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Attorneys for Respondent
FAMILIESFIRST INC.

BEFORE THE
DEPARTMENT OF SOCIAL SERVICES
STATE OF CALIFORNIA

IN THE MATTER OF: FAMILIESFIRST INC. dba FamiliesFirst Inc., Psychiatric Treatment 2100 5th Street Davis, CA 95618 Respondent.	OAH No.: 2013070732 CDSS No.: 7013158202 **STIPULATION AND WAIVER; DECISION AND ORDER**

STIPULATION AND WAIVER

Respondent **FAMILIESFIRST INC.**, dba FamiliesFirst Inc., Psychiatric Treatment (hereafter, "Respondent FamiliesFirst" or "Respondent"), having obtained the counsel of Linda Randlett Kollar, Esq., of Hooper, Lundy & Bookman, P.C., has been fully advised of the charges of the Accusation (License Revocation) in this matter (a copy of which is attached hereto **as Exhibit 1** and incorporated herein by reference),

and hereby enters into the following Stipulation and Waiver; and Order ("Stipulation") with the COMPLAINANT, David F. Dodds, as a means of achieving a full and final resolution of the Accusation (License Revocation) in lieu of an evidentiary hearing and decision.

Respondent FamiliesFirst and Complainant, and their respective counsel, hereby stipulate and agree as follows:

1. The Department of Social Services (hereafter, the "Department") filed an Accusation (License Revocation, hereafter, "Accusation") on June 12, 2013, alleging, *inter alia*, violations of personal rights, lack of care and supervision, inadequate staffing/personnel plan, inadequate runaway and emergency intervention plans, inappropriate restraints, reporting requirements violations and conduct inimical at the Respondent FamiliesFirst's group home, doing business as FamiliesFirst Inc., Psychiatric Treatment, located at 2100 5th Street, Davis, California (hereafter, the "Davis Campus" or "facility").

Respondent FamiliesFirst admits as follows:

A. EMQ FamiliesFirst (hereafter, "EMQFF") did not contain some of the residents on the Davis Campus through non-physical interventions such that the residents left the Campus without permission of staff.

B. On more than one occasion, EMQFF did not bring on duty additional staff above normal ratios to verbally contain and/or shadow each individual resident who was engaged in an AWOL from the Davis Campus during the time period between December 2012 to June 2013.

C. EMQFF did not timely update its runaway policies and procedures in light of the directives from CCL to reduce manual restraints and to stop any use of physical containments to prevent AWOLs for the period between December 2012 and June 2013.

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D. On more than one occasion, EMQFF did not seek to timely discharge residents who demonstrated that they could not be successfully served in the program for the period between December 2012 and June 2013.

E. EMQFF did not ensure that Individual Needs and Services Plans were updated from the time period between December 2012 and June 2013.

F. During the time between May 2013 and June 2013, EMQFF did not timely report to CCL and other authorized representatives about some incidents.

The admissions contained above are made exclusively in settlement of this matter and are not deemed applicable in any other forum, including any other criminal or civil matters. The allegations in the Accusation remain in factual dispute. The Department believes that it could prove each of the allegations contained in the Accusation by a preponderance of the evidence at hearing, and based upon that evidence, good cause exists to take disciplinary action against Respondent FamiliesFirst's group home license. Further, the fact that Respondent FamiliesFirst does not admit all of the allegations contained in the Accusation is not to be interpreted directly or indirectly to mean that the Department has insufficient evidence or grounds to support such allegations. The Department, however, chooses to enter into this Stipulation in reliance upon each of the provisions and waivers stated herein.

2. Respondent FamiliesFirst's current license to operate a group home, doing business as FamiliesFirst Inc., Psychiatric Treatment with a capacity of 72 children, located at 2100 5th Street, Davis, California is revoked upon the Department's adoption of this Stipulation as its Order. Respondent FamiliesFirst, however, has represented that it intends to submit a new Program Statement and Plan of Operation to the Department that will substantially revise the Davis Campus Residential Treatment Program (hereafter, "Program"), and address all the concerns raised in the Accusation. Further, Respondent FamiliesFirst plans to integrate the Davis Campus into a Continuous Quality Improvement Infrastructure and implement a new restraint protocol

and non-physical interventions that will ensure Title 22 compliance and the delivery of services to residents served by its Program. Based upon these representations, the parties stipulate and agree that the revocation of the license ***shall be STAYED from the effective date of this Stipulation for the four (4) year term of probation set forth in paragraph 3 below.***

3. During the pendency of the stay provided above in paragraph 2, Respondent FamiliesFirst shall be granted a probationary license to operate the Davis Campus for the period of four (4) years. The Respondent FamiliesFirst's license is to be reissued upon the Department's adoption of this Stipulation as its Order to include the following wording: "Probationary License: The terms and conditions of this probationary license are available for review by contacting either the Licensee or the local Licensing Agency," or words to that effect.

