

UNITED STATES DISTRICT COURT  
DISTRICT OF KANSAS  
KANSAS CITY DIVISION

Sarah Meyer, fka Sarah Rice

Plaintiff

v.

United States Department of  
Health and Human Services, Health Resources  
And Services Administration,  
Bureau of Health Workforce

Defendant.

Case No.

**COMPLAINT FOR DECLARATORY JUDGMENT AND RESCISSION**

Plaintiff Sarah Meyer, fka Sarah Rice, through counsel, states the following for her Complaint for Declaratory Judgment and Rescission:

**JURISDICTION, VENUE, AND PARTIES**

1. Pursuant to 28 U.S.C. § 1332(a)(1), the Court has jurisdiction over Plaintiff's claims as they involve a dispute over student loan debt in excess of \$75,000.00, and there is diversity between Plaintiff and Defendant.

2. Pursuant to 28 U.S.C. § 2201(a), this Court has jurisdiction over Plaintiff's claim for Declaratory Judgment.

3. Pursuant to 28 U.S.C. § 1391(a)(2) as Plaintiff is a Kansas resident and a substantial portion of her assets are located in this District.

4. Plaintiff is a Kansas resident and currently resides at 8401 Maplewood Lane, Lenexa, KS 66215.

5. Defendant United States Department of Health and Human Services, Health Resources and Services Administration, Bureau of Health Workforce ("Defendant"), can be

served at 555 4<sup>th</sup> Street, NW, Washington, DC 20530 and also at the U.S. Attorney's Office located at 500 State Ave., Ste. 360, Kansas City, KS 66101.

**FACTS COMMON TO ALL COUNTS**

6. Plaintiff incorporates by reference Paragraphs 1 – 5 of her Complaint.
7. Plaintiff is a nurse practitioner that formerly worked at Mercy Clinic Whiteside located at 2115 S. Fremont, Springfield, MO 65804 (“Mercy Clinic”).
8. Upon information and belief, on or about September 16, 2010, Plaintiff received federal student loans in the original amount of \$29,000.00.
9. Plaintiff incurred the \$29,000.00 in federal student loan debt while pursuing a Master's degree in nursing.
10. After earning her Master's degree on May 22, 2012, Plaintiff applied for the National Health Service Corps' (“NHSC”) Loan Repayment Program (“LRP”). A copy of Plaintiff's LRP application is attached as Exhibit A and incorporated by reference.
11. The NHSC LRP is administered by Defendant U.S. Department of Health and Human Services, Health Resources and Services Administration (“DHHS”).
12. As part of her LRP application, Plaintiff certified that she worked at an NHSC approved LRP, to wit Mercy Health Systems-Mercy Clinic East Sunshine, located at 2730 East Sunshine, Springfield, MO 65804 (“the Approved Clinic”). Exhibit A.
13. Prior to completing her LRP application, Plaintiff conferred with Patrician Nayar at Mercy Health Systems to verify that she worked at the Approved Clinic.
14. Mercy Health Systems' Patrician Nayar confirmed to Plaintiff that she was employed at the Approved Clinic.

15. Upon information and belief, employment at an NHSC approved facility was a material precondition to NHSC's approval of Plaintiff's LRP.

16. Plaintiff would not have applied to participate in the LRP if she did not believe that she was employed at an NHSC approved facility as the only way she would qualify to "pay" her student loan debt under the LRP was through service at an approved facility.

17. Upon information and belief, at the time of her application to participate in the LRP her student loan debt was \$30,378.56. Exhibit A.

18. Plaintiff was approved for participation in the LRP and her contract was countersigned by NHSC on or about August 21, 2013. A copy of the Contract is attached as Exhibit B and incorporated by reference.

19. Upon information and belief, Defendant independently verified that Plaintiff worked at the Approved Clinic prior to approving her LRP application.

20. Approximately six months after signing the LRP contract, NHSC conducted a routine audit to ensure Plaintiff remained employed at an approved facility.

21. During the audit, it was discovered that Plaintiff worked at Mercy Hospital, 1235 E. Cherokee Street, Springfield, MO, which was not an approved NHSC site.

22. Upon learning that she was not employed at an approved clinic, Plaintiff sought to cancel her contract with Defendant.

23. Defendant refused to let Plaintiff cancel her agreement, advising that she only had 45 days from the date of entering the agreement to cancel same.

24. Had Plaintiff known she was not employed at an NHSC approved site within the 45-day period, she would have canceled the agreement within that time.

25. Plaintiff and NHSC independently investigated whether she was employed at an NHSC approved site and reasonably relied on representations that she was indeed employed at an NHSC approved site prior to entering the LRP agreement.

