

ORIGINAL

**SUMMONS
(CITACION JUDICIAL)**

SUM-100

**NOTICE TO DEFENDANT: NATIONAL UNION FIRE INSURANCE COMPANY
(AVISO AL DEMANDADO):** OF PITTSBURGH, PA, a Pennsylvania corporation; BASSI EDLIN HUIE & BLUM, LLP, a California limited liability partnership; and DOES 1 through 10, inclusive

FOR COURT USE ONLY
(SOLO PARA USO DE LA CORTE)

FILED
Superior Court of California
County of Los Angeles

SEP 22 2017

Herri R. Carter, Executive Officer
By: *[Signature]* Deputy
Glorietta Robinson

**YOU ARE BEING SUED BY PLAINTIFF: CORE HEALTH & FITNESS,
(LO ESTÁ DEMANDANDO EL DEMANDANTE):** LLC, a Nevada limited liability company; CORE FITNESS, LLC, a Nevada limited liability company; and CORE INDUSTRIES, LLC, a California limited liability company

NOTICE! You have been sued. The court may decide against you without your being heard unless you respond within 30 days. Read the information below.

You have 30 CALENDAR DAYS after this summons and legal papers are served on you to file a written response at this court and have a copy served on the plaintiff. A letter or phone call will not protect you. Your written response must be in proper legal form if you want the court to hear your case. There may be a court form that you can use for your response. You can find these court forms and more information at the California Courts Online Self-Help Center (www.courtinfo.ca.gov/selfhelp), your county law library, or the courthouse nearest you. If you cannot pay the filing fee, ask the court clerk for a fee waiver form. If you do not file your response on time, you may lose the case by default, and your wages, money, and property may be taken without further warning from the court.

There are other legal requirements. You may want to call an attorney right away. If you do not know an attorney, you may want to call an attorney referral service. If you cannot afford an attorney, you may be eligible for free legal services from a nonprofit legal services program. You can locate these nonprofit groups at the California Legal Services Web site (www.lawhelpcalifornia.org), the California Courts Online Self-Help Center (www.courtinfo.ca.gov/selfhelp), or by contacting your local court or county bar association. NOTE: The court has a statutory lien for waived fees and costs on any settlement or arbitration award of \$10,000 or more in a civil case. The court's lien must be paid before the court will dismiss the case. **AVISO!** Lo han demandado. Si no responde dentro de 30 días, la corte puede decidir en su contra sin escuchar su versión. Lea la información a continuación.

Tiene 30 DÍAS DE CALENDARIO después de que le entreguen esta citación y papeles legales para presentar una respuesta por escrito en esta corte y hacer que se entregue una copia al demandante. Una carta o una llamada telefónica no lo protegen. Su respuesta por escrito tiene que estar en formato legal correcto si desea que procesen su caso en la corte. Es posible que haya un formulario que usted pueda usar para su respuesta. Puede encontrar estos formularios de la corte y más información en el Centro de Ayuda de las Cortes de California (www.sucorte.ca.gov), en la biblioteca de leyes de su condado o en la corte que le quede más cerca. Si no puede pagar la cuota de presentación, pida al secretario de la corte que le dé un formulario de exención de pago de cuotas. Si no presenta su respuesta a tiempo, puede perder el caso por incumplimiento y la corte le podrá quitar su sueldo, dinero y bienes sin más advertencia.

Hay otros requisitos legales. Es recomendable que llame a un abogado inmediatamente. Si no conoce a un abogado, puede llamar a un servicio de remisión a abogados. Si no puede pagar a un abogado, es posible que cumpla con los requisitos para obtener servicios legales gratuitos de un programa de servicios legales sin fines de lucro. Puede encontrar estos grupos sin fines de lucro en el sitio web de California Legal Services, (www.lawhelpcalifornia.org), en el Centro de Ayuda de las Cortes de California, (www.sucorte.ca.gov) o poniéndose en contacto con la corte o el colegio de abogados locales. **AVISO:** Por ley, la corte tiene derecho a reclamar las cuotas y los costos exentos por imponer un gravamen sobre cualquier recuperación de \$10,000 ó más de valor recibida mediante un acuerdo o una concesión de arbitraje en un caso de derecho civil. Tiene que pagar el gravamen de la corte antes de que la corte pueda desechar el caso.

The name and address of the court is:
(El nombre y dirección de la corte es):

SUPERIOR COURT OF CALIFORNIA
County of Los Angeles
111 North Hill Street
Los Angeles, CA 90012

CASE NUMBER:
(Número del Caso):

BC 676824

The name, address, and telephone number of plaintiff's attorney, or plaintiff without an attorney, is:

(El nombre, la dirección y el número de teléfono del abogado del demandante, o del demandante que no tiene abogado, es):

Michael J. Sachs (Bar No. 134468)

(714) 241-4444 (714) 241-4445

CALLAHAN & BLAINE, APC

3 Hutton Centre Drive, Ninth Floor
Santa Ana, CA 92707

SHERRI R. CARTER

DATE:

(Fecha) SEP 22 2017

Clerk, by

(Secretario)

[Signature]
Glorietta Robinson

Deputy

(Adjunto)

(For proof of service of this summons, use Proof of Service of Summons (form POS-010).)

(Para prueba de entrega de esta citación use el formulario Proof of Service of Summons, (POS-010)).

NOTICE TO THE PERSON SERVED: You are served

1. ☐ as an individual defendant.
2. ☐ as the person sued under the fictitious name of (specify):
3. ☐ on behalf of (specify):

under: ☐ CCP 416.10 (corporation)

☐ CCP 416.20 (defunct corporation)

☐ CCP 416.40 (association or partnership)

☐ other (specify):

☐ CCP 416.60 (minor)

☐ CCP 416.70 (conservatee)

☐ CCP 416.90 (authorized person)

4. ☐ by personal delivery on (date):



ORIGINAL

FILED
Superior Court of California
County Of Los Angeles

SEP 22 2017

herri R. Carter Executive Officer & Clerk
By: *[Signature]* Deputy
Glorietta Roberson

BY FAX

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CALLAHAN & BLAINE, APLC
Daniel J. Callahan (Bar No. 91490)
Michael J. Sachs (Bar No. 134468)
3 Hutton Centre Drive, Ninth Floor
Santa Ana, California 92707
Telephone: (714) 241-4444
Facsimile: (714) 241-4445
Michael@callahan-law.com

Attorneys for Plaintiffs CORE HEALTH & FITNESS, LLC, a Nevada limited liability company;
CORE FITNESS, LLC, a Nevada limited liability company; and CORE INDUSTRIES, LLC, a
California limited liability company

SUPERIOR COURT OF CALIFORNIA
COUNTY OF LOS ANGELES, CENTRAL DISTRICT

CORE HEALTH & FITNESS, LLC, a
Nevada limited liability company; CORE
FITNESS, LLC, a Nevada limited liability
company; and CORE INDUSTRIES, LLC, a
California limited liability company,

Plaintiffs,

v.

NATIONAL UNION FIRE INSURANCE
COMPANY OF PITTSBURGH, PA, a
Pennsylvania corporation; BASSI EDLIN HUIE
& BLUM, LLP, a California limited liability
partnership; and DOES 1 through 10, inclusive,

Defendants.

CASE NO.

BC 676824

COMPLAINT FOR:

1. INSURANCE BAD FAITH;
2. LEGAL MALPRACTICE

DEMAND FOR JURY TRIAL

Complaint Filed:
Trial Date:

COME NOW, Plaintiffs Core Health & Fitness, LLC, a Nevada limited liability company;
Core Fitness, LLC, a Nevada limited liability company; and Core Industries, LLC, a
limited liability company, and allege as follows:

RECEIVED: 09/22/17 01:20 PM
DATE PAID: 09/22/17 01:20 PM
AMOUNT: \$435.00
CHECK: \$435.00
CASH: \$0.00
CHANGE: \$0.00
CARD: \$0.00
TOTAL: 310

CIT/CASE: BC676824
LEA/DEF#: 1

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

09/22/2017

GENERAL ALLEGATIONS

1. Plaintiffs Core Health & Fitness, LLC and Core Fitness LLC, are limited liability companies formed in Nevada and qualified to do business in the State of California.

2. Plaintiff Core Industries, LLC, is a limited liability company formed in California and qualified to do business in the State of California. (Core Health & Fitness, LLC, Core Fitness LLC and Core Industries are collectively referred to as "Core" and/or "Plaintiffs")

3. Plaintiffs are informed and believe and based thereon allege that at all times relevant herein Defendant National Union Fire Insurance of Pittsburg, PA (hereinafter "National Union") was a Pennsylvania corporation and a fully owned subsidiary of American International Group, Inc., and was licensed and authorized by the State of California Department of Insurance to engage in the business of insurance within this State and was doing business within the County of Los Angeles, State of California.

4. Plaintiffs are informed and believe and based thereon allege that Bassi Edlin Huie & Blum, LLP (hereinafter "BEHB"), is a limited liability partnership formed in the State of California and doing business in the County of Los Angeles, State of California, as a professional law corporation.

5. Whenever reference in this Complaint is made to any act, conduct, omission or transaction of National Union, such allegations shall be deemed to mean that the principals, officers, directors, managing agents, employees, agents and representatives of National Union, committed, knew of, performed, authorized, ratified or directed such act, conduct, omission or transaction on behalf of National Union while actively engaged in the scope of their duties.

