

1 **CALLAHAN & BLAINE, APLC**
Daniel J. Callahan (SBN 91490)
2 Edward Susolik (SBN 151081)
Raphael Cung (SBN 201829)
3 3 Hutton Centre Drive, Ninth Floor
Santa Ana, California 92707
4 Telephone (714) 241-4444
5 Attorneys for Plaintiff GEOFFREY E. JOHNSON

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8 **SUPERIOR COURT OF CALIFORNIA**
9 **COUNTY OF ORANGE, CENTRAL JUSTICE CENTER**
10

11 GEOFFREY E. JOHNSON, an individual,
12 Plaintiff,
13 v.
14 MICHAEL J. AVENATTI, an individual;
AVENATTI & ASSOCIATES, APC, a
15 California corporation; JASON M. FRANK,
an individual; JASON FRANK LAW, PLC, a
16 California corporation; MICHAEL Q.
EAGAN, an individual; SCOTT H. SIMS, an
17 individual; EAGAN AVENATTI, LLP (aka
THE TRIAL GROUP, LLP), a California
18 limited liability partnership; JUDITH K.
REGNIER, an individual; and DOES 1
19 through 25, inclusive,
20 Defendants.
21
22

Case No. 30-2019-01076162-CU-PN-CJC

COMPLAINT FOR: Judge Melissa R. McCormick

- (1) Professional Negligence
- (2) Breach of Fiduciary Duties
- (3) Breach of Contract
- (4) Intentional Fraud
- (5) Conversion
- (6) Aiding and Abetting

DEMAND FOR JURY TRIAL

CALLAHAN & BLAINE
A PROFESSIONAL LAW CORPORATION
3 HUTTON CENTRE DRIVE, NINTH FLOOR
SANTA ANA, CALIFORNIA 92707
TELEPHONE: (714) 241-4444
WWW.CALLAHAN-LAW.COM

INTRODUCTION

1
2 1. Plaintiff GEOFFREY E. JOHNSON (“JOHNSON”) was victimized the first time
3 when he was severely injured, rendered a paraplegic, and otherwise physically and mentally
4 traumatized by the acts and omissions of the Los Angeles County Sheriff’s Department.
5 Wrongfully arrested by County law enforcement (which eventually dismissed all charges),
6 JOHNSON was driven to attempt suicide, twice, by flinging himself from an elevated floor, after
7 the County’s Sheriff Deputies failed to care for him, and such Deputies and other prisoners abused
8 JOHNSON during his unwarranted incarceration.

9 2. JOHNSON hired attorneys to seek justice and compensation. Little did JOHNSON
10 know that he would be victimized a second time when his own attorneys turned against him. They
11 took, and/or allowed the taking of, the vast majority of a \$4,000,000 settlement payment that,
12 unbeknownst to JOHNSON, Los Angeles County had agreed to pay for his benefit, and did in fact
13 pay to his attorneys’ client trust account in January 2015.

14 3. JOHNSON did not discover this taking until late March-early April 2019, when
15 such facts were revealed in connection with a dispute between some of his former attorneys and a
16 federal criminal investigation of one of those attorneys.

17 4. The most notorious of the attorneys who harmed JOHNSON is Defendant
18 MICHAEL J. AVENATTI (“AVENATTI”), the former fixture on cable TV best known for
19 representing adult actress Stormy Daniels, and for about five minutes an aspiring Presidential
20 candidate. AVENATTI is now facing more than 300 years in prison after being indicted by
21 federal prosecutors on both coasts for a host of wrongful conduct, including against JOHNSON,
22 who is identified as “Client 1” in a 36-count indictment filed by the U.S. Attorney’s Office on
23 April 10, 2019 in the Central District of California for wire fraud, tax evasion, and related criminal
24 offenses.

25 5. Through his influence over Defendant law firm EAGAN AVENATTI, LLP,
26 sometimes also known as “THE TRIAL GROUP, LLP” (“EAGAN AVENATTI”), AVENATTI
27 played a primary role in refusing to pay to JOHNSON the settlement funds allocated to him, and
28 then siphoning off those funds. AVENATTI then repeatedly lied to JOHNSON in falsely stating

1 that Los Angeles County would pay only in installments over years and years, and that it would
2 not begin such payments until the County approved of a special needs trust created for
3 JOHNSON. AVENATTI also paid, and caused EAGAN AVENATTI to pay, JOHNSON the
4 minimal amounts of approximately \$1,900 once a month to lull JOHNSON into thinking that the
5 underlying case and any settlement from it were being properly handled. AVENATTI claimed to
6 JOHNSON that such minimal payments represented an "advance" against any potential future
7 settlement payment from Los Angeles County -- when in fact Los Angeles County had already
8 paid \$4,000,000 for the benefit of JOHNSON to EAGAN AVENATTI's client trust account.
9 AVENATTI has since drained EAGAN AVENATTI's client trust account and any other bank
10 accounts of this money earmarked for JOHNSON.

11 6. While AVENATTI was the main bad actor, he could not have done what he did to
12 JOHNSON and other clients had the other attorneys at EAGAN AVENATTI not turn a blind eye
13 and allow AVENATTI to direct those predatory actions against JOHNSON.

14 7. Defendant JASON M. FRANK ("FRANK") has stated the following on the record:
15 "I was also counsel for Mr. Johnson"; "Mr. Johnson was "a client that I actually brought to the
16 firm"; and "Jeffrey [sic] Johnson was a client that I brought into Eagan Avenatti."

17 8. Despite admittedly serving as JOHNSON's counsel, and being aware of the inflow
18 of funds into and out of EAGAN AVENATTI by reason of his revenue and profit participation
19 agreement with EAGAN AVENATTI and the other attorneys there, FRANK negligently failed to
20 ensure that JOHNSON would be paid the moneys that were allocated to JOHNSON, and failed to
21 monitor the actions of AVENATTI and EAGAN AVENATTI with respect to such payments and
22 report the same to client JOHNSON. Indeed, FRANK did not care about the circumstances of the
23 payment from Los Angeles County for JOHNSON's benefit until he had a dispute with
24 AVENATTI concerning his share of the profits from EAGAN AVENATTI. since FRANK sought
25 to claim a portion of the contingency fees arising from the JOHNSON settlement due to his
26 origination of the client. As such, FRANK breached his fiduciary duties to JOHNSON, and
27 violated multiple ethical rules to which he is bound as a California-licensed attorney.
28

1 9. Defendant SCOTT H. SIMS (“SIMS”) personally worked on the underlying action
2 on behalf of JOHNSON against Los Angeles County. Thus, SIMS knew, and was in the position
3 to know, the resolution of that action by way of a \$4 million settlement payment for JOHNSON’s
4 benefit. Yet SIMS, too, covered his eyes and kept silent, because he hoped to continue riding on
5 the success of AVENATTI and EAGAN AVENATTI. In so doing, SIMS was also negligent and
6 breached numerous duties owing to JOHNSON as the client.

