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SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF ORANGE, CENTRAL JUSTICE CENTER

CITY OF WESTMINSTER, a Municipal Corporation, Plaintiff, vs. NICOLE BROWN; PETER GREGORY SCHUMAN; and DOES 1 to 10, inclusive, Defendants.	Case No. 30-2025-01495463-CU-FR-CJC **COMPLAINT FOR DAMAGES FOR:** **1. FRAUD;** **2. CONSPIRACY;** **3. FALSE CLAIMS; AND** **4. RESTITUTION** Action filed: Assigned for All Purposes Judge H. Shaina Colover

Plaintiff City of Westminster, a Municipal Corporation, alleges as follows:

GENERAL ALLEGATIONS

COMES NOW, Plaintiff City of Westminster (hereinafter referred to as "Plaintiff" or "Westminster"), hereby complains and alleges as follows:

1. Plaintiff City of Westminster is, and at all times material to this action was, a municipality duly incorporated in the State of California.

2. Plaintiff is informed and believes, and thereupon alleges, that Defendants NICOLE BROWN, PETER GREGORY SCHUMAN and DOES 1-10 are, and at all times material to this action, were doing fraudulent acts in the County of Orange.

3. Plaintiff is informed and believes, and thereupon alleges, that Defendant

NICOLE BROWN (hereinafter referred to as "Brown), is an individual who, all times material to this action, was residing in Orange County, California.

4. Plaintiff is informed and believes, and thereupon alleges, that Defendant PETER GREGORY SCHUMAN (hereinafter referred to as "Schuman") is an individual who, all times material to this action, was residing in Orange County, California and is doing business as an attorney in Orange County.

5. Plaintiff is informed and believes, and thereupon alleges, that at all times herein mentioned Defendants, DOE 1 through DOE 10, inclusive, were co-conspirators to the acts alleged herein.

6. Plaintiff is presently unaware of the true names, identities, or capacities of those sued herein as DOE 1 through DOE 10, inclusive, and Plaintiff therefore sues said defendants by such fictitious names. Plaintiff will seek leave of Court, if necessary, to insert the true names, identities, and capacities of said fictitiously named Defendants when such identities have been ascertained. Plaintiff is informed and believes, and thereupon alleges, that each and all of said Defendants who are sued herein by their fictitious names are negligent or responsible at law in some manner for the happening of said incident(s) alleged.

7. Plaintiff is informed and believes, and thereon alleges, that at all times herein mentioned, each Defendant was the agent and employee of each of the remaining Defendants, and, at all times herein mentioned, each of said Defendants were acting within the course and scope of said agency and employment.

INTRODUCTORY ALLEGATIONS

8. Brown, was hired by Westminster on June 15, 2018 as a Homeless Liaison Officer with a rank of Police Officer II. On March 21, 2022, Brown was responding to a call where she claimed to have sustained what appeared to be minor injuries. She was diagnosed at the Emergency Room with a mild abrasion to her forehead which she claimed to have sustained while trying to arrest an uncooperative suspect (hereinafter referred to as "Arrest Incident"). After Brown notified Westminster of her claimed injur(ies), she told her watch commander that she had a headache and was feeling dizzy. An emergency room

doctor who examined her on the day of the Arrest Incident released her back to work without restrictions; however, she called out sick for several days thereafter. About a week after the Arrest Incident, examining doctors were told by Brown that she believed she had a concussion. Brown was placed on Total Temporary Disability due to her claims of, including but not limited to, not being able to be in bright sunlight, not being able to tolerate loud noises and not being able to look at electronic devise screens. Being on Total Temporary Disability made Brown eligible to receive her full salary for up to a year and two-thirds of her salary after that. Investigation by Westminster revealed that during the three days she called out sick after her injury, Brown went to several soccer conferences in San Diego. On or about December 31, 2022, Brown was observed looking at and using her phone as well as visiting a well-lit, loud restaurant. Brown was observed to be laughing outside on a bright day and did not use sunglasses to reduce her alleged photophobia.

9. In the following year while collecting disability, Brown ran in two 5K races, went snowboarding and/or skiing in Big Bear and Mammoth, attended baseball games, played golf, went to Disneyland and took online courses with a local university.

