

COMMONWEALTH OF VIRGINIA



Serve

FREDERICKSBURG CIRCUIT COURT
Civil Division
701 PRINCESS ANNE STREET SUITE 100
FREDERICKSBURG VA 22401
(540) 372-1066

Summons

To: MARY WASHINGTON HEALTHCARE SERVICES, INC
MW HEALTHCARE REG. AG., LLC
2300 FALL HILL AVE.
SUITE 509
FREDERICKSBURG VA 22401

Case No. 630CL26000524-00

The party upon whom this summons and the attached complaint are served is hereby notified that unless within 21 days after such service, response is made by filing in the clerk's office of this court a pleading in writing, in proper legal form, the allegations and charges may be taken as admitted and the court may enter an order, judgment, or decree against such party either by default or after hearing evidence.

Appearance in person is not required by this summons.

Done in the name of the Commonwealth of Virginia on, Friday, June 05, 2026

Clerk of Court: JEFF SMALL

by *David Wolfson*
(CLERK/DEPUTY CLERK)

Instructions: SEE ATTACHED COMPLAINT & EXHIBITS

Hearing Official:

Attorney's name:

COMMONWEALTH OF VIRGINIA



FREDERICKSBURG CIRCUIT COURT
Civil Division
701 PRINCESS ANNE STREET SUITE 100
FREDERICKSBURG VA 22401
(540) 372-1066

Proof of Service

Virginia:
In the FREDERICKSBURG CIRCUIT COURT

Case number: 630CL26000524-00
Service number: 002
Service filed: June 03, 2026

Judge:

Served by: SPECIAL PROCESS SERVER
Style of case: VIRGINIA MEDICAL IMAGING, INC. vs MARY WASHINGTON HEALTHCARE SER
Service on: MARY WASHINGTON HEALTHCARE SERVICE Attorney:
MW HEALTHCARE REG. AG., LLC
2300 FALL HILL AVE.
SUITE 509
FREDERICKSBURG VA 22401

Instructions: SEE ATTACHED COMPLAINT & EXHIBITS

Returns shall be made hereon, showing service of Summons issued Friday, June 05, 2026 with a copy of the Complaint filed Wednesday, June 03, 2026 attached.

Hearing date :

Service issued: Friday, June 05, 2026

For Sheriff Use Only

Form with sections for NAME, PERSONAL SERVICE, Evicted, Not Evicted, DEPUTY SHERIFF, For Sheriff, For County/City.

VIRGINIA:

IN THE CIRCUIT COURT FOR THE CITY OF FREDERICKSBURG

**VIRGINIA MEDICAL IMAGING, INC.,
Individually and Derivatively for
MEDICAL IMAGING OF
FREDERICKSBURG, LLC**

Plaintiffs,

v.

**MARY WASHINGTON HEALTHCARE
SERVICES, INC.**

Serve:

MW Healthcare Registered Agent, LLC
2300 Fall Hill Ave., Ste. 509
Fredericksburg, VA 22401-3343

Defendant.

Case No. _____

COMPLAINT

COMES NOW Plaintiff Virginia Medical Imaging, Inc., by counsel, and files this Complaint individually and derivatively on behalf of Plaintiff Medical Imaging of Fredericksburg, LLC, against Defendant Mary Washington Healthcare Services, Inc. In support, Plaintiffs state as follows:

JURISDICTION AND VENUE

1. This court has jurisdiction over this matter pursuant to Virginia Code §§ 17.1-513 and 13.1-1042.
2. Venue is proper in this court pursuant to Virginia Code § 8.01-262.

PARTIES

3. Plaintiff Virginia Medical Imaging, Inc. ("VMI") is a Virginia stock corporation with its principal place of business located at 10401 Spotsylvania Ave Ste 200, Fredericksburg,

VA 22408 – 8606. VMI’s legal name was Medical Imaging of Fredericksburg, Inc. until October 2001.

4. Plaintiff Medical Imaging of Fredericksburg, LLC (“MIF” or the “Company”) is a Virginia limited liability company with its principal place of business located at 1340 Central Park Blvd Ste 207, Fredericksburg, VA 22401 – 3343.

5. Defendant Mary Washington Healthcare Services, Inc. (“Mary Washington”) is a Virginia stock corporation with its principal place of business located at 1340 Central Park Blvd Ste 207, Fredericksburg, VA 22401 – 3343. Mary Washington’s legal name was MediCorp Services, Inc. until January 2010.

STANDING TO BRING DERIVATIVE ACTION

6. MIF is comprised of two members: VMI, which holds a 49 percent membership interest, and Mary Washington, which holds a 51 percent membership interest.

