

**UNITED STATES DISTRICT COURT
DISTRICT OF MINNESOTA**

THE QC GROUP, INC., DANIEL
MEDFORD, and DAVID DEVOWE,

Plaintiffs,

vs

KATHLEEN SEBELIUS, in her official
capacity as Secretary of the United States
Department of Health and Human Services or
her successor; and the UNITED STATES
DEPARTMENT OF HEALTH AND
HUMAN SERVICES;

SETH D. HARRIS, in his official capacity as
Acting Secretary of the United States
Department of Labor or his successor; and the
UNITED STATES DEPARTMENT OF
LABOR;

JACOB LEW, in his official capacity as U.S.
Secretary of the Treasury or his successor;
and the UNITED STATES DEPARTMENT
OF THE TREASURY, and

DANIEL I. WERFEL, in his official capacity
as Acting Commissioner of Internal Revenue
or his successor; and the INTERNAL
REVENUE SERVICE,

Defendants.

Civil File No. _____

**VERIFIED COMPLAINT FOR
DECLARATORY AND
INJUNCTIVE RELIEF**

JURY TRIAL DEMANDED

Verified Complaint for Declaratory and Injunctive Relief

Plaintiffs Daniel Medford (“Medford”) and David DeVowe (“DeVowe”) and their company The QC Group, Inc. (“Company”), through their counsel, complain against the above-named Defendants (collectively “HHS”) as follows:

Introduction

1. In this action, Medford, DeVowe, and their privately-held Company challenge certain regulations adopted under the 2010 Patient Protection and Affordable Care Act (“Affordable Care Act”), Pub. L. No. 111-148, 124 Stat. 119. The generally applicable regulations force certain religious persons who own and/or operate for-profit companies to include in their group health plans coverage for products and services that violate their religious beliefs under threat of substantial monetary fines and penalties.

2. Specifically, Medford, DeVowe, and their Company seek declaratory and injunctive relief from the operation of the final rules promulgated by the HHS mandating that all group health plans, inclusive of self-insured plans, include coverage, without cost sharing, for “[a]ll Food and Drug Administration [(FDA)] approved contraceptive methods, sterilization procedures and patient education and counseling for all women with reproductive capacity” in plan years beginning on or after August 1, 2012 (“the HHS Mandate”), *see* 45 CFR § 147.130 (a)(1)(iv), as confirmed at 77 Fed. Reg. 8725 (Feb. 15, 2012), adopting and quoting Health

Resources and Services Administration Guidelines found at <http://www.HealthResourcesServices.gov/womensguidelines>.

3. Medford and DeVowe are each owners of the Company. Medford owns a 70% share and DeVowe owns a 30% share. Both Medford and DeVowe are Christians. They both hold sincere religious beliefs based on the Bible, which they believe is the inerrant Word of God. They believe that God, as the Author of Life, has created man in His own image and forms him in his mother's womb – i.e., a person is created at conception. They therefore believe, as they believe the Bible teaches, that abortion is murder because it is the killing of an innocent person, which is a violation of God's moral law—a sin. They also believe that God, the Creator of human life, does not condone the use of birth control (which includes ella, Plan B, the Pill, and other forms of contraceptive required by the HHS Mandate) in any form because they interfere with God's sovereign will regarding whether and when human beings should be born. They therefore believe that the use of birth control and the purchase of it, directly or indirectly for another, is a sin. Medford and DeVowe also believe that by providing HHS-Mandate-compliant coverage for their employees, their witness for Jesus Christ would be tarnished because their actions would contradict Biblical principles.

4. To Medford and DeVowe, the HHS Mandate is sinful and immoral. Yet, the Mandate is coercing them and their Company to violate their religious

beliefs and exposing them or their Company or both to governmental imposition of substantial fines and penalties. Medford and DeVowe, through their Company, offer group health insurance as an employee benefit to attract more talented and qualified applicants. However, Medford and DeVowe also believe that by providing the coverage required by the HHS Mandate, they would be committing sin against a holy and just God. Thus, Medford and DeVowe must now confront the federal coercion imposed upon them and violate the HHS Mandate absent relief.

5. As it presently stands, the HHS Mandate violates Medford and DeVowe's constitutionally protected rights of freedom of speech, freedom of religion, due process and equal protection. The Mandate further violates the Religious Freedom Restoration Act and the Administrative Procedures Act. Injunctive relief and a declaratory judgment will, in the first instance, allow Medford, DeVowe, and their Company to continue providing their employees with group health insurance without an HHS Mandate, avoid tarnishing their witness to Jesus Christ before their employees, relatives, and friends, and free them and the Company from unconstitutional and substantial government burdens that purport to force them to contradict their religious beliefs and interfere with their religious exercise. The injunction will allow Medford and DeVowe to operate the Company and their future businesses in a manner consistent with and not in violation of their

sincerely-held religious beliefs. The injunction would also further the purpose of the Patient Protection and Affordable Care Act by allowing Medford and DeVowe, through the Company, to continue to provide health insurance coverage for their employees. The injunction would also protect the Company's employees from the imposition of significant penalties upon them by the Internal Revenue Service if their health insurance coverage through the Company were to terminate and they were to fail to get coverage compliant with the individual mandate of the PPACA.

6. HHS' actions violate Medford, DeVowe, and the Company's right to freely exercise their religion, which are protected by the First Amendment and the Fifth Amendment of the United States Constitution and the Religious Freedom Restoration Act, 42 U.S.C. § 2000bb *et seq.* ("RFRA").

7. HHS' exemptions of religious non-profit employers but not for-profit business owners with the same religious objections violate the Establishment Clause of the First Amendment to the United States Constitution.

8. HHS' actions also violate Medford, DeVowe, and the Company's rights to freedom of speech, which are protected by the Free Speech Clause of the First Amendment to the United States Constitution.

9. Further, HHS' actions violated the Administrative Procedures Act, 5 U.S.C. § 553, by adopting and imposing the HHS Mandate without prior notice or public comment.

10. Medford, DeVowe, and the Company are currently being impermissibly coerced by the HHS Mandate and its substantial fines and penalties to violate their sincerely held religious beliefs.

11. Medford, DeVowe, and the Company will continue to be harmed unless this Court provides them their requested declaratory and injunctive relief from the HHS's illegal and unconstitutional actions. This injunctive relief must include barring the IRS and all agencies from the imposition of any and all fines and penalties under the Mandate and any regulations that could enforce it against the Company, Medford, DeVowe, and their employees.

Jurisdiction and Venue

12. This action arises under the Constitution and laws of the United States. This Court has subject matter jurisdiction pursuant to 28 U.S.C. §§ 1331, 1361 and 42 U.S.C. § 1983. This Court has jurisdiction to render declaratory and injunctive relief under 28 U.S.C. §§ 2201 & 2202, 42 U.S.C. § 2000bb-1, and 5 U.S.C. § 702. This Court has jurisdiction to award reasonable attorney's fees and costs under the Equal Justice Act, 28 U.S.C. § 2412, and 42 U.S.C. § 1988.

13. Venue is appropriate in this district pursuant to 28 U.S.C. § 1391(e)(1) because the Plaintiffs reside within this district.

The Parties

14. Plaintiff Daniel Medford is an individual and a citizen of the State of Minnesota. He is a 70% owner of the Company and is President of the Company. He is a member and administrator of the Straitgate Church in Minneapolis, Minnesota, a nondenominational Christian church, where he and his family attend church services and are involved in Straitgate Church's inner-city busing ministry.

15. Plaintiff David DeVowe is an individual and a citizen of the State of Minnesota. He is a 30% owner of the Company and is General Manager of the Company. He is a founding pastor and member of the Cornerstone Church, which meets in Kingston, Minnesota and in various church families' homes each week. Cornerstone Church is a nondenominational Christian church, and Mr. DeVowe and his family attend church services there each week. Mr. DeVowe preaches to the congregation once every month.

16. Plaintiff The QC Group, Inc. ("Company") is a Minnesota corporation owned by Medford and DeVowe. The address of the Company's corporate headquarters is 5950 Clearwater Drive #300, Minnetonka, Minnesota 55343. The Company is privately held. The Company offers quality control services including inspection, engineering, training, and staffing to its clients across the Midwest and the country. The Company, which sells "quality," has itself a reputation for

quality work and its company culture rooted in Judeo-Christian values as they are found in the Bible.

17. Defendant United States Department of Health and Human Services (“HHS”) is an agency of the United States. HHS is responsible for the administration and enforcement of the HHS Mandate.

18. Defendant Kathleen Sebelius or her successor is the Secretary of Health and Human Services. As Secretary, she is responsible for the operation and management of the HHS. She is sued in her official capacity only.

19. Defendant United States Department of Labor is an agency of the United States government. The Department of Labor is responsible for the administration and enforcement of the HHS Mandate.

20. Defendant Seth D. Harris or his successor is the Acting Secretary of the United States Department of Labor. As Acting Secretary, he is responsible for the operation and management of the Department. He is sued in his official capacity only.

21. Defendant United States Department of the Treasury is an agency of the United States government. The Department of the Treasury is responsible for the administration and enforcement of the Mandate.

22. Defendant Jacob Lew or his successor is the Secretary of the Department of the Treasury. As Secretary, he is responsible for the operation and

management of the United States Department of the Treasury. He is sued in his official capacity only.

23. Defendant Internal Revenue Service is an agency of the United States government. The IRS is responsible for the administration and enforcement of the Affordable Care Act, including its penalties and taxes.

24. Defendant Daniel I. Werfel or his successor is the Acting Commissioner of Internal Revenue. As Acting Commissioner, he is responsible for the operation, and management of the Internal Revenue Service. He is sued in his official capacity only.

Factual Allegations

Daniel Medford, David DeVowe, and the Company hold sincere religious beliefs that the HHS Mandate forces them to violate.