10. On April 29, 2023, a fellow officer came forward when he saw her at Stagecoach Music Festival held in Coachella Valley, California where she was observed to be dancing and drinking alcoholic beverages in a setting with loud music and bright lights, activities which were inconsistent with her claimed disabilities given her claims that she could not look at any kind of screen including computer, phone or jumbotrons. Three days after she returned from the Stagecoach Music Festival she was in an assessment meeting where she alleged that she could not look at the screen, wore glasses for "photophobia" and seemed unable to carry on a conversation.

11. Plaintiff is informed and believes, and thereon alleges, that Schuman, Brown's stepfather and legal representative, attended the assessment meeting and claimed that Brown could not do paperwork or take messages of telephone calls.

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FIRST CAUSE OF ACTION

(Fraud as to All Defendants)

12. Plaintiff incorporates herein the allegations of paragraphs 1 through 11 above.

13. This case arises out of a massive and years-long scheme by Defendants to defraud the City of Westminster and AdminSure, the City's Workers' Compensation Administrator of money and property by falsely and fraudulently inflating the claims made on behalf of Brown and aided and abetted by Schuman and DOES 1-10.

14. Unbeknownst to Plaintiff, Defendants have exploited the Workers' Compensation laws of the State of California by submitting false claims, seeking compensation for alleged injuries which never incurred or were grossly exaggerated. Defendants participated in the fraudulent scheme knowingly and with the intent to deceive and defraud Plaintiff for their benefit.

15. Defendants intended that Plaintiff rely, and Plaintiff did rely, on Defendants' fraudulent claims in entirely paying false and/or inflated claims associated with fraudulently asserted claims.

16. On May 16, 2025, a Felony Complaint was filed against Brown and Schuman by the Orange County District Attorney.

17. Plaintiff is informed and believes, and thereon alleges, that between March 30, 2022 and July 25, 2023, in violation of the California Penal Code Section 550(b)(3), Brown committed insurance fraud with the intent to defraud Plaintiff and AdminSure to secure insurance benefits and payments, she failed to disclose to Dr. Aish her true physical status in order to remain off-work and be paid indemnity benefits.

18. Between March 30, 2022 and July 25, 2023, in violation of the California Insurance Code section 1871.4(a)(1), Brown committed insurance fraud with the intent to defraud Plaintiff and AdminSure and made knowingly false and fraudulent material statements and material misrepresentations for the purpose of obtaining compensation defined by Section 3207 of the Labor Code in that Brown told Dr. Aish that she had ongoing symptoms including, but not limited to, frequent headaches, balance issues, sensitivity to

light, sensitivity to noise, inability to watch TV, an inability to use the computer or read a computer screen, inability to focus and that she was unable to work as a police officer.

19. On or about August 23, 2022, in violation of Section 1871.4(a)(2) of the Insurance Code (Make Fraudulent Statements), Brown knowingly and unlawfully made knowing false and fraudulent material statements and representations for the purpose of obtaining compensation as defined in Section 3207 of the Labor Code in that she told Dr. Mahdad that she could not multi-task, that when she tries to read or watch TV, she starts to get headaches, she has trouble finding words and completing sentences, that she has problems understanding others and is sometimes light-headed and has a partial spinning session, and that the she feels poorly coordinated.

20. On or about August 23, 2022, in violation of Section 550(b)(3) of the Penal Code (Insurance Fraud), Brown, with the intent to defraud, did unlawfully conceal and knowingly fail to disclose, and did knowingly assist with another person to conceal and failed to disclose the occurrence of an event(s) and fact(s) that affected the initial and continuing right and entitlement from the Plaintiff and AdminSure to an insurance benefit and payment, which she was not entitled; namely, she failed to disclose to Dr. Mahdad her true abilities and activities, including but not limited to attending conferences, completing on-line courses and/or exams, and the ability to do Google searches and perform views on her phone.

21. On or about September 20, 2022, in violation of Section 1871.4(a)(1) of the Insurance Code (Make Fraudulent Statements), Brown did unlawfully make and cause to be made knowingly false and fraudulent material statements and material representations for the purpose of obtaining and continuing to obtain compensation as defined in Section 3207 of the Labor Code, due to her fraudulent claims that she continues to have symptoms, including ongoing headaches.