4. During the four (4) year period specified in paragraph 2 and 3, above, Respondent FamiliesFirst shall be granted a probationary license to operate the Davis Campus subject to the following limitations and conditions:

A. Respondent shall submit its revised Program Statement and Plan of Operation no later than thirty (30) days from the effective date of this Stipulation. The Department's Licensing Agency will review the Program Statement and Plan of Operation and approve and/or recommend modifications thereto. Upon approval, the probationary period will commence.

B. Respondent currently serves children between the ages 6 and 19, including Non-Minor Dependents (hereafter, "NMD"). During probation, Respondent shall only be authorized to accept children between the ages of 12 and 17. After completion of two (2) years of probation, and subject to the condition set forth herein, Respondent may accept children between the ages of 10 and 19, including NMDs. However, only NMDs who were placed previously as foster children in the residential program will be considered as an NMD placement.

C. Respondent shall reduce its licensed capacity from 72 to 18 children with the understanding that Respondent may apply to increase its capacity incrementally, to the maximum capacity of 54 children during the four-year probationary period, as follows:

(1) During the first year of probation, defined as twelve (12) months of operation from the date that the probationary period commences, Respondent shall be licensed to operate the Davis Campus with a capacity of up to 18 children.

(2) After the first year of probation, Respondent may submit an application to increase its licensed capacity to 27 children. Upon approval of the increase in capacity application, Respondent shall be licensed to operate the Davis Campus with a total capacity of up to 27 children for a probationary period of one year or twelve months.

(3) After the one year or twelve (12) month period of operating at the licensed capacity of 27 children, Respondent may submit an application to increase its licensed capacity to 36 children. Upon approval of the increase in capacity application, Respondent shall be licensed to operate the Davis Campus with a total capacity of up to 36 children for a probationary period of six (6) months.

(4) After the six (6) month period of operating at the licensed capacity of 36 children, Respondent may submit an application to increase its licensed capacity to 45 children. Upon approval of the increase in capacity application, Respondent shall be licensed to operate the Davis Campus with a total capacity of up to 45 children for a probationary period of six (6) months.

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(5) After the six (6) month period of operating at the licensed capacity of 45 children, Respondent may submit an application to increase its licensed capacity to 54 children. Upon approval of the increase in capacity application, Respondent shall be licensed to operate the Davis Campus with a total capacity of up to 54 children for the remaining period of probation.

(6) Further, after two (2) years of completion of probation, Respondent may submit an application to change the age range of children served at the facility. Specifically, Respondent may request that it be allowed to accept children between the ages of 10 and 19, including NMDs who were placed previously as foster children in the residential program. Any such application shall be subject to the Department's discretion and there shall be no right to an administrative hearing or judicial review.

(7) Each application for an increase in capacity that Respondent may file during the probationary period, shall be subject to the Department's review and determination that Respondent is in compliance with the terms of this Stipulation, and further, that the Davis Campus is in substantial compliance with the applicable licensing laws and regulations governing the operation of a group home. There shall be no right to an administrative hearing or judicial review. Pursuant to Title 22, California Code of Regulations (CCR) § 80001(s)(7), substantial compliance is defined as the "absence of any serious deficiency."

(8) Should any application for an increase in capacity be denied, Respondent shall only be allowed to operate the Davis Campus at its current licensed capacity (i.e., 18, 27, 36 or 45). However, Respondent may re-apply for an increase in capacity after operating the Davis Campus in substantial compliance for a twelve (12) month or six (6) month period, whichever period

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of time is applicable, until such time as the maximum licensed capacity of 54 children is reached.

