla's obligations in this process.³ An
2 Implementer "is responsible for identifying those of its customers, participants or
3 other constituent entities ... that wish to be included in the Carequality Directory."
4 Ex. A (CCA) § 15.1. An Implementer must (a) "require such Carequality Connections
5 to, at a minimum, comply with the Carequality Connection Terms" and
6 (b) "represent[] that every organization that it identifies to Carequality as a
7 Carequality Connection is legally obligated to comply with the Carequality
8 Connection Terms." *Id.* §15.2. By its plain terms, however, the CCA does not require
9 the Implementer to verify the accuracy of CCs' stated purposes for every individual
10 query they make to other network participants. *See generally id.* §15. Such an
11 obligation would be impossible, given the interoperability networks involve the
12 exchange of billions of health records every year. Though Section 13 provides that
13 "Applicant shall only engage in exchange activities through the Carequality Elements
14 for permitted purposes as defined in the Implementation Guides," *Id.* §13; thus,
15 exchange activities *by a CC* do not constitute the Applicant's breach.

16 The Common Agreement imposes analogous obligations on QHINs. A QHIN
17 must "contractually obligate its Participants to comply with the ToP." Ex. E (CA)
18 §1.2.4. The QHIN is "responsible for taking reasonable steps to confirm that all of its
19 Participants and Subparticipants are abiding by the ToP, all applicable SOPs, and any
20 decisions made pursuant to Section 16.3." *Id.* §13.2.2. If a Participant is non-
21 compliant, the QHIN must notify the Participant in writing and determine whether
22 suspension or termination is warranted. *Id.* Further, "Signatory may only utilize
23 Designated Network Services for purposes of facilitating TEFCa Exchange" and that
24 "TEFCa Exchange may only be utilized for an XP [exchange purpose]." *Id.* §9.1.

25
26
27 ³ Under the CCA, "Applicant" means "[t]he Party that has signed the CCA and agreed
28 to comply with its terms as a Carequality Implementer." Ex. A (CCA) §1.3. Health
Gorilla is an "Applicant" under the CCA.

1 These provisions likewise do not make the QHIN the guarantor of every individual
2 query its Participants submit.

3 The CCA identifies the limited circumstances in which other Implementers and
4 CCs are third-party beneficiaries of a particular Implementer's agreement with
5 Carequality. *See* Ex. A (CCA) §§21.6, 10.1.3. The Common Agreement contains no
6 similar language granting third-party beneficiary status to other QHINs or
7 Participants. *See generally* Compl. Ex. E (CA).

8 **III. THE CCA AND COMMON AGREEMENT EACH REQUIRE PRIVATE**
9 **DISPUTE RESOLUTION BEFORE LITIGATION**

10 Epic signed the CCA with Carequality and, through its subsidiary Epic Nexus,
11 signed the Common Agreement with the RCE. ¶¶6, 26, 114-115. Health Gorilla
12 *separately* signed its own CCA with Carequality and its own Common Agreement
13 with the RCE. ¶¶58-59, 86-88. Because CC Plaintiffs connect to the frameworks
14 through Epic, they similarly concede they are bound by the CC Terms and ToP.
15 ¶¶117-120.

16 The CCA and Common Agreement each mandate non-judicial dispute
17 resolution—a process Plaintiffs concededly did not pursue before filing this lawsuit.

18 **A. Carequality Requires Internal Dispute Resolution Before Litigation**

19 The CCA states parties “shall submit Disputes to the non-binding dispute
20 resolution process established by Carequality.” Ex. A (CCA) §20.1. Refusal to
21 participate constitutes a “material breach.” *Id.* The sole exception permits a party to
22 seek “immediate injunctive relief” for irreparable harm. *Id.* §20.2.

23 **B. TEFCA Requires Internal Dispute Resolution Before Litigation**

24 The Common Agreement mirrors Carequality's requirements. Signatories
25 “agree[] to participate in the Dispute Resolution Process with respect to any Dispute,”
26 and refusal is a “material breach.” Ex. E (CA) §15.1. “Disputes” broadly include any
27 “concern or complaint about the actions, or any failure to act” of another QHIN or its
28 Participants. *Id.* §1.1.

1 **IV. PLAINTIFFS DID NOT PURSUE DISPUTE RESOLUTION BEFORE**
2 **FILING SUIT, AND NEVER MOVED FOR INJUNCTIVE RELIEF**

3 Plaintiffs filed this lawsuit before pursuing the dispute resolution processes.
4 The disputes underlying this lawsuit also first began in October 2025, *see* ¶189, and
5 Plaintiffs have never applied for injunctive relief.

