

*For Immediate Release*

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**St. Joseph's Regional Medical Center Being Sued  
For Reneging on Hamiltonian Hotel & Event Center**

*Medical Missions for Children Brings Multi-Million Dollar Lawsuit  
over Rights to Use Hospital Ground Site*

**Paterson, NJ-October 20, 2016**—Medical Missions for Children (“MMC”), an award-winning, Paterson-based children’s charity, today filed an action in Superior Court in Passaic County against St. Joseph’s Healthcare System, St. Joseph’s Hospital (“Hospital”), and the CEO of the Healthcare System alleging, among other things, breach of contract, negligent misrepresentations, and violation of New Jersey’s Consumer Fraud Act.

MMC’s complaint concerns the construction of The Hamiltonian Hotel and Conference Center, which was to be Paterson’s first hotel in decades and promised hundreds of new jobs for the city and surrounding communities. In its complaint, MMC alleges that in or about 2008, MMC and St. Joseph’s Hospital entered into a joint venture whereby the Hospital agreed to supply MMC with land on the Hospital’s campus if MMC agreed to take the lead with financing, constructing, and operating a hotel. As part of that joint venture, the Hospital also agreed to support MMC and the construction of the hotel however MMC needed and through the hotel’s completion.

Both parties stood to benefit from the hotel: MMC from the hotel’s profits, which would be used to support its charitable programs, and the Hospital from both the profits—which would be used to support St. Joseph’s Children’s Hospital—and from having a hotel on its campus, which would improve the neighborhood and drive prospective patients to the Hospital.



MMC labored for years on the hotel project, ultimately securing \$105.5 million in Urban Transit Hub Tax Credits from the New Jersey Economic Development Authority and support from Passaic County and the City of Paterson. For its part, the Hospital honored the joint venture for years, executing a 99-year lease agreement with MMC for land on which the hotel would be built, and supporting the hotel project before state, county, and city officials. The Hospital even loaned MMC \$335,000 to support construction of The Hamiltonian and touted the hotel to the world in a billboard on Interstate 80.

The hotel project won the widespread support of the Paterson community. According to one editorial:

All in all, the project stands to be a boon for the city: the possibility of hundreds of good-paying jobs, a real chance for thoughtful revitalization, and a development that brings additional ratables and sustained benefit to Paterson and its residents.

*'The Record: Build the hotel' The Record/Herald News/Northjersey.com December 12, 2013.*

But in or about December 2015, under a new CEO, the Hospital began to breach the joint venture with MMC. Specifically, the Hospital called into question the validity of the ground lease—which the Hospital's General Counsel had drafted and the Hospital's CEO had signed—and secretly lobbied the Mayor of Paterson to “squash” the hotel project. When the Hospital's lobbying efforts failed, and MMC was nearly ready to break ground on the hotel, the Hospital issued a press release unilaterally declaring the ground lease invalid. MMC learned that the Hospital had breached the joint venture when a reporter telephoned MMC's CEO seeking comment.

Since June 2016, both the Mayor and MMC have attempted to broker a meeting with the Hospital to attempt to understand why the Hospital breached the agreement and reinvigorate the hotel project. The Hospital has refused to meet. Instead, on September 14, 2016, counsel for the Hospital issued a letter to MMC ordering MMC to vacate the office space on the Hospital's campus that MMC has inhabited for more than a decade. The eviction would force MMC to shutter its programs, including its telemedicine program, which has saved thousands of lives around the world, and Giggles Children's Theater, which has operated from the Hospital since 2005 and entertained thousands of sick children.

A copy of the complaint can be found at [www.mmissions.org](http://www.mmissions.org).

#### About Medical Missions for Children

Medical Missions for Children, formed in 1999, is an organization dedicated to helping children with life-threatening illnesses, wherever they may be in the world. MMC does so by leveraging video technology—known as telemedicine—to allow doctors in the United States to consult with their foreign counterparts on difficult or unique pediatric cases anywhere in the world. Since its founding, MMC has conducted 80,000 telemedicine sessions across 110 countries, saving thousands of young lives in the process. MMC is also focused on Paterson, and has operated Giggles Children's Theater at St. Joseph's Hospital since 2005. The Theater provides live educational, artistic, and cultural programs for the Hospital's youngest patients, as well as children in the local community. For more information, visit [www.mmissions.org](http://www.mmissions.org).

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