6. Whenever reference in this Complaint is made to any act, conduct, omission or transaction of BEHB, such allegations shall be deemed to mean that the principals, partners, associates, officers, directors, managing agents, employees, agents and representatives of National Union, committed, knew of, performed, authorized, ratified or directed such act, conduct, omission or transaction on behalf of National Union while actively engaged in the scope of their duties.

7. Plaintiffs do not know the true names or capacities, whether individual, corporate, associate or otherwise of Defendant Does 1 through 10, inclusive, and therefore sue said Defendants by such fictitious names. Plaintiffs are informed and believe and thereon allege that each fictitious Defendant was in some manner responsible, participated in or contributed to, and is therefore legal responsible for, the matters complained of by Plaintiffs herein. Plaintiffs will seek to amend this Complaint if and when the exact nature and identity of such fictitious Defendants, and their responsibility for, participation in, and contribution to the matters herein alleged are ascertained.

Factual Background

8. On or before August 1, 2013, in consideration of the payment of premium by Plaintiffs, National Union executed and delivered to Core, its Commercial General Liability policy, Policy No. GL536-16-09 (hereinafter referred to as the "Policy") by the terms of which National Union undertook to and did insure Core against any and all liability and agreed to pay on behalf of Core all sums which it shall become legally obligated to pay as damages because of, inter alia, bodily injury, property damage or personal injury, up to the applicable limits of liability of the Policy. The Policy took effect on August 1, 2013 and was in full force and effect at all relevant times herein.

9. The National Union Policy contains a Named Insured Endorsement adding the following, among others, as additional insureds: Core Fitness, LLC dba Star Trac and Core Industries, LLC.

10. On August 1, 2013, National Union issued Commercial Umbrella Policy No. BE 80770688 to Core with a \$10,000,000 limit of liability (the "Umbrella Policy"). The Umbrella Policy covers the same risks as the Policy.

11. On January 10, 2014, Manuel Rodriguez filed a complaint against LA Fitness International, LLC ("LA Fitness") seeking compensatory and punitive damages for a traumatic brain injury which he allegedly sustained using a Core crossover exercise machine at a LA Fitness gym. A true and correct copy of said complaint is attached hereto as Exhibit "A" and incorporated by this reference.

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12. LA Fitness is an Additional Insured pursuant to the terms of the Policy's Additional Insured Endorsement. LA Fitness owns and operates numerous gyms across the country and was a large customer of Core until National Union's bad faith and BEHB's malpractice destroyed the relationship.

13. On May 20, 2014, Fitness tendered the Rodriguez lawsuit to Core and on or about May 29, 2014, Core accepted Fitness' tender. At the same time, Core forwarded a tender of the LA Fitness tender to National Union under the Policy.

14. On or about January 26, 2015, Rodriguez filed a Second Amended Complaint adding Core Industries, LLC as a defendant.

15. On March 30, 2016, Fitness filed a cross-complaint against Core seeking defense and indemnity, a true and correct copy of which is attached as Exhibit "B." Immediately thereafter, Core tendered the Fitness cross-complaint to National Union under the Policy. National Union failed to timely respond to the tender.

16. On November 11, 2015, National Union denied coverage for Fitness based upon its false representation that: "Fitness's status as an additional insured is limited to its liability arising out of Core's operations as a fitness equipment manufacturer for Core's design or manufacturing defects, if any." In fact, the Additional Insured coverage was much broader and clearly encompassed LA fitness. A true and correct copy of the National Union denial letter is attached hereto as Exhibit "C" and incorporated by this reference.

17. On or about November 30, 2015, BEHB substituted into the Rodriguez case to defend Core against the Rodriguez complaint and the LA Fitness cross-complaint.

The Wrongful Conduct

18. Throughout the Rodriguez litigation, Core advised National Union and BEHB that it was crucial to the reputation of Core that the Rodriguez matter be fully resolved prior to trial. Core was extremely concerned about the effect a public trial could have on its stellar reputation with the public, its great reputation in the fitness community, and its profitable relationship with LA Fitness. National Union and BEHB were also repeatedly advised that it was equally crucial to Core that National Union extricate its additional insured, LA Fitness, from the Rodriguez action in

1 order to preserve, and not destroy, Core's relationship with LA Fitness, a large and publicly
2 visible client of Core.

3 19. On September 6, 2016, Judge Rick Brown, presiding over the Rodriguez action,
4 issued issue, evidentiary and monetary sanctions against Core and its counsel which severely
5 crippled Core and LA Fitness' ability to defend themselves and made punitive damages very
6 likely. Not only did BEHB not report on the sanction orders, to the contrary, in its September 6,
7 2016 report to National Union, BEHB falsely represented that "unresolved critical issues are;

- 8 • Will Plaintiff be found responsible for any part of the subject incident?
- 9 • Is there a defect in the machine – particular a design defect, as there is not [sic]
10 evidence of a manufacturing defect?"

11 To the contrary, both of these "critical issues" were resolved, adverse to Core, pursuant to the
12 Rodriguez Court's issue and evidentiary sanctions that morning.

13 20. Further evidencing BEHB's breaches of duty is the fact that BEHB did not
14 reference the sanctions order in its September 6, 2016 report. Although BEHB did not reference
15 the sanctions order in its September 6, 2016 report, it did ask National Union to budget \$25,000
16 for sanctions, not coincidentally, the exact amount BEHB was sanctioned that morning.

17 21. Later that same day, Mike Gallagher a partner in BEHB, wrote to National Union
18 to provide a report and valuation of the case. Remarkably, Gallagher/BEHB blatantly omitted and
19 misrepresented what happened in court that morning. A true and correct copy of defense
20 counsel's report is attached hereto as Exhibit "D" and incorporated by this reference.

21 22. Not coincidentally, the next day, September 7, 2016, National Union issued a
22 supplemental reservation of rights letter in which AIG purports, for the first time, to reserve rights
23 based on Rodriguez' Third Amended Complaint which was filed on or about March 9, 2016. In
24 truth, this late reservation of rights was issued in response to the Court's sanctions the day earlier,
25 which greatly increased the potential for punitive damages against both Core and LA Fitness. Of
26 course, neither National Union nor BEHB timely advised Core of the sanctions and never advised
27 Core of their import. To the contrary, both National Union and BEHB continued to act as if the
28 sanctions never happened. Indeed, as time would show the issue and evidentiary sanctions were

1 crippling to Core and LA Fitness. Core (and LA Fitness since the case was tried together) were
2 immediately exposed to punitive damages since the jury would, and was, instructed that they had
3 notice of a design defect before the Rodriguez incident.

4 23. On October 13, 2016, the Court in the Rodriguez matter issued additional issue,
5 evidentiary and monetary sanctions which further crippled Core and LA Fitness' defense.

6 24. In an effort to deflect on the reason for the various sanctions orders, BEHB further
7 downplayed the significance of the sanctions to National Union and to Core.

8 25. In an amazing and blatant breach of their fiduciary duties to Core, BEHB conspired
9 with National Union to provide National Union with false excuses to not authorize sufficient funds
10 for a global settlement of the Rodriguez action. For instance, on October 3, 2016, Mike Gallagher
11 of BEHB sent a report to National Union valuing the Rodriguez case between \$50,000 and
12 \$250,000. Three days later, Mike Gallagher of BEHB advised Core that the value of the case was
13 between \$10 million and \$30 million. When this latter valuation was forwarded to National Union
14 by Core, BEHB, through Gallagher, insisted that their valuation was still \$250,000 or less. As
15 BEHB later admitted, however, the valuation sent to National Union incredulously assumed, at
16 National Union's request, that there was no possibility that Rodriguez could prove he suffered a
17 traumatic brain injury and that there was no possibility that Core could be found to have acted
18 with reckless disregard and thus found liable for punitive damages. Not only was there no basis
19 whatsoever for these assumptions, but the Court's issue and evidentiary sanctions actually made
20 punitive damages a likely scenario against both Core and LA Fitness.

21 26. When, on October 12, 2016 the client, through personal counsel, requested
22 \$900,000 in settlement authority from National Union to resolve the Rodriguez case, Mr.
23 Gallagher of BEHB, working in unison with National Union, undercut the request by writing that
24 he did not request that amount and his valuation was still lower, again, based on National Union's
25 bad faith request that BEHB assume that Rodriguez could not prove a traumatic brain injury or
26 recover punitive damages.

27 27. On November 7, 2016, the parties in the Rodriguez case obtained a mediator's
28 proposal in the amount of \$2.275 million for a global settlement of the Rodriguez case, which

1 would have dismissed both Core and LA Fitness and the LA Fitness cross-complaint. Core
2 demanded that National Union pay said sum and on November 14, 2016, National Union
3 unreasonably denied said demand, based in part on the false valuation it directed BEHB to
4 prepare.

5 28. On December 8, 2016, in the midst of the Rodriguez trial, and in bad faith, National
6 Union issued a supplemental reservation of rights letter to Core with regard to the Fitness cross-
7 complaint. Plaintiffs are informed and believe that this is the first time that National Union
8 reserved any rights with regard to the Fitness cross-complaint against Core. A true and correct
9 copy of said reservation of rights letter is attached hereto as Exhibit "E" and incorporated by this
10 reference.

11 29. On November 29, 2016, Core settled directly with Rodriguez, during trial, for
12 \$750,000. Despite Core's numerous pleas to National Union to settle the case as to LA Fitness,
13 and despite National Union's duties to Core and LA Fitness, National Union unreasonably
14 continued to refuse to settle the case as to LA Fitness. The trial thus continued against LA Fitness
15 thereby putting Core at further risk on the LA Fitness cross-complaint, to its global reputation and
16 to its relationship with LA Fitness.