6 **V. PLAINTIFFS ALLEGE ONLY THAT HEALTH GORILLA SHOULD**
7 **HAVE KNOWN ABOUT IMPROPER TREATMENT REQUESTS**

8 The gravamen of the Complaint is that certain CCs obtained patient records by
9 falsely claiming “treatment” purposes because their actual purpose was allegedly not
10 treatment but to sell records to law firms and other third parties. ¶¶1, 20, 124.
11 CC Defendants represented *to Health Gorilla* that they sought access to patient
12 records for treatment purposes. ¶¶139, 146, 161, 174, 176, 177. Nevertheless,
13 Plaintiffs seek to hold Health Gorilla liable for allegedly failing to discover these false
14 representations through adequate vetting. ¶¶185-186, 209-210. But the Complaint
15 does not (cannot) allege that Health Gorilla initiated any query in connection with any
16 specific record exchange.

17 **VI. HAD PLAINTIFFS NOT JUMPED INTO LITIGATION, THEY**
18 **WOULD HAVE LEARNED MUCH**

19 The Complaint establishes the following, years-long timeline:

- 20 • September 2022: Health Gorilla onboarded Unit 387. ¶174.
- 21 • September 2022: SelfRx gained access to the directory. ¶176.
- 22 • October 2023: Critical Care Nurse Consulting (allegedly related to
23 GuardDog) “exhibited highly abnormal exchange patterns.” ¶180.
- 24 • July 2024: Health Gorilla onboarded Mammoth. ¶161.
- 25 • October 2024: Health Gorilla onboarded RavillaMed. ¶146.
- 26 • October-November 2024: Epic sent letters to Health Gorilla expressing
27 concerns. ¶187(a).
- 28 • October 24, 2025: Epic escalated concerns about Mammoth to Health
Gorilla. ¶189.

- 1 • November 7, 2025: Epic escalated concerns about RavillaMed to
2 Carequality and Health Gorilla. ¶158.
- 3 • November 11, 2025: Epic escalated concerns about Unit 387 to
4 Carequality and Health Gorilla. ¶183.
- 5 • January 10, 2026: Health Gorilla “voluntarily inactivated” RavillaMed.
6 ¶188.

7 Health Gorilla also *immediately* suspended every other CC Defendant Epic
8 accused of improper treatment requests, and every CC Defendant remains suspended
9 from Carequality and TEFCA to this day. Health Gorilla investigated each CC
10 Defendant starting in October 2025, working closely with Carequality, the RCE, and
11 several large health systems. Not a single health system that joined Health Gorilla in
12 its investigation is a plaintiff here.

13 The Complaint also ascribes bad motives to actions Health Gorilla *in fact* took
14 at either Carequality’s or the RCE’s suggestion, including deactivating RavillaMed
15 and submitting its subsequent sworn declaration. *See, e.g.,* ¶¶13, 158, 187(d), 188.

16 Health Gorilla invited Epic to join its investigation and receive its findings at
17 every step. Epic declined, apparently keeping itself willfully blind so it could make
18 allegations in public without “knowing” they are false. Indeed, the day before filing,
19 Health Gorilla offered to share its latest evidence demonstrating why Epic’s concerns
20 were unfounded. Epic did not respond and instead filed this lawsuit.

21 Health Gorilla reserves all rights regarding Plaintiffs’ conduct, though it is a
22 material breach of the CCA and Common Agreement to bring litigation without going
23 through the Dispute Resolution Process, because irresponsible public allegations can
24 damage an Implementer/QHIN and the networks. Epic should know better, as should
25 the health provider Plaintiffs whose litigation costs are, on information and belief,
26 being footed by Epic.

27 LEGAL STANDARDS

28 Under Rule 12(b)(6), dismissal is proper when the complaint does not allege
sufficient facts to support a cognizable legal theory. *Bell Atlantic v. Twombly*,

1 550 U.S. 544, 545 (2007). Dismissal “can be based on the lack of a cognizable legal
2 theory or the absence of sufficient facts alleged under a cognizable legal
3 theory.” *Godecke v. Kinetic Concepts*, 937 F.3d 1201, 1208 (9th Cir. 2019) (internal
4 quotation omitted). The Court need not “accept as true allegations that contradict
5 matters properly subject to judicial notice” or “allegations that are merely conclusory,
6 unwarranted deductions of fact, or unreasonable inferences.” *In re Gilead Scis. Sec.*
7 *Litig.*, 536 F.3d 1049, 1055 (9th Cir. 2008). The scope of review includes attached
8 exhibits, documents incorporated by reference, and matters subject to judicial notice.
9 *Tellabs, Inc. v. Makor Issues & Rts., Ltd.*, 551 U.S. 308, 322 (2007).

10 Rule 9(b) requires that fraud be pled “with particularity”—identifying the
11 “who, what, when, where, and how” of the alleged misconduct. *Kearns v. Ford Motor*
12 *Co.*, 567 F.3d 1120, 1124 (9th Cir. 2009).

13 CHOICE OF LAW

14 The Complaint does not clearly identify which state’s law governs its common-
15 law claims. “Due to variances among state laws, failure to allege which state law
16 governs a common law claim is grounds for dismissal.” *In re Nexus 6P Prods. Liab.*
17 *Litig.*, 293 F. Supp. 3d 888, 933 (N.D. Cal. 2018) (cleaned up). Plaintiffs’ failure to
18 specify the applicable law is an independent ground for dismissal of all claims but
19 Count Seven. Because the Complaint gestures at California law, Health Gorilla
20 addresses the claims under California law without conceding its applicability.

