

IN THE CIRCUIT COURT OF MOBILE COUNTY, ALABAMA

STATE OF ALABAMA,

*

Plaintiff,

*

*

v.

CV- CV-2025-901925

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**SOUTH ALABAMA MEDICAL &
 REHAB LLC, et al.**

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**STATE OF ALABAMA’S MOTION FOR AN ORDER TO SHOW CAUSE
 WHY DEFENDANTS CHAD LOVELESS, JOHN BAKER, AND
 VACEK LAW GROUP, PLLC SHOULD NOT BE HELD IN CONTEMPT FOR
VIOLATION OF THE PRELIMINARY INJUNCTION**

COMES NOW the State of Alabama, by and through the undersigned Assistant District Attorneys, and respectfully moves this Court, pursuant to ALA. CODE §8-19-11 and Rule 70A of the Alabama Rules of Civil Procedure, for an Order directing Defendants Chad Loveless (“Loveless”), John Baker, and the Vacek Law Group, PLLC (“VLG”) to appear and show cause why they should not be held in contempt for violating this Court’s Preliminary Injunction (Doc. 63). In support, the State respectfully shows the Court as follows:

I. STATEMENT OF THE CASE

On August 19, 2025, this Court enjoined the claim-jacking scheme at the heart of this action. Following an evidentiary hearing, the Court entered its Preliminary Injunction on August 19, 2025 (Doc. 63), directed at the claim-jacking scheme and at “SAMR Clinic, and those working in concert with the clinic.” (Doc. 63 at p. 3.) The Order binds Loveless as a “Clinic Defendant” and Baker/VLG as “Attorney Defendants,” and provides, in pertinent part:

2. None of the “Clinic Defendants” (... Chad Loveless ...), nor anyone acting on their behalf, shall solicit ... any person to receive treatment at the South Alabama Medical & Rehab Clinic
3. ... none of the “Clinic Defendants,” nor anyone acting on their behalf, shall refer any current or former patients of SAMR to any of the “Attorney Defendants” (... Vacek Law Group ... and John Baker)
5. None of the “Attorney Defendants” ... shall accept any new clients that are current or former patients of SAMR
6. The Runner Defendants are enjoined from making contact with accident victims **in the State of Alabama** None of the Attorney Defendants shall accept any new clients that are solicited through any “case runner” associated with SAMR.

Doc. 63 at pp. 4–5. (emphasis added)

The State recently learned that, at least, the three enjoined Defendants have substituted Huntsville Medical and Rehab (“HMAR”) for South Alabama Medical and Rehab (SAMR) and are currently running the claim-jacking scheme through HMAR.

II. ISSUE PRESENTED

Whether parties enjoined from operating a fraudulent scheme in Alabama can circumvent the injunction by forming a new LLC to carry out the fraudulent scheme?

III. FACTS

The State recently received sworn accounts from two Huntsville accident victims describing how the enjoined Defendants are perpetrating the same claim-jacking scheme Your Honor enjoined under the name Huntsville Medical and Rehab (“HMAR”).

Anna Marie Jacks (Ex. 1).

After a January 19, 2026, automobile collision in Huntsville, Ms. Jacks was contacted by a caller who represented himself as being with “insurance” and directed to seek treatment at Huntsville Medical and Rehab. While she was at the

clinic, an employee told her he would obtain a lawyer for her, and a representation agreement with John C. Baker of Vacek Law Group was transmitted to her by DocuSign and executed while she was still at the clinic or shortly afterward.

Approximately two and one-half weeks into her treatment, Ms. Jacks met Chad Loveless at the clinic. A technician told her that Mr. Loveless was “the boss.” Mr. Loveless asked her about her lawyer and about matters related to her claim, and told her that he had retired from chiropractic work to do “this practice.”

Kathleen M. Rafey (Ex. 2).

After a February 27, 2026 collision, Ms. Rafey was cold-called on March 2, 2026, by a caller who implied that he was associated with the police. When she asked questions, the caller told her that he was with a “network of clinics” and that she should go to Huntsville Medical and Rehab for a free examination; she then received a text confirming an appointment there.

At the clinic, Ms. Rafey met with and was examined by Chad Loveless and was steered to an attorney at Vacek Law Group. The clinic’s front desk confirmed that it obtains accident victims’ police reports and contact information through a “third-party service.”

The model is one the courts have seen before: the Fifth Circuit affirmed a federal RICO judgment against Defendant Michael Kent Plambeck arising from a scheme in which telemarketers solicited accident victims, funneled them to chiropractic clinics, and steered them to affiliated law offices. *See Allstate Ins. Co. v. Plambeck*, 802 F.3d 665 (5th Cir. 2015). And only weeks ago,

Judge Hambright heard sworn testimony that an accident victim was introduced to a preselected law group by “*Stephanie Wilson from South Alabama Medical & Rehab*,” who “*presented that contract to*” her “[*a*]t *South Alabama Medical & Rehab in Stephanie’s office*,” after which the victim “*never ever spoke to an attorney*” and the court awarded “*zero attorneys’ fees*.” (See Doc. 296, *Mohave Transp. Ins. Co. v. Dean Waite & Assocs., LLC & Dolinsky Law Grp., LLC*, CV-2025-902799, Tr. of Mar. 11, 2026 Hr’g at 6–7, 28.) (emphasis added)

Mr. Loveless is a Clinic Defendant, bound by the Order, and he is (by the account of his own technician) also “the boss” of the Huntsville clinic that is running the enjoined scheme. Loveless personally referred the clinic’s patients to an Attorney Defendant—precisely what injunction term #3 forbids. Ms. Rafey met Loveless in person at HMAR; he examined her, told her his office “works with a law firm,” and handed her contact information for “Brian” at the “Baker Law Firm.” He likewise oversaw the delivery of Ms. Jacks to VLG and then personally questioned her about her lawyer and her claim.

