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Superior Court of California
County of Los Angeles

JAN 06 2017

Sherri R. Carter, Executive Officer/Clerk
By Anthony Ortiz, Deputy

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*Attorneys for Plaintiff California
State Water Resources Control Board*

SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF LOS ANGELES, CENTRAL BRANCH

**QUI TAM PLAINTIFF, ON BEHALF OF
HIMSELF AND THE PEOPLE OF THE
STATE OF CALIFORNIA et rel.
ATTORNEY GENERAL KAMALA D.
HARRIS; AND THE STATE WATER
RESOURCES CONTROL BOARD,**

Plaintiffs,

v.

**AMI ADINI & ASSOCIATES, INC. a
California corporation; AMI ADINI, An
Individual; ELI BALAS, An Individual;
And Does 1 Through 1000, Inclusive,**

Defendants.

**CALIFORNIA STATE WATER
RESOURCES CONTROL BOARD,**

Plaintiff,

v.

**AMI ADINI & ASSOCIATES, INC., a
California corporation; AMI ADINI, an
individual; ELIE BALAS, an Individual,
and DOES 1 through 100, inclusive.,**

Defendant.

Case No. BC481580

(Consolidated with Case No. BC 548526)

**STIPULATED JUDGMENT ON
PROFESSIONAL NEGLIGENCE CAUSE
OF ACTION**

1 Plaintiff, the STATE WATER RESOURCES CONTROL BOARD (hereinafter State
2 Water Board), and Defendants, AMI ADINI & ASSOCIATES, INC., a California corporation;
3 AMI ADINI, an individual; ELIE BALAS, an individual (collectively Defendants) hereby submit
4 the following Stipulated Judgment with regard to the Professional Negligence cause of action
5 stated in the above-entitled action bearing Case No. 548526.

6 Upon the consent of the parties hereto, and it appearing to the Court that **GOOD CAUSE**
7 exists for the entry of this Stipulated Judgment,

8 **IT IS ORDERED, ADJUDGED AND DECREED** that State Water Board have
9 judgment against Defendants as follows:

10 JURISDICTION

11 1. This Court has jurisdiction over the subject matter of this action and over each of
12 the parties hereto, and has jurisdiction to enter this Stipulated Judgment as a full and final
13 resolution of the separate cause of action for Professional Negligence stated in the Complaint
14 filed by State Water Board based upon the facts alleged therein. This Court will retain
15 jurisdiction regarding this Stipulated Judgment under California Code of Civil Procedure section
16 664.6.

17 APPLICABILITY

18 2. The provisions of this Stipulated Judgment, including the injunctive provisions
19 contained herein, are applicable to Defendants, their subsidiaries, divisions, alter egos and/or sole
20 proprietorships and any agent, employee, or representative thereof, and all persons, partners,
21 corporations, heirs, assigns, lessees, devisees or other entities acting by, through, under, or on
22 behalf of Defendants and all persons in concert with or participating with Defendants, with actual
23 or constructive knowledge of this injunction, insofar as they are doing business in the State of
24 California.

25 RECITALS

26 3. On June 12, 2014, State Water Board filed a Complaint for Damages stating
27 causes of action for professional negligence and negligent misrepresentation, designated as
28 *California State Water Resources Control Board, et al. v. Ami Adini & Associates, Inc., et al*, Los

1 Angeles County Superior Court Case No. BC548526 (the "*Water Board* Litigation"). On or
2 about January 12, 2015, the Court determined that *Qui Tam Plaintiff, et al. v. Ami Adini &*
3 *Associates, Inc., et al.*, and related cross-actions, Los Angeles County Superior Court Case No.
4 481580 (the "*Qui Tam* Litigation") and the *Water Board* Litigation involved common questions
5 of fact and law and ordered the two matters consolidated. As required under California Rules of
6 Court, Rule 2.250, subdivision (b), and Local Rule 3.3, subdivision (g)(2), Case No. BC4811580
7 is designated as the lead case.

8 4. The *Water Board* litigation states separate causes of action for Professional
9 Negligence and Negligent Misrepresentation. In the Professional Negligence claim, State Water
10 Board alleges that Defendants breached the standard of care in pursuing corrective action at
11 contaminated underground storage tank sites, thereby damaging State Water Board, who made
12 payments for that work from the Barry Keene Underground Storage Tank Cleanup Trust Fund
13 (UST Cleanup Fund). In the Negligent Misrepresentation claim, State Water Board alleges that
14 Defendants received monies from the UST Cleanup Fund based on false, misleading and over-
15 stated invoices.

16 5. Defendants deny all allegations in the *Water Board* Litigation except as
17 specifically stated in this Stipulated Judgment.

18 6. On June 21, 2016, the Court determined that the Professional Negligence cause of
19 action stated in the *Water Board* litigation sets forth a separate primary right and severed trial of
20 that cause of action from the Negligent Misrepresentation cause of action and the matters alleged
21 in the *Qui Tam* Litigation.