17 30. On or about December 14, 2016, a jury found that Rodriguez suffered a traumatic
18 brain injury as a result of a defect in Core's crossover machine and LA Fitness was found liable to
19 Rodriguez for \$5.8 million in compensatory damages and \$1.7 million in punitive damages based
20 in part on the issue sanctions ordered by the Court. A true and correct copy of the jury's Verdict
21 Form is attached hereto as Exhibit "F" and incorporated herein by this reference.

22 31. Immediately after the trial concluded, as a result of the jury's finding of a design
23 defect (based on the evidentiary sanctions), LA Fitness demanded that Core remove all of its
24 crossover machines from all LA Fitness locations and further indicated that it would no longer do
25 business with Core, all to the damage of Core in an amount to be determined at time of trial. The
26 jury's finding of a defect in Core's machine also subjected Core to certain onerous and costly
27 reporting requirements. Thus, the damage to Core as a result of BEHB's malpractice and National
28 Union's bad faith was not only foreseeable, but immediate.

FIRST CAUSE OF ACTION

(Breach of the Covenant of Good Faith and Fair Dealing Against
National Union and Does 1 through 5)

32. Plaintiffs incorporate by reference all allegations set forth in paragraphs 1 through 31 above as if fully set forth herein.

33. The Policy and the Umbrella Policy of National Union constitute and compromise written contracts between National Union on the one hand and Core on the other hand.

34. Core has fully performed all of its obligations under the Policy and the Umbrella Policy or has been excused from said performance.

35. By virtue of various wrongful acts, National Union has breached the terms of the Policy and the Umbrella Policy, including but not limited to:

- A. Putting National Union's interests ahead of its insured by failing to timely settle the Rodriguez action or the LA Fitness cross-complaint in the Rodriguez action;
- B. Failing to timely resolve the LA Fitness cross-complaint against Core;
- C. Failing to timely resolve the Rodriguez complaint against additional insured LA Fitness;
- D. Failing to appoint at all, or timely appoint, and provide competent counsel for Core in the Rodriguez action;
- E. Failing to appoint independent counsel; and
- F. Conspiring with BEHB to keep relevant information from Core and conspiring with BEHB to falsely undervalue the Rodriguez claim.

36. As a direct and proximate result of the bad faith by National Union, Core has suffered actual damages in an amount to be determined at trial, including, but not limited to, loss of reputation, loss of relationship with LA Fitness and the cost to remove all of Core's crossover machines from all of LA Fitness' gyms across the United States.

37. As a further proximate result of the breach of contract by National Union, Core has suffered incidental and consequential damages in an amount to be determined by proof at time of

1 trial.

2 38. Core is informed and believes and based thereon alleges that the aforementioned
3 acts of National Union as alleged above, including but not limited to, National Union's willful and
4 unreasonable failure to settle the claims against Core and LA Fitness was willful and unreasonable
5 and;

6 A. Were committed with an intent to vex, injury and annoy in a manner that
7 was malicious within the meaning of Civil Code section 3294; or

8 B. Constituted despicable conduct committed with the willful and conscious
9 disregard for Core's rights in a manner that was oppressive and malicious within
10 the meaning of Civil Code section 3294.

11 39. Core is informed and believes and based thereon alleges that the conduct alleged
12 above warrants the assessment of exemplary damages in an amount sufficient to punish and make
13 an example of National Union, in an amount to be determined at trial according to proof.

14 **SECOND CAUSE OF ACTION**

15 **(Legal Malpractice Against BEHB and Docs 6 through 10)**

16 40. Plaintiffs incorporate by reference all allegations set forth in paragraphs 1 through
17 39 above as if fully set forth herein.

18 41. Defendant BEHB was in an attorney-client relationship with Core. BEHB owed
19 Core a duty to use such skill, prudence and diligence as other members of their profession
20 commonly possess and exercise.

21 42. BEHB failed to exercise reasonable care and skill in undertaking to perform legal
22 services for Core and did so, at a minimum, negligently and carelessly.

23 43. Core is informed and believes and based thereon alleges that BEHB failed to
24 exercise reasonable care and skill in defending the Rodriguez action, including but not limited to,
25 the following wrongful acts;

26 A. Allowing the Court to repeatedly issue evidentiary, issue and monetary
27 sanctions and not advising Core of the significance of said orders;
28

- B. Failing to resolve the LA Fitness cross-complaint without damaging Core;
- C. Conspiring with National Union to produce grossly undervalued estimates of the value of the Rodriguez claims so that National Union would have an excuse, albeit a false one, to deny settlement authority;
- D. Failing to exercise due care in the conduct of discovery;
- F. Failing to exercise due care with regard to insurance coverage issues;
- G. Failing to keep Core apprised as to the seriousness of events transpiring in the Rodriguez action, including but not limited to, the evidentiary issue and monetary sanctions; and
- H. Representing both Core and National Union as joint clients, with a conflict of interest that was never waived.

44. Core is informed and believes and based thereon alleges that BEHB was acting in the best interests of BEHB and National Union and not in the best interests of Core and that BEHB ignored the cardinal rules of professional responsibility and intentionally, willfully, and repeatedly breached their fiduciary duties of the highest order to Core.

45. Had BEHB exercised proper care and skill in these matters, and not breached their fiduciary duties to Core, Core would not have suffered severe prejudice and damages.

46. As a direct and proximate result of legal malpractice and breach of fiduciary duties by BEHB as set forth above, Core has suffered actual damages in an amount to be proven at time of trial.

47. As a further, direct and proximate result of legal malpractice and breach of fiduciary duties by BEHB as set forth above, Core has suffered incidental and consequential damages, in an amount not presently known, to be determined by proof at time of trial.

48. Core is informed and believes and based thereon alleges that the aforementioned acts of BEHB:

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TELEPHONE: (714) 241-4444
WWW.CALLAHAN-LAW.COM

2103722450

1 A. Were committed with intent to vex, injure and annoy in a manner that was
2 malicious within the meaning of Civil Code section 3294; and/or

3 B. Constitute despicable conduct committed with a willful and conscious
4 disregard for Core's rights in a manner that was oppressive and malicious within
5 the meaning of Civil Code section 3294.

6 49. Core is informed and believes and based upon such information and believe alleges
7 that the conduct alleged above warrants the assessment of punitive damages against BEHB in an
8 amount sufficient to punish and make an example to be determined at trial, according to proof.

9 **PRAYER**

10 WHEREFORE, Core prays for judgment against Defendants as follows:

11 **First Cause of Action**

12 (Against National Union and Does 1 through 5)

- 13 1. For actual, incidental and consequential damages according to proof;
14 2. For punitive damages according to proof;
15 3. For attorneys fees and costs;

16 **Second Cause of Action**

17 (Against BEHB and Does 6 through 10)

- 18 4. For actual, incidental and consequential damages according to proof;
19 5. For punitive damages according to proof; and
20 6. For attorneys fees and costs.

21 Dated: September 22, 2017

22 CALLAHAN & BLAINE, APLC

23 By: 

24 Michael J. Sachs

25 Attorneys for Plaintiffs CORE HEALTH &
26 FITNESS, LLC, a Nevada limited liability
27 company; and CORE INDUSTRIES, LLC, a
28 limited liability company

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210772753

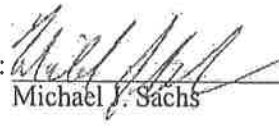
DEMAND FOR JURY TRIAL

Plaintiffs hereby demand a trial by jury of all issues, claims and causes of action that property may be tried to a jury in this action.

CALLAHAN & BLAINE, APLC

Dated: September 22, 2017

By:


Michael J. Sachs

Attorneys for Plaintiffs CORE HEALTH & FITNESS, LLC, a Nevada limited liability company; and CORE INDUSTRIES, LLC, a limited liability company

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09/22/2017

EXHIBIT "A"

08222450

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93 Jan on the 1st

FOR COURT USE ONLY

FILED
Superior Court of California
County of Los Angeles

JAN 10 2014

Sherri R. Carter, Executive Officer/Clerk
By Shaunna Bolden Deputy

ATTORNEY OR PARTY WITHOUT ATTORNEY (Name, State Bar number, and address):
Eric L. Webb (SBN192532); Brian G. Beecher (SBN239486)
WEBB & BEECHER
6253 Hollywood Boulevard, Suite 203
Los Angeles, CA 90028
TELEPHONE NO: (323) 462-3736 FAX NO. (Optional): (323) 462-3732
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ATTORNEY FOR (Name): Plaintiff MANUEL RODRIGUEZ

SUPERIOR COURT OF CALIFORNIA, COUNTY OF LOS ANGELES
STREET ADDRESS: 111 N. Hill St.
MAILING ADDRESS: 111 N. Hill St.
CITY AND ZIP CODE: Los Angeles, California 90012
BRANCH NAME: Stanley Mosk Courthouse
PLAINTIFF: MANUEL RODRIGUEZ

DEFENDANT: L.A. FITNESS INTERNATIONAL, LLC; and

☒ DOES 1 TO 20

COMPLAINT—Personal Injury, Property Damage, Wrongful Death
☐ AMENDED (Number):
Type (check all that apply):
☐ MOTOR VEHICLE ☐ OTHER (specify):
☐ Property Damage ☐ Wrongful Death
☒ Personal Injury ☐ Other Damages (specify):