VLG and Baker are Attorney Defendants, bound by the Order. Mr. Baker and VLG accepted and executed a representation agreement with Ms. Jacks: a client solicited through a runner working with Mr. Loveless’s clinic and delivered to VLG for signature at that clinic. The same pattern appears with Ms. Rafey, whom the clinic steered to a VLG attorney.

IV. ARGUMENT

Fraudsters cannot circumvent a lawful injunction by substituting a new LLC for the LLC the court enjoined. An injunction speaks to its purpose. This Court framed its Preliminary Injunction by its object — “to prevent any further harm to the public and to prevent future violations” of Alabama’s Deceptive Trade Practices Act, Ala. Code § 8-19-1 *et seq.* (Doc. 63 at p. 3.) That object, and not the label on the clinic door, governs the Order’s enforcement.

Under Alabama Rule of Civil Procedure 65, the scope of those impacted by a Preliminary Injunction is broad. Such an order is binding upon “the parties to the action, their officers, agents, servants, employees, and attorneys, and upon those persons in active concert or participation with them who receive actual notice of the order by personal service or otherwise.” Rule 65(d)(2). Clearly, HMAR is in active concert with Loveless, Baker, and VLG in carrying out the claim-jacking scheme Your Honor enjoined.

Furthermore, in *Regal Knitwear Co. v. N.L.R.B.*, 324 U.S. 9, 14–15, 65 S. Ct. 478, 481, 89 L. Ed. 661 (1945) the Supreme Court clearly put substance over form and made clear that “orders are binding upon successors and assigns who operate as “merely a disguised continuance of the old employer” as it writes:

Successors and assigns may, however, be instrumentalities through which defendant seeks to evade an order or may come within the description of persons in active concert or participation with them in the violation of an injunction. If they are, by that fact they are brought within scope of contempt proceedings by the rules of civil procedure. We have indicated that Labor Board orders are binding upon successors and assigns who operate as ‘merely a disguised continuance of the old employer.’ *Southport Petroleum Co. v. Labor Board*, 315 U.S. at 106, 62 S.Ct. at page 456, 86 L.Ed. 718. We have also said of an injunction to restrain violation of the Fair Labor Standards Act, 29 U.S.C.A. s 201 et seq., which is somewhat analogous to Labor Board orders, that ‘Not only is such an injunction enforceable by contempt proceedings against the corporation its agents and officers and those individuals associated with it in the conduct of its business, * * * but it may also, in appropriate circumstances, be enforced against those to whom the business may have been transferred, whether as a means of evading the judgment or for other reasons.’ 15 *Walling v. Reuter*, 321 U.S. 671, 674, 64 S.Ct. 826, 827, 828. In both of these cases the reference is not merely to succession, but to a relation between the defendant and the successor which might of itself establish liability within the terms of Rule 65.

The affidavits demonstrate that the enjoined Defendants are still claim-jacking to the detriment of the public, but through a different medical LLC. In truth, the harm to the public is the

same whether the clinic's name is SAMR or HAMR, and the enjoined Defendants need to answer to this Court for their brazen conduct.

V. THE VIOLATIONS ARE WILLFUL

Messrs. Loveless and Baker, along with VLG, were represented by counsel at the August 13, 2025, injunction hearing, and all have actively litigated this case for nearly a year. They knew precisely what the Order forbade and resumed the enjoined conduct, rolling the dice that a disguised identity would shield them from detection. That is "willful, continuing" disobedience of a lawful order "that by its nature is still capable of being complied with." Ala. R. Civ. P. 70A(a)(2)(D).

VI. RELIEF REQUESTED

WHEREFORE, the State respectfully requests that this Court enter an Order:

- (a) Directing Defendants Chad Loveless, John Baker, and Vacek Law Group, PLLC to appear and show cause, pursuant to Ala. R. Civ. P. 70A, why they should not be held in contempt for violating the Preliminary Injunction (Doc. 63);
- (b) Upon hearing, finding Loveless, Baker, and VLG in contempt and imposing such coercive and remedial sanctions as are necessary to secure their immediate and continuing compliance;
- (c) Awarding the State its reasonable expenses, including attorney's fees and costs, pursuant to Ala. Code § 8-19-11(e), incurred in connection with this Motion; and
- (d) Assessing a civil penalty, pursuant to Ala. Code § 8-19-11(a), of \$25,000 per violation for each violation of the injunction against these Defendants;
- (e) Granting such other and further relief as this Court deems just and proper.

Respectfully submitted,

/s/ Peter "Pete" F. Burns
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Clay T. Rossi (ROS045)
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CERTIFICATE OF SERVICE

I hereby certify that on the 25th day of June, 2026, electronically filed the foregoing with the Clerk of Court using the Alafile system, and that I hereby certify that I have mailed by placing a copy of same in the United States Mail, first-class postage prepaid and properly addressed, or sent via email, to those Alafile participants:

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