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E. OLIVAS

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Attorneys for Plaintiffs, CITY OF BEAUMONT and BEAUMONT UTILITY AUTHORITY

SUPERIOR COURT OF CALIFORNIA
COUNTY OF RIVERSIDE (RIVERSIDE BRANCH)

CITY OF BEAUMONT, a municipal
corporation; and BEAUMONT UTILITY
AUTHORITY a public agency blended
component unit of the City of Beaumont,

Plaintiffs,

v.

JOSEPH AKLUFU, an individual; DAVID
WYSOCKI, an individual; AKLUFU &
WYSOCKI, a California partnership; and
DOES 1 through 20, inclusive,

Defendants.

Case No. **RIC 1712036**

COMPLAINT FOR :

- 1. Legal Malpractice**
- 2. Breach of Fiduciary Duty**
- 3. Breach of Written Contract**

Plaintiffs City of Beaumont ("**City**") and Beaumont Utility Authority (collectively,
"**Plaintiffs**" or "**City and City-related entity**") allege as follows:

PARTIES

1. Plaintiff City is a municipal corporation and a general law city in Riverside
County, organized and existing under the laws of the State of California.

2. Plaintiff BEAUMONT UTILITY AUTHORITY is a public agency blended
component unit of the City and is operating in the County of Riverside, and is organized and
existing under the laws of the State of California.

1 3. Plaintiffs are informed and believe, and on that basis allege, that Defendant
2 Joseph Aklufi ("*Aklufi*") is, and at all times herein mentioned was, an individual residing in
3 Riverside County, California. Plaintiffs are further informed and believe that Aklufi, as a
4 partner of Aklufi & Wysocki ("*A&W*"), was the City Attorney for the City and City-related
5 entity for a continuous period beginning on or about March 1, 1992, and ending in or about
6 2014. Aklufi is named in both his official and personal capacities.

7 4. Plaintiffs are informed and believe, and on that basis allege, that Defendant
8 David Wysocki ("*Wysocki*") is, and at all times herein mentioned was, an individual residing in
9 San Bernardino County, California. Plaintiffs are further informed and believe, that Wysocki, as
10 partner of A&W, acted as Deputy City Attorney for the City and City-related entity during the
11 continuous period beginning on or about March 1, 1992, and ending in about 2014. From 2014
12 until about May 2015, Wysocki served as City Attorney until in or about May 2015, when
13 Plaintiffs terminated their relationship with Defendants. Wysocki is named in both his official
14 and personal capacities.

15 5. Plaintiffs are informed and believe, and on that basis allege, that Defendant
16 Aklufi & Wysocki is a California partnership and was doing business at all times herein
17 mentioned in the County of San Bernardino, California, and was organized and existing under
18 the laws of the State of California, and was, and at all times mentioned herein, licensed to do
19 business in the State of California, and was doing business in the County of Riverside.

20 6. Plaintiffs are ignorant of the true names and capacities of Defendants sued herein
21 as Does 1 through 20, inclusive, and therefore sues these Defendants by such fictitious names.
22 Plaintiffs will amend this Complaint to allege their true names when ascertained. Plaintiffs are
23 informed and believe and on that basis allege that each fictitiously named Defendant is
24 responsible in some manner for the acts and/or omissions alleged in this Complaint, that
25 Plaintiffs' damages as herein alleged were proximately caused by these Defendants' acts and/or
26 omissions, and that each of said Defendants is liable to Plaintiffs upon the claims alleged herein.

27 7. Plaintiffs are informed and believe, and on that basis allege, that the Defendants,
28 and each of them, including Does 1 through 20, in doing the acts and/or omissions herein

1 alleged, were acting as the agents, representatives, servants or employees of each of the other
2 Defendants, and were acting with the course and scope of their employment or agency with the
3 full knowledge and consent of the other Defendants (hereinafter collectively referred to as
4 Defendants”).

5 8. Plaintiffs have assigned each and every claim alleged herein against defendants,
6 and each of them, to the Western Riverside Council of Governments (“WRCOG”) pursuant to a
7 2017 settlement agreement and assignment of claims. Plaintiffs assigned their claims after
8 WRCOG prevailed in a lawsuit against the City in a case entitled *Western Riverside Council of*
9 *Governments v. City of Beaumont*, Orange County Superior Court Case No. 30-2010-00357976
10 (the “WRCOG Action”). The WRCOG Action resulted in a judgment against the City in excess
11 of \$60 million, and the City and WRCOG settled the matter after the judgment had been entered
12 and while the City was appealing the judgment against it. Plaintiffs are informed and believe,
13 and on that basis allege, that WRCOG is bringing a separate action against defendants, and each
14 of them, for similar claims as are asserted herein. Plaintiffs bring the claims herein in the event
15 that defendants, or any of them, challenge Plaintiffs’ right to assign their claims to WRCOG.