D. Respondent shall ensure that all children are supervised twenty-four (24) hours a day, seven (7) days a week, in accordance with its Program Statement and Plan of Operation and licensing regulations. A minimum ratio of direct child care staff to children shall be maintained at all times, depending on the rate classification level ("RCL") under which the facility is operating, as follows:

RCL LEVEL 12 - YEARS 1 through 2 (Direct Child Care Staff to Child Ratio)				
Monday-Friday (when school is in session)	*6:00 am – 9:00 am*	*9:00 am – 3:00 pm*	*3:00 pm – 10:00 pm*	*10:00 pm – 6:00 am*
	1:3	**1:4.5**	**1:3**	**1:4.5**
Saturday-Sunday, Holidays, (and weekdays when children are not in school)	*7:00 am – 10:00 pm*			*10:00 pm – 7:00 am*
	1:3			**1:4.5**

RCL LEVEL 12 - YEARS 3 through 4 (Direct Child Care Staff to Child Ratio)				
Monday-Friday (when school is in session)	*6:00 am – 9:00 am*	*9:00 am – 3:00 pm*	*3:00 pm – 10:00 pm*	*10:00 pm – 6:00 am*
	1:4.5	**1:4.5**	**1:4.5 and 1 floater on-site and available**	**1:4.5**
Saturday-Sunday, Holidays, (and weekdays when children are not in school)	*7:00 am – 10:00 pm*			*10:00 pm – 7:00 am*
	1:3			**1:4.5**

RCL LEVEL 14 - YEARS 1 through 4 (Direct Child Care Staff to Child Ratio)				
Monday-Friday (when school is in session)	*6:00 am – 9:00 am*	*9:00 am – 3:00 pm*	*3:00 pm – 10:00 pm*	*10:00 pm – 6:00 am*
	1:3	**1:4.5**	**1:3**	**1:4.5 and 1 floater on-site and available**
Saturday-Sunday, Holidays, (and weekdays when children are not in school)	*7:00 am – 10:00 pm*			*10:00 pm – 7:00 am*
	1:3			**1:4.5 and 1 floater on-site and available**

Further, upon completion of a two (2) year period of probation, the parties agree that Respondent may request a review and modification of the staffing ratios set forth herein. Any such request shall be subject to the Department's review and determination that the Davis Campus is in substantial compliance with the applicable licensing laws and regulations. The Department shall review any such request in good faith and in a timely manner; and further, the review will also allow for an increase in the specified ratios should the Department's review reveal that it is necessary to ensure the provision of care and supervision for children in care. The Department's decision shall be final with no right to an administrative hearing or judicial review by Respondent.

Respondent shall maintain additional on-call staff to adjust staffing ratios as necessary to address acuity. For purposes of determining appropriate staffing ratios, clinicians, social work, support and other administrative staff shall not be counted as part of this ratio. Further, in accordance with CCR §§ 80065, 84065, 84065.5(c), Respondent shall employ and retain staff in sufficient numbers, at all times, to meet individual children needs and ensure the provision of one to one supervision when necessary.

E. Respondent shall employ an Administrator that has, at the minimum, the education and experience specified in CCR § 84064(e)(2)(A) or (e)(2)(B); and, further, has been certified as a group home administrator pursuant to CCR§ 84064.2; no exceptions shall be granted to these requirements during probation. Respondent has represented that it plans to employ a new Associate Clinical Director/Administrator who is a licensed clinician with over ten (10) years of leadership experience and recent group home administrator training.

F. The Administrator shall be responsible for the on-site administrative supervision and operation of the Davis Campus in accordance with all applicable licensing laws, regulations, and the terms and conditions of this Stipulation.

Respondent shall ensure that a copy of this Stipulation is provided to the Administrator, and further, in the absence of the Administrator, the designated substitute. The Administrator and/or designated substitute shall acknowledge in writing that he/she received a copy of the Stipulation, and further, fully understand the terms and conditions of probation imposed by this Stipulation. The written acknowledgement shall be maintained in the Administrator's and/or designated substitute's personnel file for inspection by Licensing staff. The Executive Director of Respondent's Capital Region (hereafter, "Capital Regional Executive Director") shall not act as a facility administrator or a designated substitute.

G. Respondent shall ensure that a qualified and certified Administrator is present and available on the premises a minimum of forty (40) hours a week to manage and administer the Davis Campus in compliance with applicable licensing laws and regulations and the terms and conditions of this Stipulation. In the Administrator's absence, a designated substitute as defined in CCR § 84064(d) shall be designated and available on the premises. Further, Respondent shall notify the Licensing Agency of any change in Administrator in accordance with CCR § 84061(e).