Jurisdiction (check all that apply):
☐ ACTION IS A LIMITED CIVIL CASE
Amount demanded ☐ does not exceed \$10,000
☐ exceeds \$10,000, but does not exceed \$25,000
☒ ACTION IS AN UNLIMITED CIVIL CASE (exceeds \$25,000)
☐ ACTION IS RECLASSIFIED by this amended complaint
☐ from limited to unlimited
☐ from unlimited to limited

CASE NUMBER:
BC532963

OSC: 06/12/2015 TRIAL: 07/13/2015 OSC: 01/13/2012

1. Plaintiff (name or names): MANUEL RODRIGUEZ
alleges causes of action against defendant (name or names):
L.A. FITNESS INTERNATIONAL, LLC (hereinafter "LA Fitness"); and DOES 1 TO 20
2. This pleading, including attachments and exhibits, consists of the following number of pages: 5
3. Each plaintiff named above is a competent adult

- a. ☐ except plaintiff (name):
- (1) ☐ a corporation qualified to do business in California
(2) ☐ an unincorporated entity (describe):
(3) ☐ a public entity (describe):
(4) ☐ a minor ☐ an adult
(a) ☐ for whom a guardian or conservator of the estate or a guardian ad litem has been appointed
(b) ☐ other (specify):
(5) ☐ other (specify):
- b. ☐ except plaintiff (name):
- (1) ☐ a corporation qualified to do business in California
(2) ☐ an unincorporated entity (describe):
(3) ☐ a public entity (describe):
(4) ☐ a minor ☐ an adult
(a) ☐ for whom a guardian or conservator of the estate or a guardian ad litem has been appointed
(b) ☐ other (specify):
(5) ☐ other (specify):

Information about additional plaintiffs who are not competent adults is shown in Attachment 3.

California State Capitol
Library

JAN 10 2017

San Francisco
California State Capitol
Library

San Francisco
California State Capitol
Library

01/22/2017

SHORT TITLE:

RODRIGUEZ v. L.A. FITNESS INTERNATIONAL, LLC, et al.

CASE NUMBER:

4. ☐ Plaintiff (name):

is doing business under the fictitious name (specify):

and has complied with the fictitious business name laws.

5. Each defendant named above is a natural person

a. ☒ except defendant (name): LA Fitness

- (1) ☐ a business organization, form unknown
 (2) ☐ a corporation
 (3) ☐ an unincorporated entity (describe):

(4) ☐ a public entity (describe):(5) ☒ other (specify):

a California LLC

c. ☐ except defendant (name):

- (1) ☐ a business organization, form unknown
 (2) ☐ a corporation
 (3) ☐ an unincorporated entity (describe):

(4) ☐ a public entity (describe):(5) ☐ other (specify):b. ☐ except defendant (name):

- (1) ☐ a business organization, form unknown
 (2) ☐ a corporation
 (3) ☐ an unincorporated entity (describe):

(4) ☐ a public entity (describe):(5) ☐ other (specify):d. ☐ except defendant (name):

- (1) ☐ a business organization, form unknown
 (2) ☐ a corporation
 (3) ☐ an unincorporated entity (describe):

(4) ☐ a public entity (describe):(5) ☐ other (specify):☐ Information about additional defendants who are not natural persons is contained in Attachment 5.

6. The true names of defendants sued as Does are unknown to plaintiff.

a. ☒ Doe defendants (specify Doe numbers): 1-20

were the agents or employees of other named defendants and acted within the scope of that agency or employment.

b. ☒ Doe defendants (specify Doe numbers): 1-20

are persons whose capacities are unknown to plaintiff.

7. ☐ Defendants who are joined under Code of Civil Procedure section 382 are (names):

8. This court is the proper court because

a. ☐ at least one defendant now resides in its jurisdictional area.b. ☐ the principal place of business of a defendant corporation or unincorporated association is in its jurisdictional area.c. ☒ injury to person or damage to personal property occurred in its jurisdictional area.d. ☐ other (specify):9. ☐ Plaintiff is required to comply with a claims statute, anda. ☐ has complied with applicable claims statutes, orb. ☐ is excused from complying because (specify):

SHORT TITLE:

PLD-PI-001

RODRIGUEZ v. L.A. FITNESS INTERNATIONAL, LLC, et al.

CASE NUMBER:

10. The following causes of action are attached and the statements above apply to each (each complaint must have one or more causes of action attached):

- a. ☐ Motor Vehicle
- b. ☒ General Negligence
- c. ☐ Intentional Tort
- d. ☐ Products Liability
- e. ☒ Premises Liability
- f. ☐ Other (specify):

11. Plaintiff has suffered

- a. ☒ wage loss
- b. ☐ loss of use of property
- c. ☒ hospital and medical expenses
- d. ☒ general damage
- e. ☐ property damage
- f. ☒ loss of earning capacity
- g. ☒ other damage (specify):

pain and suffering

12. ☐ The damages claimed for wrongful death and the relationships of plaintiff to the deceased are
- a. ☐ listed in Attachment 12.
 - b. ☐ as follows:

13. The relief sought in this complaint is within the jurisdiction of this court.

14. Plaintiff prays for judgment for costs of suit; for such relief as is fair, just, and equitable; and for

- a. (1) ☒ compensatory damages
- (2) ☐ punitive damages

The amount of damages is (in cases for personal injury or wrongful death, you must check (1)):

- (1) ☒ according to proof
- (2) ☐ in the amount of: \$

15. ☒ The paragraphs of this complaint alleged on information and belief are as follows (specify paragraph numbers):

1-15

Date: January 8, 2014

Brian G. Beecher

(TYPE OR PRINT NAME)

(SIGNATURE OF PLAINTIFF OR ATTORNEY)

PLD-PI-001 (Rev. January 1, 2007)

COMPLAINT—Personal Injury, Property
Damage, Wrongful Death

Page 3 of 3

SHORT TITLE:

RODRIGUEZ v. L.A. FITNESS INTERNATIONAL, LLC

PLD-PI-001(2)

CASE NUMBER:

1
(number)

CAUSE OF ACTION—General Negligence

Page 4

ATTACHMENT TO ☒ Complaint ☐ Cross - Complaint

(Use a separate cause of action form for each cause of action.)

GN-1. Plaintiff (name): **MANUEL RODRIGUEZ**

alleges that defendant (name): **L.A. FITNESS INTERNATIONAL, LLC (hereinafter "LA Fitness")**

☒ Does 1 to 20

was the legal (proximate) cause of damages to plaintiff. By the following acts or omissions to act, defendant negligently caused the damage to plaintiff

on (date): **November 18, 2013**

at (place): **5990 North Sepulveda Boulevard, Van Nuys, CA 91411**

(description of reasons for liability):

In November 2013, LA Fitness and DOES 1 to 20 (collectively, "Defendants") knew or reasonably should have known of a condition that was a foreseeable danger to Defendants' patrons in connection with one of the exercise machines at Defendants' fitness facility. Defendants were aware, or reasonably should have been aware, that the subject exercise machine was in need of maintenance by Defendants and/or could not be used safely by any patrons during the November 2013 time period.

Defendants owed a duty of reasonable and ordinary care--as well as the heightened duties owed to their paying guests, such as Plaintiff Rodriguez--to Plaintiff Rodriguez to remove hazards such as the subject exercise machine and/or adequately warn of the existence of the danger in connection with the subject exercise machine. Defendants did neither.

In breach of Defendants' duties of care owed to Plaintiff, Defendants unreasonably and negligently allowed the subject exercise machine to be used by patrons without any warning of its need for maintenance, and due to his use of said exercise machine, Plaintiff Rodriguez suffered injuries and damages. An un-welcomed risk was thus negligently created by Defendants due to their inappropriate acts and/or omissions in allowing the subject exercise machine to be used by patrons when it was in need of maintenance, and Plaintiff Rodriguez suffered the sort of injuries that are the foreseeable result of Defendants' negligence as set forth herein.

Defendants' negligence was a direct, proximate and legal cause of the injuries sustained by Plaintiff Rodriguez.

SHORT TITLE:

RODRIGUEZ v. L.A. FITNESS INTERNATIONAL, LLC

CASE NUMBER:

PLD-PI-001(4)

2

(number)

CAUSE OF ACTION—Premises Liability

Page 5

ATTACHMENT TO ☒ Complaint ☐ Cross - Complaint
(Use a separate cause of action form for each cause of action.)

Prem.L-1. Plaintiff (name): MANUEL RODRIGUEZ

alleges the acts of defendants were the legal (proximate) cause of damages to plaintiff.

On (date): November 18, 2013

plaintiff was injured on the following premises in the following

fashion (description of premises and circumstances of injury):

Defendants were aware, or reasonably should have been aware, that one of the exercise machines at Defendants' exercise facility was in need of maintenance, and that said exercise machine could not be used safely by any patrons during the November 2013 time period until that maintenance had been performed. Defendants allowed this known dangerous condition to exist on Defendants' property and without any sort of proper warning--and said dangerous condition was the actual and proximate cause of Plaintiff Rodriguez's injuries and damages.

Prem.L-2. ☒ Count One—Negligence The defendants who negligently owned, maintained, managed and operated the described premises were (names):
L.A. FITNESS INTERNATIONAL, LLC

☒ Does 1 to 20

Prem.L-3. ☒ Count Two—Willful Failure to Warn [Civil Code section 846] The defendant owners who willfully or maliciously failed to guard or warn against a dangerous condition, use, structure, or activity were (names):
L.A. FITNESS INTERNATIONAL, LLC

☒ Does 1 to 20

Prem.L-4. ☐ Count Three—Dangerous Condition of Public Property The defendants who owned public property on which a dangerous condition existed were (names):

☐ Does _____ to _____

- a. ☐ The defendant public entity had ☐ actual ☐ constructive notice of the existence of the dangerous condition in sufficient time prior to the injury to have corrected it.
b. ☐ The condition was created by employees of the defendant public entity.