16 **JURISDICTION AND VENUE**

17 9. Jurisdiction is proper in this court as the subject matter is within the general
18 jurisdiction of this court and the amount in controversy exceeds the jurisdictional minimum of
19 this Court.

20 10. Venue is proper in the County of Riverside in that the violations, breaches, acts,
21 and/or omissions which are the subject of this action occurred in the County of Riverside.

22 **GENERAL BACKGROUND ALLEGATIONS**

23 11. The City and City-related entity bring this lawsuit against A&W, Joseph Aklufi,
24 and David Wysocki, for legal malpractice, breach of fiduciary duties, and breach of contract
25 arising out of Defendants’ acts and/or omissions while acting as City Attorney for the City and
26 City-related entity.

27 12. Plaintiffs are informed and believe, and on that basis allege, that Defendant
28 Aklufi was at all times relevant a partner of Defendant A&W, and he was the City Attorney for

1 the City and City-related entity for a continuous period beginning in or about March 1, 1992
2 and ending in or about 2014.

3 13. Plaintiffs are informed and believe, and on that basis allege, that Defendant
4 Wysocki was at all times relevant a partner of Defendant A&W, and he acted as Deputy City
5 Attorney for the City and City-related entity during the continuous period beginning in or about
6 March 1, 1992 through in or about 2014, after which time he took over as City Attorney, which
7 position he held until in or about May 2015, at which point, Plaintiffs terminated Defendants.

8 14. Thus, for over 20 years, Defendants, and each of them, were responsible for
9 providing comprehensive legal representation to the City as its City Attorney and to the City-
10 related entity as its General Counsel. Defendants' representation of the City as City Attorney
11 and the City-related entity as General Counsel included, but was not limited to, advising City
12 officials in all legal matters pertaining to City business; framing ordinances and/or resolutions
13 required by the legislative bodies of the City and related entities; and/or performing other legal
14 services required from time to time by the legislative bodies of the City and City-related entity.
15 Defendants, and each of them, as City Attorney for the City and General Counsel for the City-
16 related entity, served at the pleasure of the City Council and the City-related entity's Boards,
17 and owed all ethical obligations to the City and City-related entity themselves—as clients—and
18 not to any individual public official, employee, independent contractor, or community member.

19 15. As City Attorney for the City and General Counsel for the City-related entity,
20 Defendants, and each of them, were responsible for and had a duty to provide legal advice to the
21 City and City-related entity regarding material issues that impacted the City and City-related
22 entity and to oversee any and all outside counsel to whom matters requiring special expertise
23 were referred. Moreover, Defendants, and each of them, had a duty to and were obligated to
24 serve as independent advisors to the City Council and other City-related entity Boards, and to
25 provide a check and balance to insure that actions undertaken by the City Council/Boards and
26 City officials and employees were lawful and undertaken consistent with all applicable laws,
27 regulations, and standards.

28

1 16. As City Attorney for the City and General Counsel for the City-related entity,
2 Defendants, and each of them, had a duty to attend public Council/Board meetings, as well as
3 closed sessions of the City Council/Boards, and to provide legal representation to the City and
4 related entities during the Council/Board meetings, and otherwise to ensure conformance by the
5 City and City-related entity with legal requirements. Specifically, such duties included, but were
6 not limited to, preparation and review of contracts on behalf of the City and City-related entity,
7 reviewing materials submitted by City staff to the City Council/Boards, and drafting, preparing
8 and approving as to form legal documents for the City and City-related entity, including
9 employment contracts, ordinances and resolutions. Additionally, Defendants, and each of them,
10 were or should have been aware and fully familiar with applicable State law, including the
11 Brown Act, and the requirements for placing matters on the Agenda, noticing the Agenda,
12 posting the Agenda, and properly considering Agenda items to ensure the Council/Boards have
13 acted lawfully. Moreover, Defendants, and each of them, were aware or should have been aware
14 and fully familiar with applicable State law governing the award and approval of public
15 contracts, agreements for professional services, and public bidding.

16 17. Finally, as City Attorney for the City and General Counsel for the City-related
17 entity, Defendants had a duty to supervise, monitor and oversee the actions of the City
18 Council/Boards and City officials, contractors and employees to insure that they acted lawfully.