7. Pursuant to the Company’s Operating Agreement, attached hereto as Exhibit 1, management of the Company is done through a Managers Committee consisting of five Representatives. Two of the Representatives are chosen by VMI; three of the Representatives are chosen by Mary Washington. Ex. 1 at §§ 8.1-8.3.

8. VMI is and was, at all relevant times, a member of the Company.

9. Because the actions complained of were committed by the controlling member of the Company and Mary Washington would never authorize the Company to bring an action against it individually, demand is futile and this action can be filed without it having been made.

Davis v. MKR Dev., LLC, 295 Va. 488 (2018).

10. VMI has every incentive to vigorously pursue this lawsuit, and the remedies it seeks are in the best interest of the Company.

GENERAL ALLEGATIONS

Relevant Background

11. MIF was formed in 2000. The Company provides comprehensive outpatient diagnostic imaging services, including MRI, CT, X-ray, 3D mammography, and ultrasound across eight locations in Fredericksburg, Stafford and King George. MIF specializes in detecting diseases early through advanced imaging—such as low-dose lung scans—and providing clear, detailed pictures for accurate diagnoses by board-certified radiologists, often at lower costs than hospitals.

12. MIF's predecessor was originally founded by Radiologic Associates of Fredericksburg, Ltd. ("RAF") in the 1980s. RAF is a prominent, physician-owned private practice providing subspecialized diagnostic imaging and interventional radiology services in the greater Fredericksburg region since 1948. RAF served patients at Mary Washington and Stafford Hospitals through June 30, 2025, and continues to provide radiology services at hospitals and outpatient imaging centers throughout Virginia and the surrounding region, including MIF's eight locations.

13. RAF is closely affiliated with VMI. RAF is structured such that RAF shareholders who work in the Fredericksburg area are afforded a portion of VMI's 49 percent membership interest in MIF. Every VMI shareholder is a RAF radiologist.

14. MIF was born out of the partnership between RAF and Mary Washington. In 2000, RAF, through VMI, and Mary Washington agreed to partner together to form MIF.

15. Over the course of the past quarter century, VMI and RAF have helped build MIF into the crown jewel of the Mary Washington healthcare system, consistently receiving national recognition and awards for patient experience, patient care and clinical quality performance.

16. Since then, RAF has contracted directly with MIF to provide physicians skilled in the supervision and interpretation of medical images at MIF facilities. RAF and MIF are currently parties to a Professional Services Agreement (the “PSA”), attached hereto as Exhibit 2.

17. VMI and MIF are currently parties to a Management Services Agreement (the “MSA”), attached hereto Exhibit 3, in which VMI and MIF have agreed for VMI to serve as supervisor and manager of MIF’s imaging facilities.

18. Separately, RAF and Mary Washington Hospital, Inc. (the “Hospital”), an affiliate of Mary Washington with the same leadership (collectively, “Mary Washington Healthcare”), were parties to a Radiology Services Agreement (the “RSA”), enclosed as Exhibit 4, in which RAF and the Hospital agreed that RAF would provide around-the-clock physician coverage in the Department of Radiology. The RSA’s initial term commenced on July 1, 2019 and was automatically renewed for a two year-period on June 30, 2023.

Non-Renewal of RSA

19. The trouble began in 2024. Throughout the year, RAF and Mary Washington Healthcare’s principals sought to negotiate an amended RSA, which was set to auto-renew for a third term on June 30, 2025. Pursuant to the RSA, written notice of non-renewal 180 days prior to June 30, 2025 was required to permit the expiration of the RSA on that date.

20. For its part, RAF wanted an amendment that would address overnight restrictions at the Hospital. Requiring radiologists to remain onsite overnight is increasingly uncommon across the industry, with remote reading now a widely accepted and proven practice.

21. Despite multiple follow-up communications, progress on negotiating an amended RSA stalled. By June 2024, four RAF radiologists resigned, underscoring the urgency of RAF’s need to address unsustainable terms and retain talent in an increasingly competitive market.

22. On June 17, 2024, Mary Washington Healthcare sent RAF a proposed revised RSA that introduced material new terms. The proposed revised RSA was unacceptable for multiple reasons and the following day, RAF proposed a short-term amendment to maintain service continuity while negotiating a long-term solution. Mary Washington Healthcare declined the short-term amendment.

23. Mary Washington Healthcare subsequently denied RAF's request for mediation to facilitate the negotiations.

24. In September 2024, RAF engaged Regents Health Resources, a healthcare consulting group previously utilized by Mary Washington Healthcare, to provide an analysis. In November 2024, Regents Health Resources presented their findings to RAF and Mary Washington Healthcare senior leadership, identifying a significant financial shortfall that limits RAF's ability to recruit and retain radiologists. Their analysis also outlined the estimated value of the services RAF provides to the healthcare system.