7 10. Defendant MICHAEL Q. EAGAN (“EAGAN”) was a partner and managing agent
8 of EAGAN AVENATTI. By the time of the events in question, EAGAN had been practicing law
9 for approximately 40 years. He was supposed to be the “adult in the room” providing stability and
10 management to EAGAN AVENATTI while AVENATTI acted as its more public face. By dint of
11 his position as a partner and managing agent, EAGAN at least shared in controlling the funds that
12 came in and out of EAGAN AVENATTI, including payments made to its client trust account for
13 the ultimate benefit of clients such as JOHNSON.

14 11. Any reasonable partner and managing agent of a firm who has seen \$4 million in
15 funds coming into his firm’s client trust account would work with the other attorneys and
16 personnel at the firm to ensure that payment would be made expeditiously to the client. Only at
17 that point could the attorneys have properly taken whatever contingency fees were earned from the
18 settlement. However, EAGAN abdicated his responsibility, and was content to simply lend his
19 seniority and apparent respectability, and share in the profits of EAGAN AVENATTI. Even
20 though he knew that Los Angeles County had made a large settlement payment for the benefit of
21 JOHNSON, he sat on his hands, turned away his eyes, closed his mouth, and did nothing as
22 AVENATTI subsequently caused those funds to be drained away.

23 12. Defendant JUDITH K. REGNIER (“REGNIER”) acted as office manager,
24 paralegal, and administrator at EAGAN AVENATTI. Among REGNIER’s duties was to sign
25 checks on behalf of EAGAN AVENATTI, and she had such check-signing authority from
26 AVENATTI, EAGAN, FRANK, SIMS, and others. REGNIER aided and abetted the deception
27 against JOHNSON and the siphoning of his settlement money by, among other things, signing the
28 checks for \$1,900 and causing electronic transfers that were paid occasionally to JOHNSON as a

1 way to hide from him that \$4,000,000 in settlement funds had been paid to EAGAN
2 AVENATTI's client trust account. To the extent that REGNIER carried out only AVENATTI's
3 illegal orders, FRANK, EAGAN, and SIMS breached their duties to properly supervise her, thus
4 allowing REGNIER to aid and abet AVENATTI in wrongful conduct that significantly harmed
5 JOHNSON.

6 13. Due to this scheme to take JOHNSON's settlement funds, JOHNSON also lost his
7 supplemental security income benefits. When in 2018, the Social Security Administration
8 ("SSA") became aware of the monthly payments of approximately \$1,900 received by
9 JOHNSON, SSA asked JOHNSON for information on such payments, to confirm his eligibility
10 for supplemental security income. JOHNSON asked AVENATTI and REGNIER to provide such
11 information to the SSA, and otherwise to ensure that he would continue to receive supplemental
12 security income, given that the monthly payments made to him were represented as "advances"
13 against the settlement payment (and therefore *not* "income").

14 14. AVENATTI and REGNIER promised to contact SSA to clear up the matter and
15 ensure the continuance of JOHNSON's supplemental security income. However, AVENATTI
16 and REGNIER made false statements to SSA, because they believed that if they disclosed true
17 facts about the advances received by JOHNSON, that would have exposed the scheme to siphon
18 away JOHNSON's \$4 million settlement funds.

19 15. Thus, JOHNSON ended up in a worse situation than before he engaged the
20 foregoing attorneys. Not only was JOHNSON deprived of a large settlement payment that
21 otherwise would have come to him, but JOHNSON also lost the modest supplemental security
22 income that partially sustained him after being injured by Los Angeles County.

23 16. Accordingly, JOHNSON brings this action for at least \$9,500,000 in compensatory
24 damages: \$4,000,000 in lost settlement funds; at least \$500,000 in lost Social Security benefits;
25 and at least \$5,000,000 in general damages, including severe emotional distress. Due to the
26 intentional wrongful conduct of AVENATTI and REGNIER, and the gross negligence and
27 reckless disregard of JOHNSON's rights by FRANK, EAGAN, and SIMS, JOHNSON also seeks
28 punitive damages to the maximum extent allowed under the Constitution. Only in such manner

1 can JOHNSON be compensated for harm that was inflicted on him due to the shocking conduct
2 that was engaged in by Defendants.

3 **THE PARTIES**

4 17. Plaintiff GEOFFREY E. JOHNSON (“JOHNSON”) is an individual who resides in
5 the County of Los Angeles.

6 18. Defendant MICHAEL J. AVENATTI (“AVENATTI”) is an individual who, on
7 information and belief, resides and/or does business in this County. AVENATTI is an attorney
8 admitted and licensed by the State Bar of California.

9 19. Defendant AVENATTI & ASSOCIATES, APC is a purported corporation formed
10 under California law, and based in this County, through which AVENATTI acted and operated,
11 and continues to act and operate. In reality, AVENATTI was and is the sole shareholder of
12 AVENATTI & ASSOCIATES, APC, and AVENATTI has treated the alleged corporation as his
13 “alter ego” rather than as a separate entity. As such, upholding the corporate form and allowing
14 AVENATTI to avoid liability for AVENATTI & ASSOCIATES, APC’s debts and liability would
15 sanction a fraud and/or promote an injustice. AVENATTI & ASSOCIATES, APC shall be
16 included in the term “AVENATTI” in this Complaint unless stated otherwise.

17 20. Defendant JASON M. FRANK (“FRANK”) is an individual who, on information
18 and belief, resides and/or does business in this County. FRANK is an attorney admitted and
19 licensed by the State Bar of California.

20 21. Defendant JASON FRANK LAW, PLC is a purported professional corporation
21 formed under California law, and based in this County, through which FRANK acted and
22 operated, and continues to act and operate. In actuality, FRANK was and is the sole shareholder
23 of JASON FRANK LAW, PLC, and FRANK has treated the alleged corporation as his “alter ego”
24 rather than as a separate entity. As such, upholding the corporate form and allowing FRANK to
25 avoid liability for JASON FRANK LAW, PLC’s debts and liability would sanction a fraud and/or
26 promote an injustice. JASON FRANK LAW, PLC shall be included in the term “FRANK” in this
27 Complaint unless stated otherwise.

1 22. Defendant MICHAEL Q. EAGAN (“EAGAN”) is an individual who, on
2 information and belief, resides and/or does business in the City and County of San Francisco, and
3 does business in this County. EAGAN is an attorney admitted and licensed by the State Bar of
4 California.

5 23. Defendant SCOTT H. SIMS (“SIMS”) is an individual who, on information and
6 belief, resides and/or does business in this County. SIMS is an attorney admitted and licensed by
7 the State Bar of California.

8 24. Defendant EAGAN AVENATTI, LLP (“EAGAN AVENATTI”) purports to be a
9 limited liability partnership formed under California, and based in this County, through which
10 AVENATTI, FRANK, EAGAN, and SIMS acted and operated. EAGAN AVENATTI, LLP
11 sometimes goes by the name “The Trial Group, LLP” and/or other names, but it is referred to here
12 as “EAGAN AVENATTI.”