25. Medford and DeVowe are Christians. They both hold sincere religious beliefs based on the Bible, which they believe is the inerrant Word of God and which Jesus Christ stated testifies of Him. *John 5:39*.

26. Medford became a Christian in 1986, when he discovered that all people will, after death, be judged at the Great White Throne Judgment. He realized that he had not been born again—he had not yet accepted Jesus Christ's substitutionary death on the cross for forgiveness of his sins. Thus, he knew that he would be cast into hell for eternity if he did not repent of his sins and believe on Jesus. He repented of his sins and put his faith in Jesus Christ. He was born again

and his personal relationship with Jesus began. He now follows Jesus and all of His commandments.

27. DeVowe became a Christian in 1996 at age 34. He had grown up in a Methodist church, and his religious views at the time were really just a product of “playing church”—going to church once a week just to be respectable and fit in. DeVowe was born again—regenerated by the power of the Holy Spirit—at a “Promise Keepers” event that he had gone to only because his wife, who had become a Christian about a month earlier, had made him feel guilty enough to go by asking him what his friends would think if he did not go. He hated the event the first night he was there, but the second night he came face to face with his personal “wall”—that he was in rebellion against Jesus Christ, the Creator and true God. He realized his rebellion and sin, and he bowed the knee and prayed to Jesus Christ to save him. His life dramatically changed as a result—he began to follow Jesus.

28. Medford and DeVowe, as owners and managers of the Company, are responsible for the Company’s day-to-day operations. The Company reflects Medford’s and DeVowe’s beliefs about business and company culture, which beliefs are grounded in the Bible and its principles. In addition, their positions and ownership in the Company are the source of financial support for their respective families. As owners and managers of the Company, Medford and DeVowe believe that compliance with the Mandate would violate their religious beliefs.

Medford, DeVowe, and the Company Sincerely Believe That Compliance With the Mandate Is Contrary to the Bible and Would Violate Their Sincere Religious Beliefs.

29. Both Medford and DeVowe believe that the Bible, to which they adhere for guidance in all areas of life, teaches that abortion, abortion-inducing drugs, contraception, voluntary sterilization, and all related counseling, are sinful and immoral.

30. Medford and DeVowe believe that the Bible teaches that the life of a person begins at conception. Therefore, abortion and the use of abortion-inducing drugs, including Plan B and ella, which are FDA-approved and thus required to be covered by the Mandate, kill an innocent human person. They base this belief on several Bible passages, some of which are:

- a. God created man in His image. *Genesis* 1:26.
- b. “I was cast upon thee from the womb: thou art my God from my mother’s belly.” *Psalms* 22:10.
- c. “But when it pleased God, who separated me from my mother’s womb, and called me by his grace” *Galatians* 1:15.
- d. “[H]earken, ye people, from far; The LORD hath called me from the womb; from the bowels of my mother hath he made mention of my name.” *Isaiah* 49:1b.
- e. “Before I formed thee in the belly I knew thee; and before thou camest forth out of the womb I sanctified thee, and I ordained thee a prophet unto the nations.” *Jeremiah* 1:5.

- f. “And it came to pass, that, when Elisabeth heard the salutation of Mary, the babe leaped in her womb” *Luke* 1:41a.

31. Medford and DeVowe further believe that God places immense value on the life of every single human person, beginning at conception, throughout a person’s entire life on earth, and eternally. They believe that God, as the Creator and Author of Life, protects and commands man to protect innocent human life and strictly forbids the killing of innocent human life. They believe that murderers—which include those who commit abortion and/or use abortion-inducing drugs that cause abortion—who do not repent of their sin will be condemned to hell for all eternity. They base this belief on several Bible passages, some of which are:

- a. “And he said unto him, Why callest thou me good? there is none good but one, that is, God: but if thou wilt enter into life, keep the commandments. He saith unto him, Which? Jesus said, Thou shalt do no murder, Thou shalt not commit adultery, Thou shalt not steal, Thou shalt not bear false witness, Honour thy father and thy mother: and, Thou shalt love thy neighbor as thyself.” *Matthew* 19:17-19.
- b. “Thou shalt not kill.” *Exodus* 20:13.
- c. “Blessed are they that do his commandments, that they may have right to the tree of life, and may enter in through the gates into the city. For without are dogs, and sorcerers, and whoremongers, and murderers, and idolaters, and whosoever loveth and maketh a lie.” *Revelation* 22:14-15.
- d. “He that overcometh shall inherit all things; and I will be his God, and he shall be my son. But the fearful, and unbelieving, and the abominable, and murderers, and whoremongers, and sorcerers, and idolaters, and all liars, shall have their part in the lake which burneth

with fire and brimstone: which is the second death.” *Revelation* 21:7-8.

- e. “Being filled with all unrighteousness, fornication, wickedness, covetousness, maliciousness; full of envy, murder, debate, deceit, malignity; whisperers, Backbiters, haters of God, despiteful, proud, boasters, inventors of evil things, disobedient to parents, Without understanding, covenant breakers, without natural affection, implacable, unmerciful: Who knowing the judgment of God, that they which commit such things are worthy of death, not only do the same, but have pleasure in them that do them. *Romans* 1:29-32.
- f. “For he shall deliver the needy when he crieth; the poor also, and him that hath no helper.” *Psalms* 72:12.

32. Medford and DeVowe believe that it is God’s principle and command that human beings should love one another and protect and keep one another from evil and harm. Thus, they have a duty to protect the unborn and those who might consider taking the life of the unborn. They base this belief on several Bible passages, some of which are:

- a. “Therefore all things whatsoever ye would that men should do to you, do ye even so to them: for this is the law and the prophets.” *Matthew* 7:12
- b. “Pure religion and undefiled before God and the Father is this, To visit the fatherless and widows in their affliction, and to keep himself unspotted from the world.” *James* 1:27
- c. “And Jesus answered him, The first of all commandments is, Hear, O Israel; The Lord our God is one Lord: And thou shalt love the Lord thy God with all thy heart, and with all thy soul, and with all thy mind, and with all thy strength: this is the first commandment. And the second is like, namely this, Thou shalt love thy neighbor as thyself. There is none other commandment greater than these.” *Mark* 12:29-

31.

- d. “Who is like unto the LORD our God, who dwelleth on high, Who humbleth himself to behold the things that are in heaven, and in the earth! He raiseth up the poor out of the dust, and lifteth the needy out of the dunghill; That he may set him with princes, even with the princes of his people. He maketh the barren woman to keep house, and to be a joyful mother of children. Praise ye the LORD.” *Psalms* 113:5-9.
- e. “Then shall the King say unto them on his right hand, Come, ye blessed of my Father, inherit the kingdom prepared for you from the foundation of the world: For I was an hungred, and ye gave me meat: I was thirsty, and ye gave me drink: I was a stranger, and ye took me in: Naked, and ye clothed me: I was sick, and ye visited me: I was in prison, and ye came unto me.” *Matthew* 25:34-36.
- f. “Look not every man on his own things, but every man also on the things of others.” *Philippians* 2:4.

33. Medford and DeVowe further believe that God blesses and honors those who honor His principles and commands protecting innocent human life and children. They further believe that man is rebellious, disobedient, and disrespectful to God when he sees children as a burden and decides to control whether a child will be born through abortion, abortion-inducing drugs, contraception, and voluntary sterilization, and that God will not bless such behavior. They believe that the bodies of men and women, and the children within the bodies of women beginning at conception, are not their own, but God’s because He is their Creator. They base this belief on several Bible passages, some of which are:

- a. “Lo, children are an heritage of the Lord: and the fruit of the womb is his reward. As arrows are in the hand of a mighty man; so are children of the youth. Happy is the man that hath his quiver full of them” *Psalms* 127:3-5a.
- b. “And they brought young children to him, that he should touch them: and his disciples rebuked those that brought them. But when Jesus saw it, he was much displeased, and said unto them, Suffer the little children to come unto me, and forbid them not: for of such is the kingdom of God.” *Mark* 10:13-14.
- c. He maketh the barren woman to keep house, and to be a joyful mother of children. Praise ye the LORD.” *Psalms* 113:9.
- d. “What? know ye not that your body is the temple of the Holy Ghost which is in you, which ye have of God, and ye are not your own? For ye are bought with a price: therefore glorify God in your body, and in your spirit, which are God's.” *I Corinthians* 6:19-20.

34. Medford and DeVowe further believe that God will punish and not bless those who kill innocent human life through abortion and abortion-inducing drugs and the nations that approve of the practices. They base this belief on several Bible passages, some of which are:

- a. “Thus saith the LORD; For three transgressions of the children of Ammon, and for four, I will not turn away the punishment thereof; because they have ripped up the women with child of Gilead, that they might enlarge their border” *Amos* 1:13.
- b. “But [they] were mingled among the heathen, and learned their works. . . . Yea, they sacrificed their sons and their daughters unto devils, And shed innocent blood, even the blood of their sons and of their daughters, whom they sacrificed unto the idols of Canaan: and the land was polluted with blood.” *Psalms* 106:35, 37-38.

35. Medford and DeVowe further believe that if they do not act to ensure that they are not using, practicing, or providing to others (directly or indirectly) abortion, abortion-inducing drugs, contraception, and voluntary sterilization, their witness to Jesus Christ as Lord and Savior will be tarnished in the eyes of their “neighbors”—their family, friends, employees, fellow church members, and strangers they encounter throughout their daily lives with whom they are commanded, by Jesus Christ, to share the Gospel. Medford and DeVowe further believe that they must, as Christians, speak out against the evils of abortion, abortion-inducing drugs, and contraceptives. They base this belief on several Bible passages, some of which are:

- a. “Ye are the light of the world. A city that is set on an hill cannot be hid. Neither do men light a candle, and put it under a bushel, but on a candlestick; and it giveth light unto all that are in the house. Let your light so shine before men, that they may see your good works, and glorify your Father which is in heaven. Think not that I am come to destroy the law, or the prophets: I am not come to destroy, but to fulfil. For verily I say unto you, Till heaven and earth pass, one jot or one tittle shall in no wise pass from the law, till all be fulfilled. Whosoever therefore shall break one of these least commandments, and shall teach men so, he shall be called the least in the kingdom of heaven: but whosoever shall do and teach them, the same shall be called great in the kingdom of heaven.” *Matthew 5:14*.
- b. “Ye are our epistle written in our hearts, known and read of all men.” *2 Corinthians 3:2*.
- c. “But whoso shall offend one of these little ones which believe in me, it were better for him that a millstone were hanged about his neck, and *that* he were drowned in the depth of the sea.” *Matthew 18:6*.