H. Respondent shall ensure compliance with CCR §§ 84068.1, 84068.2, 84068.3, and 84068.4 regarding Intake Procedures, Needs and Services Plans and Modifications; and Removal and/or Discharge Procedures. Whether a child is placed under an emergency or nonemergency situation, Respondent shall comply with CCR §§ 84068.1 (b)(3) and 84068.1(c) requiring it to determine whether it can provide the services necessary to meet the child's needs, and to effect discharge if it is determined that Respondent cannot provide the services necessary to meet the child's needs. Further, Respondent shall ensure that an appropriate assessment of a child's level of acuity and compatibility with the other residents in care and its Davis Campus Program is conducted during the intake

process and is reevaluated on a continuous basis when individual needs dictate. Any re-appraisal of the child's needs and services and modifications thereto are to be implemented consistent with the requirements set forth in CCR § 84068.3. Respondent agrees that it shall not accept or retain, and will promptly discharge any child for whom it cannot adequately and safely provide care, any child who requires a higher level of care and supervision or any child that would cause it to violate licensing laws and regulations, or the conditions of this Stipulation.

Respondent has represented that it shall be more restrictive about accepting or admitting: (1) any children with histories of running away and engaging in criminal behavior while absent without permission; (2) any children who have a history of sexual aggression towards other group home residents; and, (3) any children outside a certain geographical region; it is Respondent's intent to only accept children from surrounding contiguous counties except for Alameda and Contra Costa counties.

Further, Respondent agrees that the Needs and Services Plan will be maintained in residential locations and accessible to staff through utilization of electronic tracking systems that Respondent has represented will be implemented as an improvement to ensure compliance and the delivery of services to residents served by its Program.

I. Respondent shall ensure that the personal rights of all children placed with them are protected as specified in CCR §§ 80072 and 84072. In particular, Respondent stipulates that all children shall be accorded dignity; shall receive safe, healthful and comfortable accommodations to meet their needs; shall be free from corporal or unusual punishment, pain, humiliation, intimidation, ridicule, coercion, threat, mental abuse or other actions of a punitive nature. Further, Respondent understands and agrees that these personal rights are not subject to waiver by residents or their authorized representatives.

J. Respondent shall ensure compliance with CCR §§ 84300, 84300.1, 84322, 84322.1, 84361, 84365, 84365.5, 84368.3 and 84369, regarding the use of emergency interventions, the documentation and reporting requirements for each use of manual restraints, emergency intervention staff training and staffing requirements, and the review of manual restraint use, as follows:

(1) Respondent shall ensure that manual restraints of children are executed only when a child presents an immediate danger of injuring or endangering himself, herself or others and only after less restrictive methods of emergency intervention have been exhausted and have failed to de-escalate the child and injury to the child or other persons appears imminent.

(2) Respondent shall ensure that Davis Campus personnel do not seek the assistance of law enforcement in order to physically restrain a child, escort a child to the Quiet Room, or conduct a search of a child's person as a means of circumventing the Program's Emergency Intervention Plan.

(3) Respondent shall require that only staff who have successfully completed emergency intervention training, as specified in CCR § 84365(b), be allowed to use emergency intervention techniques on children.

(4) Respondent understands that an excessive use of physical intervention on a child may be an indication that the child requires a higher level of care. As such, the necessary reappraisal of the child's needs and services plan shall be conducted and a determination shall be made as to the appropriateness of the child's continued placement at the facility.

(5) Respondent shall ensure that the necessary administrative review of manual restraints is conducted as specified in CCR § 84368.3, and, further, the findings of that review are documented in a written Incident Report that shall be submitted to the Licensing Agency in a timely manner, as specified in paragraph 4.L., below. Respondent shall ensure that the

appropriate disciplinary action is taken against any facility staff person(s) who causes serious injury, such as a broken bone or other extremity or any injury that requires medical treatment provided by a health practitioner, licensed under Division 2 of the Business and Professions Code, to a resident by exercising an unjustified restraint. In addition, all internal investigation reports regarding a manual restraint which has been determined to be unjustified shall be submitted with the written Incident Report or as an addendum.

(6) Respondent shall conduct a biannual review and analysis of the use of emergency interventions as specified in CCR § 84322(h)(2)-(h)(3) jointly by the Administrator and the Capital Regional Executive Director. Further, the biannual review and corrective action plan (if required), shall be submitted to the Licensing Agency no later than the fifth (5^{th}) day of the month following the review.

Respondent has represented that it plans to follow a revised Emergency Intervention Plan consistent with a new model of manual restraints and physical containments that will require its staff to use more non-physical intervention techniques in crisis intervention situations. The Emergency Intervention Plan will be implemented subject to the Department's Licensing Agency's review and approval. The Licensing Agency will review the revised Emergency Intervention Plan, including the Runaway Plan, and notify the Respondent within thirty (30) days of its receipt, whether the Plans have been approved or denied, or if additional information is needed, as specified in CCR § 84322(f). Further, any subsequent revisions or modifications to the Plans shall be submitted to the Licensing Agency for review and approval, as required by CCR § 84322.