13 25. During the time periods relevant to this action, AVENATTI, FRANK, EAGAN,
14 and SIMS, were all attorneys employed by, agents of, and/or acting on behalf of EAGAN
15 AVENATTI, including with respect to all conduct directed toward and/or affecting JOHNSON.

16 26. Alternatively, or in addition, during all time periods relevant to this action,
17 AVENATTI, FRANK, and EAGAN were shareholders and/or controlling persons of EAGAN
18 AVENATTI, and AVENATTI, FRANK, and EAGAN treated the alleged limited liability
19 partnership as their “alter ego” rather than as a separate entity. As such, upholding the LLP entity
20 and allowing AVENATTI, FRANK, and EAGAN to avoid liability for EAGAN AVENATTI’s
21 debts and liability would sanction a fraud and/or promote an injustice.

22 27. Defendant JUDITH REGNIER (“REGNIER”) is an individual who, on information
23 and belief, resides and/or does business in this County.

24 28. During the time periods relevant to this action, REGNIER was employed by, an
25 agent of, and/or acting on behalf of EAGAN AVENATTI and the foregoing attorneys
26 AVENATTI, FRANK, EAGAN, and SIMS, including with respect to all conduct directed toward
27 and/or affecting JOHNSON. During such time periods, REGNIER held the positions and duties
28 of office manager, administrator, and paralegal.

1 35. In approximately early 2012, JOHNSON entered into a retainer agreement and
2 engaged the law firm of EAGAN AVENATTI, LLP (“EAGAN AVENATTI”) and the attorneys
3 therein to represent him with respect to claims against the County of Los Angeles arising from the
4 above injury.

5 36. FRANK has stated that it was he who personally “brought” JOHNSON into
6 EAGAN AVENATTI as a client.

7 37. At this inception stage, FRANK and AVENATTI interacted with JOHNSON
8 and/or JOHNSON’s relatives who helped him to look for an attorney. However, neither FRANK
9 nor AVENATTI ever explained to JOHNSON the terms of the representation. While JOHNSON
10 understood that EAGAN AVENATTI and the attorneys therein would represent him on a
11 contingency basis (as is the case with the vast majority of plaintiff’s personal injury actions),
12 neither FRANK nor AVENATTI, nor anyone else at EAGAN AVENATTI, explained to
13 JOHNSON the calculation of his fees and costs (including the contingency percentage), or how
14 any settlement or judgment funds would be handled.

15 38. During all relevant time periods, including during the course of representing
16 JOHNSON, AVENATTI and EAGAN were partners and/or managing agents of EAGAN
17 AVENATTI. AVENATTI and EAGAN had control over funds coming into and flowing out of
18 EAGAN AVENATTI, including such funds deposited into or paid out of EAGAN AVENATTI’s
19 client trust account.

20 39. During all relevant time periods, including during the course of representing
21 JOHNSON, FRANK had a revenue and profit sharing arrangement with EAGAN AVENATTI,
22 first orally and then in writing. In sum and substance, such agreement between FRANK and
23 EAGAN AVENATTI and its other attorneys entailed FRANK receiving a certain percentage of
24 fees from clients who were originated by him. Thus, FRANK had an incentive to and did keep
25 apprised of and determine which funds were received by EAGAN AVENATTI, from or with
26 respect to which clients, and EAGAN AVENATTI’s expenses or payouts with respect to such
27 clients, since his compensation depended on such funds.

28

1 40. The attorneys at EAGAN AVENATTI who personally worked on JOHNSON’s
2 matter included AVENATTI, FRANK, and SIMS. Additionally, EAGAN monitored the progress
3 and handling of the matter, including after litigation was filed on JOHNSON’s behalf as
4 elaborated below.

5 41. On or about October 9, 2012, represented by EAGAN AVENATTI and
6 AVENATTI, FRANK, and SIMS personally, JOHNSON filed a lawsuit against the County of Los
7 Angeles and its officials, including former Los Angeles County Sheriff Leroy “Lee” Baca.
8 JOHNSON alleged the deprivation of his constitutional due process rights, civil rights violations,
9 and failure to provide immediate medical care, in the matter entitled *Johnson v. Baca, et al.*, Los
10 Angeles Superior Court, Case No. BC493409. On or about June 21, 2013, defendants removed
11 that action to the United States District Court for the Central District of California, as *Johnson v.*
12 *Baca, et al.*, Case No. 13-CV-4496-MMM. The foregoing action filed and maintained on
13 JOHNSON’s behalf shall be referred to as the “Underlying Action.”

14 42. EAGAN AVENATTI, through attorneys AVENATTI, FRANK, and SIMS
15 personally, litigated the action, including preparing JOHNSON for deposition, until approximately
16 January 2015.

17 43. In about late October to early November 2014, EAGAN AVENATTI, through
18 AVENATTI, FRANK, and SIMS personally, reached an agreement in principle with Los Angeles
19 County on all material terms of a settlement, including the settlement sum of \$4 million for
20 JOHNSON. Due to the nature of how the County’s governing authorities operate, the County
21 initially took the position that it would take a minimum of six months for its Board of Supervisors
22 to meet and approve the settlement (or until at least May 2015). EAGAN AVENATTI, through
23 attorneys AVENATTI, FRANK, and SIMS personally, demanded from the County that payment
24 be made within 60 days, or by approximately January 2015. For instance, in a court hearing on
25 November 7, 2014 to review the status and results of mediation, AVENATTI represented to the
26 Court that payment was needed expeditiously because client JOHNSON “is a paraplegic and is in
27 need of the funds.”
28

1 44. The County of Los Angeles ultimately relented to an expeditious payment. On or
2 about January 21, 2015. EAGAN AVENATTI, through attorneys AVENATTI, FRANK, and
3 SIMS personally, entered into a written settlement agreement with Los Angeles County
4 supposedly on behalf of JOHNSON (see Exhibit A).

5 45. Consistent with the settlement agreement, on or about January 26, 2015, the County
6 of Los Angeles issued a check for \$4 million, made payable to the attorney client trust account of
7 EAGAN AVENATTI (see Exhibit B). Such check was deposited into the bank account for
8 EAGAN AVENATTI's client trust account on or about January 29, 2015.

9 46. Although AVENATTI, FRANK, and SIMS were all knowledgeable regarding the
10 material terms of the settlement agreement, none of them informed JOHNSON of Los Angeles
11 County's agreement to make a lump sum payment of \$4 million for the benefit of JOHNSON.
12 AVENATTI, FRANK, SIMS, and EAGAN also knew about but did not inform JOHNSON that
13 Los Angeles County actually did issue payment in the amount of \$4 million for the benefit of
14 JOHNSON, and that EAGAN AVENATTI was in possession of such amount in its client trust
15 account.