19 18. As City Attorney for the City and General Counsel for the City-related entity,
20 Defendants failed to exercise reasonable care and skill in performing legal services and giving
21 legal advice to the City and City-related entity, including but not limited to the following:

22 a. Defendants, and each of them, negligently failed to supervise, monitor
23 and/or oversee the actions of City officials, contractors and/or other City employees who
24 were tasked with the daily administration of the City and City-related entity, and
25 defendants negligently permitted members of the City staff, contractors and employees,
26 including, but not limited to, the City Manager, the City Finance Director, the City
27 Engineer, the City Public Works Director, the Economic Development Director, and the
28 Planning Director to manipulate and ignore legal requirements regarding conflicts of

1 interest, to overcharge the City and City-related entity for purported services, and to act
2 secretly and unlawfully and to engage in self-dealing to the detriment of the City and
3 City-related entity, including but not limited to the following:

4 i. Defendants, and each of them, negligently allowed the City and
5 City-related entity to enter into, renew and/or amend agreements with various
6 companies, including but not limited to, Cherry Valley Automotive and
7 Beaumont Tire, despite City officials, including the Finance Director, Bill
8 Aylward, having a direct or indirect financial interest in the businesses, in
9 violation of the City's Conflict of Interest Code, Government Code section 1090
10 and the Political Reform Act. Defendants, and each of them, further permitted
11 Aylward to approve and process payments and requisitions for these businesses
12 despite the clear conflict of interest.

13 ii. Defendants, and each of them, negligently allowed the City and
14 City-related entity to employ as City officials, individuals who owned Urban
15 Logic Consultants ("ULC"), a corporation that had a planning, economic
16 development, public works, engineering and other services contract with the City
17 since 1993. ULC was owned by Deepak Moorjani, David Dillon, and Ernest
18 Egger. Despite never being acknowledged or placed on City payroll, Moorjani
19 served as City Engineer and Public Works Director, Dillon served as Economic
20 Development Director, and Egger served as Planning Director. All three of these
21 individuals served in positions requiring compliance with the City's Conflict of
22 Interest Code and State conflict of interest laws, including Government Code
23 section 1090. However, on information and belief, defendants, and each of them,
24 negligently permitted Moorjani to improperly approve invoices/requisitions for
25 ULC, and Defendants, and each of them, negligently allowed Dillon, Moorjani,
26 and Egger to unlawfully profit from ULC contracts with the City in violation of
27 conflict of interest laws. On information and belief, Defendants, and each of
28 them, further allowed ULC, Dillon, Moorjani, Egger and/or other contractors of

1 Plaintiffs to grossly overcharge Plaintiffs for purported services. Despite having
2 direct knowledge of the conflicts of interest and other overcharges, Defendants,
3 and each of them, did nothing to inform/disclose to the City Council and/or other
4 City-related entity Boards the conflicts of interest and/or overcharges or
5 otherwise to prevent the conflicts of interest and/or overcharges from occurring.

6 b. Defendants, and each of them, negligently failed to discover, impede or
7 otherwise disclose to the City Council/City-related entity Boards the City officials',
8 contractors' and employees' conflicts of interest and overcharges, and on information
9 and belief, defendants, and each of them, know of and/or negligently permitted the
10 conflicts of interest and overcharges to continue, and/or actively concealed the existence
11 of the conflicts of interest and overcharges from the City Council/City-related entity
12 Boards. Plaintiffs are informed and believe, and on that basis allege, that Defendants,
13 and each of them, knew or should have known, of the conflicts of interest of the City
14 officials and of the overcharges as alleged above, and defendants, and each of them, had
15 a duty to report these conflicts of interest and overcharges and to prevent the same, and
16 Defendants, and each of them, failed to do so.

17 c. Defendants, and each of them, negligently permitted the City to enter into
18 contracts in violation of State law and the City Code. In violation of State law and City
19 Code, Defendants, and each of them, permitted the City and City-related entity to enter
20 into agreements without complying with competitive procedures required by state law
21 and the City Code. Furthermore, Defendants, and each of them, negligently failed to
22 require ULC contracts to be submitted and approved in an open and competitive process.
23 Defendants, and each of them, also negligently permitted the City to enter into contracts
24 for procurement of electrical supplies and equipment and contracts for services with
25 Beaumont Electric without complying with proper procurement procedures or
26 competitive bidding.

27 d. Defendants negligently failed to discover and/or prevent the City from
28 making improper loans to public officials and gifting public funds.