21 ARGUMENT

22 I. THE COMPLAINT SHOULD BE DISMISSED BECAUSE PLAINTIFFS 23 FAILED TO SATISFY CONTRACTUAL PRECONDITIONS TO SUIT

24 Plaintiffs are contractually required to pursue alternative dispute resolution
25 before Carequality and the TEFCA RCE. They chose instead to leapfrog those
26 processes to file this lawsuit. That is improper and requires dismissal.

1 **A. Plaintiffs Failed To Exhaust Mandatory Alternative Dispute**
2 **Provisions**

3 Epic and Health Gorilla each separately signed the CCA and Common
4 Agreement. ¶¶26, 59, 88, 114-115. OCHIN and CC Plaintiffs also allege they are
5 bound by the same agreements. ¶¶7, 117-120. Both agreements require resolving
6 disputes “through a collaborative, collegial process rather than through civil
7 litigation.” Ex. A (CCA) §20.1.

8 Under the CCA, a party “shall submit Disputes to the non-binding dispute
9 resolution process established by Carequality.” *Id.* A Dispute encompasses “[a]ny
10 controversy, dispute, or agreement arising out of or relating to the interpretation or
11 implementation of the Carequality Elements,” including the CCA, CC Terms,
12 Implementation Guides, and Carequality Policies. *Id.* §§1.17, 1.10.

13 Under the Common Agreement, a party likewise “agrees to participate in the
14 Dispute Resolution Process with respect to any Dispute,” defined to include any
15 “concern or complaint about the actions, or any failure to act” of another QHIN or its
16 Participants. Ex. E (CA) §§15.1, 1.1.

17 Plaintiffs’ claims are a Dispute under the CCA because they “aris[e] out of or
18 relat[e] to the interpretation or implementation of the Carequality Elements,” which
19 includes the CCA, CC Terms, and Implementation Guides—the very documents
20 underlying Plaintiffs’ claims. Ex. A (CCA) §1.17; *see* ¶¶56, 59-60, 69-80, 289, 294.
21 Similarly, the Complaint is based on a “concern or complaint” about Health Gorilla’s
22 “actions” or “failure to act”; *i.e.*, a Dispute under the Common Agreement Ex. E (CA)
23 §15.1; *see* ¶¶99-103, 298.

24 Plaintiffs concede they pursued dispute resolution with other entities on similar
25 grievances, demonstrating its applicability here. *See, e.g.*, ¶¶130-137. Failure to
26 exhaust contractually required dispute resolution warrants dismissal. *Columbia Cas.*
27 *Co. v. Cottage Health Sys.*, 2015 WL 4497730, at *2 (C.D. Cal. July 17, 2015).

1 **B. The “Immediate Injunctive Relief” Exception Does Not Apply**

2 No contractual exception permits this lawsuit.

3 Both agreements permit bypassing dispute resolution if the party seeks
4 “immediate injunctive relief” for “irreparable harm.” *See* Ex. A (CCA) §20.2.1; Ex. E
5 (CA) §15.2.1. Plaintiffs invoke this exception by using those words in the Complaint.
6 ¶25. But actions speak louder than words: Epic first raised concerns in October–
7 November 2024, escalated to Carequality in October 2025, waited three more months
8 to file the Complaint on January 13, 2026, and did not serve it until February 4, 2026.
9 Dkt. 28.

10 Since filing, Plaintiffs have not sought a TRO or preliminary injunction—*i.e.*,
11 the forms of *immediate* injunctive relief available to plaintiffs. Because Plaintiffs
12 have not done so, this lawsuit does not meet the exception as a matter of law.

13 **C. Plaintiffs Cannot Avoid Their Dispute Resolution Obligations With**
14 **Vague Futility Arguments**

15 Plaintiffs suggest the Dispute Resolution Processes lack “transparency” and
16 therefore are not required. ¶17. Notably, Epic helped write both the CCA and
17 Common Agreement—constructing the very processes it now attacks. Regardless,
18 Plaintiffs do not allege Carequality or the RCE were unwilling or unable to act;
19 Plaintiffs derailed the process by filing this lawsuit, and thus have no basis to avoid
20 their contractual obligations. *See Chess v. CF Arcis IX LLC*, 2020 WL 4207322, at
21 *13-14 (N.D. Cal. July 22, 2020).

22 **D. The Contracts’ Structure Demonstrates Why It Is Important To**
23 **Follow The Dispute Resolution Processes**

24 The contracts’ structure further underscores why the Dispute Resolution
25 Processes exist—and why parties like Epic and CC Plaintiffs cannot circumvent them
26 on trumped-up bases.