K. Respondent shall ensure compliance with CCR § 84322.2 regarding its development and implementation of a Runaway Plan, which shall be subject to review and approval by the Licensing Agency, as set forth in paragraph

4.J., above. Further, Respondent shall ensure that there is a continuum of non-physical interventions and strategies to de-escalate a situation where a child has indicated his/her intent to run away from the Davis Campus, or when there is a suspicion that a child may run away, that will be utilized by staff to prevent and respond to runaway behaviors. Respondent agrees that there shall be sufficient staffing available at all times to ensure that no child leaves the Davis Campus without adult supervision and is shadowed while out in the community without permission until such time as the child is no longer visible to facility personnel. At that time, Respondent's policies and procedures shall state that the child shall be considered absent without leave (AWOL) and law enforcement shall be notified immediately, defined as no more than 15 minutes. Further, Respondent shall reevaluate the appropriateness of a child's placement if a child has been AWOL or attempted to run away from the Davis Campus three or more times in a month; or, in any instance, where a child has engaged in behavior while AWOL that raises an objectively reasonable suspicion that the child's individual needs can no longer be met or properly managed at the Davis Campus.

L. Respondent shall ensure that all reportable incidents are reported timely to the Licensing Agency, in accordance with the requirements set forth in CCR §§ 80061, 84061 and 84361. Further, Respondent's policies and procedures shall provide that the children's parent, legal guardian or authorized representative is notified by telephone immediately, defined as no more than one (1) hour, following the occurrence of any reportable incident. The incidents reported shall include, but not be limited to, any injury to a resident which requires medical treatment, any suspected physical or psychological abuse of a resident, all runaways or unexplained absences and the use of manual restraints. Further, Respondent shall establish policies and procedures to ensure that all Incident Reports are written with the level of specificity and information required by CCR

§§ 80061, 84061 and 84361. Furthermore, the 24-Hour CCL Reports submitted electronically to the Licensing Agency shall contain a concise, accurate and descriptive narrative of the incident and the name of the children involved in the underlying incident.

M. Respondent shall ensure that Davis Campus personnel have the appropriate skills necessary to provide for the supervision, protection and care of children individually and in groups at all times. Accordingly, in order to ensure that the Davis Campus is staffed by personnel who are qualified and competent to provide the services necessary to meet individual resident needs, Respondent shall develop a comprehensive training curriculum for all new and current employees who provide direct care services to children in care. The content of the training shall include, but not be limited to, the following: Supervision of youth, Reporting Requirements to the Department and as a mandated child abuse reporter, Personal Rights, applicable licensing laws and regulations, and Crisis Prevention and Emergency Intervention in Group Homes, including its Runaway Plan, new restraint protocol and non-physical interventions that Respondent will implement consistent with this Stipulation in crisis intervention situations. Training shall be mandatory for all employees and shall be on-going throughout the period of probation. A detailed description of the in-service trainings provided by Respondent and a record of all employees that attended the trainings shall be maintained and made available to the Licensing Agency upon request. Further, Respondent will maintain a complete and current copy of all applicable licensing laws and regulations governing group homes, and a copy of this Stipulation, at each of its residential locations at the Davis Campus for reference and use by staff.

N. Respondent's Capital Regional Executive Director, Administrator and Facility Manager shall attend the Group Home Orientation, Component III training provided by the Licensing Agency within sixty (60) days from the effective

date of this Stipulation. Respondent may contact the Licensing Agency's Regional Manager which has responsibility over the Davis Campus to make the necessary arrangements to schedule the Component III training. A copy of the Orientation Certificate shall be maintained in the Capital Regional Executive Director, Administrator and Facility Manager's personnel file and available for inspection by the Licensing Agency.

O. Respondent agrees to utilize all-staff meetings, employee tip-lines, and other forums to solicit honest employee feedback and the opportunity for 360 performance reviews that incorporate bottom-up feedback on an employee's direct supervisor, or so-called "skip level" reviews between an employee and upper manager. Further, Respondent shall develop a procedure that allows employees and residents to provide anonymous feedback directly to the Respondent's Board of Directors regarding the Davis Campus Program and its operations.