1 i. Plaintiffs are informed and believe, and on that basis allege, that
2 Defendants, and each of them, negligently permitted the City Manager,
3 Kapanicas, to improperly authorize the wife of Deepak Moorjani to receive City
4 healthcare/COBRA benefits, despite having never been an employee of the City.

5 e. Defendants, and each of them, negligently advised and/or failed to advise
6 the City regarding the collection of Transportation Uniform Mitigation Fees ('TUMF')
7 and implementation of the City's TUMF program on development projects, which the
8 City was obliged to collect and remit to WRCOG pursuant to the City's participation in
9 WRCOG's TUMF program, which was designed to mitigate traffic congestion in
10 western Riverside County. Plaintiffs are informed and believe, and on that basis allege,
11 that ULC, Dillon, Egger, Moorjani, Kapanicas, and/or other City officials, contractors
12 and/or employees, devised a scheme to avoid collecting and/or remitting TUMF
13 payments to WRCOG, and that defendants, and each of them, knew of should have
14 known of this improper scheme, and they failed to fully disclose this improper scheme
15 to the then City Council, which had voted for the City to participate in the TUMF
16 program, thereby setting the policy directive of the City to fully participate in the TUMF
17 program in good faith as a member of WRCOG. As a result of the City's failure to
18 collect and/or remit TUMF payments to WRCOG due to the improper scheme as alleged
19 herein, WRCOG filed the WRCOG Action and prevailed in its suit against the City,
20 resulting in a judgment against the City for roughly \$60 million. As alleged above, the
21 City and WRCOG settled the WRCOG Action in 2017 after judgment had been entered,
22 but while the City was appealing the matter. Plaintiffs are informed and believe, and on
23 that basis allege, that Defendants, and each of them, negligently gave the City improper
24 and/or incorrect legal advice to the City regarding its obligations to collect and remit
25 TUMF payments to WRCOG, both before and during the TUMF Action, which resulted
26 in the substantial judgment against the City, which the City has since settled.

27 f. Defendants, and each of them, negligently failed to require City staff to
28 keep proper accounting and records of bond issuances, fixed assets and inventory; failed

1 to provide adequate oversight over contract awards; failed to advise the City and related
2 entities regarding State law and the City Code; failed to require the City to maintain
3 written administrative policies and procedures; and failed to require adequate financial
4 reporting or control over fiscal functions, which caused a massive deficit in the City's
5 General Fund to go unreported for many years.

6 g. Plaintiffs are informed and believe, and on that basis allege, that
7 Defendants, and each of them, negligently or intentionally delayed in timely providing
8 Plaintiffs with a copy of all of their files related to Plaintiffs' matters when requested
9 following their termination as City Attorney and General Counsel for the City-related
10 entity. In or about April 2016, Plaintiffs requested copies of their files from Defendants,
11 and each of them, and yet it was not until September or October 2016 that Defendants,
12 and each of them, provided some, but clearly not all, files to Plaintiffs. Plaintiffs are also
13 informed and believe, and on that basis allege, that Defendants, and each of them,
14 intentionally and/or negligently failed to provide all of Plaintiffs' files to Plaintiffs, even
15 though Defendants, and each of them, had a legal duty to do so. As an example, but
16 without limitation, Defendants, and each of them, have not given to Plaintiffs any of
17 their files regarding the WRCOG Action, which resulted in a judgment against the City
18 in excess of \$60 million, even though Plaintiffs had timely requested all of their files be
19 returned upon termination of defendants.

20 19. As a direct result of Defendants', and each of their, gross negligence and failure
21 to fulfill the duties of City Attorney for the City and General Counsel for the City-related entity,
22 the City and City-related entity were damaged in an amount to be determined at trial, but in
23 excess of the jurisdictional minimum of this Court.

24 20. On or about April 1, 2016, Plaintiffs and Defendants, and each of them, entered
25 into a tolling agreement, which tolled the running of all applicable statutes of limitation for all
26 claims asserted herein. The original tolling agreement was set to expire on December 31, 2016,
27 but on or before December 30, 2016, the parties executed a first amended tolling agreement,
28

1 which further tolled the running of all applicable statutes of limitation for all claims asserted
2 herein through and until June 30, 2017.

3 **FIRST CAUSE OF ACTION**

4 **(Legal Malpractice against all Defendants)**

5 21. Plaintiffs hereby incorporates by reference the allegations contained in paragraph
6 1 through 20 above as though fully set forth herein.

7 22. As a consequence of the attorney-client relationship that existed between
8 Defendants and Plaintiff as alleged above, at all times relevant herein, Defendants owed a legal
9 duty Plaintiffs to exercise reasonable care and skill in performing legal services and giving legal
10 advice to City, and to refrain from acts of negligence and carelessness in discharging said
11 duties.