Prem.L-5. a. ☐ Allegations about Other Defendants The defendants who were the agents and employees of the other defendants and acted within the scope of the agency were (names):

☒ Does 1 to 20

- b. ☐ The defendants who are liable to plaintiffs for other reasons and the reasons for their liability are ☐ described in attachment Prem.L-5.b ☐ as follows (names):

ATTORNEY OR PARTY WITHOUT ATTORNEY (Name, Bar number, and address):
Eric L. Webb (SBN: 192532); Brian G. Beecher (SBN: 239486)
WEBB & BEECHER
6253 Hollywood Boulevard, Suite 203
Los Angeles, California 90028
TELEPHONE NO.: (323) 462-3736 FAX NO.: (323) 462-3732
ATTORNEY FOR (Name): Plaintiff MANUEL RODRIGUEZ

SUPERIOR COURT OF CALIFORNIA, COUNTY OF LOS ANGELES
STREET ADDRESS: 111 N. Hill St.
MAILING ADDRESS: 111 N. Hill St.
CITY AND ZIP CODE: Los Angeles, CA 90012
BRANCH NAME: Central District- Stanely Mosk Courthouse

CASE NAME:
RODRIGUEZ v. L.A. FITNESS INTERNATIONAL, LLC, et al.

CIVIL CASE COVER SHEET

☒ **Unlimited**
(Amount
demanded
exceeds \$25,000)
☐ **Limited**
(Amount
demanded is
\$25,000 or less)

Complex Case Designation

☐ **Counter** ☐ **Joinder**
Filed with first appearance by defendant
(Cal. Rules of Court, rule 3.402)

CASE NUMBER: **BC 53 2963**


JUDGE:
DEPT:

FOR COURT USE ONLY

CM-010

FILED
Superior Court of California
County of Los Angeles

JAN 10 2014

Sherri R. Carter, Executive Officer/Clerk
By:  Deputy
Shaunya Bolden

Items 1-6 below must be completed (see instructions on page 2).

BY FAX

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

Auto Tort

☐ Auto (22)
☐ Uninsured motorist (46)

**Other PI/PD/WD (Personal Injury/Property
Damage/Wrongful Death) Tort**

☐ Asbestos (04)
☐ Product liability (24)
☐ Medical malpractice (45)
☒ Other PI/PD/WD (23)

Non-PI/PD/WD (Other) Tort

☐ Business tort/unfair business practice (07)
☐ Civil rights (08)
☐ Defamation (13)
☐ Fraud (16)
☐ Intellectual property (19)
☐ Professional negligence (25)
☐ Other non-PI/PD/WD tort (35)

Employment

☐ Wrongful termination (36)
☐ Other employment (15)

Contract

☐ Breach of contract/warranty (06)
☐ Rule 3.740 collections (09)
☐ Other collections (09)
☐ Insurance coverage (18)
☐ Other contract (37)

Real Property

☐ Eminent domain/Inverse
condemnation (14)
☐ Wrongful eviction (33)
☐ Other real property (26)

Unlawful Detainer

☐ Commercial (31)
☐ Residential (32)
☐ Drugs (38)

Judicial Review

☐ Asset forfeiture (05)
☐ Petition re: arbitration award (11)
☐ Writ of mandate (02)
☐ Other judicial review (39)

Provisionally Complex Civil Litigation
(Cal. Rules of Court, rules 3.400-3.403)

☐ Antitrust/Trade regulation (03)
☐ Construction defect (10)
☐ Mass tort (40)
☐ Securities litigation (28)
☐ Environmental/Toxic tort (30)
☐ Insurance coverage claims arising from the
above listed provisionally complex case
types (41)

Enforcement of Judgment

☐ Enforcement of judgment (20)

Miscellaneous Civil Complaint

☐ RICO (27)
☐ Other complaint (not specified above) (42)

Miscellaneous Civil Petition

☐ Partnership and corporate governance (21)
☐ Other petition (not specified above) (43)

2. This case ☐ is ☒ is not complex under rule 3.400 of the California Rules of Court. If the case is complex, mark the factors requiring exceptional judicial management:
- a. ☐ Large number of separately represented parties d. ☐ Large number of witnesses
b. ☐ Extensive motion practice raising difficult or novel issues that will be time-consuming to resolve e. ☐ Coordination with related actions pending in one or more courts in other counties, states, or countries, or in a federal court
c. ☐ Substantial amount of documentary evidence f. ☐ Substantial postjudgment judicial supervision
3. Remedies sought (check all that apply): a. ☒ monetary b. ☐ nonmonetary; declaratory or injunctive relief c. ☐ punitive
4. Number of causes of action (specify): 2 (general negligence; and premises liability)
5. This case ☐ is ☒ is not a class action suit.
6. If there are any known related cases, file and serve a notice of related cases. (You may use form CM-015.)

Date: January 8, 2014

Brian G. Beecher, Esq.

(TYPE OR PRINT NAME)

NOTICE

• (Plaintiff must file this cover sheet with the first paper filed in the action or proceeding (except small claims cases or cases filed under the Probate Code, Family Code, or Welfare and Institutions Code). (Cal. Rules of Court, rule 3.220.) Failure to file may result in sanctions.

• File this cover sheet in addition to any cover sheet required by local court rule.

• If this case is complex under rule 3.400 et seq. of the California Rules of Court, you must serve a copy of this cover sheet on all other parties to the action or proceeding.

• Unless this is a collections case under rule 3.740 or a complex case, this cover sheet will be used for statistical purposes only.

Form Adopted for Mandatory Use
Judicial Council of California
CM-010 (Rev. July 1, 2007)

CIVIL CASE COVER SHEET

Cal. Rules of Court, rules 2.30, 3.220, 3.400-3.403, 3.740;
Cal. Standards of Judicial Administration, std. 3.10
www.courtinfo.ca.gov

FILED
Superior Court of California
County of Los Angeles

JAN 10 2014

James H. Carter, Executive Officer
County of Los Angeles

09/22/2017

INSTRUCTIONS ON HOW TO COMPLETE THE COVER SHEET

CM-010

To Plaintiffs and Others Filing First Papers. If you are filing a first paper (for example, a complaint) in a civil case, you must complete and file, along with your first paper, the *Civil Case Cover Sheet* contained on page 1. This information will be used to compile statistics about the types and numbers of cases filed. You must complete items 1 through 6 on the sheet. In item 1, you must check one box for the case type that best describes the case. If the case fits both a general and a more specific type of case listed in item 1, check the more specific one. If the case has multiple causes of action, check the box that best indicates the primary cause of action. To assist you in completing the sheet, examples of the cases that belong under each case type in item 1 are provided below. A cover sheet must be filed only with your initial paper. Failure to file a cover sheet with the first paper filed in a civil case may subject a party, its counsel, or both to sanctions under rules 2.30 and 3.220 of the California Rules of Court.

To Parties in Rule 3.740 Collections Cases. A "collections case" under rule 3.740 is defined as an action for recovery of money owed in a sum stated to be certain that is not more than \$25,000, exclusive of interest and attorney's fees, arising from a transaction in which property, services, or money was acquired on credit. A collections case does not include an action seeking the following: (1) tort damages, (2) punitive damages, (3) recovery of real property, (4) recovery of personal property, or (5) a prejudgment writ of attachment. The identification of a case as a rule 3.740 collections case on this form means that it will be exempt from the general time-for-service requirements and case management rules, unless a defendant files a responsive pleading. A rule 3.740 collections case will be subject to the requirements for service and obtaining a judgment in rule 3.740.

To Parties in Complex Cases. In complex cases only, parties must also use the *Civil Case Cover Sheet* to designate whether the case is complex. If a plaintiff believes the case is complex under rule 3.400 of the California Rules of Court, this must be indicated by completing the appropriate boxes in items 1 and 2. If a plaintiff designates a case as complex, the cover sheet must be served with the complaint on all parties to the action. A defendant may file and serve no later than the time of its first appearance a joinder in the plaintiff's designation, a counter-designation that the case is not complex, or, if the plaintiff has made no designation, a designation that the case is complex.