16 47. Instead, AVENATTI met with JOHNSON and lied to him about the disposition of
17 the Underlying Action. AVENATTI falsely stated to JOHNSON that Los Angeles County would
18 pay any settlement money only in quarterly installments over ten or more years, and that Los
19 Angeles County would begin such payments only upon the establishment of a special needs trust
20 for JOHNSON, and the County's approval of such trust. AVENATTI also falsely assured
21 JOHNSON that he and his colleagues would create such a special needs trust so that such
22 payments could be received from Los Angeles County.

23 48. Those statements were lies designed to buy enough time to siphon off these funds,
24 and to prevent JOHNSON from look into the handling of his case. In reality, EAGAN
25 AVENATTI had already received and cashed a lump sum payment from Los Angeles County for
26 \$4 million.

27 49. FRANK, EAGAN, and SIMS were aware of AVENATTI's misstatements to
28 JOHNSON and acquiesced to them. At the very least, FRANK, EAGAN, and SIMS failed to

1 consult with their client JOHNSON regarding the disposition of the Underlying Action. If one of
2 them had simply reached out to JOHNSON and learned what AVENATTI had said to him
3 (falsely) about the required conditions for Los Angeles County to make payment, JOHNSON
4 would have learned that his funds had already been received and taken steps to secure them.

5 50. Instead, FRANK, EAGAN, and SIMS deferred to AVENATTI and took a hands-
6 off approach to the matter after the settlement agreement was entered into, even though they all
7 had individual and personal duties toward JOHNSON, including a duty to inform that \$4 million
8 had been paid and received for his benefit.

9 51. The “see-no-evil, hear-no-evil” approach of FRANK and SIMS was engaged in by
10 EAGAN as well. Even though EAGAN shared control of EAGAN AVENATTI’s finances,
11 including funds flowing into and out of the client trust account, he refused to do anything to
12 ensure that the client was being paid the settlement funds paid by Los Angeles County. EAGAN
13 knew that \$4 million paid by Los Angeles County for JOHNSON was deposited into EAGAN
14 AVENATTI’s bank account (no one could miss that), but he refused to exercise any control or
15 supervision over such funds, despite EAGAN AVENATTI being counsel of record for JOHNSON
16 in the Underlying Action.

17 52. AVENATTI told JOHNSON that while EAGAN AVENATTI was working to set
18 up and obtain Los Angeles County’s approval of a special needs trust, he would “advance” from
19 EAGAN AVENATTI’s own funds certain amounts to partially cover Johnson’s living expenses.
20 Beginning in or about July 2015, mostly once a month, AVENATTI and/or EAGAN AVENATTI
21 caused checks or electronic transfers, typically in amounts of \$1,900 each, to be sent to
22 JOHNSON. The total amount of these payments from July 2015 to March 2019 was
23 approximately \$124,000.

24 53. REGNIER helped in making these minimal payments to JOHNSON to hide the
25 siphoning off of his \$4 million settlement payment, and to lull JOHNSON into the false
26 impression that such settlement funds from Los Angeles County would be forthcoming only after
27 the County approved his special needs trust. AVENATTI, FRANK, EAGAN, and SIMS gave
28 REGNIER check-signing authority, as well as authority to cause electronic payments made from

1 EAGAN AVENATTI's bank accounts. REGNIER, acting on the unlawful direction of
2 AVENATTI, signed such checks and otherwise caused the periodic payments of \$1,900 to
3 JOHNSON, knowing that they were designed to buy time and prevent JOHNSON from learning
4 that the \$4 million settlement made for his benefit had been paid but was being drained away.

5 54. While EAGAN, FRANK, and SIMS may not have explicitly ordered REGNIER to
6 act illegally with respect to JOHNSON's settlement money, they knew and had a reason to know
7 that there were irregularities, to say the least, with the disposition of such funds. They knew that
8 \$4 million had been paid to EAGAN AVENATTI's client trust account for the benefit of
9 JOHNSON. EAGAN, FRANK, and SIMS also knew, and had reason to know, that REGNIER
10 was signing checks and making electronic payments to JOHNSON for only about \$1,900 each
11 month, at which rate it would take over 100 years to complete the settlement payments to
12 JOHNSON.

13 55. In particular, FRANK and EAGAN had access to information concerning the
14 inflows and outflows of money from EAGAN AVENATTI and its client trust account. SIMS
15 personally represented JOHNSON as a client in the Underlying Action and could have easily
16 found out from JOHNSON what he was receiving or not receiving with respect to resolution of the
17 lawsuit against Los Angeles County. Given their knowledge of the circumstances, FRANK,
18 EAGAN, and SIMS breached their duty to inform JOHNSON of all material developments, duty
19 to inform the client of a settlement payment, and duty to supervise REGNIER, thereby allowing
20 her to aid AVENATTI in the misappropriation scheme against JOHNSON.

21 56. In 2017, JOHNSON sought to purchase a house with the settlement funds, which
22 he was hoping to receive sometime shortly, as it had been two years since he had started receiving
23 the "advances" from EAGAN AVENATTI. AVENATTI encouraged JOHNSON to look for real
24 property and helped him find a real estate agent for this purpose. Believing that the settlement
25 would be paid shortly, and based on the false reassurances of AVENATTI, JOHNSON signed a
26 contract to buy a house. AVENATTI later told him that Los Angeles County was still delaying
27 approval of the special needs trust and therefore, payment of the funds to that trust. The house
28 sale eventually fell through. In retrospect, AVENATTI's encouragement that JOHNSON look for

1 real property was another part of the deception to hide that his settlement funds had been siphoned
2 off.

3 57. In 2018, the federal Social Security Administration (“SSA”) was conducting a
4 redetermination of JOHNSON’s eligibility for supplemental security income benefits. On or
5 about November 1, 2018, SSA sent JOHNSON a letter regarding the redetermination, asking him
6 for information about his apparent monthly payments and related matters. JOHNSON forwarded
7 such communications to AVENATTI and REGNIER, who agreed to provide the requested
8 information to SSA so as to prevent JOHNSON losing his supplemental security income benefits.

9 58. On or about January 16, 2019, SSA wrote another letter to JOHNSON, stating that
10 because he had not provided the information that SSA had requested, it was eliminating his
11 supplemental security income benefits as of February 2019. SSA’s letter added that there was still
12 time to prevent this, but JOHNSON would have to contact SSA right away to provide the
13 requested information. JOHNSON again contacted AVENATTI and REGNIER, who said they
14 would take care of the issue.

15 59. However, AVENATTI and REGNIER provided SSA with false information
16 concerning JOHNSON, and did so in a further attempt to hide the siphoning of JOHNSON’s
17 settlement funds and the successful, years-long effort to cover it up. As a result, JOHNSON lost
18 such social security benefits beginning in February 2019.

19 60. In approximately February 2019, JOHNSON asked AVENATTI again about the
20 status of the special needs trust and settlement payment. AVENATTI falsely told him that Los
21 Angeles County had not yet begun releasing the settlement funds.