27 *First*, the remedy for non-compliance is suspension by Carequality or the
28 RCE—not private litigation. Ex. A (CCA) §§5.3, 13; Ex. E (CA) §14.2. The dispute

1 resolution provisions exist so those bodies can respond. Where a contract provides its
2 own enforcement mechanisms, allowing third parties to bypass them through private
3 litigation “would not be consistent with the objectives of the contract and the
4 reasonable expectations of the [contracting parties].” *Goonewardene v. ADP, LLC*,
5 434 P.3d 124, 127 (Cal. 2019).

6 *Second*, only the CCA grants third-party beneficiary status to certain parties
7 and only in certain situations. It *excludes* Section 15 from that list, which confirms
8 the importance of the Carequality Dispute Resolution Process because Section 15
9 addresses onboarding, vetting, validation, and suspension of CCs. Ex. A (CCA) §15.
10 With this lawsuit, Plaintiffs deprive Carequality of the ability to *itself* determine
11 whether any Defendant violated Section 15. That is against the contract’s plain
12 structure.

13 **II. PLAINTIFFS’ CONTRACT CLAIM AGAINST HEALTH GORILLA** 14 **FAILS**

15 Count 8 alleges that Health Gorilla breached the CCA and Common
16 Agreement. Because of the frameworks’ hub-and-spoke structures, no Plaintiff has
17 contracted directly with Health Gorilla. Plaintiffs can only assert breach of contract
18 against Health Gorilla if they have a third-party beneficiary right to do so. CC
19 Plaintiffs have no right to sue Health Gorilla for breach of contract, and Epic can only
20 sue for breach of CCA Section 13. But even that single claim fails on the pleadings.

21 **A. Legal Standard For Third-Party Beneficiary Status**

22 A plaintiff cannot enforce a contract if it is neither a party to the contract nor a
23 third-party beneficiary. *See Laatz v. Zazzle, Inc.*, 682 F. Supp. 3d 791, 810 (N.D.
24 Cal. 2023) (“Generally, under California law, ‘only a party to the contract may sue
25 for breach of the agreement’s terms.’”) (internal quotation omitted). A third party may
26 bring a breach of contract action only if it establishes (1) that it would in fact benefit
27 from the contract, (2) that “a motivating purpose of the contracting parties was to
28 provide a benefit to the third party,” and (3) that “permitting a third party to bring its

own breach of contract action against a contracting party is consistent with the objectives of the contract and the reasonable expectations of the contracting parties.” *Goonewardene*, 434 P.3d at 133. “All three elements must be satisfied to permit the third party action to go forward.” *Id.* Critically, “[t]here is an important analytical distinction between contracting for a benefit to an outsider and granting a right to sue for breach to that outsider.” *Id.* at 137.

Generally, “[t]he test for determining whether a contract was made for the benefit of a third person is whether an intent to benefit a third person appears from the terms of the contract.” *Balsam v. Tucows Inc.*, 627 F.3d 1158, 1162 (9th Cir. 2010) (internal quotation omitted); *accord Morsi v. Wellington Reg’l Med. Ctr., LLC*, 419 So.3d 93, 96 (Fla. 4th DCA 2025) (the third party must be “the direct and primary object of the contract”; a party that “receive[s] only ‘incidental or consequential benefits from its enforcement’” has no standing); *Ahmed v. Hamilton Ins. DAC*, 409 So.3d 704, 708 (Fla. 3d DCA 2025) (finding insufficient pleading even where plaintiff “directly benefits from some provisions” because the contract “as a whole does not manifest intent to primarily and directly benefit” plaintiff).

B. CC Plaintiffs Cannot Sue For Breach Of Contract, And Epic Can Only Sue For Breach Of CCA Section 13

Here, the plain terms of the contracts either limit third-party beneficiary status to claims not asserted in the Complaint, or do not grant such status at all.

1. CC Plaintiffs do not have third party rights to enforce Health Gorilla’s CCA

CCA Section 21.6 identifies who may enforce the CCA as third-party beneficiaries, and for what purposes. Where a contract expressly identifies who may enforce it as a third-party beneficiary and for what purposes, those express terms control.

Notably, “[e]ach *Implementer* shall be deemed a third party beneficiary of this Agreement for purposes of enforcing Applicant’s compliance with Sections 7, 8, 10.1,

1 10.1.3, 11, 12, 13, 19 and 20 of this Agreement.” Ex. A (CCA) §21.6 (emphasis
2 added). In contrast, CCs have third-party beneficiary status solely “for the purpose of
3 enforcing Applicant’s compliance with Section 10.1.4,” “[i]n the event that Applicant
4 does not designate any Carequality Connections or that Applicant engages in
5 exchange directly with other Implementers’ Carequality Connections.” *Id.* The
6 Complaint does not allege a breach of Section 10.1.4, nor any of the latter
7 circumstances. Given CC Plaintiffs concede they are not “Implementers,” *see* ¶¶7,
8 117-121, they thus do not have applicable third-party rights according to the CCA
9 itself.