CASE TYPES AND EXAMPLES

Auto Tort

Auto (22)—Personal Injury/Property Damage/Wrongful Death

Uninsured Motorist (46) (if the case involves an uninsured motorist claim subject to arbitration, check this item instead of Auto)

Other PI/PD/WD (Personal Injury/Property Damage/Wrongful Death) Tort

Asbestos (04)

Asbestos Property Damage
Asbestos Personal Injury/
Wrongful Death

Product Liability (not asbestos or toxic/environmental) (24)

Medical Malpractice (45)

Medical Malpractice—

Physicians & Surgeons

Other Professional Health Care Malpractice

Other PI/PD/WD (23)

Premises Liability (e.g., slip and fall)

Intentional Bodily Injury/PD/WD (e.g., assault, vandalism)

Intentional Infliction of

Emotional Distress

Negligent Infliction of

Emotional Distress

Other PI/PD/WD

Non-PI/PD/WD (Other) Tort

Business Tort/Unfair Business Practice (07)

Civil Rights (e.g., discrimination, false arrest) (not civil harassment) (08)

Defamation (e.g., slander, libel) (13)

Fraud (16)

Intellectual Property (19)

Professional Negligence (25)

Legal Malpractice

Other Professional Malpractice (not medical or legal)

Other Non-PI/PD/WD Tort (35)

Employment

Wrongful Termination (36)

Other Employment (15)

Contract

Breach of Contract/Warranty (06)

Breach of Rental/Lease

Contract (not unlawful detainer or wrongful eviction)

Contract/Warranty Breach—Seller

Plaintiff (not fraud or negligence)

Negligent Breach of Contract/Warranty

Other Breach of Contract/Warranty

Collections (e.g., money owed, open book accounts) (09)

Collection Case—Seller Plaintiff

Other Promissory Note/Collections Case

Insurance Coverage (not provisionally complex) (18)

Auto Subrogation

Other Coverage

Other Contract (37)

Contractual Fraud

Other Contract Dispute

Real Property

Eminent Domain/Inverse Condemnation (14)

Wrongful Eviction (33)

Other Real Property (e.g., quiet title) (26)

Writ of Possession of Real Property

Mortgage Foreclosure

Quiet Title

Other Real Property (not eminent domain, landlord/tenant, or foreclosure)

Unlawful Detainer

Commercial (31)

Residential (32)

Drugs (38) (if the case involves illegal drugs, check this item; otherwise, report as Commercial or Residential)

Judicial Review

Asset Forfeiture (05)

Petition Re: Arbitration Award (11)

Writ of Mandate (02)

Writ—Administrative Mandamus

Writ—Mandamus on Limited Court

Case Matter

Writ—Other Limited Court Case Review

Other Judicial Review (39)

Review of Health Officer Order

Notice of Appeal—Labor

Commissioner Appeals

Provisionally Complex Civil Litigation (Cal. Rules of Court Rules 3.400–3.403)

Antitrust/Trade Regulation (03)

Construction Defect (10)

Claims Involving Mass Tort (40)

Securities Litigation (28)

Environmental/Toxic Tort (30)

Insurance Coverage Claims

(arising from provisionally complex case type listed above) (41)

Enforcement of Judgment

Enforcement of Judgment (20)

Abstract of Judgment (Out of County)

Confession of Judgment (non-domestic relations)

Sister State Judgment

Administrative Agency Award (not unpaid taxes)

Petition/Certification of Entry of Judgment on Unpaid Taxes

Other Enforcement of Judgment Case

Miscellaneous Civil Complaint

RICO (27)

Other Complaint (not specified above) (42)

Declaratory Relief Only

Injunctive Relief Only (non-harassment)

Mechanics Lien

Other Commercial Complaint

Case (non-tort/non-complex)

Other Civil Complaint

(non-tort/non-complex)

Miscellaneous Civil Petition

Partnership and Corporate

Governance (21)

Other Petition (not specified above) (43)

Civil Harassment

Workplace Violence

Elder/Dependent Adult

Abuse

Election Contest

Petition for Name Change

Petition for Relief From Late

Claim

Other Civil Petition

SHORT TITLE:

RODRIGUEZ v. L.A. FITNESS INTERNATIONAL, LLC

CASE NUMBER

**CIVIL CASE COVER SHEET ADDENDUM AND
STATEMENT OF LOCATION
(CERTIFICATE OF GROUNDS FOR ASSIGNMENT TO COURTHOUSE LOCATION)**

BY FAX

This form is required pursuant to Local Rule 2.0 in all new civil case filings in the Los Angeles Superior Court.

Item I. Check the types of hearing and fill in the estimated length of hearing expected for this case:

JURY TRIAL? ☒ YES CLASS ACTION? ☐ YES LIMITED CASE? ☐ YES TIME ESTIMATED FOR TRIAL 05 ☐ HOURS/ ☒ DAYS

Item II. Indicate the correct district and courthouse location (4 steps – If you checked "Limited Case", skip to Item III, Pg. 4):

Step 1: After first completing the Civil Case Cover Sheet form, find the main Civil Case Cover Sheet heading for your case in the left margin below, and, to the right in Column A, the Civil Case Cover Sheet case type you selected.

Step 2: Check one Superior Court type of action in Column B below which best describes the nature of this case.

Step 3: In Column C, circle the reason for the court location choice that applies to the type of action you have checked. For any exception to the court location, see Local Rule 2.0.

Applicable Reasons for Choosing Courthouse Location (see Column C below)

1. Class actions must be filed in the Stanley Mosk Courthouse, central district.
2. May be filed in central (other county, or no bodily injury/property damage).
3. Location where cause of action arose.
4. Location where bodily injury, death or damage occurred.
5. Location where performance required or defendant resides.
6. Location of property or permanently garaged vehicle.
7. Location where petitioner resides.
8. Location wherein defendant/respondent functions wholly.
9. Location where one or more of the parties reside.
10. Location of Labor Commissioner Office

Step 4: Fill in the information requested on page 4 in Item III; complete Item IV. Sign the declaration.

	A Civil Case Cover Sheet Category No.	B Type of Action (Check only one)	C Applicable Reasons (See Step 3/Above)
Auto Tort	Auto (22)	<input type="checkbox"/> A7100 Motor Vehicle - Personal Injury/Property Damage/Wrongful Death	1., 2., 4.
	Uninsured Motorist (46)	<input type="checkbox"/> A7110 Personal Injury/Property Damage/Wrongful Death - Uninsured Motorist	1., 2., 4.
Other Personal Injury/Property Damage/Wrongful Death Tort	Asbestos (04)	<input type="checkbox"/> A6070 Asbestos Property Damage <input type="checkbox"/> A7221 Asbestos - Personal Injury/Wrongful Death	2. 2.
	Product Liability (24)	<input type="checkbox"/> A7260 Product Liability (not asbestos or toxic/environmental)	1., 2., 3., 4., 8.
	Medical Malpractice (45)	<input type="checkbox"/> A7210 Medical Malpractice - Physicians & Surgeons <input type="checkbox"/> A7240 Other Professional Health Care Malpractice	1., 4. 1., 4.
	Other Personal Injury/Property Damage/Wrongful Death (23)	<input type="checkbox"/> A7250 Premises Liability (e.g., slip and fall)	1., 4.
		<input type="checkbox"/> A7230 Intentional Bodily Injury/Property Damage/Wrongful Death (e.g., assault, vandalism, etc.)	1., 4.
<input type="checkbox"/> A7270 Intentional Infliction of Emotional Distress		1., 3.	
<input checked="" type="checkbox"/> A7220 Other Personal Injury/Property Damage/Wrongful Death		1., 4.	

SHORT TITLE:

RODRIGUEZ v. L.A. FITNESS INTERNATIONAL, LLC

CASE NUMBER

Non-Personal Injury/Property
Damage/ Wrongful Death Tort

Employment

Contract

Real Property

Unlawful Detainer

7103/23/20

A Civil Case Cover Sheet Case Category No.	B Type of Action (Check only one)	C Applicable Reasons (See Step 1 Above)
Business Tort (07)	<input type="checkbox"/> A6029 Other Commercial/Business Tort (not fraud/breach of contract)	1., 3.
Civil Rights (08)	<input type="checkbox"/> A6005 Civil Rights/Discrimination	1., 2., 3.
Defamation (13)	<input type="checkbox"/> A6010 Defamation (slander/libel)	1., 2., 3.
Fraud (16)	<input type="checkbox"/> A6013 Fraud (no contract)	1., 2., 3.
Professional Negligence (25)	<input type="checkbox"/> A6017 Legal Malpractice <input type="checkbox"/> A6050 Other Professional Malpractice (not medical or legal)	1., 2., 3. 1., 2., 3.
Other (35)	<input type="checkbox"/> A6025 Other Non-Personal Injury/Property Damage tort	2., 3.
Wrongful Termination (36)	<input type="checkbox"/> A6037 Wrongful Termination	1., 2., 3.
Other Employment (15)	<input type="checkbox"/> A6024 Other Employment Complaint Case <input type="checkbox"/> A6109 Labor Commissioner Appeals	1., 2., 3. 10.
Breach of Contract/ Warranty (06) (not insurance)	<input type="checkbox"/> A6004 Breach of Rental/Lease Contract (not unlawful detainer or wrongful eviction) <input type="checkbox"/> A6008 Contract/Warranty Breach -Seller Plaintiff (no fraud/negligence) <input type="checkbox"/> A6019 Negligent Breach of Contract/Warranty (no fraud) <input type="checkbox"/> A6028 Other Breach of Contract/Warranty (not fraud or negligence)	2., 5. 2., 5. 1., 2., 5. 1., 2., 5.
Collections (09)	<input type="checkbox"/> A6002 Collections Case-Seller Plaintiff <input type="checkbox"/> A6012 Other Promissory Note/Collections Case	2., 5., 6. 2., 5.
Insurance Coverage (18)	<input type="checkbox"/> A6015 Insurance Coverage (not complex)	1., 2., 5., 8.
Other Contract (37)	<input type="checkbox"/> A6009 Contractual Fraud <input type="checkbox"/> A6031 Tortious Interference <input type="checkbox"/> A6027 Other Contract Dispute(not breach/insurance/fraud/negligence)	1., 2., 3., 5. 1., 2., 3., 5. 1., 2., 3., 8.
Eminent Domain/Inverse Condemnation (14)	<input type="checkbox"/> A7300 Eminent Domain/Condemnation Number of parcels _____	2.
Wrongful Eviction (33)	<input type="checkbox"/> A6023 Wrongful Eviction Case	2., 6.
Other Real Property (26)	<input type="checkbox"/> A6018 Mortgage Foreclosure <input type="checkbox"/> A6032 Quiet Title <input type="checkbox"/> A6060 Other Real Property (not eminent domain, landlord/tenant, foreclosure)	2., 6. 2., 6. 2., 6.
Unlawful Detainer-Commercial (31)	<input type="checkbox"/> A6021 Unlawful Detainer-Commercial (not drugs or wrongful eviction)	2., 6.
Unlawful Detainer-Residential (32)	<input type="checkbox"/> A6020 Unlawful Detainer-Residential (not drugs or wrongful eviction)	2., 6.
Unlawful Detainer- Post-Foreclosure (34)	<input type="checkbox"/> A6020F Unlawful Detainer-Post-Foreclosure	2., 6.
Unlawful Detainer-Drugs (38)	<input type="checkbox"/> A6022 Unlawful Detainer-Drugs	2., 6.