22 61. On March 22, 2019, AVENATTI testified at a debtor’s examination arising from a
23 financial dispute with FRANK. At that examination, AVENATTI took the position that the
24 periodic payments of \$1,900 to JOHNSON constituted “an advance on future settlement monies.”

25 62. However, apparently concerned that details about the dealings with JOHNSON
26 would now become publicly known (as AVENATTI’s various legal issues were being covered by
27 the press), AVENATTI went to meet in person with JOHNSON during the next few days, March
28 22-24, 2019. During those meetings, AVENATTI stated falsely to JOHNSON that the special

1 needs trust has now been established and Los Angeles County was prepared to make settlement
2 payment, but JOHNSON would have to sign additional documents, including a “Client
3 Testimonial Approval” attesting that AVENATTI is an “exceptional, honest and ethical
4 attorney...” Under duress, JOHNSON signed such documents because he was induced by
5 AVENATTI to believe that his settlement funds were forthcoming. Aside from the “Client
6 Testimonial Approval,” JOHNSON is unaware of what were the other documents that
7 AVENATTI forced him to sign during this period, and AVENATTI did not provide JOHNSON
8 with any copies of them.

9 63. On or about April 10, 2019, the U.S. Attorney’s Office for the Central District of
10 California released an indictment of AVENATTI on thirty-six counts of criminal offenses,
11 including with respect to the misappropriation of the settlement funds of JOHNSON, who is
12 referred to the indictment as “Client 1.” Shortly after such indictment was announced,
13 AVENATTI posted on-line the “Client Testimonial Approval” that he had extracted from
14 JOHNSON using duress and deception.

15 64. It was not until at least late-March to April 2019, through the government’s
16 investigation of AVENATTI and JOHNSON’s consultation with new counsel, did JOHNSON
17 begin to discover what had actually happened to his settlement funds. JOHNSON did not learn
18 until March-April 2019 that Los Angeles County had paid \$4 million in settlement funds to
19 EAGAN AVENATTI’s client trust account in January 2015, and that such funds had been drained
20 thereafter, through the acts and omissions of Defendants AVENATTI, FRANK, EAGAN, SIMS,
21 REGNIER, and EAGAN AVENATTI.

22 65. JOHNSON had no knowledge, and had no reason to know, of the above acts and
23 omissions because Defendants willfully concealed them from him. In particular, as set forth
24 above, AVENATTI falsely informed JOHNSON on repeated occasions that the settlement money
25 from Los Angeles County had not been paid, and supported such false statements with “advances”
26 to JOHNSON of \$1,900 every month or so.

27 66. In addition, as evidenced by AVENATTI’s meetings and discussions with
28 JOHNSON during March 22-24, 2019, there was continuing representation of JOHNSON until at

1 least March-April 2019, and therefore all applicable statutes of limitation were tolled until at least
2 such period.

3 67. Alternatively, or in addition, during all relevant periods, JOHNSON was under a
4 physical disability that restricted his ability to commence legal action, and therefore all applicable
5 statutes of limitation were tolled for that separate and independent reason as well.

6 68. JOHNSON's monetary losses total at least \$4,500,000: \$4,000,000 from the lost
7 settlement funds and \$500,000 in lost social security benefits.

8 69. Additionally, JOHNSON suffers from severe emotional distress due to being
9 defrauded for four years, and learning that among the people who he had trusted the most, his
10 attorneys, were the ones who had victimized him. Such emotional distress comes on top of the
11 mental trauma that JOHNSON already suffered, and continues to suffer, due to the injuries
12 inflicted by Los Angeles County at issue in the Underlying Action. Accordingly, JOHNSON
13 seeks compensation of at least \$5,000,000 for general damages, for total compensatory damages of
14 \$9,500,000.

15 70. JOHNSON also seeks punitive damages against Defendants for their acts of malice,
16 oppression, and fraud against him.

17 **FIRST CAUSE OF ACTION**

18 **PROFESSIONAL NEGLIGENCE**

19 (Against Defendants AVENATTI, FRANK, EAGAN, SIMS, EAGAN AVENATTI,
20 and DOES 1-10)

21 71. JOHNSON incorporates by reference paragraphs 1-70 above as though they are
22 fully set forth herein.

23 72. AVENATTI, FRANK, EAGAN, and SIMS were attorneys who had an attorney-
24 client relationship with JOHNSON. JOHNSON engaged them to represent him in connection
25 with personal injury claims against Los Angeles County, and in litigation against the County in the
26 Underlying Action. As such, AVENATTI, FRANK, EAGAN, and SIMS owed a duty of care to
27 JOHNSON, including but not limited to the duty to protect JOHNSON's best interests in all
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1 circumstances. EAGAN AVENATTI was the law firm that represented JOHNSON, acting
2 through individual attorneys AVENATTI, FRANK, EAGAN, and SIMS.

3 73. The misrepresentations, concealment, and other fraudulent conduct of AVENATTI
4 and REGNIER were engaged in by them at the behest of and/or with the authorization of EAGAN
5 AVENATTI, and therefore EAGAN AVENATTI is liable for such conduct as well.

6 74. AVENATTI, FRANK, EAGAN, SIMS, and EAGAN AVENATTI breached the
7 following duties to JOHNSON, as set forth under the following California Rules of Professional
8 Conduct ("CRPC"): duty to communicate to the client about significant developments (Rule 1.4);
9 duty to communicate settlement offers (Rule 1.4.1); duty not to charge or take unconscionable fee
10 (Rule 1.5); duty to refrain from certain business transactions with the client and pecuniary interests
11 adverse to the client (Rule 1.8.1); duty to safeguard and duly account for funds in which a client
12 has interest, including promptly notifying the client of the receipt of such funds (Rule 1.15); duty
13 to supervise other lawyers in a law firm, and take reasonable remedial action when necessary
14 (Rule 5.1); duty to comply with ethical rules notwithstanding the direction of another lawyer (Rule
15 5.2); and duty to supervise nonlawyer personnel in a law firm (Rule 5.3). In particular, attorneys
16 are required to "promptly" distribute to the client funds that the latter is entitled to receive (Rule
17 1.15(d)).

18 75. Additionally, AVENATTI took client funds without JOHNSON's consent, and
19 made false statements to JOHNSON. However, because all the compensation of AVENATTI,
20 FRANK, EAGAN, and SIMS included some portion of the settlement proceeds to which
21 JOHNSON was entitled, AVENATTI, FRANK, EAGAN, and SIMS all breached their duty to
22 JOHNSON by in effect taking unearned fees from him.

23 76. AVENATTI and EAGAN AVENATTI breached the duty to competently perform
24 legal services when AVENATTI promised that he, and paralegal REGNIER acting under his
25 direction, would provide information and otherwise rectify matters with the Social Security
26 Administration so as to prevent the discontinuation of JOHNSON's supplemental security income
27 benefits. AVENATTI failed to do so, and in fact provided false information to SSA. As a result,
28 JOHNSON was deprived of such governmental benefits.