25. Following the presentation, Mary Washington Healthcare provided assurances to RAF that RAF's concerns were understood and would be addressed.

26. On December 10, 2024, Mary Washington Healthcare submitted a further revised RSA that did not address the critical issues previously identified.

27. Accordingly, on December 12, 2024, after careful consideration, RAF regrettably was forced to issue formal notice of non-renewal of the RSA. The RSA therefore terminated on June 30, 2025.

28. The breakdown in negotiations and non-renewal of the RSA do not form a part of the basis of Plaintiffs' claims in this lawsuit. However, these events were the impetus for the

retaliatory campaign of minority member oppression and insider dealing by Mary Washington that followed, almost immediately.

2024 Fourth Quarter Distribution Freeze and Decision Not to Renew PSA

29. On December 20, 2024, Sean Barden, the Hospital's then-CFO and a Representative appointed by Mary Washington on the Managers Committee, informed VMI that the Company would withhold MIF's fourth-quarter distributions.

30. This sudden decision—made eight days after RAF's notice of non-renewal—was a departure from the prior 13 years in which MIF had not once withheld quarterly distributions from VMI, including during the COVID pandemic and the simultaneous and capital-intensive opening of two imaging centers in the prior year. It was also a breach of Section 7.1 of the Operating Agreement, which requires that net cash flow “*shall be distributed.*” Ex. 1 at § 7.1. While the Managers Committee has discretion to determine the timing of such distributions, cash available for distribution is determined by the Managers Committee “after taking into consideration necessary or desired reserves for the Company, and other relevant factors, including operational needs requiring any refinancing, or the impact of any capital transaction.”

31. On January 8, 2025, at a MIF Managers Committee meeting, the three Representatives appointed by Mary Washington formally voted to withhold MIF's 2024 fourth-quarter distributions over the “no” votes of VMI's two Representatives.

32. At this same meeting Mr. Barden conceded that MIF has sufficient cash flow, but noted the lack of a policy governing distributions, citing this as the reason for withholding distributions. Neither consideration of cash reserves nor operational needs nor any other factor was provided to VMI at the time the decision was made to withhold distributions.

33. Also at the January 8, 2025 Managers Committee meeting, the three Mary Washington Representatives voted not to renew the PSA with RAF. No rationale was provided and the PSA's initial term was not set to expire until February 1, 2027—more than two years from the date of the meeting. No written notice was ever provided, as required by the PSA. Ex. 2 at § 3(a). The three Mary Washington Representatives also voted not to renew the MSA with VMI, notwithstanding that the MSA's current term was not set to expire until December 2028.

Mary Washington Healthcare's Attempted Poaching of RAF (MIF) Radiologists

34. Later that month and through February 2025, Mary Washington Healthcare's incoming president and CEO, Dr. Christopher Newman, personally solicited RAF (and by virtue of the PSA, MIF) radiologists to work directly at the Hospital system. In other words, Dr. Newman sought to poach RAF radiologists to work directly for the Hospital system instead of at one or more of MIF's eight locations. A representative solicitation email he sent is attached hereto as Exhibit 5.

35. Not only were the solicitations a blatant attempt to destroy RAF's, and by extension VMI's, business, Dr. Newman's conduct was a flagrant breach of Mary Washington's fiduciary duties to MIF. MIF is staffed by RAF radiologists. See Ex. 2. Mary Washington has an obligation to the Company to refrain from taking actions that would significantly devalue and jeopardize the Company's business—such as poaching the very radiologists staffed at MIF's locations. Making matters worse, Mary Washington's actions were done during a nationwide shortage of qualified radiologists.¹

¹ Elizabeth Y. Rula, Ph.D., *The Radiologist Shortage: A Workforce Update from HPI*, AMERICAN COLLEGE OF RADIOLOGY, Feb. 5, 2026, available at <https://www.acr.org/Clinical-Resources/Publications-and-Research/ACR-Bulletin-2026/radiologist-shortage-work-force-update>.

36. Mary Washington Healthcare's outgoing president and CEO, Michael McDermott, also personally solicited at least two VMI individuals to join the Hospital system and leave MIF at the end of January and beginning of February 2025.

37. At the same time, in retaliation for RAF's notice of non-renewal, Mary Washington sought to move PET/CT² services directly to the Hospital and away from MIF. On February 10, 2025, Dr. Heather Newman (Christopher Newman's wife) explicitly told a RAF-employed physician of Mary Washington Healthcare's plan to move PET/CT services from MIF to benefit a Mary Washington Healthcare affiliate at MIF's expense.