SHORT TITLE:

RODRIGUEZ V. L.A. FITNESS INTERNATIONAL, LLC

CASE NUMBER

Judicial Review

Provisionally Complex Litigation

Enforcement of Judgment

Miscellaneous Civil Complaints

Miscellaneous Civil Petitions

A Civil Case Cover Sheet Category/No.	B Type of Action (Check only one)	C Applicable Reasons (See Step 3 Above)
Asset Forfeiture (05)	<input type="checkbox"/> A6108 Asset Forfeiture Case	2., 6.
Petition re Arbitration (11)	<input type="checkbox"/> A6115 Petition to Compel/Confirm/Vacate Arbitration	2., 5.
Writ of Mandate (02)	<input type="checkbox"/> A6151 Writ - Administrative Mandamus <input type="checkbox"/> A6152 Writ - Mandamus on Limited Court Case Matter <input type="checkbox"/> A6153 Writ - Other Limited Court Case Review	2., 8. 2. 2.
Other Judicial Review (39)	<input type="checkbox"/> A6150 Other Writ/Judicial Review	2., 8.
Antitrust/Trade Regulation (03)	<input type="checkbox"/> A6003 Antitrust/Trade Regulation	1., 2., 8.
Construction Defect (10)	<input type="checkbox"/> A6007 Construction Defect	1., 2., 3.
Claims Involving Mass Tort (40)	<input type="checkbox"/> A6006 Claims Involving Mass Tort	1., 2., 8.
Securities Litigation (28)	<input type="checkbox"/> A6035 Securities Litigation Case	1., 2., 8.
Toxic Tort/Environmental (30)	<input type="checkbox"/> A6036 Toxic Tort/Environmental	1., 2., 3., 8.
Insurance Coverage Claims from Complex Case (41)	<input type="checkbox"/> A6014 Insurance Coverage/Subrogation (complex case only)	1., 2., 5., 8.
Enforcement of Judgment (20)	<input type="checkbox"/> A6141 Sister State Judgment <input type="checkbox"/> A6160 Abstract of Judgment <input type="checkbox"/> A6107 Confession of Judgment (non-domestic relations) <input type="checkbox"/> A6140 Administrative Agency Award (not unpaid taxes) <input type="checkbox"/> A6114 Petition/Certificate for Entry of Judgment on Unpaid Tax <input type="checkbox"/> A6112 Other Enforcement of Judgment Case	2., 9. 2., 6. 2., 9. 2., 8. 2., 8. 2., 8., 9.
RICO (27)	<input type="checkbox"/> A6033 Racketeering (RICO) Case	1., 2., 8.
Other Complaints (Not Specified Above) (42)	<input type="checkbox"/> A6030 Declaratory Relief Only <input type="checkbox"/> A6040 Injunctive Relief Only (not domestic/harassment) <input type="checkbox"/> A6011 Other Commercial Complaint Case (non-tort/non-complex) <input type="checkbox"/> A6000 Other Civil Complaint (non-tort/non-complex)	1., 2., 8. 2., 8. 1., 2., 8. 1., 2., 8.
Partnership Corporation Governance (21)	<input type="checkbox"/> A6113 Partnership and Corporate Governance Case	2., 8.
Other Petitions (Not Specified Above) (43)	<input type="checkbox"/> A6121 Civil Harassment <input type="checkbox"/> A6123 Workplace Harassment <input type="checkbox"/> A6124 Elder/Dependent Adult Abuse Case <input type="checkbox"/> A6190 Election Contest <input type="checkbox"/> A6110 Petition for Change of Name <input type="checkbox"/> A6170 Petition for Relief from Late Claim Law <input type="checkbox"/> A6100 Other Civil Petition	2., 3., 9. 2., 3., 9. 2., 3., 9. 2. 2., 7. 2., 3., 4., 8. 2., 9.

SHORT TITLE:

RODRIGUEZ v. L.A. FITNESS INTERNATIONAL, LLC

CASE NUMBER

Item III. Statement of Location: Enter the address of the accident, party's residence or place of business, performance, or other circumstance indicated in Item II., Step 3 on Page 1, as the proper reason for filing in the court location you selected.

REASON: Check the appropriate boxes for the numbers shown under Column C for the type of action that you have selected for this case. <input type="checkbox"/> 1. <input type="checkbox"/> 2. <input checked="" type="checkbox"/> 3. <input checked="" type="checkbox"/> 4. <input type="checkbox"/> 5. <input type="checkbox"/> 6. <input type="checkbox"/> 7. <input type="checkbox"/> 8. <input type="checkbox"/> 9. <input type="checkbox"/> 10.		ADDRESS: 5990 North Sepulveda Boulevard
CITY: Van Nuys	STATE: CA	ZIP CODE: 91411

Item IV. Declaration of Assignment: I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that the above-entitled matter is properly filed for assignment to the Stanley Mosk courthouse in the Central District of the Superior Court of California, County of Los Angeles [Code Civ. Proc., § 392 et seq., and Local Rule 2.0, subds. (b), (c) and (d)].

Dated: January 8, 2014


 (SIGNATURE OF ATTORNEY/FILING PARTY)

PLEASE HAVE THE FOLLOWING ITEMS COMPLETED AND READY TO BE FILED IN ORDER TO PROPERLY COMMENCE YOUR NEW COURT CASE:

1. Original Complaint or Petition.
2. If filing a Complaint, a completed Summons form for issuance by the Clerk.
3. Civil Case Cover Sheet, Judicial Council form CM-010.
4. Civil Case Cover Sheet Addendum and Statement of Location form, LACIV 109, LASC Approved 03-04 (Rev. 03/11).
5. Payment in full of the filing fee, unless fees have been waived.
6. A signed order appointing the Guardian ad Litem, Judicial Council form CIV-010, if the plaintiff or petitioner is a minor under 18 years of age will be required by Court in order to issue a summons.
7. Additional copies of documents to be conformed by the Clerk. Copies of the cover sheet and this addendum must be served along with the summons and complaint, or other initiating pleading in the case.

01/13/2014
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09/22/2017

EXHIBIT "B"

09/22/2017

1 Anthony J. Ellrod (State Bar No. 136574)
aje@manningllp.com
2 Alejandro Caraveo (State Bar No. 254917)
ayc@manningllp.com
3 MANNING & KASS
ELLROD, RAMIREZ, TRESTER LLP
4 801 S. Figueroa St, 15th Floor
Los Angeles, California 90017-3012
5 Telephone: (213) 624-6900
Facsimile: (213) 624-6999

6 Attorneys for Defendant, FITNESS
7 INTERNATIONAL, LLC, erroneously sued as
L.A. FITNESS INTERNATIONAL, LLC
8

9 SUPERIOR COURT OF THE STATE OF CALIFORNIA
10 COUNTY OF LOS ANGELES

11
12 MANUEL RODRIGUEZ,
13 Plaintiff,
14 v.
15 L.A. FITNESS INTERNATIONAL, LLC; and
DOES 1 TO 20,
16 Defendant.

17
18 FITNESS INTERNATIONAL, LLC,
19 Cross-Complainant,
20 v.
21 CORE INDUSTRIES, LLC and ROES 1-20,
inclusive,
22 Cross-Defendants.
23

Case No. BC532963

**CROSS-COMPLAINT OF FITNESS
INTERNATIONAL, LLC AGAINST
CORE INDUSTRIES, LLC**

Action Filed: January 10, 2014

24 Cross-complainant Fitness International, LLC, (hereafter "LA Fitness" or "cross-
25 complainant") alleges against cross-defendants as follows:

26 1. Cross-complainant LA Fitness is informed and believes that cross-defendant, and
27 each of them, are individuals, corporations, partnerships, associations, or other business entities
28

1 doing business in the State of California, County of Los Angeles and this judicial district.

2 2. Cross-complainant LA Fitness does not know the true names and capacities of the
3 cross-defendants who are sued as Roes.

4 3. Cross-complainant LA Fitness is informed and believes that cross-defendants, and
5 each of them, were, and now are, the agents, employees, co-venturers, partners, or in some manner
6 agents or principals, or both, for each other and were acting in the course and scope of their
7 agency or employment. Cross-defendants, and each of them, were and now are residents of and
8 doing business in and by virtue of the laws of the State of California, County of Los Angeles and
9 this judicial district.

10 4. The principal action alleges among other things conduct entitling plaintiff to
11 damages against cross-complainant LA Fitness.

12 **FIRST CAUSE OF ACTION**

13 (Comparative Indemnity and Apportionment of Fault against all Cross-Defendants and ROES 1
14 through 20)

15 5. Cross-complainant contends that cross-complainant is not liable for events and
16 occurrences described in plaintiff's complaint.