12 23. Defendants, and each of them, owed a duty to Plaintiffs, in their capacity as City
13 Attorney for the City and General Counsel to the City-related entity, to use such skill, prudence,
14 and diligence as members of its profession commonly possess and exercise when acting in such
15 capacities.

16 24. Plaintiffs are informed and believe, and on that basis allege, that Defendants, and
17 each of them, breached the duties owed to Plaintiffs by, *inter alia*, failing to properly supervise,
18 monitor and/or oversee the actions of former City officials, contractors and/or employees, and
19 negligently permitting former members of the City staff and contractors to manipulate and
20 ignore the requirements of the law regarding conflicts of interest, and to act secretly and
21 unlawfully and engage in self-dealing to the detriment of the City, and to overcharge the City
22 and City-related entity for purported services rendered; by failing to discover, impede or
23 otherwise disclose to the City Council/City-related entity Boards, the City Officials' conflicts of
24 interest, and by negligently permitting the conflicts to continue and/or actively concealing the
25 existence of conflicts of interest thereof; by negligently permitting the City to enter into
26 contracts in violation of State law and the City Code which require competitive procedures; by
27 negligently failing to discover and/or prevent the City from making improper loans to public
28 officials and gifting public funds; by negligently advising and/or failing to advise the City

1 regarding the collection and remittance of TUMF fees on development projects to WRCOG; by
2 negligently failing to require City staff, contractors and/or employees to keep proper accounting
3 and records of bond issuances, fixed assets and inventory; by negligently failing to provide
4 adequate oversight over contract awards; by negligently failing to advise the City regarding
5 State law and the City Code; by negligently failing to require adequate financial reporting or
6 control over fiscal functions, and by negligently (or intentionally) delaying in providing
7 Plaintiffs with their files upon termination of the attorney-client relationship, or for some
8 matters, including but not limited to the WRCOG Action, failing to return to Plaintiffs any of
9 their files.

10 25. Plaintiffs are informed and believe, and on that basis allege, that as a direct and
11 proximate result of Defendants' negligence in failing to exercise proper care and skill as alleged
12 herein, Plaintiffs sustained actual damages and continue to sustain actual damages. Plaintiffs'
13 damages are in an amount to be determined at trial, but are in excess of the jurisdictional
14 minimum of this Court.

15 **SECOND CAUSE OF ACTION**

16 **(Breach of Fiduciary Duty against all Defendants)**

17 26. Plaintiffs hereby incorporate by reference the allegations contained in paragraph
18 1 through 25 above as though fully set forth herein.

19 27. By virtue of the attorney-client relationship that existed between Defendants and
20 Plaintiffs, and by virtue of Plaintiffs having placed confidence in the honesty, fidelity, and
21 integrity of Defendants, and each of them, a confidential relationship existed between the City
22 and City-related entity, on the one hand, and Defendants, and each of them, on the other hand,
23 at all times mentioned herein. Defendants, and each of them, thereby owed Plaintiffs a fiduciary
24 duty to act at all times in the best interests of the City and City-related entity.

25 28. Despite having accepted the trust and confidence of Plaintiffs, and in violation of
26 this relationship of trust and confidence, Defendants, and each of them, abused the trust and
27 confidence of Plaintiffs by, *inter alia*, failing to properly supervise, monitor and/or oversee the
28 actions of City officials, contractors and/or employees, and negligently permitting former

1 members of the City staff and contractors to ignore the requirements of the law regarding
2 conflicts of interest, and to overcharge the City for purported services rendered, and to act
3 secretly and unlawfully and engage in self-dealing to the detriment of Plaintiffs; by failing to
4 discover, impede or otherwise disclose to the City Council and City-related entity Boards the
5 City officials', contractors' and/or employees' conflicts of interest, overcharges and self-
6 dealings, and by negligently permitting the conflicts, overcharges and self-dealings to continue
7 and/or actively concealing the existence thereof; by negligently permitting the City to enter into
8 contracts in violation of State law and the City Code; by negligently failing to discover and/or
9 prevent the City from making improper loans to public officials and gifting public funds; by
10 negligently advising and/or failing to advise the City regarding the collection and remittance of
11 TUMF fees to WRCOG on development projects; by negligently failing to require City staff
12 and contractors to keep proper accounting and records of bond issuances, fixed assets and
13 inventory; by negligently failing to provide adequate oversight over contract awards; by
14 negligently failing to advise the City regarding State law and the Municipal Code; by
15 negligently failing to require adequate financial reporting or control over fiscal functions, and
16 by delaying in providing Plaintiffs with their files upon termination of the attorney-client
17 relationship, or for some matters, including but not limited to the WRCOG Action, failing to
18 return to Plaintiffs any of their files.