- d. “Thou that makest thy boast of the law, through breaking the law dishonourest thou God? For the name of God is blasphemed among the Gentiles through you, as it is written.” *Romans* 2:23-24.
- e. “Open thy mouth for the dumb in the cause of all such as are appointed to destruction. Open thy mouth, judge righteously, and plead the cause of the poor and needy.” *Proverbs* 31:8-9.

36. Medford and DeVowe further believe that their daily work at the Company is part of their witness as Christians, part of their worship of God, and no different from their weekly church worship in its value to God. In other words, there is no “secular” or “religious” part of their lives; rather, according to the Bible they are to live all of their lives as a sacrifice unto Jesus Christ, who gave His life for them. Medford and DeVowe believe that the Bible teaches that they are to follow the example of the Apostle Paul, the tentmaker, who, inspired by the Holy Spirit, considered his entire life his ministry as a Christian, including his work. They base this belief on several Bible passages, some of which are:

- a. “I beseech you therefore, brethren, by the mercies of God, that ye present your bodies a living sacrifice, holy, acceptable unto God, *which is* your reasonable service. And be not conformed to this world: but be ye transformed by the renewing of your mind, that ye may prove what *is* that good, and acceptable, and perfect, will of God.” *Romans* 12:1-2.
- b. “Therefore, my beloved brethren, be ye stedfast, unmoveable, always abounding in the work of the Lord, forasmuch as ye know that your labour is not in vain in the Lord.” *I Corinthians* 15:58
- c. “And whatsoever ye do, do it heartily, as to the Lord, and not unto men;” *Colossians* 3:23.

- d. “Whether therefore ye eat, or drink, or whatsoever ye do, do all to the glory of God.” *1 Corinthians* 10:31.
- e. “After these things Paul departed from Athens, and came to Corinth; And found a certain Jew named Aquila, born in Pontus, lately come from Italy, with his wife Priscilla; (because that Claudius had commanded all Jews to depart from Rome:) and came unto them. And because he was of the same craft, he abode with them, and wrought: for by their occupation they were tentmakers. And he reasoned in the synagogue every sabbath, and persuaded the Jews and the Greeks.” *Acts* 18:1-4.

Medford and DeVowe Act upon Their Sincere Religious Beliefs Daily, at and Through the Company, and Elsewhere.

37. Thus, Medford and DeVowe are required by their sincere religious beliefs to adhere to the Biblical teaching that using or providing (directly or indirectly) contraception, abortion, abortion-inducing drugs, or voluntary sterilization is sinful and morally unacceptable under God’s moral law and then exercise or act on their beliefs on a daily basis, including through their work at the Company. In other words, Medford and DeVowe believe that with regard to their opposition to abortion, abortion-inducing drugs, contraception, and voluntary sterilization, they must follow the Bible’s teaching to “be ye doers of the word, and not hearers only, deceiving your own selves.” *James* 1:22. This applies wherever they go and whatever they do, not just at church on Sunday.

38. Accordingly, Medford and DeVowe strive to act on these Bible-based beliefs twenty-four hours each day, seven days each week, through their actions at

home, at work, at church, and everywhere else. They strive to always act in a way that glorifies God.

Daniel Medford

39. Medford exercises his religion in part by serving throughout each week with his church, the Straitgate Church in inner-city Minneapolis. Medford considers himself and his family to be inner-city missionaries. He and his family go into the city of Minneapolis and bring the Gospel of Jesus Christ to all who will hear it, knocking on doors, inviting people to church, and sharing the gospel in the homes of friends and strangers and the parks of Minneapolis along with other church members. Each Saturday, Medford and his family visit people in the inner city at their homes and invite them to church. Medford drives a bus that picks up anyone who has asked for a ride on Sunday mornings, both adults and children (whose parents have consented for them to attend church). Medford's wife and children each help in the ministry at Straitgate Church in different capacities, whether driving a van to pick up adults at their homes, assisting on other buses that pick up people for church, teaching Sunday School themselves, or assisting Medford or other Sunday School teachers. At church, Medford teaches a Sunday School class to children ages six through twelve. Each Wednesday that they are able to, Medford and his family attend a prayer meeting at Straitgate Church and

then visit friends from Minneapolis that they have met through the bus ministry, both old and new, to share the Gospel of Jesus Christ.

40. Medford also exercises his religion in part by sharing the Gospel with others he might meet on his daily travels—at a gas station, at a supermarket, or wherever he might be. He hands out Bible tracts to people so that they can read for themselves about the Good News that Jesus Christ died for their sins and by faith in Him, they can have eternal life.

41. As detailed above, Medford and his family believe that abortion, whether by surgical procedures or drugs that have the same effect, is sinful and immoral. Medford has acted upon that belief by, on multiple occasions, visiting the Minnesota State Capitol in St. Paul on January 22, Medford's birthday, regardless of the weather, to protest the Supreme Court's decision in *Roe v. Wade* that granted Americans the right to kill innocent unborn children. Medford laments that the blood of 55,000,000 babies since that decision is on the hands of the United States of America, and he is grieved by the fact that people in this nation are allowed to sacrifice their sons and daughters to the idols of convenience or even gender selection. Medford personally donates to Crisis Pregnancy Centers to support their ministry of helping pregnant mothers choose life. Medford refuses to purchase health insurance for himself and his family that would subsidize abortion, contraception, sterilization, or drug use for any other person; instead,

Medford participates in Medi-Share, a Christian healthcare cost-sharing ministry exempt from the individual health-insurance-purchase mandate of the PPACA. In addition, Medford and his wife have rejected the use of birth control and chosen to allow God to make their reproductive “choices” for them—they believe that it is a crime against God to destroy a baby that was conceived.

42. Medford’s exercise of his Christian beliefs is thus not limited to one day per week or activities at church alone. Rather, his personal relationship with Jesus Christ extends to every moment of the day as he seeks to glorify God, even through his ownership of the Company and work to support his family there.

David DeVowe

43. David DeVowe exercises his religion in part by attending and serving each week with his church, the Cornerstone Church in Kingston, Minnesota. DeVowe is a founding pastor of Cornerstone Church and preaches a Bible message to the congregation every third Sunday of each month. He has full responsibility for all pastoral duties along with the other two founding pastors of Cornerstone; in other words, as a preaching elder, he is an undershepherd of his “flock” and responsible before God for guiding and leading them closer to Christ in their own personal relationships with Him. He is therefore responsible in part for church discipline, maintenance of church funds, and ensuring that the church stays true to the Word of God. In part through DeVowe’s leadership, Cornerstone is “mission-

focused”: it devotes a substantial portion of its operating funds to funding Bible-believing missionaries from Cornerstone and those already abroad. Also in part through DeVowe’s leadership, Cornerstone is “family-focused”: the church believes that each church family itself is a core mission, and husbands and fathers are responsible for spiritually guiding and raising up their families in a Bible-based manner. Another of Cornerstone’s major ministries is its support of Crisis Pregnancy Centers in St. Cloud, Minnesota and Haifa, Israel. In fact, Cornerstone, in part through DeVowe’s leadership, so strongly supports pro-life causes that it purchased the first ultrasound machine for each Crisis Pregnancy Center it supports. These ultrasound machines allow mothers considering abortion to see the child in their womb, even at early stages of development, which helps them to see the new life they are carrying. Numerous unborn children have been saved from abortion because of the impact these ultrasound machines have.

44. DeVowe has also exercised his religion in part by doing street preaching in Liberia, where he visited in an effort to lead others to faith in Jesus Christ. Importantly, DeVowe also exercises his religion in part through his own family life, which, as Cornerstone believes, is a mission field in and of itself. DeVowe at times in the past has led his family to sing in nursing homes and share with the elderly living there the Gospel of Jesus Christ. DeVowe and his family

continued in that ministry until particular “blessings” led DeVowe and his family to spend more time with each other and at home.

45. The “blessings” that led DeVowe to in turn lead his family to spend more time with one another and at home were the adoption of three girls from Liberia. In addition, they adopted one boy and one girl from Ukraine, both of whom cannot walk. DeVowe felt convicted by God to adopt these children because he knew, as detailed above, that God loves life and children and He wanted DeVowe to raise up more children in addition to his biological children. DeVowe was led to this decision through spiritual and physical “reversals.” Before becoming a Christian, DeVowe had gotten a vasectomy because he did not want any further “burden” of children in his life. After putting faith in Jesus Christ and being born again by the power of the Holy Spirit, however, DeVowe was convicted by his choice to say “no” to God’s plan for his life, and so he, through financing by his church, underwent a reversal surgery that undid the vasectomy. DeVowe did not undergo this surgery because he “wanted children”; rather, he underwent this surgery because he wanted to obey God’s will for his family by demonstrating openness to children. After the reversal, DeVowe and his wife had one more child—to the DeVowes, a blessing from God. At that point, DeVowe believed that he would not make any more additions to his family, but DeVowe was convicted by the existence of empty seats around his dinner table. He realized

that God was leading him to add more to his family, and he and his wife adopted three girls from Liberia. At that point, he again thought his family would get no bigger, but his wife had seen a girl from Reece's Rainbow, an adoption ministry seeking to place children with special needs, such as Down Syndrome, with caring and loving families. DeVowe, convicted by his initial hesitancy to add to his family further, along with his wife, adopted Madeline, who cannot walk and can hardly use her arms. Six months later, they adopted Ethan, who is also unable to walk. DeVowe believes that all of the children in his family have been a particular blessing from God, and DeVowe is grateful that he has been able to walk according to his Bible-based beliefs by "suffering the children" to be part of his family.