22. On or about September 20, 2022, in violation of Section 550(b)(3) of the Penal Code (Insurance Fraud), Brown, with the intent to defraud, did unlawfully conceal and knowingly fail to disclose, and did knowingly assist with another person to conceal and

fail to disclose the occurrence of an event and a fact that affected the initial and continued material right and entitlement from the Plaintiff and AdminSure to an insurance benefit and payment, and to the amount of a benefit and payment to which she was entitled; namely, she failed to disclose her true abilities and activities including but not limited to attending conferences, completing on-line courses and/or exams, and the ability to do Google searches and views on her phone and going to the OC Fair on August 23, 2022.

23. On or about November 8, 2022, in violation of Section 1871.4(a)(1) of the Insurance Code (Make Fraudulent Statements), Brown did unlawfully make and cause to be made a knowingly false and fraudulent material statement and material representation for the purpose of obtaining compensation as defined in Section 3207 of the Labor Code in that Brown told Dr. Mahdad was she had problems expressing herself, she could not watch TV because of headaches, and she only walks outdoors when the sunlight is less bright.

24. On or about January 10, 2023, in violation of Section 550(b)(3) of the Penal Code (Insurance Fraud), Brown, with the intent to defraud, did unlawfully conceal and knowingly fail to disclose, and did knowingly assist with another person to conceal and fail to disclose the occurrence of an event and a fact that affected the initial and continued material right and entitlement of her to an insurance benefit and payment, and to the amount of a benefit and payment to which she was entitled; namely, Brown failed to disclose the fact that she went to the mountains and snowboarded and/or skied in November and December 2022, and that she ran a 5K on December 24, 2022.

25. On or about March 21, 2023, in violation of Section 1871.4(a)(1) of the Insurance Code (Make Fraudulent Statements), Brown did unlawfully make and cause to be made a knowingly false and fraudulent material statement and material representation for the purpose of obtaining and denying compensation as defined in Section 3207 of the Labor Code, in that Brown told Dr. Mahdad she still had issues reading from a computer screen, had issues working on a tablet and had issues staring at her phone for extended periods of time.

26. On or about May 17, 2023, in violation of Section 1871.4(a)(1) of the

Insurance Code (Make Fraudulent Statements), Brown did unlawfully make and cause to be made a knowingly false and fraudulent material statement and material representation for the purpose of obtaining and denying compensation as defined in Section 3207 of the Labor Code in that Brown told Dr. Mahdad she still has photophobia and problems with screens, computers and cell phones.

27. On or about May 17, 2023, in violation of Section 550(b)(3) of the Penal Code (Insurance Fraud), Brown, with the intent to defraud, did unlawfully conceal and knowingly fail to disclose, and did knowingly assist with another person to conceal and fail to disclose the occurrence of an event and a fact that affected the initial and continued material right and entitlement from the Plaintiff and AdminSure to an insurance benefit and payment, and to the amount of a benefit and payment to which AdminSure was entitled, namely; Brown failed to tell Dr. Mahdad she was able to and did go to the Stagecoach Country Music Festival on the weekend of April 28, 2023, where she was drinking, dancing, listening to loud music, outside in the sunlight and at night where there were hundreds of spotlights and strobe lights present and active.

28. On or about August 22, 2023, in violation of Section 1871.4(a)(1) of the Insurance Code (Make Fraudulent Statements), Brown did unlawfully make and cause to be made a knowingly false and fraudulent material statement and material representation for the purpose of obtaining and denying compensation as defined in Section 3207 of the Labor Code in that Brown told Dr. Feiwell that she had some difficulty with writing, typing, standing, sitting, reclining and walking; that she had medium difficulty with seeing, hearing, ascending and descending stairs, riding in a car and at times severe difficulty with hearing and speaking and that she was unable to drive a car.

29. On or about September 1, 2023, in violation of Section 1871.4(a)(1) of the Insurance Code (Make Fraudulent Statements), Brown did unlawfully make and cause to be made a knowingly false and fraudulent material statement and material representation for the purpose of obtaining and denying compensation as identified in Section 3207 of the Labor Code in that Brown told Clinical Evaluator Michael Elliott that she was

hypersensitive to bright light, had blurred vision, impaired vision, global weakness and attention and concentration deficits.