19 29. Plaintiffs are informed and believe, and on that basis allege, that as a direct and
20 proximate result of Defendants' negligence in failing to exercise proper care and skill as alleged
21 herein, Plaintiffs sustained actual damages and continue to sustain actual damages. Plaintiffs'
22 damages are in an amount to be determined at trial, but are in excess of the jurisdictional
23 minimum of this Court.

24 30. Plaintiffs are informed and believe, and on that basis allege, that the conduct of
25 Defendants, and each of them, as alleged herein, was malicious and unconscionable, and that an
26 award of exemplary or punitive damages is warranted as against these defendants, and each of
27 them, in an amount to be proven at trial.

1 **THIRD CAUSE OF ACTION**

2 **(Breach of Contract against Defendant A&W)**

3 31. Plaintiffs hereby incorporate by reference the allegations contained in paragraph
4 1 through 30 above as though fully set forth herein.

5 32. On or about March 1, 1992, Defendant Aklufi and Defendant Wysocki, as
6 partners of Defendant A&W, entered into an agreement with the City for general legal services,
7 which was later formalized in writing and renewed and amended periodically ("Agreement").

8 33. Pursuant to the Agreement, A&W was appointed as the Plaintiffs' legal counsel:
9 Defendant Aklufi was to represent the City as City Attorney and City-related entity as General
10 Counsel; Defendant Wysocki was to function as Deputy City Attorney for the City and Deputy
11 General Counsel for the City-related entity. Pursuant to the Agreement, Defendants, and each of
12 them, were to "provide such legal services to the City as are requested by the City including, but
13 not limited to, attending all meetings of the City Council; conferring with and advising any and
14 all officers and employees of the City and furnishing written opinions relating to City matters
15 when requested to do so; drafting and preparing any and all ordinances, resolutions, legal
16 instruments or documents requested by the City; preparing pleadings and other documents
17 relating to matters involving the City pending before the courts, quasi-judicial or administrative
18 bodies, and making appearances to represent the City before any court, quasi-judicial,
19 administrative or legislative body."

20 34. Plaintiffs have performed all conditions, covenants, and promises required to be
21 performed in accordance with the terms of the Agreement, except for those conditions,
22 covenants and promise which were excused by the Defendants and/or conditions, covenants,
23 and promises which City was prevented from performing by the acts or omissions on the part of
24 Defendants.

25 35. Defendants, and each of them, have breached the Agreement by, *inter alia*,
26 failing to properly supervise, monitor and/or oversee the actions of City officials, contractors
27 and/or employees, and negligently permitting former members of the City staff and contractors
28 to manipulate and ignore the requirements of the law regarding conflicts of interest, to

1 overcharge the City and City-related entity for purported services, and to act secretly and
2 unlawfully and engage in self-dealing to the detriment of Plaintiffs; by failing to discover,
3 impede or otherwise fully disclose to the City Council and City-related entity Boards the City
4 officials', contractors' and employees' conflicts of interest, and by permitting the conflicts,
5 overpayments and self-dealings to continue and/or actively concealing the existence thereof; by
6 permitting Plaintiffs to enter into contracts in violation of State law and the City Code; by
7 negligently failing to discover and/or prevent the City from making improper loans to public
8 officials and gifting public funds; by negligently advising and/or failing to advise the City
9 regarding the collection of TUMF fees on development projects; by negligently failing to
10 require City Management to keep proper accounting and records of bond issuances, fixed assets
11 and inventory; by negligently failing to provide adequate oversight over contract awards; by
12 negligently failing to advise the City regarding State law and the Municipal Code; by
13 negligently failing to require adequate financial reporting or control over fiscal functions, and
14 by delaying in providing Plaintiffs with their files upon termination of the attorney-client
15 relationship, or for some matters, including but not limited to the WRCOG Action, failing to
16 return to Plaintiffs any of their files.

17 36. Plaintiffs are informed and believe, and on that basis allege, that as a direct and
18 proximate result of A&W's breaches of the Agreement as alleged herein, Plaintiffs sustained
19 actual damages and continue to sustain actual damages. Plaintiffs' damages are in an amount to
20 be determined at trial, but are in excess of the jurisdictional minimum of this Court.