22 7. State Water Board and Defendants have reached agreement on resolution of the
23 Professional Negligence cause of action as stated in this Stipulated Judgment

24 8. State Water Board and Defendants waive all rights to appeal or otherwise
25 challenge or contest the validity of this Stipulated Judgment.

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1 **INJUNCTION**

2 9. Defendants, and each of them, have agreed not to perform any further work for or
3 in connection with claimants who seek reimbursement from the State Water Board pursuant to the
4 UST Cleanup Fund. This includes, but is not limited to, corrective action work and associated
5 work, including preparation of reimbursement requests. Therefore, the Court hereby so orders.

6 10. Defendants, and each of them, have agreed not to receive financial benefit, or
7 other benefit that may be monetized, from any entity and/or person that seeks payment from the
8 State Water Board, including, but not limited to, any entity that may be considered for
9 reimbursement from the UST Cleanup Fund or paid by any other fund administered, directed
10 and/or overseen by the State Water Board, except as set forth in this Order. Therefore, the Court
11 so orders. Any and all costs from work performed by Defendants that have not been submitted as
12 of November 21, 2016 shall not be submitted to the State Water Board for reimbursement or other
13 funding.

14 11. Defendants, and each of them, are enjoined from participating in any work
15 overseen, directed, funded, submitted to or administered by the State Water Board as of
16 December 31, 2016; provided, however, the Court recognizes Defendant Ami Adini &
17 Associates, Inc. is currently engaged in a remediation project at the former Chemoil Refinery
18 Facility, 2020 Walnut Avenue, Signal Hill CA, SCP No. 0453A, Site ID 2047W00 (the Signal
19 Hill Project). Defendants will cease all work on and involvement in the Signal Hill Project on
20 July 15, 2017 or upon sale of the site, whichever comes first. No costs arising from any work
21 conducted by Defendants at the Signal Hill Project shall be submitted to the State Water Board
22 for reimbursement or other funding. The State Water Board in no way accepts or approves the
23 work that will be done at the Signal Hill Project and reserves the right to take future enforcement
24 for any and all work not performed in accordance with applicable laws, regulations and State
25 Water Board Policies.

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MONETARY RELIEF

12. Within ninety (90) days after entry of this Stipulated Judgment, State Water Board will approve for payment the sum of \$325,000 in costs found to be reasonable and necessary to claimants from the UST Cleanup Fund for whom Defendants have performed corrective action work. The State Water Board will courtesy copy Ami Adini & Associates, Inc. on the Payment Summaries associated with these costs. The courtesy copy(ies) will be sent to the following address: Ami Adini & Associates, Inc., 100 N. Brand Blvd, Suite 600, Glendale, CA 91203.

13. Defendants, and each of them, are not entitled to any further payment based upon any reimbursement request submitted to the State Water Board's UST Cleanup Fund, whether submitted and not yet processed by the State Water Board, submitted but pending on appeal or petition before the State Water Board, or for work completed but not yet submitted, or appeals or petitions not yet submitted.

14. With the exception of the costs paid under Section 12 above and those costs paid to Defendants directly by claimants as of the date of this Order, the Court finds that any and all costs for work performed, supervised by and/or directed by Defendants that have not been reimbursed from the UST Cleanup Fund as of November 21, 2016 are not reasonable and necessary and, therefore, not subject to reimbursement from the UST Cleanup Fund. This includes, but is not limited to, costs for work performed by a third party or subcontractor. With respect to the costs paid under Section 12 above and those costs paid to Defendants directly by claimants as of the date of this Order, the Court finds that any and all costs for work performed, supervised by and/or directed by Defendants that are determined by the UST Cleanup Fund to be ineligible and therefore not subject to reimbursement from the UST Cleanup Fund are not reasonable and necessary and, therefore, not subject to reimbursement from the UST Cleanup Fund.

RELEASE AND CLAIMS COVERED

15. This Stipulated Judgment is a full, final, and binding resolution between State Water Board and Defendants of all claims, known or unknown, arising out of reimbursement requests submitted to the State Water Board's UST Cleanup Fund. The findings made in this

1 Stipulated Judgment are final, and shall be res judicata in any subsequent action by State Water
2 Board or any Defendant based upon any work done prior to the date of entry of judgment as
3 stipulated hereto. Nothing in this Stipulated Judgment shall prejudice, waive or impair any right,
4 remedy, or defense that State Water Board or Defendants may have in any other ongoing or future
5 legal proceedings unrelated to this Stipulated Judgment. However, this paragraph shall not
6 diminish or otherwise affect the obligations, responsibilities, and duties of the parties under this
7 Stipulated Judgment.

8 **COURT APPROVAL**

9 16. This Stipulated Judgment shall be submitted to the Court for entry. If this
10 Stipulated Judgment is not approved by the Court, it shall be of no force or effect.