38. Fortunately for MIF, Mary Washington leadership was unable to convince a single RAF radiologist to leave MIF to work directly for Mary Washington Healthcare.

Attempted Buyout

39. Spurned by RAF's individual radiologists, Mary Washington Healthcare changed tack.

40. On April 10, 2025, Mary Washington Healthcare "or an affiliate" (according to the term sheet) made a formal written offer to purchase VMI's 49 percent interest in MIF.

41. The proposed purchase price in the term sheet signed by Dr. Newman, enclosed as Exhibit 6, was not a serious offer both in its proposed price and terms.

42. An express condition of the sale was "that the parties put the past behind us and cooperate for a seamless transition to an employed radiology model and 'make this easy' for MWHC."

² Positron emission tomography-computed tomography is an advanced imaging test that combines a CT scan's anatomical pictures with a PET scan's metabolic data.

43. The term sheet also made an express threat to VMI and RAF: “Every day MWHC develops its own solution of employing radiologists results in this offer of purchase and employment becoming less attractive.”

44. VMI almost immediately rejected the purchase offer.

45. From this point forward, it became clear to Plaintiffs that Mary Washington’s aggressive actions were designed to squeeze out VMI from the Company and force a sale on unreasonable terms.

Bad-Faith Lease Escalation

46. On May 9, 2025, Mary Washington notified VMI that the lease for MIF’s Imaging Center for Women (“ICW”) in Fredericksburg, which was set to expire on June 30, 2025, would not be automatically renewed and would be extended at the same rent through December 31, 2025. The ICW provides specialized diagnostic mammography services; biopsies and other procedural women’s imaging services are performed exclusively there within the MIF system.

47. On June 18, 2025, Mary Washington notified VMI that MIF’s lease at ICW would actually be renewed for another year, through June 30, 2026, to be voted on by the Managers Committee on June 23, 2025. Without any justification, the cost for the lease increased by over 50 percent, from \$28 per square foot to \$43 per square foot, which the Managers Committee subsequently approved over the “no” votes of the two VMI Representatives. This rate is significantly over market. Mary Washington has attempted to justify the price increase by claiming it is a passthrough cost from the master lease at this location with MediCorp Properties, Inc. (“MediCorp Properties”), a Mary Washington Healthcare-affiliated entity. Specifically, Mary Washington, through its counsel, has stated that

the sharp increase in rent is because prior to 2025, Mary Washington did not realize that the rental rate for MIF's sublease was below the amount of rent charged by the building owner to MediCorp Properties. MediCorp Properties is not willing to continue to sublease the ICW suite at a loss. This is problematic for at least two reasons.

48. First, property records show that MediCorp Properties, along with Cowan Eight LLC and "Cowan MWHC – Financial Operations," are the owners of the ICW suite location. These Cowan entities are affiliated with Mary Washington Healthcare.³ Accordingly, Mary Washington Healthcare is responsible for any loss MediCorp Properties incurred by entering into a master lease agreement for a property that it co-owns that resulted in an above-market rental rate. MIF should not be forced to pay significantly above-market rent because of Mary Washington Healthcare's poor business decisions.

49. To be sure, there is no serious doubt the ICW lease rate is over market. The Managers Committee commissioned an independent appraisal, which is attached hereto as Exhibit 7, that confirms the fair market value is \$28 per square foot.

50. Second, this expensive and untenable lease arrangement could be construed as a violation of federal Medicare anti-fraud laws. It is not hard to see how the elevated rental rate could be interpreted as illegal remuneration or an improper kickback because MediCorp Properties controls the flow of Medicare referrals for the professional services at ICW.

51. Rightfully concerned, VMI has repeatedly asked for the legitimate business justification for MIF's 50-percent above market rental rate. To this day, no legitimate business justification has been provided.

³ Mary Washington Healthcare's 2024 Form 990 lists MediCorp Properties as the "direct controlling entity" for Cowan Investment Partners, LLC. ("Cowan MWHC – Financial Operations" is not registered with the State Corporation Commission.)

52. Mary Washington's actions are in blatant violation of Section 3.6 of the Operating Agreement, which permits Mary Washington and VMI to engage in business dealings with other companies, but must be done on "terms [that] are reasonable to the Company." A jacked-up rental rate of over 50 percent above market that is passed through by Mary Washington Healthcare affiliates is *per se* unreasonable.

53. Because the ICW rental rate is outrageous and untenable and MediCorp Properties evidently refuses to return the rent to fair market value, VMI has repeatedly asked Mary Washington, as the majority and controlling member of MIF, for alternative rental options for the ICW facility. Mary Washington has repeatedly delayed executing alternative arrangements, to MIF's significant detriment.