1 77. Further, AVENATTI, FRANK, and EAGAN, who had managerial authority, and
2 SIMS, who had at least “intermediate managerial authority,” breached their duty to supervise other
3 lawyers and non-attorney staff at EAGAN AVENATTI.

4 78. In violating the above duties to client JOHNSON, AVENATTI, FRANK, EAGAN,
5 SIMS, and EAGAN AVENATTI engaged in professional negligence.

6 79. JOHNSON did not discover the misconduct against him until no earlier than
7 March-April 2019, because such wrongful conduct was concealed from him. Among other things,
8 AVENATTI lied to JOHNSON that the settlement funds had not been paid by Los Angeles
9 County and would not be paid until a special needs trust was established and approved by the
10 County, and AVENATTI and REGNIER caused the payment of minimal funds to JOHNSON to
11 lull him into a false sense of security. FRANK, EAGAN, and SIMS refused to inform JOHNSON
12 that the County of Los Angeles had paid \$4 million for his benefit, and therefore JOHNSON could
13 not know of Defendants’ acts and omissions causing him harm until recent events in March-April
14 2019, including the government’s investigation of the circumstances surrounding the loss of
15 JOHNSON’s settlement funds. All of such wrongful acts and omissions by AVENATTI,
16 FRANK, EAGAN, and SIMS were engaged in as employees and/or agents of EAGAN
17 AVENATTI, and therefore EAGAN AVENATTI is liable for such conduct as well.

18 80. The acts and omissions of JOHNSON, AVENATTI, FRANK, EAGAN, SIMS, and
19 EAGAN AVENATTI that constituted legal malpractice actually and proximately caused damage
20 to JOHNSON, in an amount to be determined at trial but no less than \$9,500,000.

21 **SECOND CAUSE OF ACTION**

22 **BREACH OF FIDUCIARY DUTIES**

23 **(Against Defendants AVENATTI, FRANK, EAGAN, SIMS, EAGAN AVENATTI,**
24 **and DOES 1-10)**

25 81. JOHNSON incorporates by reference paragraphs 1-80 above as though they are
26 fully set forth herein.

27 82. AVENATTI, FRANK, EAGAN, and SIMS owed fiduciary duties toward
28 JOHNSON because they were his attorneys, and he was their client. As such, AVENATTI,

1 FRANK, EAGAN, and SIMS had a duty to act with the utmost good faith and in the best interests
2 of JOHNSON, and with undivided loyalty toward him. As EAGAN AVENATTI was the law
3 from through which AVENATTI, FRANK, EAGAN, and SIMS acted toward JOHNSON,
4 EAGAN AVENATTI had such fiduciary duties toward JOHNSON.

5 83. In engaging in the acts and omissions set forth above, AVENATTI, FRANK,
6 EAGAN, SIMS, and EAGAN AVENATTI breached their fiduciary duties to JOHNSON,
7 including their duties to act in his best interests and with loyalty.

8 84. Among other things, AVENATTI caused the misappropriation of the settlement
9 funds that were paid into EAGAN AVENATTI's client trust account for the benefit of
10 JOHNSON. FRANK, EAGAN, and SIMS knew and had reason to know about such actions but
11 failed to take any steps to safeguard JOHNSON. In particular, FRANK, EAGAN, and SIMS
12 knew about Los Angeles County's payment of \$4 million for the benefit of JOHNSON, but
13 refused or otherwise failed to disclose those facts to him, thus allowing AVENATTI to carry out
14 his scheme.

15 85. AVENATTI, FRANK, EAGAN, SIMS, and EAGAN AVENATTI's breaches of
16 their fiduciary duties to JOHNSON actually and proximately caused damage to him, in an amount
17 to be determined at trial but no less than \$9,500,000.

18 86. Additionally, the above Defendants engaged in the above breaches of fiduciary
19 duties owing to JOHNSON with malice, oppression, or fraud. AVENATTI intended to defraud
20 and harm JOHNSON. FRANK, EAGAN, and SIMS acted with gross negligence and/or in
21 reckless disregard for JOHNSON's rights. AVENATTI, FRANK, EAGAN, SIMS, and EAGAN
22 AVENATTI engaged in the foregoing intentional, fraudulent, and/or grossly negligent conduct at
23 the behest of and/or with the authorization of EAGAN AVENATTI. Accordingly, pursuant to
24 Civil Code § 3294, JOHNSON is entitled to recover punitive and exemplary damages against
25 those Defendants, in an amount to be proven at trial consistent with Constitutional requirements.
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1 **THIRD CAUSE OF ACTION**

2 **BREACH OF CONTRACT**

3 (Against Defendants AVENATTI, EAGAN AVENATTI, FRANK, EAGAN, and DOES 1-10)

4 87. JOHNSON incorporates by reference paragraphs 1-86 above as though they are
5 fully set forth herein.

6 88. JOHNSON entered into a retainer agreement with EAGAN AVENATTI and the
7 attorneys therein to represent him and provide him legal services in connection with JOHNSON's
8 claims against the County of Los Angeles. Such contract was with the law firm of EAGAN
9 AVENATTI but also with the following managing agents thereof, particularly as they were and
10 are alter egos of EAGAN AVENATTI: AVENATTI, EAGAN, and FRANK.

11 89. JOHNSON performed all of his obligations under such contract, including
12 cooperating with the above-mentioned Defendants in prosecuting the action.

13 90. EAGAN AVENATTI, AVENATTI, EAGAN, and FRANK breached and
14 otherwise failed to perform their obligations under the retainer agreement with JOHNSON,
15 including the contractual duty to pay over to him all amounts recovered from the County of Los
16 Angeles from the underlying action.

17 91. The refusal or failure of EAGAN AVENATTI, AVENATTI, EAGAN, and
18 FRANK to perform their contractual duties owing to JOHNSON under the retainer agreement
19 actually and proximately caused him harm, including but not limited to the loss of the \$4 million
20 in settlement funds paid by the County of Los Angeles for JOHNSON's benefit.

21 **FOURTH CAUSE OF ACTION**

22 **INTENTIONAL FRAUD**

23 (Against Defendant AVENATTI, REGNIER, EAGAN AVENATTI, and DOES 11-25)

24 92. JOHNSON incorporates by reference paragraphs 1-91 above as though they are
25 fully set forth herein.

26 93. AVENATTI made multiple misrepresentations to JOHNSON; notably, that the
27 County of Los Angeles would not pay any settlement funds until a special needs trust was
28 established for JOHNSON, and the County approved such trust. AVENATTI also misled

1 JOHNSON by paying him minimal “advances” on the settlement funds so as to lull him into a
2 false sense of security, and so that JOHNSON would not look into the circumstances of any
3 settlement with Los Angeles County.

4 94. In actual fact, AVENATTI concealed from JOHNSON that the County of Los
5 Angeles had paid \$4 million to the client trust account of EAGAN AVENATTI in January 2015.
6 AVENATTI, aided and abetted by others, subsequently caused the funds allocated for JOHNSON
7 to be drained.

