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*Terry X Green*

**FILED**  
SUPERIOR COURT OF CALIFORNIA  
COUNTY OF LOS ANGELES

OCT 03 2011

John A. Clarke, Executive Officer/Clerk  
BY *[Signature]* Deputy  
Regena Juliano

Attorneys for Plaintiff  
RANDY G. ADAMS

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

RANDY G. ADAMS, an individual,  
  
Plaintiff,  
  
vs.  
  
CITY OF BELL, and DOES 1 through 30,  
inclusive,  
  
Defendants.

CASE NO.: **BC470794**

**PLAINTIFF'S COMPLAINT FOR:**

- (1) IMPLIED INDEMNITY;
- (2) EQUITABLE INDEMNITY;
- (3) CONTRACTUAL INDEMNITY;
- (4) STATUTORY INDEMNITY; and
- (5) DECLARATORY RELIEF

DEMAND FOR JURY TRIAL

CIT/CASE: KC470794 LEA/REF#: \_\_\_\_\_  
RECEIPT #: CSH47728010  
DATE PAID: 10/04/11 08:15:15 AM  
PAYMENT: \$395.00  
RECEIVED: 0310  
CHECK: 395.00  
CASH: \_\_\_\_\_  
CHANGE: \_\_\_\_\_  
CARD: \_\_\_\_\_

**ORIGINAL**

10004711

1 Plaintiff RANDY G. ADAMS, makes the following allegations against Defendants the  
2 City of Bell, and Does 1 through 30, inclusive (collectively, "Defendants"):

3 **PARTIES**

4 1. Plaintiff Randy G. Adams ("Adams") is, and at all relevant times was, an  
5 individual residing in the State of California. Adams was an employee of Defendant the City of  
6 Bell (the "City"), a public entity, from approximately May 2009 through approximately July  
7 2010.

8 2. Adams is informed and believes and based thereon alleges that Defendant City of  
9 Bell is a charter city located in the County of Los Angeles, State of California.

10 3. The true names and capacities, whether corporate, associate, individual or  
11 otherwise, of Defendants Does 1 to 30, inclusive, are unknown to Adams at this time. Adams,  
12 therefore, sues these Defendants, and each of them, by such fictitious names. Adams will seek  
13 leave of the Court to amend this Complaint to show the true names and capacities of Defendants  
14 named in the Complaint as Does when they have been ascertained. Adams is informed and  
15 believes that each of the Defendants named in the Complaint as a Doc is responsible and liable to  
16 Adams for the events, happenings and occurrences set forth in this Complaint.

17 4. Adams is informed, believes, and on that basis, alleges that at all times mentioned  
18 in this Complaint, each of the Defendants was the agent, servant, and/or employee of each of the  
19 remaining Defendants and was, in doing what is complained of herein, acting within the scope of  
20 his/her/its agency or employment and acting also with the full knowledge or subsequent  
21 ratification of his/her/its principals or employers. Alternatively, in doing what is complained of  
22 herein, each of the Defendants was acting alone and solely to further his/her/its own personal  
23 interests.

24 **VENUE**

25 5. Venue is proper in this County pursuant to Section 394 of the California Code of  
26 Civil Procedure. This action is appropriately maintained in the Central District of the Los  
27 Angeles Superior Court pursuant to Los Angeles Superior Court Local Rule 2.3(a)(1)(B).  
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2 **FACTS COMMON TO ALL ALLEGATIONS**

3 **Adams Negotiates and Signs an Employment Contract with the City**

4 6. On or about April 11, 2009, Adams, who was at that time serving his seventh year  
5 as the Police Chief for the City of Glendale, publicly announced his retirement from the Glendale  
6 Police Department. At or around that time, the City called Adams, expressing its interest in  
7 employing Adams as Police Chief for the City. Adams informed the City that, after a 37-year  
8 career in public service, he wanted to retire permanently from employment and was not interested  
9 in pursuing other opportunities. Notwithstanding Adams' response, the City persistently pursued  
10 Adams, indicating that it needed someone with his credentials, experience and long-standing  
11 reputation to serve as its Police Chief in order to fix the numerous problems with the City's Police  
12 Department. Although still intent on permanent retirement, Adams informed the City that he  
13 would consider coming out of retirement to work for the City if the terms of such employment  
14 were fair and adequate in light of his circumstances, his experience and reputation, and numerous  
15 other considerations. During these talks, Adams interacted primarily with Robert A. Rizzo  
16 ("Rizzo"), the City's Chief Administrative Officer, who represented to Adams that he had the  
17 authority to recruit and hire employees for the City, and Pier' Angela Spaccia ("Spaccia"),  
18 Assistant to the City's Chief Administrative Officer.