P. Respondent agrees to engage in a heightened community relations program, including town meetings, in order to re-establish its goodwill with the Davis community and the Davis Police Department. Further, at a minimum, Respondent agrees meetings should be held on a quarterly basis with the Davis Police Department in an effort to ensure continued collaboration and cooperation regarding recent incidents and events at the Davis Campus.

Q. Respondent, through its Capital Regional Executive Director, shall be accountable and responsible for the general supervision and overall operation of the Davis Campus. Respondent acknowledges that its Capital Regional Executive Director shall be responsible for the immediate over-sight of the Davis Campus Residential Treatment Program, the implementation of its Program Statement, Plan of Operation and Policies, and further, the management and supervisory oversight of the Administrator so as to ensure the operation of the Davis Campus in accordance with all applicable licensing laws, regulations, and

the terms and conditions of this Stipulation. Further, Respondent stipulates that the Capital Regional Executive Director may not be the designated Administrator of the Davis Campus or the administrator of any other licensed facility while holding the position of Capital Regional Executive Director. Respondent shall ensure that a copy of this Stipulation is provided to its Capital Regional Executive Director. The Capital Regional Executive Director shall acknowledge in writing that he/she received a copy of the Stipulation, and further, fully understands the terms and conditions of probation imposed by this Stipulation. The written acknowledgement shall be maintained in the Capital Regional Executive Director's personnel file and available for inspection by the Licensing Agency. Respondent has represented that the Capital Regional Executive Director shall be located on-site at the Davis Campus to directly oversee the rebuilding of its Program, interface with personnel in the Program, be available to address any staff concerns, attend Licensing site visits with the Administrator, and report feedback promptly to the Respondent's executive leadership.

R. Respondent's Board of Directors shall be active and functioning in order to ensure the Respondent's accountability for the general supervision and the establishment of policies concerning the operation of the Davis Campus, as required by CCR § 80063. The following terms and conditions of probation shall apply:

(1) Within fourteen (14) days of the effective date of this Stipulation, the Capital Regional Executive Director will deliver to each member of its Board of Directors, a copy of the regulations governing group home facilities, and a copy of this Stipulation, including all attachments.

(2) Within six (6) weeks of the effective date of this Stipulation, the Capital Regional Executive Director, will obtain and submit to the Department, a statement from each member of its Board of Directors acknowledging

receipt of the documents mentioned in 4.R.(1) above, and acknowledging their responsibilities pursuant to CCR §§ 80063 and 84063 to ensure the licensee is accountable for the general supervision of the Davis Campus, and their ability to delegate the management of the activities of the corporation provided that the activities and affairs of the corporation shall be managed and all corporate powers exercised under the ultimate discretion of the Board as provided in Corporations Code § 5210.

(3) During the first twenty-four (24) months of probation, the Capital Regional Executive Director shall prepare and submit to the Board of Directors written progress reports every quarter. These reports shall describe in sufficient detail, action taken by the Capital Regional Executive Director and its Administrator to ensure the facility's compliance, and to prevent or correct noncompliance with applicable licensing laws and regulations and the terms and conditions of probation contained in this Stipulation. The progress reports shall include, as attachments, copies of all licensing reports and penalty assessments issued to the Davis Campus over the preceding period; copies of all serious incident reports and resident complaints; suspected child abuse reports; plans of correction; personnel hires, resignation and terminations; and, any other information that will assist the Board of Directors in evaluating and monitoring the Davis Campus's operation and the performance of its personnel. In addition, the Capital Regional Executive Director shall meet with the Board quarterly, to present the report verbally to the Board of Directors. Nothing in this subparagraph is intended to limit the authority, discretion and responsibility of the Board, Capital Regional Executive Director or Administrator, as appropriate, to act immediately to correct serious deficiencies and conditions which threaten the safety and well-being of the children in care.

(4) A copy of all reports, records, notices, Board Resolutions, Board Minutes, or other writings generated by or for the Board of Directors concerning Respondent's compliance or noncompliance with the terms of probation contained in this Stipulation shall be submitted to the Licensing Agency within ten (10) days of each Board of Director's meeting during the first twenty-four (24) months of operation while on probation. Thereafter, this same information shall, upon request by the Licensing Agency, be made available for inspection and copying.

(5) Within sixty (60) days from the effective date of this Stipulation, a representative from Respondent's Board of Directors, the Capital Regional Executive Director, Administrator and/or Facility Manager shall attend a meeting to be held at the Regional Office during regular business hours for the purpose of reviewing and discussing this Stipulation. The meeting shall be scheduled by the Regional Manager and appropriate notice given to the Respondent of the date and time of the meeting.