54. Relocating the ICW is a 12- to 18-month process. At present, absent meaningful and swift progress, ICW will close simultaneously with the expiration of the PSA.

55. Even if a new location were identified and agreed upon as of the date of this filing, ICW would still likely face a six- to 12-month operational shutdown during transition and buildout. In the current technologist market, that duration would effectively guarantee the loss of remaining staff, as they would secure employment elsewhere. The ongoing instability has already resulted in multiple technologist resignations, further worsening staffing challenges.

56. The result would be the elimination of mammography services within a 50-mile radius of Fredericksburg beginning in February 2027, along with substantial and potentially irreparable financial harm to MIF due to patient outmigration, loss of downstream services, and continuing equipment lease obligations.

57. MIF has been irreparably harmed by Mary Washington's insider dealing and so too will women's health in Fredericksburg if no long-term rental location is identified swiftly.

Failure to Relocate Medical Imaging of King George Facility

58. Another of MIF's eight facilities is Medical Imaging of King George ("MIKG"). The sublease for MIKG was set to expire on July 31, 2026; a short term extension was negotiated such that the sublease now expires on January 31, 2027.

59. MIKG's current location is owned by a third party, but MediCorp Properties is the master tenant for the building and has subleased the imaging center portion of the facility to MIF.

60. Importantly, MediCorp Properties—which has the same leadership as Mary Washington, including Dr. Newman as CEO—has refused to renew the sublease for a long-term rental.

61. Instead, the agreed plan since 2024 has been to move MIKG to a new facility purchased by Mary Washington Healthcare called Dolleys Court. This plan is evidenced by the following:

- a. During an August 26, 2024 Managers Committee meeting, Cathy Yablonski, a Mary Washington Representative, stated that it may be beneficial to relocate MIKG to a new identified location and that such a relocation would ideally occur at the end of MIKG's lease.
- b. During a November 20, 2024 Managers Committee meeting, Ms. Yablonski confirmed the new Dolleys Court facility would include imaging because this consolidated care model "supports community need and volume growth." During that same meeting, Ms. Yablonski noted the Mary Washington Healthcare team would send the "completed fit planning" to a VMI Representative and a member of the VMI leadership team.
- c. On November 22, 2024, Ms. Yablonski sent an email to these same VMI individuals requesting feedback on the "conceptual plan for the King George location" and attached a proposed floor plan for the Dolleys Court facility.
- d. On January 17, 2025, Ms. Yablonski sent another email to these same VMI individuals with "the most recent floor plan for King George" and indicating that a "[d]esign meeting with [sic] coming soon."

- e. On August 27, 2025, a representative from Mary Washington Healthcare contacted MIKG's management to confirm MIKG's on-site staffing estimates for purposes of contracting with food and beverage servicers at the Dolleys Court facility.
- f. On October 11, 2025, during the Hospital's Fall Festival in King George, hospital staff informed patients that all locations would be relocating to the new Dolleys Court facility and distributed informational magnets referencing MIKG.
- g. On October 17, 2025, the MIF MIKG manager was invited, at the behest of Hospital representatives, to tour and review the Dolleys Court facility. Photographs taken during the tour revealed the Dolleys Court Facility including clearly labeled medical imaging rooms.

62. Then, without warning, at a November 12, 2025 Managers Committee meeting, Mary Washington abruptly stated that the long-planned relocation would not occur.

Remarkably, the Managers Committee also approved the MIF 2026 operating budget, which included relocation and buildout expenses for MIKG and lease payments for the Dolleys Court facility. Mary Washington has provided no explanation for this decision and, as of today, has not identified an alternative site.

63. In response to numerous concerns raised by VMI, Mary Washington Healthcare has agreed to extend the sublease for another six months, through January 31, 2027. However, Mary Washington has refused to provide any further information on long-term lease options or the rationale for abruptly foreclosing the Dolleys Court location as a permanent home for MIKG.

64. The confluence of the PSA, the ICW lease and the MIKG lease all set to expire on January 31, 2027 creates an additional risk of service loss for an already underserved community, particularly for pediatric and mammography patients. At present, there are no viable alternative properties in the area available for relocation.

Approval of PSA Renewal and Subsequent Recission

65. On March 25, 2026, the Managers Committee voted unanimously to extend the PSA between RAF and MIF, which was set to expire on February 1, 2027, for an additional three years to February 1, 2030.⁴

66. The unanimous vote was an implicit recognition of the obvious: MIF cannot survive as a going concern without RAF radiologists to staff its eight locations and Mary Washington's campaign of retaliation and squeeze-out tactics is doing irreparable harm to the Company. As of today, Mary Washington has proffered no plan regarding radiological staffing at MIF's eight locations once RAF's radiologists are terminated in eight months.