30. On or about December 04, 2023, in violation of Section 1871.4(a)(1) of the Insurance Code (Make Fraudulent Statements), Brown did unlawfully make and cause to be made a knowingly false and fraudulent material statement and material representation for the purpose of obtaining and compensation as defined in Section 3207 of the Labor Code in that Brown told Dr. Prasad her headaches were so severe it makes new learning difficult; she had dizziness and hearing loss.

31. On or about and between September 1, 2023 and February 28, 2024, in violation of Section 550(b)(3) of the Penal Code (Insurance Fraud), Brown, with the intent to defraud, did unlawfully conceal and knowingly fail to disclose, and did knowingly assist with another person to conceal and fail to disclose the occurrence of an event and a fact that affected the initial and continued material right and entitlement from the Plaintiff and AdminSure an insurance benefit and payment, and to the amount of a benefit and payment to which she was entitled; namely, Brown failed to disclose to the health providers at the Center for Neuroskills (CNS) what her true activities and abilities were from the date of the injury through her treatment at CNS.

32. On or about and between May 3, 2023 and May 15, 2025, in violation of Section 1871.4(a)(3) of the Insurance Code (Assist, Abet, Conspire, Solicit Person In Unlawful Act), Schuman did knowingly assist, abet, conspire with, and solicit a person in an unlawful act under this section, to wit; Schuman aided and abetted Brown in the commission of the crimes of insurance fraud by his words and actions since his known involvement began on May 3, 2023.

33. On or about and between May 3, 2023 and May 15, 2025, in violation of Section 550(b)(3) of the Penal Code (Insurance Fraud), Schuman, with the intent to defraud, did unlawfully conceal and knowingly fail to disclose, and did knowingly assist with another person to conceal and fail to disclose the occurrence of an event and a fact that affected the initial and continued material right and entitlement from Plaintiff and

AdminSure to an insurance benefit and payment, and to the amount of a benefit and payment to which she was entitled; namely, Schuman failed to disclose to the Plaintiff and to the medical provider for Brown what Brown's true activities and abilities were while she was being treated for her alleged workers' compensation injuries.

34. As direct and proximate result of the intent to defraud, Brown and Schuman unlawfully concealed and knowingly failed to disclose, and did knowingly assist with another person to conceal and fail to disclose the occurrence of an event and a fact that affected the initial and continued material right and entitlement from Plaintiff and AdminSure to an insurance benefit and payment and such conduct induced Plaintiff and AdminSure to make payments to Brown in excess of $600,000 and caused Plaintiff additional and other damages including but not limited to the cost of investigation, examination and administration of the claims made by Brown and as sought on her behalf by Schuman.

35. The fraudulent and false representation of Defendants, and each of them, state a prima facie claim for punitive damages, as defined in the general punitive damage statute, Civil Code section 3294. The Defendants, and each of them, were guilty of oppression, fraud or malice. (Civ. Code § 3294, subd. (a).) "'Malice' is defined in the statute as conduct 'intended by the defendant to cause injury to plaintiff, or despicable conduct that is carried on by the defendant with a willful and conscious disregard for the rights or safety of others.' (Civ. Code § 3294, subd. (c)(1); 'Oppression' means despicable conduct that subjects a person or entity to cruel and unjust hardship in conscious disregard of that person of their rights. (Civ. Code, § 3294 subd. (c)(2).) 'Fraud' is 'an intentional misrepresentation, deceit, or concealment of a material fact known to the defendant with the intention on the part of the defendant of thereby depriving a person of property or legal rights or otherwise causing injury.'" (Civ. Code § 3294, subd. (c)(3).)

36. Brown and Schuman did unlawfully make and cause to be made knowingly false and fraudulent material statements and material representations for the purpose of obtaining compensation and these statements were intended by the Defendants to cause

injury to Plaintiff which is despicable conduct carried on by the Defendants with a willful and conscious disregard for the rights of Plaintiff and with the intent to cause Plaintiff injury and damage.