10 **2. Plaintiffs do not have rights to enforce CCA §§ 15 or 16**

11 As noted, the CCA only accords Epic (as Implementer) third-party beneficiary
12 status to enforce specifically enumerated provisions. Ex. A (CCA) §21.6. Despite that,
13 the Complaint attempts to allege failures of vetting, which would be breaches of
14 Section 15 (regarding vetting and validation), and it alleges a breach of 16.2
15 (regarding directory use), *see* ¶¶185, 210, 294, though neither section is included in
16 the Section 21.6 list. Accordingly, no Plaintiff—including Epic—can bring claims for
17 breach of Sections 15 or 16.

18 **3. Plaintiffs cannot enforce the CC Terms against Health Gorilla**

19 The Complaint alleges that Plaintiffs are “express third-party beneficiaries of
20 the CC Terms” under Section 16.2. ¶291. However, Section 16.2 grants third-party
21 beneficiary status only for enforcing *other CCs’* compliance: “Implementers [and]
22 Carequality Connections shall be deemed third party beneficiaries of these
23 Carequality Connection Terms for purposes of enforcing *Organization’s* compliance
24 with these Carequality Connection Terms.” Ex. B (CC Terms) §16.2 (emphasis
25 added). An “Organization” is the “Carequality Connection on which these
26 Carequality Connection Terms are binding”; *i.e.*, the CC signing the Terms. *Id.* §1.22.

27 Health Gorilla is not a CC; it is an Implementer. ¶58. Accordingly, under the
28 CC Terms’ plain language, Plaintiffs have no standing to sue Health Gorilla for breach

1 of the CC Terms (if Plaintiffs could even articulate any breach Health Gorilla, as
2 Implementer, could commit).

3 **4. Plaintiffs have no third-party beneficiary standing under the**
4 **Common Agreement**

5 Plaintiffs allege they “are also third-party beneficiaries of the TEFCA Common
6 Agreement” because facilitating record exchange “was a motivating purpose behind
7 these contracts.” ¶296. Under the *Goonewardene* test, the Complaint’s conclusory
8 allegations satisfy none of the three required elements. 434 P.3d at 133.

9 *First*, unlike the CCA, the Common Agreement contains no express third-party
10 beneficiary provision, indicating the contracting parties did not intend to confer
11 enforcement rights on third parties. *Second*, whether Plaintiffs generally “benefit”
12 from an exchange framework does not make them intended beneficiaries of Health
13 Gorilla’s specific obligations to the RCE. Incidental benefit does not confer
14 enforcement rights. *Caltex Plastics v. Raytheon Co.*, 2014 WL 12687419, at *3 (C.D.
15 Cal. Apr. 24, 2014). *Third*, permitting Plaintiffs to sue Health Gorilla for breach of
16 the Common Agreement would be inconsistent with the contract’s structure, which
17 channels enforcement through the RCE and the dispute resolution process—not
18 through private suits by other QHINs or Participants. Ex. E (Common Agreement)
19 §15.1. *Finally*, to the extent Epic alleges that Section 7.4.3 confers standing, that
20 Section does so only to the extent that Epic actually “suffered” “harm” from a breach,
21 which, as discussed *infra*, Epic did not.

22 **C. Epic Has Not Alleged Willful, Reckless, Or Intentional Breach Of**
23 **CCA Section 13**

24 Although Epic, as another Implementer, can enforce Health Gorilla’s
25 compliance with Section 13, CCA Section 10.1.3 limits the circumstances under
26 which one Implementer may hold another liable. “Applicant shall be responsible for
27 harm suffered by another Implementer to the extent that the harm was caused by
28 Applicant’s *willful or reckless act or intentional misconduct* in each case in breach

1 of a Section of this Agreement to which the other Implementer is a third party
2 beneficiary pursuant to Section 21.6 of this Agreement.” Ex. A (CCA) §10.1.3
3 (emphasis added). Plaintiffs fail to plead that Health Gorilla’s conduct was *willful or*
4 *reckless*—not merely negligent.

5 The Complaint alleges that Health Gorilla “failed to comply with its contractual
6 obligations to ensure” that CCs used the frameworks for legitimate purposes, ¶¶209,
7 227, 243; “failed to verify” CCs’ treatment purposes at onboarding (*id.*); “failed to
8 remove” CCs after concerns were raised (*id.*); “*should have* discovered significant
9 red flags ... *had* Health Gorilla performed the diligence required of it,” ¶186
10 (emphasis added); “knew *or should have known*” about CCs’ prior history “*because*
11 *Health Gorilla was aware that it had failed* to conduct adequate vetting.” ¶¶146, 210,
12 228, 244 (emphasis added). These circular allegations amount only to inadequate
13 vetting, not willful acts to engage in exchange activities for non-permitted purposes.

14 Further, the allegations point to CCs’ exchange activities, not to Health
15 Gorilla’s. Therefore, the claim for breach of Section 13 also fails.