67. On March 31, 2026, just six days later, Sandra Brown, the Chair of the Managers Committee and a Mary Washington Representative who voted to extend the PSA, announced her retirement. This announcement came as a surprise to VMI.

68. Just seven days after the Managers Committee vote, on April 1, 2026, Mary Washington called a "special meeting" of the Managers Committee for April 21, 2026.

69. On April 6, 2026, Lori Szweda, a VMI Representative, met with Cody Blankenship, MIF's Operations Manager and a Mary Washington Representative, to sign a one-page addendum to the PSA that memorialized the Managers Committee vote to extend the PSA.

70. Mr. Blankenship, who just 13 days earlier voted to extend the PSA and who under the Operating Agreement has authority to enter into contracts on behalf of the Company, stated that he could not sign the addendum. Mr. Blankenship acknowledged that he has signing authority, but stated that he nonetheless could not sign the document. When asked why, he said

⁴ As explained previously, on January 8, 2025, MIF, through its three Mary Washington Representatives voted not to renew the PSA with VMI, but no written notice was ever provided as required by the PSA. Ex. 2 at § 3(a).

he could say nothing further. The meeting concluded with Mr. Blankenship stating that he “can’t say anything” and that he “can’t sign anything.”

71. On April 21, 2026, the “special meeting” of the Managers Committee was held. Ms. Brown nominated Thomas Mathews, Mary Washington Healthcare’s CFO, to be her successor as Chair. Mr. Mathews has no prior experience with MIF and, after a vote over the objections of VMI’s Representatives, was elected Chair. He is the fourth Chair of the Managers Committee appointed by Mary Washington in the past 15 months.

72. At the “special meeting,” the three Mary Washington representatives (including Mr. Blankenship and Debra Marinari, who previously voted to extend the PSA) voted to rescind the PSA extension. The Mary Washington Representatives stated that the extension was based off emotional appeal and that the Committee did not exhibit appropriate fiduciary responsibility.

73. On information and belief, Dr. Newman and Mary Washington leadership forced or otherwise exerted pressure on Ms. Brown to resign in response to her vote to extend the PSA.

74. On information and belief, Dr. Newman and Mary Washington leadership forced or otherwise exerted pressure on Mr. Blankenship to rescind the PSA extension.

75. On information and belief, Dr. Newman and Mary Washington leadership forced or otherwise exerted pressure on Ms. Marinari to rescind the PSA extension.

76. On April 27, 2026, Dr. Newman “said the quiet part out loud” in a discussion with VMI Representative Roni Talukdar. Dr. Talukdar and Dr. Newman first discussed reaching a broader agreement between RAF and Mary Washington Healthcare regarding radiology interpretation services at Mary Washington and Stafford Hospitals as well as continued services at MIF. Later in the discussion, Dr. Talukdar voiced his concerns regarding the ICW and MIKG lease issues because of the patient care implications irrespective of the RSA. Dr. Newman

responded, “I guess we’ll have to see how the negotiation goes.” In other words, Dr. Newman was explicitly and impermissibly conditioning the resolution of the ICW and MIKG lease issues—which is entirely a MIF concern—on RAF’s and Mary Washington Healthcare’s broader service agreement negotiations.

77. Mary Washington’s actions constitute breaches of its fiduciary duties to the Company, breach of the Operating Agreement, and tortious interference with the PSA. They further require that Mary Washington be disassociated from MIF immediately, lest Mary Washington work further injustice on the Company.

COUNT I – DISASSOCIATION PURSUANT TO VA. CODE § 13.1-1040.1

78. Plaintiffs incorporate by reference all allegations contained in the Complaint as though restated herein.

79. Virginia Code § 13.1-1040.1(5) provides that a limited liability company, on application to a court of law, may seek the disassociation of a member where:

- a. The member engaged in wrongful conduct that adversely and materially affected the business of the limited liability company;
- b. The member willfully or persistently committed a material breach of the articles of organization or an operating agreement; or
- c. The member engaged in conduct relating to the business of the limited liability company which makes it not reasonably practicable to carry on the business with the member.

80. Mary Washington, for all the reasons stated herein, has engaged in wrongful conduct that materially affects the Company, has materially breached the Company’s Operating Agreement, and has breached its fiduciary duties to the Company.

81. Mary Washington has engaged in wrongful conduct that has materially affected MIF's business by attempting to poach the very radiologists who provide the Company's core clinical services.

82. Mary Washington willfully and persistently breached Section 3.6 and Section 7.1 of the Operating Agreement by imposing an above-market, self-dealing lease at the ICW facility and by unilaterally freezing member distributions without a valid business justification.