26. Defendant further denied Plaintiff's request to simply pay the original loan balance in one lump sum payment.

27. Instead, Defendant advised Plaintiff she could avoid repayment by completing service at a different NHSC approved site or paying the original loan balance plus statutory penalties and interest.

28. Plaintiff applied at some of the NHSC approved sites but was unable to obtain employment at same as she was either overqualified or there were no open positions at the time of her application.

29. Plaintiff did not apply to some of the proposed NHSC approved sites because they were out of state and, at the time, Plaintiff was having marital problems with her first husband and did not want to relocate her kids until she resolved said marital problems.

30. Due to statutory penalties and interest, what started out as student loan debt of \$30,378.56 has now ballooned into more than \$215,776.89 due in large part to statutory penalties that multiply the months (twenty-four) that Plaintiff failed to serve at an NHSC approved facility by \$7,500.00.

31. Upon information and belief, Defendant intercepted Plaintiff's 2017 tax refund in the amount of \$10,665.00.

32. On or about June 18, 2018, Plaintiff offered to pay a lump sum balance of \$20,067.45 to satisfy her remaining loan balance with Defendant but Defendant rejected said

offer. Plaintiff's offer was based on an estimated original loan balance of \$30,732.45 less the \$10,665.00 that Defendant intercepted from Plaintiff's 2017 tax refund.

33. Defendant rejected Plaintiff's June 18, 2018 offer.

34. Due to a lack of a meeting of the minds at the time Plaintiff and Defendant signed the LRP agreement, cause exists to rescind the agreement and place the parties back in their respective positions that existed prior to the date of signing.

### **COUNT I, DECLARATORY JUDGMENT**

35. Plaintiff incorporates by reference Paragraphs 1 – 34 of her Complaint.

36. An actual controversy exists between Plaintiff and Defendant in that the LRP agreement signed by Plaintiff and Defendant is void for lack of a meeting of the minds at the time of signing. As noted above, a material precondition to the agreement's formation was verification that Plaintiff was employed at an LRP approved site.

37. An actual controversy further exists concerning the amount Plaintiff must repay to Defendant to satisfy her LRP obligations. Plaintiff maintains she only owes the original loan balance, less the 2017 tax refund offset, however Defendant represents she owes the original loan balance and a statutory penalty plus interest, which, upon information and belief, has inflated Plaintiff's alleged loan balance to more than \$215,776.89.

38. Absent declaratory relief from this Court, Plaintiff will be injured through negative credit reporting, future tax refund intercepts, and repayment of more than her original loan balance.

39. Absent declaratory relief from this Court, Plaintiff lacks an adequate remedy at law to resolve her dispute with Defendant.

WHEREFORE, Plaintiff requests that the Court enter a Judgment in Plaintiff's favor declaring the LRP agreement void for a lack of a meeting of the minds; further declaring that Plaintiff is only liable for the original loan balance minus the 2017 tax refund offset; and providing any other relief that the Court deems proper.

**COUNT II, RESCISSION**

40. Plaintiff incorporates by reference Paragraphs 1- 39 of her Complaint.

41. At all times relevant, Plaintiff was a Missouri resident when she submitted her LRP application and signed the LRP agreement, she was a Missouri resident living in Springfield, Missouri.

42. The Approved Site that Plaintiff and Defendant believed Plaintiff worked at was located in Springfield, Missouri.

43. Plaintiff would not have been approved for the LRP program if she was not employed at an LRP approved site.

44. Plaintiff would not have sought participation in the LRP program if she had known, at the time of application, that she was not employed at an LRP approved site.

45. At the time Plaintiff applied for the LRP Program, and later signed an LRP program agreement with HRSA, Plaintiff and Defendant reasonably believed she was employed at an LRP approved site based on representations from Plaintiff's employer at the time.

46. Plaintiff's employment at an LRP approved site was a material precondition to her LRP agreement with Defendant.

47. Plaintiff's LRP agreement with Defendant is void due to mutual mistake.

48. Due to the void agreement between Plaintiff and Defendant, cause exists to rescind said agreement and place the parties in their respective positions that existed prior to the agreement's formation.

49. Absent equitable relief for rescission, Plaintiff lacks an adequate remedy at law to resolve her dispute with Defendant.

WHEREFORE, Plaintiff requests that this Court enter a Judgment in her favor rescinding her LPA agreement with Defendant and declaring said agreement void due to mutual mistake, and further placing Plaintiff and Defendant in their respective positions prior to the formation of the LPA agreement and declaring that Plaintiff is liable for repaying the original loan balance minus Defendant's recent offset of Plaintiff's 2017 tax refund, and that the Court provide any other relief that it deems proper.

Respectfully submitted,

THE SADER LAW FIRM

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