8 95. AVENATTI intended for JOHNSON to rely on his misrepresentations and other
9 deceptive conduct with respect to the settlement funds, and JOHNSON did justifiably rely on such
10 representations and conduct of AVENATTI.

11 96. REGNIER intentionally deceived JOHNSON by also making false statements to
12 him similar to those made by AVENATTI, and writing checks or otherwise causing payments to
13 JOHNSON of the nominal amounts that were claimed as “advances” on any future settlement
14 proceeds from Los Angeles County, when she knew and had reason to know that the settlement
15 funds had been paid, and this was all part of a scheme to hide from JOHNSON the taking of such
16 funds.

17 97. The misrepresentations, concealment, and other fraudulent conduct of AVENATTI
18 and REGNIER were engaged in by them at the behest of and/or with the authorization of EAGAN
19 AVENATTI, and therefore EAGAN AVENATTI is liable for such conduct as well.

20 98. The misrepresentations, concealment, and other fraudulent conduct of AVENATTI,
21 REGNIER, and EAGAN AVENATTI actually and proximately caused damage to JOHNSON, in
22 an amount to be determined at trial but no less than \$9,500,000.

23 99. AVENATTI and REGNIER engaged in the above fraudulent acts with malice,
24 oppression, or fraud, in that they intended to defraud and harm JOHNSON. Additionally,
25 AVENATTI and REGNIER engaged in such acts at the behest of and/or with the authorization of
26 EAGAN AVENATTI. Accordingly, pursuant to Civil Code § 3294, JOHNSON is entitled to
27 recover punitive and exemplary damages against AVENATTI, REGNIER, and EAGAN
28 AVENATTI in an amount to be proven at trial consistent with Constitutional requirements.

1 **FIFTH CAUSE OF ACTION**

2 **CONVERSION**

3 (Against Defendant AVENATTI, EAGAN AVENATTI, and DOES 11-25)

4 100. JOHNSON incorporates by reference paragraphs 1-99 above as though they are
5 fully set forth herein.

6 101. JOHNSON had the right to possess settlement money of \$4,000,000 that was paid
7 by Los Angeles County for his benefit, which check was paid to and cashed by EAGAN
8 AVENATTI's client trust account in approximately 2015.

9 102. AVENATTI engaged in wrongful acts that converted and dispossessed JOHNSON
10 of the settlement funds from the firm's client trust account, when he improperly diverted to
11 himself and others the foregoing settlement funds to which JOHNSON was entitled. EAGAN
12 AVENATTI is liable for AVENATTI's acts of conversion, because AVENATTI was a managing
13 agent of EAGAN AVENATTI, and/or EAGAN AVENATTI ratified such conduct by him with
14 knowledge.

15 103. AVENATTI and EAGAN AVENATTI's conversion actually and proximately
16 caused damage to JOHNSON, in an amount to be determined at trial but no less than \$9,000,000.

17 104. AVENATTI and EAGAN AVENATTI engaged in the above acts conversion with
18 malice, oppression, or fraud, in that he intended to defraud and harm JOHNSON. Accordingly,
19 pursuant to Civil Code § 3294, JOHNSON is entitled to recover punitive and exemplary damages
20 against AVENATTI and EAGAN AVENATTI in an amount to be proven at trial consistent with
21 Constitutional requirements.

22 **SIXTH CAUSE OF ACTION**

23 **AIDING AND ABETTING**

24 (Against Defendants FRANK, EAGAN, SIMS, and REGNIER and DOES 11-25)

25 105. JOHNSON incorporates by reference paragraphs 1-104 above as though they are
26 fully set forth herein.

27 106. FRANK, EAGAN, SIMS, and REGNIER knew that certain tortious, wrongful acts
28 were being committed or would be committed by AVENATTI against JOHNSON; namely,

1 intentional fraud and conversion with respect to the settlement funds to which JOHNSON was
2 entitled.

3 107. FRANK, EAGAN, SIMS, and REGNIER gave substantial assistance or
4 encouragement to AVENATTI in engaging in such tortious, wrongful acts against JOHNSON.

5 108. The aiding and abetting of FRANK, EAGAN, SIMS, and REGNIER actually and
6 proximately caused damage to JOHNSON, in an amount to be determined at trial but no less than
7 \$9,500,000.

8 109. FRANK, EAGAN, SIMS, and REGNIER engaged in the above fraudulent acts
9 with malice, oppression, or fraud, in that REGNIER intended to defraud and harm JOHNSON,
10 and FRANK, EAGAN, SIMS acted with gross negligence and in reckless disregard of
11 JOHNSON's rights. Accordingly, pursuant to Civil Code § 3294, JOHNSON is entitled to
12 recover punitive and exemplary damages against FRANK, EAGAN, SIMS, and REGNIER in an
13 amount to be proven at trial consistent with Constitutional requirements.

14 **PRAYER FOR RELIEF**

15 Whereas, based on the foregoing factual allegations and causes of action asserted here,
16 Plaintiff GEOFFREY JOHNSON prays for the following relief against all Defendants, jointly and
17 severally.

18 (a) Compensatory damages in an amount to be proven at trial, but no less than
19 \$9,500,000;

20 (b) Punitive damages in an amount to be proven at trial up to Constitutional limits;

21 (c) An award of litigation costs;

22 (d) An award of attorneys' fees to the extent allowable by law;

23 (e) Any and all other relief that the Court may deem appropriate.
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Dated: June 11, 2019

CALLAHAN & BLAINE, APLC

By: 

Daniel J. Callahan
Edward Susolik
Raphael Cung
Attorneys for Plaintiff GEOFFREY E.
JOHNSON

DEMAND FOR JURY TRIAL

Pursuant to the Seventh Amendment of the United States Constitution, the Constitution of California, and any and all other applicable law, Plaintiff GEOFFREY JOHNSON hereby requests a jury trial in this action for all claims so triable.

Dated: June 11, 2019

CALLAHAN & BLAINE, APLC

By: 

Daniel J. Callahan
Edward Susolik
Raphael Cung
Attorneys for Plaintiff GEOFFREY E.
JOHNSON

EXHIBIT A

SETTLEMENT AGREEMENT AND RELEASE OF ALL CLAIMS

This Settlement Agreement And Release of All Claims ("Agreement") is entered into between the following parties ("the Parties"): Plaintiff Geoffrey Ernest Johnson ("Plaintiff"), and Defendants County of Los Angeles, Los Angeles Sheriff's Department (also known as the Los Angeles County Sheriff's Department), and Leroy Baca (collectively hereafter, "Defendants").

RECITALS

Plaintiff filed a civil action against Defendants, entitled *Geoffrey Ernest Johnson v. Leroy Baca, et al.*, Los Angeles County Superior Court Case No. BC493409 ("State Action").

On or about June 21, 2013, Defendants removed the State Action to the United States District Court for the Central District of California with a Case Number of CV-13-4496 MMM (AJWx) (the "Lawsuit").