83. By exerting improper pressure on Managers Committee Representatives to rescind a unanimous vote to extend the PSA—thereby leaving MIF with no radiological staffing plan for the following year—Mary Washington has made it not reasonably practicable to carry on the business of the Company and is the direct cause of the same.

84. If Mary Washington remains a member of MIF, then its continued retaliatory and self-serving conduct will result in the total destruction of the Company's value and the cessation of critical imaging services for the Fredericksburg community.

85. These circumstances necessitate the immediate judicial dissociation of Mary Washington as a member of MIF.

COUNT II – DERIVATIVE CLAIM FOR BREACH OF FIDUCIARY DUTY

86. Plaintiffs incorporate by reference all allegations contained in the Complaint as though restated herein.

87. As the member with a 51 percent majority interest in MIF and three of the five Representatives on the Managers Committee, Mary Washington serves as the controlling member of the Company and owes MIF the fiduciary duties of good faith, loyalty, and care.

88. Mary Washington breached these duties by prioritizing its own corporate interests and those of its affiliates over the financial and operational health of the Company.

89. Mary Washington engaged in self-dealing and harmful conduct against the Company by:
- a. Attempting to solicit and poach the very radiologists who provide the essential clinical services at MIF's eight locations to work directly for the Mary Washington Hospital system.
 - b. Forcing the Company into a lease extension at the ICW facility with an affiliate, MediCorp Properties, at a rate of \$43 per square foot—more than 50 percent above the appraised fair market value of \$28 per square foot.
 - c. Abruptly canceling the long-planned MIKG relocation to the Dolleys Court facility without explanation, despite the Company already having allocated budget and resources for the move.
 - d. Exerting improper influence and pressure on Managers Committee Representatives to rescind the PSA extension, effectively leaving the Company without a viable plan for physician staffing after February 1, 2027.

90. By using its control of the Company to extract above-market rents and strip the Company of its clinical staff, Mary Washington abandoned its duty of loyalty to MIF.

91. These actions constitute a flagrant disregard for the Company's welfare and have caused MIF to incur unnecessary costs, lose business opportunities, and face an existential threat to its continued operations.

92. As a direct and proximate result of these breaches, MIF has suffered and continues to suffer significant monetary damages in an amount to be proved at trial but in no event less than \$400,000.

COUNT III – DERIVATIVE AND DIRECT CLAIM FOR BREACH OF CONTRACT

93. Plaintiffs incorporate by reference all allegations contained in the Complaint as though restated herein.

94. The Operating Agreement constitutes a valid and binding contract between VMI and Mary Washington, governing the management and operation of MIF. MIF is bound by the Operating Agreement's terms. Va. Code § 13.1-1023(A)(1).

95. Mary Washington breached Section 7.1 of the Operating Agreement by withholding MIF's 2024 fourth-quarter distributions without justification.

96. On January 8, 2025, Mary Washington's Representatives voted to freeze these funds despite the Company possessing sufficient cash flow and lacking any legitimate "necessary or desired reserves" or "operational needs" to justify the withholding.

97. This breach deprived VMI of its individual right to contractually mandated distributions and harmed MIF by destabilizing its established financial protocols.

98. Mary Washington further breached Section 3.6 of the Operating Agreement, which mandates that business dealings with members or their affiliates occur on "terms [that] are reasonable to the Company."

99. On May 21, 2025, Mary Washington violated this provision by forcing MIF to accept an above-market rental rate at the ICW facility to benefit its affiliate, MediCorp Properties.

100. Because Mary Washington has extracted a rent increase of over 50 percent above the appraised fair market value for the benefit of its own affiliate, it has breached the express reasonableness requirement of the Operating Agreement.

101. Mary Washington also breached the implied covenant of good faith and fair dealing inherent in the Operating Agreement.

102. By orchestrating the rescission of the PSA extension and attempting to poach Company radiologists, Mary Washington acted in bad faith to destroy the fruits of the agreement for VMI and the Company alike.

103. As a direct result of these contractual breaches, VMI has suffered the loss of distributions and the devaluation of its membership interest, while MIF has suffered overpayment of rent and the loss of critical operational stability.

104. As a direct result of these contractual breaches, VMI and MIF have suffered and continues to suffer significant monetary damages in an amount to be proved at trial but in no event less than \$2,250,000.

**COUNT IV – DERIVATIVE CLAIM FOR
TORTIOUS INTERFERENCE WITH CONTRACT**

105. Plaintiffs incorporate by reference all allegations contained in the Complaint as though restated herein.

106. MIF and RAF are parties to a valid and binding contract, the PSA.

107. Under the PSA, MIF secures the exclusive, specialized services of board-certified radiologists necessary to operate its eight diagnostic imaging locations.