37. Brown and Schuman did unlawfully carry out despicable conduct that subjected Plaintiff to cruel and unjust hardship in conscious disregard of Plaintiff's rights.

38. Brown and Schuman did make intentional misrepresentation, deceit, or concealment of a material fact known to the Defendants with the intention on the part of the Defendants of thereby depriving Plaintiff of property and otherwise causing injury to Plaintiff.

SECOND CAUSE OF ACTION

(Conspiracy as to All Defendants)

39. Plaintiff incorporates herein the allegations of paragraphs 1 through 38 above.

40. Plaintiff alleges that Brown and Schuman and all other Defendants conspired to commit acts defrauding Plaintiff and AdminSure to secure insurance benefits and payments, and to intentionally state claims as to the amount of a benefit and payment to which Brown was entitled, by an agreement to deceive or trick Plaintiff and AdminSure, with the specific intent to defraud or deceive to gain or to cause harm to Plaintiff.

41. The conspirators took steps forward in furtherance of the conspiracy and proximally caused damages to Plaintiff.

THIRD CAUSE OF ACTION

(Violations of California False Claims Act - California Government Code section 12651(a)(2) as to All Defendants)

42. Plaintiff incorporates herein the allegations of paragraphs 1 through 41 above.

43. Since at least March 20, 2022, Defendants, and each of them, knowingly presented and caused to be presented, false and fraudulent claims to a government entity to obtain workers compensation benefits for Brown.

44. Through the acts described above, Defendants, and each of them made false statements and claims and as a result, Plaintiff and AdminSure paid money that they would

not have otherwise paid.

45. This is a claim for treble damages and forfeiture under the False Claims Act, Government Code sections 125650 et. sec.

FOURTH CAUSE OF ACTION

(Restitution as to All Defendants)

46. Plaintiff incorporates herein the allegations of paragraphs 1 through 45 above.

47. Both Penal Code section 550, subdivision (b)(3), and Insurance Code section 1871.4, subdivision (a)(1) relate to insurance fraud. Penal Code section 550 is a general statute prohibiting all types of insurance fraud. Insurance Code section 1871.4 specifically targets workers' compensation fraud.

48. In the event that Brown and/or Schuman are ordered to pay a restitution fine under Penal Code section 1202.4, subdivisions (b) and (m), a restitution fine under Insurance Code section 1871.4, subdivision (b); and victim restitution under Penal Code section 1202.4, subdivision (f), Plaintiffs seek damages from Brown and Schuman in the amount of required payment of restitution.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff prays for judgment as follows:

ON THE FIRST CAUSE OF ACTION

1. That Plaintiff recovers damages in an amount to be proven at trial and be awarded interest thereon (Civil Code section 32870);

2. That Plaintiff recovers attorney's fees to the extent authorized by law.

3. That Plaintiff recovers punitive damages in an amount to be proven at trial and be awarded interest thereon.

ON THE SECOND CAUSE OF ACTION

1. That Plaintiff recovers damages in an amount to be proven at trial and be awarded interest thereon (Civil Code section 32870);

2. That Plaintiff recovers Attorney's fees to the extent authorized by law.

3. That Plaintiff recovers punitive damages in an amount to be proven at trial

and be awarded interest thereon.

ON THE THIRD CAUSE OF ACTION

1. That Plaintiff recovers treble damages in an amount to be proven at trial and be awarded interest thereon;

2. That Plaintiff recover civil penalties for each false and fraudulent claims submitted to the Government Plaintiff. The penalty per claim falls within a range, with the minimum penalty for each false claim being $14,308 and the maximum being $28,618 (as of January 13, 2025);

ON THE FOURTH CAUSE OF ACTION

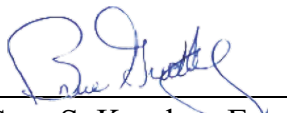
1. Restitution to the extent awarded by the Court.

ON ALL CAUSES OF ACTION

1. Such other and further relief as the Court deems just.

Dated: July 8, 2025

JONES MAYER

By: 

Gary S. Kranker, Esq.
Bruce C. Gridley, Esq.
Attorneys for Defendant
CITY OF WESTMINSTER