To avoid the time and expense of further litigation, the Parties desire to resolve their differences and reach an end, compromise, and settlement for all disputes existing and potentially existing between them from the incident giving rise to the Lawsuit.

AGREEMENT

In consideration of the execution of this Agreement and the releases and promises made in the Agreement by the Parties, the Parties agree as follows:

In exchange for a complete resolution of the Lawsuit, Defendants, by and through the County of Los Angeles, shall pay to Plaintiff **Four Million Dollars (\$4,000,000.00)** (the "Settlement Funds"), subject to approval by the Los Angeles County Board of Supervisors. The parties acknowledge that the Court in this matter has issued an order outlining a time table to present this settlement for approval by the Los Angeles County Board of Supervisors, and thereafter issuance of a settlement draft. It is understood by the parties that if the time table is not complied with, this settlement agreement may be revoked by either party.

The Parties expressly agree that the Lawsuit shall not be dismissed until five (5) business days following receipt by Eagan Avenatti of the Settlement Funds as provided above.

The Plaintiff, being of lawful age, does hereby, and for his heirs, executors, administrators, successors and assigns, release, acquit and forever discharge Defendants, as well as their respective agents, servants, successors, heirs, attorney, executors, administrators and all other persons, firms, corporations, associations or partnerships, or any other entity connected therewith, of and from any and all claims, actions, causes of action, demands, rights, damages, costs, loss of service, expense and/or compensation, of any nature whatsoever which the undersigned Plaintiff now has or which may hereafter accrue to the undersigned Plaintiff on account of, or in any way growing out of, any and all known or unknown, foreseen and unforeseen, injuries and/or damages and the consequences thereof resulting from, or to result from, the incidents, casualties or events which occurred or arose while in custody of the Los Angeles County Sheriff's Department from April 2011 through February 2012 in Los Angeles,

California, and which has resulted in a claim and/or lawsuit being brought by the Plaintiff and against Defendants as described in Case No. CV-13-4496 MMM (AJWx), entitled *Geoffrey Ernest Johnson v. Leroy Baca, et al.*, venued in the United States District Court for the Central District of California.

The Plaintiff agrees that this Agreement extends to any claims which the Plaintiff does not know or suspect to exist in his favor at the time of executing the document, which if known by him may materially affect this settlement. In that regard, the Plaintiff agrees to waive any rights he may have under California *Civil Code* § 1542, which provides as follows: "General release; extent - A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which is known by him must have materially affected his settlement with the debtor." The Plaintiff fully understands that he cannot hereafter make any further claim or seek any further recovery from the parties being released herein by reason of the aforesaid matters, and expressly waives all unknown claims caused by, or alleged to be caused by, the aforesaid Lawsuit.

Plaintiff acknowledges that all liens or other claims of third-parties have been disclosed and agrees to hold harmless and indemnify Defendants, Hurrell Cantrall LLP, and their attorneys and agents, of any and all liens or other claims of third-parties which have been or may be asserted for services which have been or may be rendered on behalf of the Plaintiff.

The Parties agree that they have received no inducement, promise or offer of any kind whatsoever for the consideration delineated hereinabove other than what is stated herein, and that this Agreement is executed without reliance on any statement or representation by those released or their representatives, or anyone, other than the sole consideration described herein.

The Parties agree that no party will be deemed the "prevailing party" for any purpose.

It is understood and agreed that this settlement is the compromise of a disputed claim and that the consideration furnished is not to be construed as an admission of liability on the part of Defendants, and that Defendants have denied liability on the claim herein and intend merely to avoid further litigation by this compromise.

The compromise and settlement which forms the basis of this Agreement have been arrived at after thorough bargaining and negotiation and represents a final, mutually agreeable compromise.

The Parties agree that this Agreement contains the entire agreement between the Parties and that the terms of this Agreement are contractual and not a mere recital.

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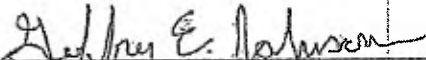
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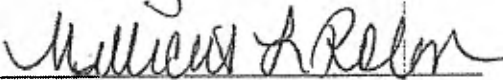
The Parties further agree that they have read and fully understand this Agreement, that the opportunity has been afforded to discuss the terms and contents of this Agreement with legal counsel and/or that such a discussion with legal counsel has occurred. This release may be executed in multiple counterparts, each of which shall be deemed an original, and all of that shall constitute one agreement to be effective on the date of the final signature hereto.

CAUTION: READ BEFORE SIGNING

DATED: 1/2/15


By: 
Geoffrey Ernest Johnson, Plaintiff

DATED: 1/21/15


Authorized Representative of the Defendants

This Settlement Agreement and Release of All Claims has been read and approved as to form and content.

DATED: 1-21-15

By: 
Michael Avenatti, Esq.
Scott Sims, Esq.
Carlos Colorado, Esq.
Eagan Avenatti, LLP
Attorneys for Plaintiff

DATED: 1/21/15

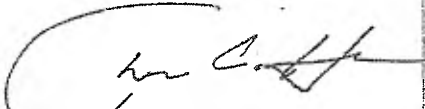

By: 
Thomas C. Hurrell, Esq.
Charles Phan, Esq.
Rebecca H. Snader, Esq.
Hurrell Cantrell LLP
Attorneys for Defendants

EXHIBIT B

THIS IS WATERMARKED PAPER - DO NOT ACCEPT WITHOUT NOTING WATERMARK - HOLD TO LIGHT TO VERIFY WATERMARK



COUNTY OF LOS ANGELES
AUDITOR CONTROLLER'S GENERAL WARRANT
WARRANT CLEARANCE FUND LOS ANGELES, CALIFORNIA

TS 0021400949

January 26, 2015 NOT PAYABLE AFTER TWO YEARS FROM DATE ISSUED

THE TREASURER OF THE COUNTY OF LOS ANGELES
600 W TEMPLE ST ROOM 602 LOS ANGELES, CA 90012

CONTROLLED DISBURSEMENT
PAYABLE THROUGH BANK OF AMERICA, N.A.
NORTH BROAD ST, LYDIE

PAY TO THE ORDER OF: _____

70-2328
0719

EAGAN AVENATTI, LLP ATTORNEY CLIENT TRUST ACCOUNT
C/O COUNTY COUNSEL
LOS ANGELES, CA 90012

Amount
\$***4,000,000.00

MISC-BD CLAIMS
191

PAY: Four Million And 00/100 Dollars

APPROVED
JOHN NAIMO AUDITOR CONTROLLER BY
[Signature]

3808631

PAY TO THE ORDER OF
CALIFORNIA BANK AND TRUST
TORRANCE, CA 90503-0600

FOR DEPOSIT ONLY
EAGAN AVENATTI, LLP

Date: 01/29/15 Seq #: 53040022 Account: [REDACTED] 848 Serial #: 21400949 Amount: \$4,000,000.00 Dep Seq #: 53040021