46. DeVowe's exercise of his Christian beliefs is not limited to church on Sunday or particular church-related activities. Rather, DeVowe's exercise of his religion extends to every minute of the day in his care for his children, spiritual guidance of his family, support of his family through work, and witness to others through work, where he also seeks to glorify God in the same manner as he tries when not working.

The QC Group, Inc.

47. The Company is an S corporation incorporated in the State of Minnesota, meaning that the Company's income or losses are divided among and

“passed through” to Medford and DeVowe. Medford and DeVowe must report the Company’s income or losses on their own individual tax returns.

48. Medford owns 70% of the Company’s shares and DeVowe owns 30% of the Company’s shares. There are no other shareholders in the Company besides Medford and DeVowe.

49. The Company employs approximately 42 full-time and 20 part-time employees, and, based on the counting rules for the PPACA in 26 U.S.C. § 4980H, is and will be considered an “applicable large employer” for purposes of group health plan coverage requirements.

50. The Company currently has a group health plan for its employees.

51. According to HHS regulations, 77 Fed. Reg. at 8725, the Company’s group health plan is subject to the HHS Mandate.

52. Medford and DeVowe operate the Company according to their Bible-based beliefs. This mode of operation is clearly evident from the Company’s public proclamation, on its website, that the “management team has cultivated a company culture that’s rooted in Judeo-Christian values and results in a level of customer service not always evident in today’s business world.”¹

53. When referring to “Judeo-Christian values,” the Company means the values found in both the Old and New Testaments—the 66 books of the Bible that

¹ “About The QC Group,” <http://www.qcgroup.com/about/>.

Medford and DeVowe consider the inerrant, divinely inspired Word of God and the basis for Biblical Christianity that “testify of [Jesus Christ].” *John* 5:39.

54. Operating the Company according to these values means, to Medford and DeVowe, that the Company’s values are completely different from the values held by other companies in today’s business world. The Company maintains a ‘service-oriented’ mindset through employees who are ‘servant-minded people,’ which reflects the Bible’s direction to Christians to value the needs of others above their own. *See Philippians* 2.

55. The Company seeks to meet the needs of others by delivering clients value. The Company is uniquely able to do this in its industry because of its longevity in the business and synergy between its four divisions—inspection, engineering, training, and staffing. This mode of operation has allowed the Company to be efficient and consistently exceed its customers’ expectations.

56. The Company also offers a group health insurance plan to its employees as an incentive to attract the most qualified and excellent workers it can. If the Company is forced to stop providing a group health plan to its employees because Medford, DeVowe, and the Company obey their consciences and follow their religious beliefs instead of complying with the Mandate, it will suffer a competitive disadvantage in its field because its ability to attract the best workers will be diminished significantly. In addition, the Company, and thus

Medford and DeVowe as shareholders in the S corporation, would suffer substantial financial loss for noncompliance with the PPACA and the Mandate's rules for employers of over 50 employees and/or rules regarding noncompliant health insurance coverage.

Although a major Company goal is to serve clients and deliver them value, even this goal is second to the Company's service of God and Medford and DeVowe's service of God through the Company. To that end, the Company does not allow any of its employees in any of its divisions to perform any work on a Sunday, which Medford and DeVowe consider the Lord's Day—a day set apart by God from the other six days of the week and solely for honoring and worshipping God and celebrating the resurrection of Jesus Christ from the dead. *See Genesis 1-2; Mark 16:9.*

57. Medford and DeVowe, through the Company, contribute to charities that reflect their belief that life is precious, that God is the Creator and Author of Life, that ending innocent human life is evil, and that Christians should reach the fatherless and visit them in their affliction. *James 1:27.* Thus, the Company supports Reece's Rainbow, a charity that financially helps adoptive parents who seek to adopt special-needs children, especially children with Down Syndrome.

The Company donates \$1 to Reece's Rainbow for *every sales transaction it performs*. DeVowe has written about Reece's Rainbow on the Company's blog.²

58. Medford and DeVowe also consider the Company and their work through it a major part of their personal witness as Christians. This view is in accord with their view of their Christian service as continual and requiring *loving* the Lord with all of their time, treasure, and talents and at all times. Because Medford and DeVowe believe that they witness to Christ's work in their hearts and lives through both the excellence of their work, *Colossians* 3:23 and *1 Corinthians* 10:31, and their opportunities to directly fulfill the Great Commission of Jesus Christ, *Matthew* 28:19-20, it is essential to them that the Company does not openly violate any Scriptural command or principle. Thus, Medford and DeVowe, through the Company, believe that by openly providing coverage to any abortion-inducing or contraceptive drugs or materials, including all products required by the Mandate to be part of group health coverage, their Christian witness and corresponding strong stand for life will be tarnished irreparably.

59. Medford and DeVowe see no difference in the Bible between work done for profit and work done not-for-profit; rather, the Apostle Paul was a tentmaker, *Acts* 18:1-4, Paul stated to Christians in divinely inspired writing that if any man does not work profitably, he should not eat, *2 Thessalonians* 3:10, and

² "Reaching the Fatherless," <http://blog.qcgroup.com/category/charity/>.

that if any man does not provide for his family, he has denied the faith and is worse than an infidel, *1 Timothy* 5:8. Because “whatsoever they do” includes their for-profit work, Medford and DeVowe believe they must glorify God through the Company and their work for it. *1 Corinthians* 10:31.

60. Medford and DeVowe thus exercise their religion through the Company and their work for it, and the Company strongly reflects the religious views of Medford and DeVowe.

The ACA and the HHS Mandate

61. The Patient Protection and Affordable Care Act (“ACA”), Pub. L. No. 111-148, 124 Stat. 119, enacted in March 2010, requires group health plans to provide women with “preventive care and screenings” at no charge to the patient. *See* 42 U.S.C. § 300gg-13(a)(4).

62. The ACA provides:

A group health plan and a health insurance issuer offering group or individual health insurance coverage shall, at a minimum provide coverage for and shall not impose any cost sharing requirements for... (4) with respect to women, such additional preventive care and screenings not described in paragraph (1) as provided for in comprehensive guidelines supported by the Health Resources and Services Administration for purposes of this paragraph.

Id.

63. In July, 2010, HHS issued regulations ordering HHS's Health Resources Services Administration ("Health Resources Services") to develop guidelines that would determine what "preventive care" and screenings would be mandated under the ACA. *See* 75 Fed. Reg. 41728 (July 19, 2010).

64. Health Resources Services commissioned and funded a committee at the Institute of Medicine to recommend which drugs, procedures, and services should be covered by all health plans as preventive care for women.

65. The Institute of Medicine's report³ to Health Resources Services recommended that preventative care for women include "the full range of Food and Drug Administration-approved contraceptive methods, sterilization procedures, and patient education and counseling for women with reproductive capacity."

66. On August 1, 2011, without notice of rulemaking or opportunity for public comment, the Health Resources Services adopted the Institute of Medicine's recommendations in full. *See* Health Resources and Services Administration, Women's Preventive Services: Required Health Plan Coverage Guidelines, <http://www.HealthResourcesServices.gov/womensguidelines> (last visited Oct. 31, 2012) ("Health Resources Services Guidelines").

³ INSTITUTE FOR MEDICINE, CLINICAL PREVENTIVE SERVICES FOR WOMEN: CLOSING THE GAPS (2011), *available at* <http://cnsnews.com/sites/default/files/documents/PREVENTIVE%20SERVICESINSTITUTE%20OF%20MEDICINE%20REPORT.pdf>.

67. Contemporaneously, HHS issued an “interim final rule” requiring “group health plan[s] and ... health insurance issuer[s] offering group or individual insurance coverage [to] provide benefits for and prohibit the imposition of cost-sharing with respect to” the women’s preventive care and services included in the Health Resources Services Guidelines for plan years beginning on or after August 1, 2012. 76 Fed. Reg. 46622, 46629 (issued on August 1, and published on August 3); 45 CFR 147.130(a)(1)(iv).

68. On February 15, 2012, HHS issued final regulations—the HHS Mandate—by adopting the August 1 interim final rule “without change.” 77 Fed. Reg. 8725-30 (Feb. 15, 2012).

69. Among the Federal Drug Administration approved “contraceptive methods” that all group health plans must provide at no cost are Plan B (the “morning after pill”) and Ella (the “week after pill”),⁴ drugs that are designed to destroy human life after conception.

70. Plan B and Ella can prevent the implantation of a human embryo in the wall of the uterus and can cause the death of an embryo. The use of artificial means to prevent the implantation of a human embryo in the wall of the uterus or

⁴ FDA Office of Women’s Health, *Birth Control Guide*, available at www.fda.gov/downloads/ForConsumers/ByAudience/ForWomen/FreePublications/UCM282014.pdf.

to cause the death of an embryo each constitute an “abortion.” Consequently, Plan B and Ella are abortifacients.

71. The ACA, under 26 U.S.C. § 4980H, requires employers with more than 50 full-time employees (or full-time employee equivalents) to provide federal government-approved health insurance coverage or pay substantial fines and penalties.

72. Employers with fewer than 50 full-time employees must comply with the HHS Mandate – under threat of substantial fines – if they offer a group health plan because the Mandate applies to *all* non-exempt, non-grandfathered group health plans regardless of the employer’s size. 42 U.S.C. § 300gg-13(a)(4) (Mandate applies to all group health plans); 26 U.S.C § 4980D (imposing fines on “failure of a group health plan to meet the requirements” of the ACA).