19 7. Soon thereafter, Adams entered into contract negotiations with the City for the  
20 position of Police Chief. Adams engaged in an arm's length negotiation with the City at the  
21 City's request through Spaccia, relating to the terms of his employment contract. This  
22 negotiation spanned over two months and included several drafts of employment contracts.

23 8. In the course of his due diligence, Adams asked Spaccia whether Rizzo had the  
24 legal authority to enter into such a contract on behalf of the City. Spaccia informed Adams that  
25 Rizzo had such authority and that his employment contract was enforceable and non-fraudulent.  
26 Thus, Adams did not, and had no reason to believe, that there was any impropriety surrounding  
27 his hiring, contract, or salary relating thereto.

1 9. Additionally, Adams contacted the Los Angeles County District Attorneys' office  
2 to inquire as to the propriety of the City's offer. Personnel from the Los Angeles County District  
3 Attorneys' office encouraged Adams to accept the City's offer of employment.

4  
5 10. On May 29, 2009, following months of negotiations and due diligence, and for  
6 adequate consideration as set forth therein, Adams signed an employment contract with the City  
7 to serve as its Police Chief, and subsequently began his employment with the City. Attached  
8 hereto as Ex. "A" and incorporated by reference herein is a true and correct copy of Adams'  
9 employment contract with the City.

10 11. Adams was formally recognized and welcomed at a City Council meeting in  
11 August of 2009 at which time no concerns were raised regarding his employment.

12 **Adams Begins Employment With The City**

13 12. In or around July 2009, Adams began serving as Police Chief for the City. In this  
14 capacity, Adams began earnest efforts to reorganize and enhance the City's Police Department.  
15 In his tenure as the City's Police Chief, Adams added value to the Police Department, acting at all  
16 times to develop and improve the Police Department. Adams performed all conditions, covenants  
17 and promises required on his part to be performed in accordance with his employment contract  
18 with the City.

19 **The California Attorney General Sues Adams In Connection With His Employment**

20 13. On September 15, 2010, the California Attorney General ("Attorney General")  
21 served Adams with a Complaint in the action entitled *The People of the State of California v.*  
22 *Rizzo, et al.*, Los Angeles Super. Ct., Case No. BC 445497 ("*People v. Rizzo*"), asserting causes  
23 of action against Adams based on allegations that he wasted public funds, breached his fiduciary  
24 duty to the City, and violated the public trust. These claims were based entirely on the fact that  
25 Adams had agreed to come out of retirement to serve as the Police Chief for the City, and in that  
26 regard, agreed to accept a negotiated yearly salary of \$457,000 with added benefits.

27 14. On November 15, 2010, before Adams responded to the original Complaint, the  
28 Attorney General filed a First Amended Complaint ("FAC"), which made no substantive changes

1 to the claims and allegations asserted against Adams in the original Complaint. As set forth in  
2 *People v. Rizzo*, the claims alleged against Adams were confined to his receipt of a negotiated  
3 salary while serving as the City's Police Chief. Attached hereto as Ex. "B" and incorporated by  
4 reference herein is a true and correct copy of the FAC in *People v. Rizzo*.

5 15. On December 20, 2010, Adams filed a demurrer to the FAC, on the grounds that  
6 the Attorney General failed to allege facts sufficient to state a cause of action against Adams.

7 16. On May 2, 2011, the Hon. Judge Ralph W. Dau sustained Adams' demurrer to the  
8 FAC without leave to amend on all causes of action asserted against Adams. Attached hereto as  
9 Ex. "C" and incorporated by reference herein is a true and correct copy of the Court's Order on  
10 Demurrers and Motions to Strike Directed to First Amended Complaint, sustaining Adams'  
11 demurrer without leave to amend. On July 26, 2011, the Court entered a final order dismissing  
12 the action against Adams and the co-defendants, including the City.

13 **Adams Seeks Indemnification From The City**

14 17. Section 9 of Adams' employment contract contains an indemnification clause,  
15 which states as follows:

16 City shall defend, hold harmless and indemnify Employee against  
17 any claim, demand or judgment action; of any type or kind, arising  
18 out of any act, or failure to act, by Employee, if such act or failure  
19 to act was within the course and scope of Employee's employment.  
20 City may compromise and settle any such claim or suit provided  
21 City shall bear the entire cost of any such settlement.