16 **III. PLAINTIFFS DO NOT PLAUSIBLY ALLEGE FRAUD CLAIMS**
17 **AGAINST HEALTH GORILLA**

18 Common-law fraud requires: (1) misrepresentation; (2) knowledge of falsity
19 (scienter); (3) intent to induce reliance; (4) justifiable reliance; and (5) resulting
20 damage. *Kearns*, 567 F.3d at 1126. The fraud claims against Health Gorilla (Counts
21 1-3) should be dismissed for failure to plead with particularity any actionable
22 misrepresentation or omission, and to plausibly allege scienter or reliance.

23 **A. The Complaint Fails To Identify Any Actionable Misrepresentation**
24 **From Health Gorilla**

25 To avoid dismissal under Rule 9(b), a complaint must “state the time, place,
26 and specific content of the false representations as well as the identities of the parties
27 to the misrepresentation.” *Sanford v. MemberWorks, Inc.*, 625 F.3d 550, 558 (9th Cir.
28 2010) (internal quotation omitted).

1 Across all fraud counts, the alleged detrimental action was providing health
2 records to CC Defendants. ¶¶212, 230, 246. The Complaint makes clear, however,
3 that health providers sent records only in response to allegedly fraudulent queries
4 made by other CCs. ¶¶68, 157, 170, 182. Nowhere, however, does the Complaint
5 allege that **Health Gorilla** initiated any query or asserted any Permitted Purpose in
6 connection with any specific query. Nor does it quote any specific false statement,
7 identify any individual who made one, or describe the form, content, or timing of any
8 misrepresentation that led to a health provider sending records to a CC Defendant.

9 The only Health Gorilla representations Plaintiffs identify are those it made
10 when onboarding each of CC Defendants. However, these do not satisfy Rule 9(b)
11 either. *First*, Plaintiffs speculate about what Health Gorilla “would have affirmed”
12 about each CC Defendant during onboarding without providing any specific
13 statements. ¶¶146, 161, 174, 176, 177. These conditional allegations do not satisfy the
14 requirement to identify the specific content of an allegedly false statement. *See*
15 *Kearns*, 567 F.3d at 1124 (Rule 9(b) requires “the who, what, when, where, and how”
16 of the alleged misconduct).

17 *Second*, the Complaint does not allege that any health provider that sent health
18 records to a CC Defendant even received Health Gorilla’s onboarding statements.
19 This is a major reliance problem as noted below, but also a failure of Rule 9(b)
20 because it fails to identify which of Health Gorilla’s statements are allegedly even
21 actionable.

22 *Third*, Plaintiffs do not identify how Health Gorilla could be liable for the CC
23 Defendants’ allegedly fraudulent statements about individual health record queries.
24 Plaintiffs do not identify a single CCA or Common Agreement term requiring Health
25 Gorilla to sign off on every treatment query and, indeed, Plaintiffs allege that Health
26 Gorilla is **not** a middleman to queries (Carequality) or does nothing but shuttle queries
27 to other QHINs, who then send them to their own Participants (TEFCA). ¶¶55, 66,
28

1 68, 98.⁴ If issues arise about compliance with network rules, then Health Gorilla is
2 obligated to ensure its Connections' compliance. *See* Ex. A (CCA) §§15.2, 15.4; Ex. E
3 (CA) §§7.4.1, 13.2.2. But that is what Health Gorilla did (and continues to do), even
4 though Plaintiffs decided to run to court instead of abiding by their contractual
5 obligations.

6 **B. The Complaint Fails To Plead Actual, Justifiable Reliance On**
7 **Health Gorilla's Acts**

8 “Justifiable reliance is an essential element of a claim for fraudulent
9 misrepresentation,” *Guido v. Koopman*, 1 Cal. App. 4th 837, 843 (1991), but the
10 Complaint does not allege any Plaintiff relied on any particular statement by Health
11 Gorilla in taking or refraining from any action, let alone any reasonable reliance.

12 **1. Plaintiffs disclaimed reliance based on network inclusion**

13 Parties to the CCA explicitly “acknowledge[] that other Implementers and
14 Carequality Connections may be added to or removed from the Carequality Directory
15 at any time; *therefore, [Applicant/Organization] may not rely upon the inclusion in*
16 *the Carequality Directory of a particular Implementer or Carequality Connection.*”
17 Ex. A (CCA) §19, Ex. B (CC Terms) §15 (emphases added). As a matter of law, each
18 of Plaintiffs therefore disclaimed the assumption that another participant's presence
19 in the directory guarantees their compliance. Plaintiffs concede they signed onto these
20 terms. That disposes of their fraud claims against Health Gorilla, given they are based
21 on the idea Plaintiffs reasonably relied on representations regarding Health Gorilla's
22 belief its co-Defendants would comply with applicable rules. *See* Ex. A (CCA) §15.1;
23 ¶¶56, 214, 232, 248. In the face of disclaimers, reliance “may be decided as a matter
24

25 ⁴ If Epic is correct it was obvious CC Defendants were fraudulent, then under the
26 TEFCA framework, Epic would be liable to the other CC Plaintiffs pursuant to the
27 same theory it asserts against Health Gorilla because Epic passed the “fraudulent”
28 inquiries to CC Plaintiffs without comment, even after it allegedly suspected them.
¶98.