73. Moreover, the ACA and the HHS Mandate prevents *all* employers (and individuals) from selecting a group health plan that does not include coverage for contraceptives, sterilization, abortifacient drugs and related education and counseling because the ACA requires all “health insurance issuers offering group or individual health insurance coverage” to provide Mandate-compliant coverage. 42 U.S.C. § 300gg-13(a)(4).

74. Therefore, Medford, DeVowe, and the Company cannot avoid the HHS Mandate by purchasing a group health plan that accommodates their consciences and religious beliefs because no such plan exists.

75. The HHS Mandate does not apply to preexisting group health plans that are considered “grandfathered.” 76 Fed. Reg. 46623 & n.4; *see also* 42 U.S.C. § 18011(a)(3-4) (specifying those provisions of the ACA that apply to grandfathered health plans).

76. To remain “grandfathered,” a group health plan must now and in the future comply with regulations issued by the HHS. *See* 42 U.S.C. § 18011(a)(2); 45 CFR § 147.140; 75 Fed. Reg. 34538, 34545 (June 17, 2010); *see also* HealthReform.gov, “Fact Sheet: Keeping the Health Plan You Have: The Affordable Care Act and “Grandfathered” Health Plans,” http://www.healthreform.gov/newsroom/keeping_the_health_plan_you_have.html (last visited Oct. 31, 2012).

77. The ACA and the HHS Mandate do not apply equally to members of certain religious groups.

78. Individual “member[s] of a recognized religious sect or division thereof” who are “conscientiously opposed to acceptance of the benefits of any private or public insurance” are exempted from complying with certain provisions of the ACA. 26 U.S.C. §§ 5000A(d)(2)(a)(i), 1402(g)(1).

79. The HHS Mandate indicates that Heath Resources Services “may” exempt certain “religious employers” from complying with the HHS Mandate. 45 C.F.R. § 147.130(a)(iv)(A); 76 Fed. Reg. at 46623.

80. The HHS has defined which employers are “religious” for purposes of this exemption. 45 C.F.R. § 147.130(a)(iv)(B).

81. Health Resources Services may grant exemptions for “religious employers” that “meet[] all of the following criteria: (1) The inculcation of religious values is the purpose of the organization. (2) The organization primarily employs persons who share the religious tenets of the organization. (3) The organization serves primarily persons who share the religious tenets of the organization. (4) The organization is a nonprofit organization as described in section 6033(a)(1) and section 6033(a)(3)(A)(i) or (iii) of the Internal Revenue Code of 1986, as amended.” 45 C.F.R. § 147.130(a)(iv)(B)(1)-(4).

82. The sections of the Internal Revenue Code referenced in the fourth criterion refer to “churches, their integrated auxiliaries, and conventions or associations of churches” and “the exclusively religious activities of any religious order,” that are exempt from taxation under 26 U.S.C. § 501(a). 26 U.S.C. § 6033(a)(1), (a)(3)(A)(i), (a)(3)(A)(iii).

83. The HHS Mandate does not place limits on Health Resource Services’ discretion to establish an exemption for “religious employers,” or to grant such

exemptions to organizations meeting the Defendants’ definition of “religious employer.”

84. The HHS Mandate contains no exemptions for for-profit organizations, such as plaintiff Company, even when those organizations have a sincere religious objection to the HHS Mandate’s requirement that their group health plans provide coverage, at no cost, for contraception, sterilization, abortifacient drugs and related education and counseling.

85. The HHS stated that it based the exemption for “religious employers” on comments and feedback received on the July 19, 2010 interim final rule, *see* 76 Fed. Reg. at 46623, and the August 1, 2011 amendments to the interim final rule, *see* 77 Fed. Red. at 8726.

86. The HHS stated they received over 200,000 responses to the request for comments to the August 1, 2011 amendments to the interim final rule. 77 Fed. Reg. at 8726.

87. Through these comments, the HHS was made aware of numerous objections to the HHS Mandate, including but not limited to the following:

- “the religious employer exemption is too narrow”;
- “the definition of religious employer [should] be broadened so that more sponsors of group health plans would qualify for the exemption”;

- “the exemption for religious employers will not allow them to continue their current exclusion of contraceptive services from coverage under their group health plans”;
- that for certain employers to “pay for [contraceptive] services...would be contrary to their religious beliefs”; and
- “if the definition of religious employer is not broadened, [employers] could cease to offer health coverage to their employees in order to avoid having to offer coverage to which they object on religious grounds.”

77 Fed. Reg. at 8726-27.

88. Despite these and other known religious objections, the HHS did not expand the narrow exemption for organizations defined as “religious employers,” but finalized the interim final rule “without change.” 77 Fed. Reg. at 8730.

89. With full knowledge of the aforementioned objections, the HHS issued the HHS Mandate, which substantially burdens the religious exercise of Medford, DeVowe, the Company, and millions of other Americans.

90. Because the HHS Mandate arbitrarily exempts certain plans and employers for a variety of secular reasons, but does not exempt similar plans and employers for religious reasons, the HHS Mandate impermissibly targets religious conduct.

91. The HHS Mandate was adopted without giving due weight to the hundreds of thousands of public comments submitted to HHS in opposition to the HHS Mandate.

92. The HHS Mandate forces Medford, DeVowe, and the Company – and many others – to adopt and endorse the HHS’ moral and religious view of contraception, sterilization, abortifacient drugs and related education and counseling.

93. On February 10, 2012, HHS issued a document entitled “Guidance on the Temporary Enforcement Safe Harbor for Certain Employers, Group Health Plans and Group Health Insurance Issuers with Respect to the Requirement to Cover Contraceptive Services Without Cost Sharing Under Section 2713 of the Public Health Service Act, Section 715(a)(1) of the Employee Retirement Income Security Act, and Section 9815(a)(1) of the Internal Revenue Code” (“Guidance”),⁵ which established a “temporary enforcement safe harbor.”

94. Under the Guidance, until “the first plan year that begins on or after August 1, 2013...[n]either employers, nor group health plans, nor group health insurance issuers will be subject to any enforcement action by the Departments for failing to cover recommended contraceptive services without cost sharing in non-exempted, non-grandfathered group health plans established or maintained by an organization...that meets *all* of the following criteria:

⁵ HHS, Guidance on the Temporary Enforcement Safe Harbor, <http://cciio.cms.gov/resources/files/Files2/02102012/20120210-Preventive-Services-Bulletin.pdf> (last visited Oct. 31, 2012).

1. The organization is organized and operates as a non-profit entity.
2. From February 10, 2012 onward, contraceptive coverage has not been provided at any point by the group health plan established or maintained by the organization, consistent with any applicable State law, because of the religious beliefs of the organization.
3. ...the group health plan established or maintained by the organization (or another entity on behalf of the plan, such as a health insurance issuer or third-party administrator) must provide to participants the attached notice, as described below, which states that contraceptive coverage will not be provided under the plan for the first plan year beginning on or after August 1, 2012.
4. The organization self-certifies that it satisfies criteria 1-3 above, and documents its self-certification in accordance with the procedures detailed herein.

HHS, Guidance on the Temporary Enforcement Safe Harbor,

<http://cciio.cms.gov/resources/files/Files2/02102012/20120210-Preventive-Services-Bulletin.pdf> (last visited Oct. 31, 2012).⁶

95. On March 21, 2012, the HHS issued an Advanced Notice of Proposed Rulemaking” (“Advanced Notice”) stating their intentions to propose certain amendments to the Mandate. 77 Fed. Reg. 16501 (March 21, 2012).

⁶ On August 15, 2012, Defendants issued a revised Guidance, clarifying certain criteria with respect to the Temporary Enforcement Safe Harbor. HHS, Revised Guidance on the Temporary Enforcement Safe Harbor at 1 n.1, <http://cciio.cms.gov/resources/files/prev-services-guidance-08152012.pdf> (last visited Oct. 16, 2012).

96. In the Advanced Notice, the HHS stated an intention to “accommodate” some religious non-profit employers not defined as “religious employers” by HHS by requiring compliance with the Mandate by means of requiring those employers’ insurers to offer the employer’s employees the coverage required by the HHS Mandate at no cost. *See* 77 Fed. Reg. at 16503.

97. The Advanced Notice is neither a rule, a proposed rule, nor the specification of what a rule proposed in the future would actually contain. It in no way changes or alters the final status of the HHS Mandate. It does not even create a legal requirement that HHS change the HHS Mandate at some time in the future.

98. The ACA creates a system of individualized exemptions.

99. The ACA grants HHS the authority to grant compliance waivers, which exempt certain entities from complying with certain provisions of the ACA, including the requirement that employers provide health care coverage.

100. Employers who are exempt from providing health care coverage are exempt from complying with the HHS Mandate.

101. Upon information and belief, HHS has granted over 1,000 compliance waivers.

102. HHS has granted compliance waivers to for-profit businesses, unions, and other organizations for purely secular reasons, but has not exempted the

Company despite Medford, DeVowe, and the Company's sincere religious objections.

103. The ACA is not generally applicable because it provides numerous exemptions from its rules and applicability.

104. The ACA is not neutral or generally applicable because some organizations and individuals, both secular and religious, are exempt from complying with certain provisions it, including the HHS Mandate.

105. The ACA is not neutral or generally applicable because some organizations and individuals, both secular and religious, have been granted compliance waivers, exempting them from complying with certain provisions of it, including the HHS Mandate.

The Mandate Irreparably Harms Medford, DeVowe, and the Company and Imposes a Substantial Burden on Their Sincere Religious Beliefs

106. The HHS Mandate applies to the Company and there is no current exception that would allow the Company to avoid the application of the Mandate.

107. As detailed above, DeVowe and Medford operate their Company in ways that adhere to and are not violative of the teachings, principles, and commands of the Bible, as detailed above. DeVowe, Medford, and the Company strive to avoid tarnishing their public witness by any contrary actions or omissions.

108. The HHS Mandate requires that the Company's group health plan provide and pay for coverage for contraception, sterilization, abortifacient drugs,

and related education and counseling. Among the products the HHS Mandate requires the Company's group plan to fund are Plan B (the "morning-after pill") and Ella (the "week-after pill"),⁷ drugs that are designed to destroy human life after conception.