22 18. Pursuant to Section 9 of his employment contract and applicable state law, on  
23 November 3, 2010, Adams, through his attorneys, sent a request to the City Attorney, Raul  
24 Salinas ("Salinas"), seeking indemnification from the City for the legal fees and costs incurred by  
25 Adams in connection with his defense in *People v. Rizzo*; a possible fraud investigation against  
26 him conducted by the Los Angeles County District Attorney's office; and a possible investigation  
27 of towing services being conducted by the United States Department of Justice. Attached hereto  
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1 hereto as Ex. "H" and incorporated by reference herein is a true and correct copy of Adams'  
2 tender letters to the City's insurers.

3 25. On February 17, 2011, pursuant to California Government Code Section 910 and  
4 the indemnification clause of his employment contract, Adams, through his attorneys, tendered a  
5 claim for damages to the City Clerk's Office. Attached hereto as Ex. "I" and incorporated by  
6 reference herein is a true and correct copy of Adams' February 17, 2011, claim for damages to the  
7 City's Clerk's Office.

8 26. On April 1, 2011, Everest National Insurance Company, through its attorneys,  
9 disclaimed any obligation to Adams for indemnification and a defense. Attached hereto as Ex.  
10 "J" and incorporated by reference herein is a true and correct copy of Everest National Insurance  
11 Company's April 1, 2011, letter to Adams.

12 27. On April 22, 2011, ICSOP, through its claims administrator, Chartis Claims, Inc.,  
13 disclaimed any obligation to Adams for indemnification and a defense. Attached hereto as Ex.  
14 "K" and incorporated by reference herein is a true and correct copy of ICSOP's April 22, 2011,  
15 letter to Adams.

16 28. On May 3, 2011, the City, through AdminSure, a third party administrator of  
17 Liability and Workers' Compensation self-insurance programs, rejected Adams' claim for  
18 damages. Attached hereto as Ex. "L" and incorporated by reference herein is a true and correct  
19 copy of the City's May 3, 2011, rejection of Adams' claim for damages through AdminSure.

20 29. On May 16, 2011, following the Court's Order sustaining Adams' demurrer to the  
21 FAC without leave to amend, Adams, through his attorneys, sent a third request to Salinas,  
22 seeking indemnification from the City for the legal costs and fees incurred by Adams in defense  
23 of *People v. Rizzo*. Attached hereto as Ex. "M" and incorporated by reference herein is a true  
24 and correct copy of Adams' May 16, 2011, request for indemnification from the City.

25 30. On or about July 27, 2011, Salinas sent correspondence to Adams' counsel  
26 indicating that the City would not honor Adams' request for indemnity. A true and correct copy  
27 of that letter is attached hereto as Exhibit "N" and incorporated herein by reference.

1 **Adams has Complied with the Government Claim Requirement**

2 31. On or about February 17, 2011, through his counsel, Adams presented a claim  
3 form to the City. Adams is informed and believes and based thereon alleges that the City  
4 received the claim form on February 18, 2011. As of this date, the City has not responded. The  
5 claim has therefore been rejected by operation of law. Cal. Gov. Code § 912.4(c).

6 **FIRST CAUSE OF ACTION**

7 **(Contractual Indemnity – Against All Defendants)**

8 32. Adams incorporates paragraphs 1 through 31 of this Complaint by reference as  
9 though set forth fully herein.

10 33. Adams denies that he was or is liable in any degree and/or liable under any theory  
11 set forth in the FAC filed in *People v. Rizzo*.

12 34. On May 29, 2009, for adequate consideration as set forth therein, Adams signed an  
13 employment contract with the City to serve as its Police Chief, and subsequently began his  
14 employment with the City. Adams' employment contract was approved by the City Council for  
15 the City.

16 35. Section 9 of Adams' employment contract contains an indemnification clause,  
17 which states as follows:

18 City shall defend, hold harmless and indemnify Employee against  
19 any claim, demand or judgment action, of any type or kind, arising  
20 out of any act, or failure to act, by Employee, if such act or failure  
21 to act was within the course and scope of Employee's employment.  
City may compromise and settle any such claim or suit provided  
City shall bear the entire cost of any such settlement.

22 36. Adams has performed all of the obligations required by his employment contract,  
23 except those excused by the City's prior breaches of the employment contract.

24 37. The claims alleged by the Attorney General against Adams in *People v. Rizzo* (i.e.,  
25 receiving a negotiated salary), arise out of Adams' actions or failures to act as an employee of the  
26 City. Specifically, the Attorney General alleged that Adams received "excessive and wasteful"  
27 compensation and actively sought to conceal his compensation from the public. (FAC ¶¶ 42, 62,  
28 77-79.)