1 of law.” *Dix v. Nova Benefit Plans, LLC*, 2015 WL 12859221, at *7 (C.D. Cal. Apr.
2 28, 2015).

3 **2. The Complaint alleges the harm was providing health records;**
4 **neither Epic nor OCHIN allege they did so**

5 Fraud requires that the plaintiff take a “detrimental course of action” caused by
6 “actual and justifiable reliance” on the defendant’s misrepresentation. *Beckwith v.*
7 *Dahl*, 205 Cal. App. 4th 1039, 1062 (2012). The fraud counts allege that the
8 detrimental course of action was to “provide[] [CC Defendants] with patient records.”
9 ¶¶212, 230, 246.

10 Epic and OCHIN do *not* allege they provide patient records. ¶¶26-27. Since
11 neither Epic nor OCHIN provided any records, the Complaint’s fraud allegations
12 make clear they took no action in response to any alleged fraud, meaning they cannot
13 establish reliance.

14 **3. CC Plaintiffs do not allege they acted in response to anything**
15 **from Health Gorilla**

16 Reid, Trinity, and UMass Memorial Health allege they disclosed patient
17 records in response to queries from CC Defendants. But the allegations establish this
18 disclosure was not in reliance on any particular *Health Gorilla* representation because
19 it never made any representations with record queries—at best, it passed on CC
20 Defendant queries (under TEFCA). ¶¶68, 98. Since Plaintiffs do not allege Health
21 Gorilla made any representations about specific inquiries from CC Defendants—
22 indeed, could not, *see id.*—Plaintiffs do not identify any actions taken in reliance on
23 Health Gorilla’s acts.

24 CC Plaintiffs also cannot establish reliance on anything Health Gorilla said
25 when onboarding CC Defendants because CC Plaintiffs do not allege they even saw
26 those representations, nor (more importantly, and as they must) that they sent records
27 to CC Defendants in response to Health Gorilla’s onboarding statements.

1 **C. The Complaint Fails To Plausibly Plead Health Gorilla’s Scienter**

2 The Complaint also fails to adequately plead Health Gorilla’s scienter.

3 The Complaint’s principal scienter allegation is circular: it asserts that Health
4 Gorilla “knew the [CC Defendants’] statements were false because Health Gorilla was
5 aware that it had failed to conduct adequate vetting.” ¶210. The allegation does not
6 describe what Health Gorilla actually knew about CC Defendants’ purposes at the
7 time of onboarding; it assumes that, because *Plaintiffs* allege CC Defendants are bad
8 actors, Health Gorilla must have known they were when it vetted them. That is a
9 negligence theory dressed up as fraud; it does not describe scienter. *See Petersen v.*
10 *Allstate Indem. Co.*, 281 F.R.D. 413, 417 (C.D. Cal. 2012) (failure to use reasonable
11 care differs from fraudulent intent).

12 The Complaint also alleges that Health Gorilla received communications from
13 Epic raising concerns about certain CCs and responded by defending them as
14 consistent with treatment purposes. *See* ¶¶187(a)-(d), 189. This, again, does not
15 describe scienter; it merely shows Health Gorilla reached a different conclusion about
16 whether the CCs’ activities constituted “treatment.” *Id.* A good-faith disagreement
17 about that question is not fraudulent intent.

18 In sum, the Complaint’s scienter allegations describe, at most, a situation in
19 which Health Gorilla investigated concerns, credited its CCs’ explanations, and
20 reached conclusions that Plaintiffs now contend were wrong. That story does not
21 support a claim for fraud (although it does notably describe the sort of disputes
22 Carequality and the TEFCA RCE have been tasked by contract to resolve via the
23 Dispute Resolution Processes, *see supra*).

24 **D. Plaintiffs Fail To Allege Damages Caused By Health Gorilla’s**
25 **Alleged Fraud**

26 “[T]here are two causation elements in a fraud cause of action. First, the
27 plaintiff’s actual and justifiable reliance on the defendant’s misrepresentation must
28 have caused him to take a detrimental course of action. Second, the detrimental action

1 taken by the plaintiff must have caused his alleged damage.” *Beckwith*, 205 Cal. App.
2 4th at 1062. Plaintiffs’ allegations do not meet these standards.

3 Reid, Trinity, and UMass Memorial Health’s alleged damages flow from CC
4 Defendants’ allegedly false treatment-purpose assertions, not from any
5 misrepresentation by Health Gorilla. Health Gorilla was not “in the middle” of any
6 particular exchange other than as the operator, *see* ¶68, or as a QHIN passing queries
7 to Epic, which, as another QHIN, could have inquired into the treatment purpose just
8 the same as Health Gorilla (and would be liable to CC Plaintiffs under the exact same
9 theory it asserts here, if it were at all viable). ¶98. The causal chain runs from CC
10 Defendants to CC Plaintiffs, and Health Gorilla is not a link in that chain for any
11 intentional conduct respecting the particular representations at issue. Causation
12 between Health Gorilla and CC Plaintiffs thus fails as a matter of law.