21 37. Further, the Agreement provides that "[s]hould it become necessary to file an
22 action or proceeding to enforce this agreement, or any provision of this agreement, the
23 prevailing party in such an action shall be entitled to recover, in addition to damages, the
24 reasonable amount of his attorneys' fees and costs incurred in such action."

25 **PRAYER FOR RELIEF**

26 WHEREFORE, Plaintiffs, the City and City-related entity pray for judgment as follows:

- 27 1. For compensatory damages in an amount to be determined at trial;
28 2. For exemplary and punitive damages in amount to be determined at trial;

- 1 3. For costs of suit incurred herein;
2 4. For reasonable attorneys' fees, as allowed by law;
3 5. For such other and further relief as the Court deems just and proper; and
4 6. For disgorgement of profits and attorney's paid to Defendants as a result of
5 egregious breaches of their duty and standard of care.

6
7 Dated: June 30, 2017

SLOVAK BARON EMPEY MURPHY & PINKNEY LLP

8
9
10 By: 

SHAUN M. MURPHY
Attorneys for Plaintiffs

ATTORNEY OR PARTY WITHOUT ATTORNEY (Name, State Bar number, and address): Shaun M. Murphy, Esq. (SBN 194965) / Katelyn K. Empey, Esq. (SBN 292110) Slovak Baron Empey Murphy & Pinkney, LLP 1800 E. Tahquitz Canyon Way Palm Springs, California 92262 TELEPHONE NO.: (760) 322-2275 FAX NO.: (760) 322-2107 ATTORNEY FOR (Name): Plaintiffs City of Beaumont and Beaumont Utility Auth.		FOR COURT USE ONLY	
SUPERIOR COURT OF CALIFORNIA, COUNTY OF RIVERSIDE STREET ADDRESS: 4050 Main Street MAILING ADDRESS: 4050 Main Street CITY AND ZIP CODE: Riverside, California 92501 BRANCH NAME: RIVERSIDE			
CASE NAME: City of Beaumont, et al. v. Joseph Aklufi, et al.			
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; padding: 5px;"> CIVIL CASE COVER SHEET <input checked="" type="checkbox"/> Unlimited (Amount demanded exceeds \$25,000) </td> <td style="width: 50%; padding: 5px;"> <input type="checkbox"/> Limited (Amount demanded is \$25,000 or less) </td> </tr> </table>			CIVIL CASE COVER SHEET <input checked="" type="checkbox"/> Unlimited (Amount demanded exceeds \$25,000)
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Items 1-6 below must be completed (see instructions on page 2).

1. Check one box below for the case type that best describes this case:

Auto Tort <input type="checkbox"/> Auto (22) <input type="checkbox"/> Uninsured motorist (46) Other PI/PD/WD (Personal Injury/Property Damage/Wrongful Death) Tort <input type="checkbox"/> Asbestos (04) <input type="checkbox"/> Product liability (24) <input type="checkbox"/> Medical malpractice (45) <input type="checkbox"/> Other PI/PD/WD (23) Non-PI/PD/WD (Other) Tort <input type="checkbox"/> Business tort/unfair business practice (07) <input type="checkbox"/> Civil rights (08) <input type="checkbox"/> Defamation (13) <input type="checkbox"/> Fraud (16) <input type="checkbox"/> Intellectual property (19) <input checked="" type="checkbox"/> Professional negligence (25) <input type="checkbox"/> Other non-PI/PD/WD tort (35) Employment <input type="checkbox"/> Wrongful termination (36) <input type="checkbox"/> Other employment (15)	Contract <input type="checkbox"/> Breach of contract/warranty (06) <input type="checkbox"/> Rule 3.740 collections (09) <input type="checkbox"/> Other collections (09) <input type="checkbox"/> Insurance coverage (18) <input type="checkbox"/> Other contract (37) Real Property <input type="checkbox"/> Eminent domain/Inverse condemnation (14) <input type="checkbox"/> Wrongful eviction (33) <input type="checkbox"/> Other real property (26) Unlawful Detainer <input type="checkbox"/> Commercial (31) <input type="checkbox"/> Residential (32) <input type="checkbox"/> Drugs (38) Judicial Review <input type="checkbox"/> Asset forfeiture (05) <input type="checkbox"/> Petition re: arbitration award (11) <input type="checkbox"/> Writ of mandate (02) <input type="checkbox"/> Other judicial review (39)	Provisionally Complex Civil Litigation (Cal. Rules of Court, rules 3.400-3.403) <input type="checkbox"/> Antitrust/Trade regulation (03) <input type="checkbox"/> Construction defect (10) <input type="checkbox"/> Mass tort (40) <input type="checkbox"/> Securities litigation (28) <input type="checkbox"/> Environmental/Toxic tort (30) <input type="checkbox"/> Insurance coverage claims arising from the above listed provisionally complex case types (41) Enforcement of Judgment <input type="checkbox"/> Enforcement of judgment (20) Miscellaneous Civil Complaint <input type="checkbox"/> RICO (27) <input type="checkbox"/> Other complaint (not specified above) (42) Miscellaneous Civil Petition <input type="checkbox"/> Partnership and corporate governance (21) <input type="checkbox"/> Other petition (not specified above) (43)
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2. This case ☐ is ☒ is not complex under rule 3.400 of the California Rules of Court. If the case is complex, mark the factors requiring exceptional judicial management:

a. <input type="checkbox"/> Large number of separately represented parties b. <input type="checkbox"/> Extensive motion practice raising difficult or novel issues that will be time-consuming to resolve c. <input type="checkbox"/> Substantial amount of documentary evidence	d. <input type="checkbox"/> Large number of witnesses e. <input type="checkbox"/> Coordination with related actions pending in one or more courts in other counties, states, or countries, or in a federal court f. <input type="checkbox"/> Substantial postjudgment judicial supervision
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3. Remedies sought (check all that apply): a. ☒ monetary b. ☐ nonmonetary; declaratory or injunctive relief c. ☐ punitive

4. Number of causes of action (specify): Three (3)

5. This case ☐ is ☒ is not a class action suit.

6. If there are any known related cases, file and serve a notice of related case. (You may use form CM-015.)

Date: June 30, 2017

Shaun M. Murphy, Esq.

(TYPE OR PRINT NAME)

(SIGNATURE OF PARTY OR ATTORNEY FOR PARTY)

NOTICE

- Plaintiff must file this cover sheet with the first paper filed in the action or proceeding (except small claims cases or cases filed under the Probate Code, Family Code, or Welfare and Institutions Code). (Cal. Rules of Court, rule 3.220.) Failure to file may result in sanctions.
- File this cover sheet in addition to any cover sheet required by local court rule.
- If this case is complex under rule 3.400 et seq. of the California Rules of Court, you must serve a copy of this cover sheet on all other parties to the action or proceeding.
- Unless this is a collections case under rule 3.740 or a complex case, this cover sheet will be used for statistical purposes only.

Page 1 of 2

SUPERIOR COURT OF CALIFORNIA, COUNTY OF RIVERSIDE
4050 Main Street
Riverside, CA 92501
www.riverside.courts.ca.gov

NOTICE OF DEPARTMENT ASSIGNMENT FOR ALL PURPOSES

CITY OF BEAUMONT VS AKLUFU

CASE NO. RIC1712036

This case is assigned to the Honorable Judge Daniel A Ottolia in Department 04 for all purposes.

The Case Management Conference is scheduled for 12/28/17 at 8:30 in Department

The plaintiff/cross-complainant shall serve a copy of this notice on all defendants/cross-defendants who are named or added to the complaint and file proof of service.

Any disqualification pursuant to CCP Section 170.6 shall be filed in accordance with that section. The court follows California Rules of Court, Rule 3.1308(a) (1) for tentative rulings (see Riverside Superior Court Local Rule 3316). Tentative Rulings for each law and motion matter are posted on the Internet by 3:00 pm on the court day immediately before the hearing at <http://www.riverside.courts.ca.gov/tentativerulings.shtml>. If you do not have internet access, you may obtain the tentative ruling by telephone at (760)904-5722.

To request oral argument, not later than 4:30 pm on the court day before the hearing you must (1) notify the judicial secretary at (760)904-5722 and (2) inform all other parties. If no request for oral argument is made by 4:30 pm, the tentative ruling will become the final ruling on the matter effective the date of the hearing.

Requests for accommodations can be made by submitting Judicial Council form MC-410 no fewer than five court days before the hearing. See California Rules of Court, rule

CERTIFICATE OF MAILING

I certify that I am currently employed by the Superior Court of California, County of Riverside, and that I am not a party to this action or proceeding. In my capacity, I am familiar with the practices and procedures used in connection with the mailing of correspondence. Such correspondence is deposited in the outgoing mail of the Superior Court. Outgoing mail is delivered to and mailed by the United States Postal Service, postage prepaid, the same day in the ordinary course of business. I certify that I served a copy of the foregoing NOTICE on this date, by depositing said copy as stated above.

Date: 06/30/17

Court Executive Officer/Clerk

by: 

ERIKA L OLIVAS, Deputy Clerk