11 17. This Stipulated Judgment may be executed by the parties and counsel in
12 counterpart and by facsimile transmission, any combination of which shall be deemed an original
13 and may be filed with the Court.

14 18. This Stipulated Judgment shall go into effect immediately upon entry hereof.
15 Entry is authorized immediately upon filing.

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17 **IT IS SO ORDERED**, this 6th day of January, 2016

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20 Honorable Richard Edward Rico
21 Judge of the Superior Court

22 Dated: January 4, 2017
23 ~~2016~~

24 Respectfully Submitted,

25 

26 KAMALA D. HARRIS
27 Attorney General of California
28 ERIC M. KATZ
Supervising Deputy Attorney General

MICHAEL T. ZARRO
Deputy Attorney General
Attorneys for Plaintiffs
State of California and State Water Resources
Control Board

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STIPULATION APPROVED AS TO FORM AND CONTENT:

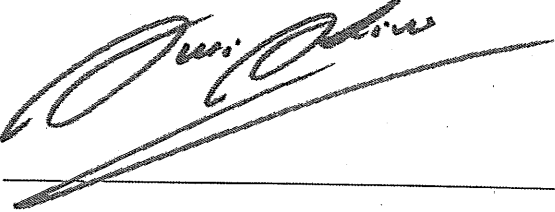
DATED: Dec. 29, 2016

AMI ADINI & ASSOCIATES, INC.

By: 

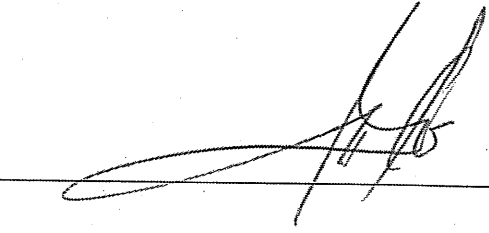
DATED: Dec. 29, 2016

AMI ADINI



DATED: 1/3, 2016

ELIE BALAS



DATED: _____, 2016

STATE WATER RESOURCES CONTROL BOARD

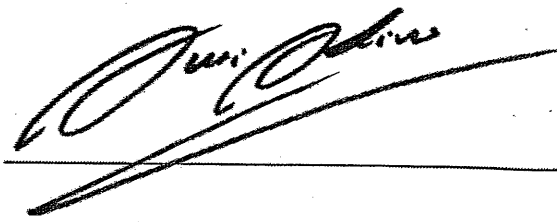
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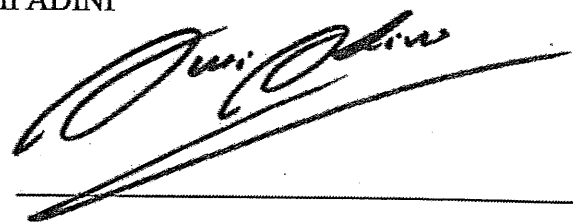
DATED: Dec. 29, 2016

AMI ADINI & ASSOCIATES, INC.

By: 

DATED: Dec. 29, 2016

AMI ADINI

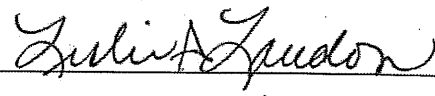


DATED: _____, 2016

ELIE BALAS

DATED: 12/29, 2016

STATE WATER RESOURCES CONTROL BOARD

By: 
Leslie S. Laudon

DECLARATION OF SERVICE BY E-MAIL and U.S. Mail

Case Name: **QUI TAM, et al., v. AMI ADINI & ASSOCIATES, INC. et al.,**
Case No : **BC481580 consolidated with BC548526**

I declare:

I am employed in the Office of the Attorney General, which is the office of a member of the California State Bar, at which member's direction this service is made. I am 18 years of age or older and not a party to this matter. I am familiar with the business practice at the Office of the Attorney General for collection and processing of correspondence for mailing with the United States Postal Service. In accordance with that practice, correspondence placed in the internal mail collection system at the Office of the Attorney General is deposited with the United States Postal Service with postage thereon fully prepaid that same day in the ordinary course of business.

On January 4, 2017, I served the attached

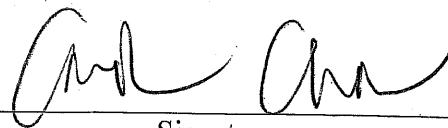
STIPULATED JUDGMENT ON PROFESSIONAL NEGLIGENCE CAUSE OF ACTION

by transmitting a true copy via electronic mail. In addition, I placed a true copy thereof enclosed in a sealed envelope, in the internal mail system of the Office of the Attorney General, addressed as follows:

SEE ATTACHED MAILING LIST

I declare under penalty of perjury under the laws of the State of California the foregoing is true and correct and that this declaration was executed on January 4, 2017, at Los Angeles, California.

Carol Chow
Declarant



Signature

SERVICE LIST

Case Name: **State Water Resources Control Board v. Ami Adini & Associates, Inc.**
No.: **BC481580 consolidated with BC548526**

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