108. MIF possessed a valid contractual expectancy in the continued performance, renewal, and formal execution of the three-year extension of the PSA, which the Managers Committee voted unanimously to approve on March 25, 2026.

109. As a member of MIF and a participant in its governance, Mary Washington had full, actual knowledge of the PSA and the newly approved three-year extension.

110. Mary Washington is a distinct corporate entity from MIF. When acting outside its capacity as a member or through improper governance manipulation to serve its independent Hospital interests, Mary Washington acts as a third party to MIF's contracts.

111. Mary Washington intentionally and improperly interfered with MIF's contractual relationship with RAF.

112. Mary Washington employed improper methods to disrupt the contract and force a rescission of the approved extension by:

- a. Attempting to solicit and poach RAF radiologists directly to the Hospital system, which would strip MIF of the human capital required to fulfill its end of the PSA;
- b. Threatening and pressuring independent Managers Committee Representatives to reverse their lawful corporate votes under distress; and
- c. Manipulating the leadership structure of the Managers Committee to install an outside Hospital executive, Thomas Mathews, for the explicit purpose of destroying MIF's long-term staffing stability.

113. By employing threats, administrative duress, and bad-faith maneuvering to force the cancellation of a vital clinical contract, Mary Washington has exceeded the bounds of legitimate corporate behavior.

114. Mary Washington acted with the predatory purpose of crippling MIF's independent operations, intending to divert MIF's patient base and imaging revenue into Mary Washington Healthcare.

115. As a direct and proximate result of Mary Washington's intentional and improper interference, MIF lost the operational certainty of a multi-year staffing agreement, faces the

imminent departure of its entire radiological workforce, and has suffered severe, irreversible damage to its business value.

116. As a direct result of Mary Washington's intentional and tortious interference with the PSA, MIF has suffered and continues to suffer significant monetary damages in an amount to be proved at trial.

COUNT V – DISSOLUTION PURSUANT TO VA. CODE § 13.1-1047
(IN THE ALTERNATIVE)

117. Plaintiffs incorporate by reference all allegations contained in the Complaint as though restated herein.

118. This Count is pled in the alternative to Count I.

119. Pursuant to Virginia Code § 13.1-1047, a court may decree the dissolution of a limited liability company whenever it is no longer reasonably practicable to carry on the business in conformity with the company's operating agreement.

120. The Operating Agreement requires that the Company operate through a functioning Managers Committee and mandates that transactions with affiliates occur on terms "reasonable to the Company."

121. Mary Washington has completely frustrated the purpose of the Operating Agreement and paralyzed the Company's governance by:

- a. Coercing Managers Committee Representatives into rescinding a unanimous, contractually vital agreement to secure radiological staffing;
- b. Unilaterally freezing quarterly distributions without an operational basis or consideration of necessary reserves; and
- c. Forcing the Company to accept a self-dealing lease at the ICW facility that sits 50 percent above fair market value.

122. Where a majority member uses its control to systematically strip the Company of its clinical staff, block its relocation plans, and siphon its cash flow to affiliates, then it is no longer reasonably practicable to carry on the business.

123. The deep, irreconcilable conflict between VMI and Mary Washington makes it impossible for MIF to fulfill its corporate purpose of providing outpatient diagnostic imaging services past the expiration of the current staffing arrangements.

124. In the alternative to the relief sought in Count I, VMI requests that this Court enter an order dissolving MIF pursuant to Virginia Code § 13.1-1047, and directing that the Company's affairs be wound up in an orderly manner.

WHEREFORE, Plaintiffs respectfully request the following relief:

- A. On Count I, the disassociation of Mary Washington from MIF;
- B. On Count II, judgement in favor of MIF and against Mary Washington in an amount to be proven at trial, but in no event less than \$400,000;
- C. On Count III, judgement in favor of MIF and VMI and against Mary Washington in an amount to be proven at trial, but in no event less than \$2,250,000;
- D. On Count IV, judgment in favor of MIF and against Mary Washington in an amount to be proven at trial;
- E. On Count V, dissolution of MIF, in the alternative to the relief sought in Count I;
- F. For Plaintiffs' attorneys fees incurred in this action pursuant to Va. Code § 13.1-1045; and
- G. For such other relief as the Court deems appropriate.

TRIAL BY JURY DEMANDED.

Respectfully Submitted,

VIRGINIA MEDICAL IMAGING, INC.,
Individually and Derivatively for
MEDICAL IMAGING OF
FREDERICKSBURG, LLC

By Counsel



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