13 As for Epic and OCHIN, they allege they “have been harmed in the same way”
14 as CC Plaintiffs; specifically, consequential costs of assisting their customers
15 investigate potential issues with CC Defendants. ¶215. Given CC Plaintiffs cannot
16 establish the requisite causal link between Health Gorilla and the alleged fraud, Epic
17 and OCHIN’s even more attenuated damages fail that test.

18 **IV. THE AIDING-AND-ABETTING CLAIMS FAIL FOR LACK OF**
19 **ACTUAL KNOWLEDGE**

20 “To plead any claim for aiding and abetting,” Plaintiffs must allege that
21 Defendants either: knew “the other’s conduct constitutes a breach of duty and gives
22 substantial assistance or encouragement to the other to so act,” or gave “substantial
23 assistance to the other in accomplishing a tortious result and the person’s own
24 conduct, separately considered, constitutes a breach of duty to the third person.”
25 *Bhatia v. Silvergate Bank*, 725 F. Supp. 3d 1079, 1113 (S.D. Cal. 2024).

26 The knowledge element requires actual knowledge—not constructive
27 knowledge, negligence, or reason to suspect. *In re First Alliance Mortgage Co.*, 471
28

1 F.3d 977, 993 (9th Cir. 2006); *Casey v. U.S. Bank Nat'l Ass'n*, 127 Cal. App. 4th
2 1138, 1145 (2005). Mere suspicion is insufficient.

3 The Complaint does not sufficiently allege Health Gorilla actually knew CC
4 Defendants were submitting fraudulent treatment-purpose queries. Instead, it relies
5 on “red flags” and allegations that Health Gorilla “should have” discovered the fraud,
6 and circular reasoning that an alleged failure to vet constitutes knowledge. ¶¶186, 210,
7 256, 265. These allegations describe, at most, that Health Gorilla should have been
8 more suspicious or should have investigated more thoroughly. The aiding-and-
9 abetting claims therefore fail.

10 **V. EPIC’S CLAIMS ARE BASED ON VOLUNTARY COSTS AND**
11 **SHOULD BE DISMISSED**

12 Where multiple plaintiffs seek the same relief and at least one has standing, the
13 court retains discretion to dismiss those lacking standing. *See Loffman v. California*
14 *Dep’t of Educ.*, 119 F.4th 1147, 1164 (9th Cir. 2024). To establish Article III standing,
15 plaintiffs bear the burden of showing: (1) a concrete, particularized, actual or
16 imminent injury in fact; (2) a causal connection between the injury and the challenged
17 conduct; and (3) a likelihood of redress from a favorable decision. *See Lujan v. Defs.*
18 *of Wildlife*, 504 U.S. 555, 560–61 (1992). The Court should dismiss Epic, whose
19 alleged injuries—preventative monitoring costs against speculative future harm and
20 purported mitigation costs—fail to establish a cognizable injury in fact. Epic’s claims
21 amount to the kind of manufactured standing the Supreme Court rejected in
22 *Clapper v. Amnesty International USA*, 568 U.S. 398, 416 (2013).

23 *First*, Epic’s claimed costs are overwhelmingly preventative, forward-looking
24 expenditures. Epic alleges it incurred costs for “monitoring tools to prevent further
25 improper disclosures of patient records” and to “further monitor CCs and
26 Implementers.” ¶196 (emphasis added). Under *Clapper*, plaintiffs “cannot
27 manufacture standing merely by inflicting harm on themselves based on their fears of
28 hypothetical future harm that is not certainly impending.” 568 U.S. at 416. The harm

Epic seeks to prevent—that unknown third parties might exploit interoperability frameworks—is speculative, not imminent.

Second, mitigation costs fail. Although a plaintiff can meet the injury-in-fact requirement for standing if it faces a credible, “imminent risk of harm,” mitigation costs can only qualify as injury if the costs “were reasonable and necessary.” *Greenstein v. Noblr Reciprocal Exch.*, 585 F. Supp. 3d 1220, 1230 (N.D. Cal. 2022) (dismissing identity theft plaintiff for lack of standing). Epic alleges no real and imminent risk to itself—the parties allegedly harmed are the healthcare providers and patients; not Epic. The Complaint alleges no facts showing those expenditures were reasonable or necessary. ¶¶196, 215, 326. That is insufficient.

CONCLUSION

For the foregoing reasons, the Complaint should be dismissed in its entirety.

DATED: February 26, 2026

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LOCAL RULE 11.6.2 CERTIFICATE OF COMPLIANCE

The undersigned counsel of record certifies that this memorandum contains
6,999 words, which complies with the word limit set by L.R. 11-6.1.

By /s/ Adam B. Wolfson
Adam B. Wolfson