(6) Further, during probation, the Regional Manager may require the attendance of at least one (1) of the Board members at meetings to be held at the Regional Office during regular business hours for the purpose of discussing Respondent's compliance with the terms of probation stated herein. The Regional Manager will call such meeting by sending a letter to the Respondent's Capital Regional Executive Director at least twenty-one (21) days before the meeting. The Regional Executive Director will immediately notify the Board of the date and time of the meeting.

S. This Stipulation shall be posted in a conspicuous place at the Davis Campus for the duration of the probationary period.

T. A copy of this Stipulation shall be provided to the appropriate placement agency, parent, guardian, or authorized representative of each child

placed at the Davis Campus. The parties agree that the intent of this requirement is to provide useful and specific information regarding the additional procedures to be followed and the services to be offered by Respondent for the benefit of the children. A written acknowledgement and receipt of the Stipulation provided shall be maintained by the Respondent in the child's records and available for inspection by the Licensing Agency. This notification shall remain a continuing obligation on the part of Respondent during the probationary period.

U. Respondent agrees that the Department's Licensing Agency and its staff may enter and inspect all areas of the Davis Campus and its records, on an announced or unannounced basis, to investigate any complaint of noncompliance, or for routine compliance monitoring purposes, at any time for the purpose of determining Respondent's compliance with applicable licensing laws, regulations, and the terms of this Stipulation. Respondent shall cooperate fully with any such inspection.

5. The parties agree that resolution of this matter by way of Stipulation is for purposes of settlement only. Any express or implied admissions contained in this Stipulation shall not constitute an admission of liability or be used in any civil, criminal, or administrative proceeding, unless the proceeding is to enforce the terms of this Stipulation.

6. The probationary period is tolled during any period when the Davis Campus is not operating. The probationary period shall be extended by the total time during which the Davis Campus is not operating with residents. Furthermore, if an Accusation or Petition to Revoke Probation is filed during the period of probation, the period of probation shall be extended until a final Decision and Order is adopted by the Department.

7. No sooner than thirty-six (36) months after the effective date of this Stipulation, Respondent FamiliesFirst may petition the Department to terminate

probation early and lift the stay of revocation imposed on its license in paragraphs 2 and 3, above. Further, Respondent FamiliesFirst shall also submit an application to increase its licensed capacity from 36 to 54 children as part of its petition for early termination of probation. The petition shall be subject to the Department's review and determination that the Davis Campus has operated in substantial compliance with the applicable licensing laws and regulations during probation for a period of no less than twenty-four (24) months. The Department shall review any such petition in good faith and in a timely manner. The Department's decision shall be final with no right to an administrative hearing or judicial review by Respondent FamiliesFirst.

8. If Respondent FamiliesFirst has successfully complied with the terms of this Stipulation, at the end of four (4) years from the effective date, the conditions imposed upon Respondent FamiliesFirst's license will expire and Respondent FamiliesFirst's license shall be granted or restored in full. However, the Respondent FamiliesFirst's licensed capacity for the Davis Campus shall remain at 54 children as a condition of licensure until such time as an application for an increase in capacity is submitted and approved by the Department. Further, the ages of the children served at the Davis Campus shall be limited to children between the ages of 12 and 17; or, children between the ages of 10 and 19, including NDMs should the requested application to change the age range be approved by the Department as set forth in paragraph 4.B., above.

9. Respondent FamiliesFirst agrees that violation of any of the terms of probation or any of the other terms of this Stipulation shall constitute sufficient grounds for the revocation of the probationary license granted herein. In such an event, Respondent FamiliesFirst shall be entitled to an administrative hearing before the Office of Administrative Hearings on the sole issues of whether there was a serious or substantial violation of a material term and/or condition herein, and whether Respondent FamiliesFirst has caused and/or permitted such a violation. Upon a finding that a

condition or term of probation or any of the other terms of this Stipulation was violated, the probationary license shall be revoked. Respondent FamiliesFirst agrees that valid service of an Accusation to revoke the probationary license provided herein may be effectuated by certified mail at the address identified in the caption of this Stipulation or at an address listed in a subsequently issued probationary license.