109. As detailed above, Medford and DeVowe believe that paying for a group health plan that complies with the HHS Mandate and provides its required products and services is sinful and immoral because it requires Medford and DeVowe, through their Company, to pay for contraception, sterilization, abortifacient drugs and related education and counseling violating their Bible-based Christian religious beliefs against supporting, directly or indirectly, the intentional destruction of innocent human life and interference with God's creation and plan for human life.

110. The HHS Mandate applied to the Company's first group health plan year after August 1, 2012.

111. The plan year for the Company's current group health plan is through February 1, 2014.

112. The HHS Mandate applies to any group health plan provided by the Company.

⁷ FDA Office of Women's Health, *Birth Control Guide*, available at www.fda.gov/downloads/ForConsumers/ByAudience/ForWomen/FreePublications/UCM282014.pdf.

113. The Company does not qualify for any of the exemptions to the ACA.

114. The Company does not qualify for an individual exemption under 26 U.S.C. § 5000A(d)(2)(a)(i) and (ii) as the Company does not object to acceptance of public or private insurance funds in their totality – a requirement for the exemption.

115. The Company's current group health plan also does not qualify as a "grandfathered" group health plan.

116. Even if this were not so, the Company could not qualify for grandfather status because the Company did not provide the required notification, *see* 45 CFR § 147.140(a)(2)(i)-(ii), to plan participants that its plan was considered grandfathered (because the plan was not considered grandfathered).

117. The Company does not qualify as an exempt "religious employer" under 45 CFR § 147.130(a)(1)(iv)(A)-(B).

118. The Company is not "religious" enough under the HHS's definition of "religious employer" in several respects because, including but not limited, the Company has purposes other than the "inculcation of religious values," it does not primarily hire or serve Christians, and because the Company is not a church, integrated auxiliary of a particular church, convention, or association of churches, or the exclusively religious activities of a religious order.

119. Because the Company does not qualify for the “religious employer” exemption, it is not permitted to take advantage of the “temporary enforcement safe-harbor” as set forth at 77 Fed. Register 8725 and the contemporaneously-issued Guidance.

120. The HHS has exempted certain non-profit employers from complying with the requirements of the HHS Mandate in an attempt to accommodate the religious beliefs of those employers, *see* 76 Fed. Reg. 46621, 46623 (issued on August 1, and published on August 3). However, despite the same sincere religious objections, the Company does not, and cannot, meet the HHS’s narrow qualifications for such an exemption.

121. Pursuant to the HHS Mandate, all insurance issuers must provide coverage for contraception, sterilization, abortion and abortifacient drugs and related counseling services in all group health plans as of August 1, 2012.

122. HHS has thus deprived Medford, DeVowe, and the Company of any choice to select a group health plan that excludes coverage for these sinful and immoral drugs, devices, and services.

123. Medford, DeVowe, and the Company are thus forced to select and pay for a group health plan that includes HHS Mandate-compliant coverage in violation of their religious beliefs.

124. The Company employs over 50 full-time employees or their equivalent. The HHS Mandate requires that the Company provide a group health plan for its employees.

125. The HHS Mandate thus requires that the Company finance coverage for and facilitate access to contraception, sterilization, abortifacient drugs and related education and counseling against Plaintiffs' conscience and in violation of their religious beliefs, in a manner that is contrary to law.

126. In other words, the HHS Mandate constitutes government-imposed coercion on Medford, DeVowe, and the Company to change or violate Medford, DeVowe, and the Company's sincerely held religious beliefs.

127. As discussed above, the HHS Mandate exposes the Company, Medford, and DeVowe to the imposition of substantial fines and penalties for refusing to change or violate their religious beliefs.

128. If Medford, DeVowe, and the Company choose to exercise their religious beliefs by offering a group health plan that does not comply with the HHS Mandate, they subject themselves to substantial fines and penalties. 26 U.S.C. §§ 4980D and 4980H.

129. If Medford, DeVowe, and the Company choose to exercise their religious beliefs and attempt to avoid the Mandate by not offering a group health

plan at all, they subject themselves to substantial fines and penalties. 26 U.S.C. § 4980H.

130. Medford and DeVowe desire to continue offering a group health plan to Company employees, but wish to exclude coverage for products and services that violate their religious beliefs, such as those required by the HHS Mandate.

131. HHS will not allow Medford and DeVowe to exclude these Mandate coverages now and when the Company plans to renew its group health plan coverage.

132. In order for Medford and DeVowe to avoid involvement in a public scandal that would tarnish their individual and Company-based Christian witnesses, Medford, DeVowe, and the Company would have to either drop their group health plan or obtain a group health plan that does not comply with the HHS Mandate. Instead, the HHS is coercing Medford, DeVowe, and the Company to violate the PPACA and the HHS Mandate, exposing them and their Company to substantial fines and penalties. 26 U.S.C. §§ 4980D and 4980H.

133. The Company will not be compliant with the HHS Mandate when it chooses to discontinue a compliant group health plan subjecting it to substantial fines and penalties, unless it receives relief from this Court.

134. Medford, DeVowe, and the Company's decision to discontinue a legally-required health plan because of the HHS Mandate will not be done

willingly, but under the coercive pressure of the HHS Mandate and the public scandal it would create for Medford and DeVowe if they were to comply with the HHS Mandate.

135. Medford, DeVowe, and the Company are aware of the national controversy surrounding the HHS Mandate and the many lawsuits filed by Christians, Catholics, and others around the country who own businesses and have the same religious objections to the HHS Mandate.

136. The HHS Mandate denies Medford, DeVowe, and the Company of any choice to select a group health plan that does not cover and finance contraception, sterilization, and abortifacient drugs and related education and counseling.

137. As a result of the HHS Mandate, Medford, DeVowe, and the Company cannot offer a group health plan to its employees that accords with and does not violate Medford, DeVowe, and the Company's sincerely-held religious beliefs.

138. Medford, DeVowe, and the Company also believe that offering a group health plan to employees makes the Company a more attractive option for the best employees in the Company's industry. However, because of the HHS Mandate, they cannot offer a group health plan without violating their religious

beliefs, and HHS thereby causes them to suffer a competitive business disadvantage in their market.

139. Medford, DeVowe, and the Company also understand that many of their employees use their income from their work for the Company to support their families, and a group health plan helps those employees in that regard. Medford, DeVowe, and the Company wish to continue to help their employees by offering them a group health plan, but the HHS Mandate coerces them into not offering a group health plan because doing so would violate their religious beliefs.

140. In short, the HHS Mandate will not permit Medford and DeVowe to operate the Company in accordance with their Bible-based Christian beliefs without facing substantial fines and penalties for their religious exercise.

The Plaintiffs are exposed to substantial tax penalties and interest.

141. The Defendant IRS is the responsible governmental agency for the application and enforcement of fines or monetary tax penalties through IRS rules and regulations. Failure to abide by those rules and regulations will result in substantial penalties for both employers and employees.

142. Violations of the Affordable Care Act coverage mandates are subject to tax under Internal Revenue Code section 4980D, and violating employers must pay an excise tax of \$100 per day during the noncompliance period with respect to each individual to whom the violation relates. This tax must be self-reported

annually to the Internal Revenue Service on Form 8928 under Chapter 43 of the Internal Revenue Code no later than the deadline for the filing of the entity's federal income tax return. Payment of the excise tax is due upon the filing of Form 8928.

143. Interest is charged on taxes not paid by the due date even if an extension of time to file is granted regarding Form 8928. The interest rate is determined under Internal Revenue Code § 6621. There is a penalty for a late filing of the Form 8928 return, including extensions. The payment may include a penalty of up to 5% of the unpaid tax for each month or part of the month the unpaid tax return is late, up to a maximum of 25% of the unpaid tax. Failure to pay any excise tax with the filing of Form 8928 will also result in an additional penalty of $\frac{1}{2}$ of 1% of the unpaid tax for each month or part of a month the tax is not paid, up to a maximum of 25% of the unpaid tax.

144. The implementation of the self-reporting obligation of the excise tax began for health insurance plan years beginning on or after January 1, 2010. The Company's group health insurance plan renewal period will begin on February 1, 2014. Upon information and belief, the Company will have to file Form 8928, return of certain excise taxes under Chapter 43 of the Internal Revenue Code, when they fail to meet the requirements under section 4980D.

145. In addition, under section 4980H of the Affordable Care Act, large employers, who employ 50 or more full-time employees, including full-time equivalents, may be subject to a penalty if they do not offer minimum essential coverage under an eligible employer-sponsored plan, or if they offer coverage that is unaffordable or does not provide minimum value.

146. Under section 4980H(a) of the Internal Revenue Code, if an employer fails to offer required health coverage to its full-time employees and their dependents, and at least one full-time employee obtains subsidized coverage in a state health insurance Exchange, the 4980H(a) annual tax penalty is \$2,000 times the total number of full-time employees employed by the employer. For purposes of calculating the 4980H(a) penalty, the number of full-time employees is reduced by 30.

147. The State of Minnesota will have an American Health Benefit Exchange as one avenue individuals may purchase insured coverage. (*See*, ACA § 1311(b)). Individual health insurance coverage is also available outside of the Exchange depending upon the individual's determination of what is the best value for him or her.

148. Medford, DeVowe, and the Company employ Minnesota residents. At least one employee, upon information and belief, will seek insurance through the Minnesota Exchange if the Company drops its group health plan.

149. Under the present proposed rules and regulations, because Medford, DeVowe, and the Company employ over 50 full-time employees or their equivalent under the PPACA, it is considered a large employer under 26 U.S.C. § 4890 subjecting them to substantial tax penalties if they fail to meet certain requirements for health insurance coverage to their employees.