1 38. Adams has incurred, and continues to incur, significant fees and costs in  
2 connection with his defense of *People v. Rizzo* and related investigations and actions, including  
3 attorneys' fees.

4 39. By reason of the foregoing, Adams is entitled to recover all costs and fees incurred  
5 in his defense of *People v. Rizzo* and related investigations and actions from Defendants and each  
6 of them.

7 **SECOND CAUSE OF ACTION**

8 **(Implied Indemnity – Against All Defendants)**

9 40. Adams incorporates paragraphs 1 through 39 of this Complaint by reference as  
10 though set forth fully herein.

11 41. Adams denies that he was or is in any way liable under any theory set forth in the  
12 FAC filed in *People v. Rizzo* or under any theory whatsoever for damages alleged by the Attorney  
13 General.

14 42. In the event that Adams is found in some manner legally liable to the People of the  
15 State of California, the Attorney General, or anyone else as a result of the events and occurrences  
16 alleged by the Attorney General in *People v. Rizzo*, Adams' liability is based solely upon a  
17 derivative, vicarious or imputed form of liability, not resulting from his own conduct. In the  
18 event that Adams is found in any manner legally liable to the People of the State of California, the  
19 Attorney General, or anyone else in connection with this action, such liability was proximately  
20 caused by the acts and/or omissions of Defendants and each of them, and Adams is entitled to  
21 recover indemnity, whether total or partial, equitable, implied and/or express, including attorneys'  
22 fees and costs, from the City.

23 43. Adams has incurred, and continues to incur, attorneys' fees and costs in  
24 connection with his defense of *People v. Rizzo* and related investigations and inquiries. Such fees  
25 have been incurred based solely upon a derivative, vicarious or imputed form of liability, not  
26 resulting from his own conduct. Adams is therefore entitled to recover such fees from  
27 Defendants and each of them.

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**THIRD CAUSE OF ACTION**

**(Equitable Indemnity – Against All Defendants)**

44. Adams incorporates paragraphs 1 through 43 of this Complaint by reference as though set forth fully herein.

45. Adams denies that he was or is liable in any degree and/or liable under any theory set forth in the FAC filed in *People v. Rizzo*.

46. In equity and good conscience, if the People of the State of California, the Attorney General, or anyone else recovers against Adams, then Adams is entitled to equitable indemnity and apportionment of liability among and from Defendants and each of them according to their respective liability or fault for the injuries and damages allegedly sustained by the People of the State of California, the Attorney General, or anyone else, if any, for any and all sums paid through settlement or a judgment rendered against Adams in connection with *People v. Rizzo* and any related investigations or actions, including, but not limited to, reasonable attorneys' fees, costs of suit, and such other and further relief as the Court may deem appropriate.

47. Adams has incurred, and continues to incur, attorneys' fees and costs in connection with his defense of *People v. Rizzo* and related investigations and inquiries. Such fees have been incurred based solely upon a derivative, vicarious or imputed form of liability, not resulting from his own conduct. Adams is therefore entitled to recover such fees from the Defendants and each of them.

**FOURTH CAUSE OF ACTION**

**(Statutory Indemnity – Against All Defendants)**

48. Adams re-alleges and incorporates herein by this reference each and every allegation set forth in paragraphs 1 through 47 of this Complaint as though set forth fully herein.

49. Adams denies that he was or is liable in any degree and/or liable under any theory set forth in the FAC filed in *People v. Rizzo*.

50. California Labor Code Section 2802 provides that "[a]n employer shall indemnify his or her employee for all necessary expenditures or losses incurred by the employee in direct

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1 consequence of the discharge of his or her duties, or of his or her obedience to the directions of  
2 the employer, even though unlawful, unless the employee, at the time of obeying the directions,  
3 believed them to be unlawful.”

4 51. California Government Code Section 995 provides that “upon request of an  
5 employee or former employee, a public entity shall provide for the defense of any civil action or  
6 proceeding brought against him, in his official or individual capacity or both, on account of an act  
7 or omission in the scope of his employment as an employee of the public entity.”

8 52. The claims alleged by the Attorney General against Adams in *People v. Rizzo* (i.e.,  
9 receiving a negotiated salary), arise out of Adams’ actions or failures to act as an employee of the  
10 City. Specifically, the Attorney General alleged that Adams received “excessive and wasteful”  
11 compensation and actively sought to conceal his compensation from the public. (FAC ¶¶ 42, 62,  
12 77-79.)

13 53. Adams has incurred significant fees and costs in connection with his defense of  
14 *People v. Rizzo* and related investigations and actions, including attorneys’ fees.