10. The fact that the Department may decline or omit to take immediate disciplinary action for a violation of a condition of probation or any of the other terms of this Stipulation does not constitute a waiver by the Department of the right to raise that violation at a later date in a disciplinary proceeding or in any other context. Respondent FamiliesFirst understands that nothing in this Stipulation is to be construed to limit the authority of the Department to impose discipline for violations of statutes and regulations applicable to Respondent FamiliesFirst. If any Accusation seeking to revoke probation is filed by the Department during the period of probation, then the period of probation and the probationary terms shall be extended, if necessary, beyond four (4) years and shall remain in force and effect until such time as the Department issues a final Decision and Order on the Accusation.

11. Respondent FamiliesFirst understands that it must pay a probation monitoring fee equal to the annual fee for the license during the period of probation as required by Health and Safety Code § 1523.1.

12. The parties waive their rights to a hearing in this matter, to present any evidence on their behalf and to cross-examine witnesses testifying on the other party's behalf. The parties further waive their rights to further discovery in this matter. Respondent FamiliesFirst understands that the pending administrative hearing, which is scheduled for June 9, 2014 through July 18, 2014, will be resolved in accordance with this Stipulation, except as provided in paragraph 9, above.

13. Respondent FamiliesFirst waives all rights of review arising out of this action or this Stipulation or the Order implementing it, including but not limited to a

petition for reinstatement, reduction of penalty, or rehearing, writ of administrative mandamus, any other judicial or administrative review or any other right or ability it may have to seek to have this Stipulation modified or set aside on any grounds whatsoever.

14. The parties waive all known or unknown legal actions or claims against each other, or their employees or agents that they may have acquired or come to acquire arising out of this matter, with the following exceptions:

A. Civil penalties;

B. Monitoring fees; and

C. Any action arising out of an audit or other review to establish, modify, preserve, enforce, or to recover an overpayment or to reimburse an underpayment of public or private funds.

Further, it is understood and agreed that this is a full and final settlement of all claims related to this matter and a release of all unknown, undisclosed and/or unanticipated damages or claims now known, disclosed and/or anticipated with the exception of an action to enforce this Stipulation. The parties expressly waive and relinquish any and all rights and benefits, which either may have now or in the future have, under California Civil Code § 1542, which provides as follows:

"A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor."

15. The provisions of this Stipulation are severable. If any provision of this Stipulation or its application is held invalid, that invalidity shall not affect other provisions or applications of the Stipulation that can be given effect without the invalid provision or application.

16. The terms of this Stipulation and Waiver are enforceable by the Department in any court of competent jurisdiction.

17. This Stipulation is a public record as required by § 11517(d) of the Government Code. It is accessible to the public pursuant to the Public Records Act, § 6250 et seq. of the Government Code.

18. Darrell Evora, MCP, MBA represents that he is the President and Chief Executive Officer of Respondent FamiliesFirst. In entering into this Stipulation, Respondent represents that its Board of Directors has reviewed the allegations contained in the Accusation and that in executing this Stipulation, Darrell Evora has the authority to so act on behalf of Respondent FamiliesFirst.

19. A facsimile or scanned copy of the signature page of this Stipulation will bind the signing party or parties to the terms and conditions herein once any remaining party or parties execute the document and once the Order is executed. Further, Respondent FamiliesFirst represent and warrant that Linda Randlett Kollar, Esq., of Hooper, Lundy & Bookman, P.C., is the attorney employed to represent them with respect to this Stipulation and all matters covered herein, that it has been fully advised by said attorney with respect to its rights and with respect to the execution of this Stipulation and to all matters which are the subject thereof.

20. This Stipulation may be executed in counterparts.

21. This Stipulation is effective on the date on which the Department's Order adopting it is executed.

22. This Stipulation constitutes the entire agreement between the parties with respect to the Accusation in this case. Moreover, the terms of this Stipulation may not be amended except in writing, signed by all the parties thereto.

IT IS SO STIPULATED:

11/1/13
DATED

DARRELL EVORA, MCP, MBA
President & Chief Executive Officer
Respondent FAMILIESFIRST INC.

Nov 1, 2013
DATED

LINDA RANDLETT KOLLAR, ESQ.
Attorney for Respondent

November 5, 2013
DATED

CONNIE SKOW
Senior Staff Attorney
Attorney for Complainant

11/6/2013
DATED

DAVID F. DODDS, Complainant
Interim Deputy Director
Community Care Licensing Division
Department of Social Services
State of California

DECISION AND ORDER

The preceding Stipulation in the Matter of FamiliesFirst Inc., CDSS Case No.: 7013158202 hereby is adopted by the Department as its Decision in this matter.

IT IS SO ORDERED THIS 7th DAY OF November, 2013.

MARK M. REESE
Assistant Chief Counsel
Legal Division