150. Likewise, individuals, such as Medford, DeVowe, or the Company's employees, who fail to obtain compliant health insurance or some other excepted health-cost-sharing product will be subject to substantial IRS tax penalties collectable through the withholding of federal tax refunds.

151. Medford, DeVowe, and the Company are subject to a competitive business disadvantage if they cannot offer the employee benefit of health insurance for their employees' well-being and that of their family members.

152. The Company's employees have and continue to rely upon offered health insurance to protect themselves and family members.

153. The Affordable Care Act is coercing Medford, DeVowe, and the Company to forego their religious beliefs and refuse to offer health insurance to their employees. As a consequence, Medford, DeVowe, and the Company will face substantial tax penalties as imposed through the Defendant IRS.

154. Medford, DeVowe, and the Company bring this action to enjoin HHS's violations of Medford, DeVowe, and the Company's statutory and

constitutional rights and to permit Medford, DeVowe, and the Company to operate their current and future businesses in a manner consistent with and not in violation of their sincerely-held religious beliefs.

155. Medford, DeVowe, and the Company have no adequate remedy at law.

Claims for Relief

COUNT I

Violation of the Religious Freedom Restoration Act 42 U.S.C. § 2000bb

156. Plaintiffs reallege and incorporate by reference the preceding paragraphs of this Complaint as though fully set forth herein.

157. Medford and DeVowe's sincerely-held religious beliefs prohibit them, through the Company, from purchasing or providing coverage for contraception, sterilization, abortifacient drugs and related education and counseling in the Company's group health plan.

158. Medford and DeVowe, as Christians, adhere to the teachings, commands, and principles of the Bible with regard to contraception, sterilization, abortion, abortifacient drugs and related education and counseling. They exercise religion within the meaning of the Religious Freedom Restoration Act, 42 U.S.C. § 2000bb ("RFRA").

159. The HHS Mandate coerces Medford and DeVowe to change or violate their sincerely-held religious beliefs by requiring the Company to provide a group health plan compliant with the HHS Mandate or be charged with substantial fines and penalties.

160. According to the Bible, it would tarnish the Christian witness of Medford and DeVowe and be public scandal for Medford and DeVowe to knowingly continue owning and operating a business that provides health care coverage for contraception, sterilization, abortion, abortifacient drugs and related education and counseling.

161. The HHS Mandate coerces Medford and DeVowe through the Company to violate their sincerely-held religious beliefs.

162. The HHS Mandate forces Medford and DeVowe to choose between sacrificing their Christian religious beliefs and complying with the HHS Mandate or paying substantial fines and penalties for not complying with the HHS Mandate.

163. The HHS Mandate imposes a substantial burden on the exercise of religion of Medford, DeVowe and the Company.

164. The HHS Mandate furthers no compelling government interest.

165. The HHS Mandate is not narrowly tailored to any compelling government interest.

166. The HHS Mandate is not the least restrictive means of furthering Defendants' alleged interests.

167. The HHS Mandate, as implemented, is facially invalid under the Religious Freedom Restoration Act.

168. The HHS Mandate, as implemented, is invalid as applied under the Religious Freedom Restoration Act.

169. Because of the direct harm the HHS Mandate imposes upon Medford, DeVowe, and the Company in violation of the Religious Freedom Restoration Act, immediate injunctive relief is necessary to prevent governmental intrusion and punishment of the Plaintiffs for exercising their sincerely-held religious beliefs.

COUNT II
Violation of the Free Exercise Clause of
the First Amendment to the United States Constitution

170. Plaintiffs reallege and incorporate by reference the preceding paragraphs of this Complaint as though fully set forth herein.

171. The First Amendment of the United States Constitution protects the free exercise of religion.

172. Medford and DeVowe's sincerely-held religious beliefs prohibit them from purchasing or providing coverage for contraception, sterilization, abortifacient drugs and related education and counseling in the Company's employee group health plan.

173. When Medford and DeVowe, individually and through the Company, adhere to Biblical principles, teachings, and commands with regard to contraception, sterilization, abortion, abortifacient drugs and related education and counseling, they are exercising religion within the meaning of the Free Exercise Clause of the First Amendment.

174. The HHS Mandate is not neutral and is not generally applicable.

175. HHS has created categorical and individualized exemptions to the HHS Mandate.

176. The HHS Mandate coerces Medford, DeVowe, and the Company to change or violate sincerely-held religious beliefs.

177. The HHS Mandate coerces Medford and DeVowe to change or violate their sincerely-held religious beliefs by requiring the Company to purchase group health plans compliant with the HHS Mandate or be charged with substantial fines and penalties.

178. The HHS Mandate prevents Medford and DeVowe's religious exercise.

179. According to the Bible's teachings, commands, and principles, it would tarnish the Christian witness of Medford and DeVowe and be public scandal for Medford and DeVowe to knowingly continue owning and operating a business

that provides health care coverage for contraception, sterilization, abortion, abortifacient drugs and related education and counseling.

180. The HHS Mandate imposes a substantial burden on Medford and DeVowe's exercise of religion, both individually and through the Company.

181. The HHS Mandate is designed to apply to some religious American citizens but not to others, which results in discrimination among religions.

182. The HHS Mandate permits Health Resources Services unlimited discretion to decide to exempt some, all, or no organizations meeting the HHS's definition of "religious employers."

183. HHS has created exemptions to the HHS Mandate for some religious believers but not others based on characteristics of their beliefs, the types of organizations they belong to, and the manner in which they exercise their beliefs.

184. Despite having prior detailed knowledge of the kind of religious objections contained in this Complaint, HHS designed the HHS Mandate and the religious exemption to the HHS Mandate in a way that made it impossible for Medford and DeVowe, through their Company, and others similarly situated, to comply with their religious beliefs.

185. HHS promulgated both the HHS Mandate and the religious exemptions thereto with the purpose and intent to suppress the religious exercise of owners of for-profit companies like the Plaintiffs.

186. The HHS Mandate furthers no compelling governmental interest.

187. The HHS Mandate is not the least restrictive means of furthering HHS' alleged interests.

188. As a result of the HHS' violations of the First Amendment's Free Exercise Clause as described above, the HHS Mandate is facially invalid.

189. As a result of the HHS' violations of the First Amendment's Free Exercise Clause as described above, the HHS Mandate is invalid as applied.

190. The HHS Mandate violates Medford and DeVowe's rights secured to them by the Free Exercise Clause of the First Amendment of the United States Constitution. Because of the direct harm the HHS Mandate imposes upon Medford, DeVowe, and the Company in violation of their constitutional right to freedom of religion, immediate injunctive relief is necessary to prevent governmental intrusion and punishment of the Plaintiffs for exercising their sincerely-held religious beliefs as protected under the First Amendment.

COUNT III
Violation of the Establishment Clause of
the United States Constitution

191. Plaintiffs reallege and incorporate by reference the preceding paragraphs of this Complaint as though fully set forth herein.

192. The First Amendment's Establishment Clause prohibits the establishment of any religion as well as excessive government entanglement with religion.

193. The Establishment Clause requires government neutrality in matters of religion and in matters of religious organization.

194. The HHS Mandate discriminates among religious organizations, favoring some over others, and through it HHS exhibits hostility to religious beliefs.

195. The HHS Mandate establishes which individuals and entities are sufficiently religious to warrant exemption from the requirements of the ACA and the HHS Mandate.

196. Owners of for-profit companies, no matter how religious, are not included in the exemption from the requirements of the ACA and the HHS Mandate.

197. The exemptions from the HHS Mandate do exclude, for example, church organizations, but do not exclude lay people who own for-profit businesses and have the same or similar religious objections to the HHS Mandate as church organizations.

198. Thus, the exemption from the HHS Mandate unconstitutionally discriminates in favor of the Church (the Shepherd) and against the lay people (the Flock), including against Medford, DeVowe, and the Company.

199. Additionally, HHS through the HHS Mandate adopts a particular theological view of what is morally acceptable in a business owner's provision of abortifacients, contraceptives, and sterilization coverage to employees and imposes it upon Christians like Medford, DeVowe, and the Company who must either conform their consciences or suffer fines and penalties for noncompliance.

200. HHS' use of the political tactic of dividing the Shepherd from the Flock through the HHS Mandate is a violation of the Establishment Clause's neutrality requirement on its face. In using this political tactic, HHS is unconstitutionally favoring religious objectors who are "official," like a church, or those who are "organized" as church organizations with an official and explicit statement of faith, over religious objectors who are for-profit business owners and/or their businesses, and this is the case here with Medford, DeVowe, and the Company.

201. As a result of the HHS' violations of the First Amendment's Establishment Clause as described above, the HHS Mandate is facially invalid.

202. As a result of the HHS violations of the First Amendment's Establishment Clause as described above, the HHS Mandate is invalid as applied to Medford, DeVowe, and the Company.

203. The HHS Mandate violates Medford, DeVowe, and the Company's rights secured to them by the Establishment Clause of the First Amendment to the United States Constitution. Because of the direct harm the HHS Mandate imposes on Medford, DeVowe, and the Company in violation of their constitutional rights under the Establishment Clause, immediate injunctive relief is necessary to prevent governmental intrusion on the Plaintiffs' protected constitutional rights.

COUNT IV
Violation of the Fifth Amendment
of the United States Constitution

204. Plaintiffs reallege and incorporate by reference the preceding paragraphs of this complaint as though fully set forth herein.

205. The Fifth Amendment of the United States Constitution has an explicit requirement that the federal government not deprive individuals of "life, liberty, or property" without due process of the law and an implicit guarantee that each person receive equal protection of the laws.

206. The Fifth Amendment requires government neutrality in matters of religion and in matters of religious organization.

207. The HHS Mandate discriminates among religious organizations, favoring some over others, and exhibits hostility to religious beliefs.

208. The HHS Mandate establishes which individuals and entities are sufficiently religious to warrant exemption from the requirements of the ACA and the HHS Mandate.