15 54. By reason of the foregoing, Adams is entitled to indemnity pursuant to California  
16 Labor Code Section 2802 and California Government Code Section 995, for all fees and costs  
17 incurred in connection with his defense of *People v. Rizzo* and related investigations and actions  
18 as well as his prosecution of this Action, including attorneys’ fees, from Defendants, and each of  
19 them, and such other and further relief as the Court may deem appropriate.

20 **FIFTH CAUSE OF ACTION**

21 **(Declaratory Relief – Against All Defendants)**

22 55. Adams re-alleges and incorporates herein by this reference each and every  
23 allegation set forth in paragraphs 1 through 54 of this Complaint as though set forth fully herein.

24 56. Adams denies that he was or is liable in any degree and/or liable under any theory  
25 set forth in the FAC filed in *People v. Rizzo*.

26 57. On May 29, 2009, for adequate consideration as set forth therein, Adams signed an  
27 employment contract with the City to serve as its Police Chief, and subsequently began his  
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1 employment with the City. Adams' employment contract was approved by the City Council for  
2 the City.

3 58. The claims alleged by the Attorney General against Adams in *People v. Rizzo* (i.e.,  
4 receiving a negotiated salary), arise out of Adams' actions or failures to act as an employee of the  
5 City. Specifically, the Attorney General alleged that Adams received "excessive and wasteful"  
6 compensation and actively sought to conceal his compensation from the public. (FAC ¶¶ 42, 62,  
7 77-79.)

8 59. Adams has incurred significant fees and costs in connection with his defense of.  
9 *People v. Rizzo* and related investigations and actions, including attorneys' fees.

10 60. An actual controversy has arisen and now exists between Adams and Defendants,  
11 concerning their respective rights, duties and liabilities in that Adams contends that said  
12 Defendants are liable to Adams for all fees and costs incurred in connection with his defense of  
13 *People v. Rizzo* and all fees and costs associated with pursuing this Action, because the claims  
14 asserted against Adams in *People v. Rizzo* were based solely on a derivative, vicarious or imputed  
15 form of liability, not resulting from his own conduct, relating to actions proximately caused by  
16 the acts and/or omissions of Defendants, and because the Attorney General's claims against  
17 Adams in *People v. Rizzo* were dismissed.

18 61. Adams desires a judicial determination of his rights and duties and a declaration  
19 that he is entitled to indemnification for all fees and costs incurred in connection with his defense  
20 of *People v. Rizzo* and all fees and costs associated with pursuing this Action, including attorneys'  
21 fees, from Defendants, and each of them.

22 62. A judicial determination is necessary and appropriate at this time under the  
23 circumstances so that Adams may ascertain his rights, duties and obligations with respect to his  
24 right to indemnity for all fees and costs incurred in connection with his defense of *People v. Rizzo*  
25 and fees and costs associated with pursuing this Action, including attorneys' fees, from said  
26 Defendants.

27 63. Adams has no other existing, speedy, accurate or proper remedy other than that  
28 prayed for by which the rights of the parties may be determined.

1 **PRAYER FOR RELIEF**

2 Wherefore, Adams prays for judgment against all Defendants, and each of them, as  
3 follows:

4 **On the First, Second, Third and Fourth Causes of Action**

5 1. For Adams to be fully indemnified by Defendants, and each of them, for all fees  
6 and costs incurred by Adams in connection with his defense in *People v. Rizzo* and his  
7 prosecution of this Action, including attorneys' fees, in an amount proportionate to each  
8 Defendants' proportionate share of total liability.

9 **On the Fifth Cause of Action**

10 2. For a declaration that Defendants are obligated to provide indemnification to  
11 Adams for all fees and costs incurred in connection with his defense of *People v. Rizzo* and his  
12 prosecution of this Action, including attorneys' fees, pursuant to Adams' employment contract,  
13 Defendants' statutory obligation under California Labor Code Section 2802, and under the  
14 principles of equitable and implied indemnification.

15 **On All Causes of Action**

16 3. For costs of suit incurred herein including, but not limited to, reasonable attorneys'  
17 fees;

18 4. For pre and post judgment interest at the legal rate; and

19 5. For such other and further relief as the Court may deem just and proper.  
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**JURY DEMAND**

1. Adams demands a trial by jury on all issues so triable.

DATED: October 3, 2011

PAUL HASTINGS LLP  
THOMAS P. O'BRIEN  
KATHERINE F. MURRAY  
NICHOLAS J. BEGAKIS  
KATHRYN C. WANNER

By:  for  
\_\_\_\_\_  
THOMAS P. O'BRIEN

Attorneys for Plaintiff  
RANDY G. ADAMS

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