209. Owners of for-profit companies, no matter how religious, are not included in the exemption from the requirements of the ACA and the HHS Mandate.

210. The exemptions from the HHS Mandate do exclude church organizations but do not exclude for-profit businesses and lay people who own those for-profit businesses which have the same religious objections to the HHS Mandate as exempted church organizations.

211. Thus, HHS, by granting exemptions from the HHS Mandate to church organizations but not for-profit businesses or their owners with the same religious objections as church organizations like Medford, DeVowe, and the Company, unconstitutionally discriminates in favor of the Bishop (the Shepherd) and against the lay people (the Flock).

212. HHS' use of the political tactic of dividing the Shepherd from the Flock is a violation of the Fifth Amendment's due process, equal protection and neutrality requirements. The HHS Mandate's exemption does not treat each

similarly situated religious objector equally under the law. In using this political tactic, HHS is unconstitutionally favoring religious objectors who are church organizations or organized as church organizations over religious objectors who are individual owners of for-profit businesses and their businesses, like Medford, DeVowe, and the Company.

213. As a result of the HHS violations under the Fifth Amendment as described above, the HHS Mandate is facially invalid.

214. As a result of the HHS violations under the Fifth Amendment as described above, the HHS Mandate is invalid as applied to Medford, DeVowe, and the Company.

215. The HHS Mandate violates Medford, DeVowe, and the Company's rights secured to them by the Fifth Amendment of the United States Constitution. Because of the direct harm the HHS Mandate imposes upon Medford, DeVowe, and the Company in violation of their constitutional right of due process and equal protection, immediate injunctive relief is necessary to prevent governmental intrusion on the Plaintiffs' protected constitutional rights.

COUNT V
Violation of the Free Speech Clause of
the First Amendment to the United States Constitution

216. Plaintiffs reallege and incorporate by reference the preceding paragraphs of this complaint as though fully set forth herein.

217. A business' conduct and speech relating to the provision of employee health insurance is "speech" protected by the Free Speech Clause.

218. HHS' requirement, through the HHS Mandate, that all group health plans provide coverage for education and counseling related to contraceptives, sterilization, and abortifacient drugs forces Medford and DeVowe, through the Company, to subsidize speech and expressive conduct that is directly contrary to Medford, DeVowe, and the Company's religious beliefs.

219. The HHS Mandate furthers no compelling governmental interest.

220. The HHS Mandate is not narrowly tailored to any compelling governmental interest.

221. As a result of the HHS' violations of the First Amendment's protection of free speech as described above, the HHS Mandate is facially invalid.

222. As a result of the HHS' violations of the First Amendment's protection of free speech as described above, the HHS Mandate is invalid as applied to Medford, DeVowe, and the Company.

223. The HHS Mandate violates Plaintiffs' rights secured to them by the Free Speech Clause of the First Amendment of the United States Constitution. Because of the direct harm the HHS Mandate imposes upon Medford, DeVowe, and the Company in violation of their constitutional right of free speech,

immediate injunctive relief is necessary to prevent governmental intrusion of the Plaintiffs protected constitutional rights.

COUNT VI
Violation of the Administrative Procedures Act

224. Plaintiffs reallege and incorporate by reference the preceding paragraphs of this complaint as though fully set forth herein.

225. Because HHS did not give proper notice and an opportunity for public comment when they promulgated the “preventive care” guidelines, HHS did not take into account the full implications of the regulations by completing a meaningful consideration of the relevant matter presented.

226. HHS did not consider or respond to the voluminous comments they received in opposition to the August 1, 2102 interim final rule.

227. Therefore, HHS have taken agency action not in accordance with procedures required by law, and Medford, DeVowe, and the Company are entitled to relief pursuant to 5 U.S.C. § 706(2)(D).

228. In promulgating the HHS Mandate, HHS failed to consider the constitutional and statutory implications of the HHS Mandate on Medford, DeVowe, and the Company and similar persons.

229. HHS’s decision to not exempt the Company and similar organizations is contrary to the evidence submitted during the comment period.

230. HHS's issuance of the HHS Mandate was thus arbitrary and capricious within the meaning of 5 U.S.C. § 706(2)(A) because HHS failed to consider the full extent of the HHS Mandate's implications and did not take into consideration the evidence against the HHS Mandate.

231. The HHS Mandate is contrary to existing law and is thus in violation of the APA under 5 U.S.C. § 706(2)(A).

232. As a result of the HHS' violations of the APA as described above, the HHS Mandate is facially invalid.

233. As a result of the HHS violations of the APA as described above, the HHS Mandate is invalid as applied to Medford, DeVowe, and the Company.

234. As a result of HHS' violation of the APA, the Plaintiffs have been directly harmed by HHS' intrusive violations of protections afforded to Medford, DeVowe, and the Company under the federal Constitution and under RFRA.

Jury Trial Demanded

235. Plaintiffs demand on any issue triable of right by a jury, a jury trial as protected under the United States Constitution, amend. VII, and as provided under Rule 38 of the Federal Rules of Civil Procedure.

Prayer for Relief

WHEREFORE, the above-named Plaintiffs respectfully request the following relief:

1. Enter a declaratory judgment that the HHS Mandate, which requires employee health insurance coverage for, “[a]ll Food and Drug Administration [(FDA)] approved contraceptive methods, sterilization procedures and patient education and counseling for all women with reproductive capacity” in plan years beginning on or after August 1, 2012 (“the HHS Mandate”), *see* 45 CFR § 147.130 (a)(1)(iv), and its application to Medford, DeVowe, and the Company, violate the Religious Freedom Restoration Act (RFRA);
2. Enter a declaratory judgment that the HHS Mandate and its application to Medford, DeVowe, and the Company violate the Free Exercise Clause of the First Amendment of the United States Constitution;
3. Enter a declaratory judgment that the HHS Mandate and its application to Medford, DeVowe, and the Company violate the Establishment Clause of the First Amendment of the United States Constitution;
4. Enter a declaratory judgment that the HHS Mandate and its application to Medford, DeVowe, and the Company violate the Free Speech Clause of the First Amendment of the United States Constitution;
5. Enter a declaratory judgment that the HHS Mandate and its application to Medford, DeVowe, and the Company violate the Fifth Amendment of the United States Constitution;

6. Enter a declaratory judgment that the HHS Mandate and its application to Medford, DeVowe, and the Company violate the Administrative Procedures Act;
7. Enter a declaratory judgment that the HHS Mandate is facially invalid because it violates the United States Constitution, the Religious Freedom Restoration Act and the Administrative Procedures Act;
8. Enter a declaratory judgment that the HHS Mandate is invalid as applied to Medford, DeVowe, and the Company because it violates the United States Constitution, the Religious Freedom Restoration Act and the Administrative Procedures Act;
9. Enter a preliminary and permanent injunction prohibiting Defendants Kathleen Sebelius or successor as U.S. Secretary of Health and Human Services and the United States Department of Health and Human Services; Seth D. Harris or successor as Acting Secretary of the United States Department of Labor and the United States Department of Labor; Jacob Lew or successor as U.S. Secretary of the Treasury and the United States Department of the Treasury; and Daniel I. Werfel or successor as the Acting Commissioner of Internal Revenue and the Internal Revenue Service from enforcing the HHS Mandate against Medford, DeVowe, and the Company;

10. Enter a preliminary and permanent injunction prohibiting the Internal Revenue Service from the application and/or enforcement of IRS rules or regulations that would result in imposing taxes, penalties, or tax penalties against Medford, DeVowe, and the Company, including but not limited to requiring the filing of Form 8980 regarding the return of certain excise taxes under Chapter 43 of the Internal Revenue Code (or similar form) *and* the payment of any excise tax or interest penalty;
11. Enter a preliminary and permanent injunction prohibiting the Internal Revenue Service from the application and/or enforcement of IRS rules or regulations that would result in any other type of tax penalty, including interest, against Medford, DeVowe, and the Company;
12. Enter a preliminary and permanent injunction prohibiting the Internal Revenue Service from the application and/or enforcement of IRS rules or regulations that would result in imposing penalties against any of the employees of Medford, DeVowe, and the Company;
13. Enter a declaratory judgment that an insurance issuer or administrator that offers a group health plan to Company excluding the coverage required by the HHS Mandate does not violate the Patient Protection and Affordable Care Act or the HHS Mandate;

14. Award Medford, DeVowe, and the Company costs and reasonable attorney fees under 42 U.S.C. § 1988; and

15. Award such other relief as the Court deems just.

Dated: July 2, 2013.

MOHRMAN & KAARDAL, P.A.

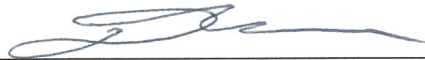
/s Erick G. Kaardal
Erick G. Kaardal (Minn. 229647)
James V. F. Dickey (Minn. 393613)
Mohrman & Kaardal, P.A.
33 South Sixth Street, Suite 4100
Minneapolis Minnesota 55402
Telephone: (612) 341-1074
Facsimile: (612) 341-1076
kaardal@mklaw.com

Counsel for Plaintiffs

**VERIFICATION OF COMPLAINT
PURSUANT TO 28 U.S.C. § 1746**

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge.

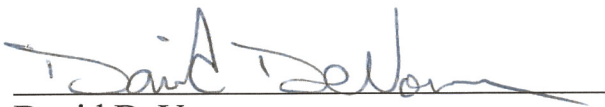
Executed on 6/28, 2013



Daniel Medford

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge.

Executed on 6/28, 2013

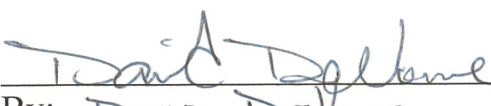


David DeVowe

I declare on behalf of The QC Group, Inc. under penalty of perjury that the foregoing is true and correct to the best of my knowledge.

Executed on 6/28, 2013

THE QC GROUP, INC.



By: DAVID DEVOWE
Its: Vice President, General Manager