17 6. Cross-complainant LA Fitness is informed and believes that each cross-defendant
18 was responsible, in whole or in part, for the injuries, if any, suffered by plaintiff.

19 7. If cross-complainant is judged liable to plaintiff, each cross-defendant should be
20 required to pay a share of plaintiff's judgment which is in proportion to the comparative
21 negligence of that cross-defendant in causing plaintiff's damages, and to reimburse cross-
22 complainant LA Fitness for any payments cross-complainant makes to plaintiff in excess of cross-
23 complainant's proportional share of all cross-defendants' negligence.

24 8. As a direct and proximate result of the above, cross-complainant LA Fitness has
25 been damaged by reason of investigation, expenses, attorneys' fees and costs which have been,
26 and will be, incurred, in a sum not currently known. When the true amount of damages has been
27 ascertained, cross-complainant will amend this cross-complaint to insert the same.

28

SECOND CAUSE OF ACTION

(Total Equitable Indemnity against all Cross-Defendants and ROES 1 through 20)

9. Cross-complainant LA Fitness realleges each and every allegation contained in the preceding paragraphs of this cross-complaint and incorporates them as though fully set forth.

10. If cross-complainant LA Fitness is found in some manner responsible to plaintiff or to anyone else as a result of the incidents and occurrences described in plaintiff's complaint, any liability would be based solely upon a derivative form of liability not resulting from cross-complainant's conduct, but only from an obligation imposed upon cross-complainant by law; therefore, cross-complainant would be entitled to complete indemnity from each cross-defendant. Cross-complainant tendered this matter to Core Industries, LLC for defense and indemnification and that tender was rejected.

THIRD CAUSE OF ACTION

(Declaratory Relief against all Cross-Defendants and ROES 1 through 20)

11. An actual controversy exists between the parties concerning their respective rights and duties because cross-complainant contends and cross-defendants dispute the allegations alleged in this cross-complaint.

12. Cross-complainant LA Fitness requests a judicial declaration of the rights, responsibilities and obligations of the cross-defendants, and each of them, as to cross-complainant.

FORTH CAUSE OF ACTION

(Express Contractual Indemnity against all Cross-Defendants and ROES 1 through 20)

13. Cross-complainant LA Fitness realleges each and every allegation contained in the preceding paragraphs of this cross-complaint and incorporates them as though fully set forth.

14. Cross-complainant is informed and believes and thereon alleges that cross-complainant entered into a written agreement with cross-defendants on or about July 20, 2011 encompassing the purchase of the equipment involved in the underlying action. In that contract Core Industries, LLC agrees to defend and indemnify LA Fitness for any claim or injury,

1 including attorney's fees, which arises from a design or manufacturing defect – precisely what is
2 being alleged in the underlying action. Further, CORE agrees to add LA Fitness as an additional
3 insured on its comprehensive general liability policy with a limit of \$1,000,000 for bodily injury
4 and property damage, with an insurance company that is satisfactory to LAF. The precise terms of
5 the contract are included in the true and correct copy of the contract attached hereto as Exhibit "A"
6 and incorporated by reference herein. Cross-complainant tendered this matter to Core Industries,
7 LLC for defense and indemnification and that tender was rejected.

8 15. Plaintiff alleges personal injuries and other damages allegedly caused by a defect in
9 the design and/or manufacture of a product purchased from Core Industries, LLC by LA Fitness.
10 LA Fitness alleges that it is entitled to indemnity from cross-defendants for plaintiff's action.

11 16. Cross-complainant is informed and believes and thereon alleges that plaintiff's
12 damages were not caused by cross-complainant, and the damage, if any, was caused by others
13 including, but not limited to, cross-defendants.

14 17. Cross-complainant is informed and believes and thereon alleges that it is entitled to
15 contractual defense and indemnity from cross-defendants for the claims asserted against it by
16 plaintiff in this action.

17 18. Cross-complainant has retained the services of Manning & Kass, Ellrod, Ramirez,
18 Trester, LLP, to defend the action herein and the prior action by plaintiff, thereby incurring costs,
19 consultants' fees, attorneys' fees and other litigation fees in the defense of this action and in the
20 prosecution of this cross-complaint. Cross-complainant will seek leave of this Court to amend its
21 cross-complaint to show the amount of said costs and attorneys' fees when the same become
22 known to cross-complainant.

23 FIFTH CAUSE OF ACTION

24 (Breach of Contract against all Cross-Defendants and ROES 1 through 20)

25 19. Cross-complainant LA Fitness realleges each and every allegation contained in the
26 preceding paragraphs of this cross-complaint and incorporates them as though fully set forth.
27

28 20. Cross-complainant is informed and believes and thereon alleges that cross-

1 complainant entered into a written agreement with cross-defendants on or about July 20, 2011
2 pursuant to which Core Industries, LLC was to procure insurance coverage naming cross-
3 complainant as and additional insured, providing insurance coverage in favor of cross-complainant
4 for any litigation arising out of the alleged design or manufacturing defect of any products
5 purchased from Core Industries, Inc. by cross-complainant. The precise terms of the contract are
6 included in the true and correct copy of the contract attached hereto as Exhibit "A" and
7 incorporated by reference herein.

8 21. Cross-complainant is informed and believes and thereon alleges that cross-
9 complainants failed to procure the insurance coverage for cross-complainant required under the
10 agreement, forcing cross-complainant to pay attorneys fees and costs in defending this litigation.
11 As a result, cross-complainant has been damaged in an amount equal to all fees and costs incurred
12 in defending this action.

13 22. Cross-complainant has retained the services of Manning & Kass, Ellrod, Ramirez,
14 Trester, LLP, to defend the action herein and the prior action by plaintiff, thereby incurring costs,
15 consultants' fees, attorneys' fees and other litigation fees in the defense of this action and the prior
16 action by plaintiff and in the prosecution of this cross-complaint. Cross-complainant will seek
17 leave of this Court to amend its cross-complaint to show the amount of said costs and attorneys'
18 fees when the same become known to cross-complainant.

19 20 SIXTH CAUSE OF ACTION

21 (Declaratory Relief re Duty to Defend against all Cross-Defendants and ROES 1 through 20)

22 23. Cross-complainant LA Fitness realleges each and every allegation contained in the
23 preceding paragraphs of this cross-complaint and incorporates them as though fully set forth.

24 24. A written contract exists between cross-complainant and each of the cross-
25 defendants. Each said contract is incorporated herein by reference as though fully set forth at this
26 point.

27 25. The subject contract contains an express indemnity provision, the terms of which
28 are subject to proof at trial.

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1 26. A claim or loss within the meaning of the subject express indemnity clause as
2 contained in the above-mentioned contracts has arisen by virtue of the fact that the plaintiff has
3 filed a Complaint against cross-complainant and cross-defendants claiming injuries and damages
4 resulting from defects in the design and/or manufacture of cross-defendants' products.

5 27. Cross-defendants, and each of them, have a present duty to defend against any
6 claims arising from or encountered in connection with the defective design or manufacture of
7 cross-defendants' products. Cross-complainant has a present legal right to be provided a defense.
8 California Civil Code, Section 2778, provides, in pertinent part, that:

9 "In the interpretation of a contract of indemnity, the following rules are to be
10 applied, unless a contrary intention appears:

11 3. An indemnity against claims, or demands, or liability, expressly, or in
12 other equivalent terms, embraces the costs of defense against such claims,
13 demands, or liability incurred in good faith, and in the exercise of a reasonable
14 discretion;

15 4. The person indemnifying is bound, on request of the person indemnified,
16 to defend actions or proceedings brought against the former by the latter in
17 respect to the matters embraced by the indemnity, but the person indemnified has
18 a right to conduct such defenses, if he chooses to do so;"

19 10. Cross-complainant has tendered the defense of this action to all the cross-
20 defendants, and each of them, as referred above."

21 28. A dispute has arisen and an actual controversy now exists between cross-
22 complainant and the cross-defendants, and each of them, in that cross-complainant contends that it
23 is entitled to a present defense from the cross-defendants, and each of them, while cross-
24 defendants, and each of them, deny such obligations under the contract.

25 WHEREFORE CROSS-COMPLAINANT prays for judgment as follows:

26 1. Compensatory damages according to proof.

27 2. Total and complete indemnity for any judgments rendered against cross-
28 complainant.

MANNING & KASS
ELLROD, RAMIREZ, TRESTER LLP
ATTORNEYS AT LAW

2107.77.50

1 3. For costs and expenses incurred in the defense of this matter, in the defense of
2 plaintiff's prior action against cross-complainants, and in bringing this cross-complaint, including
3 reasonable attorneys' fees.

4 4. For such other and further relief as is just and proper.

5 DATED: March 3, 2016

MANNING & KASS
ELLROD, RAMIREZ, TRESTER LLP

6
7
8 By: 

Alejandro Caraveo
Attorneys for Defendant, FITNESS
INTERNATIONAL, LLC, erroneously sued as
L.A. FITNESS INTERNATIONAL, LLC

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EXHIBIT "A"

09/22/2017



July 20, 2011

Mr. Michael Bruno
CORE INDUSTRIES INC.
14410 Myford Road
Irvine, CA 92606

Re: LA Fitness Sports Club
Purchase Agreement

Dear Michael:

This letter shall serve as our formal Purchase Agreement between LA Fitness International, LLC (LAF) and CORE INDUSTRIES, INC. (CORE) the following terms and conditions:

1. Term of agreement is retroactive from January 1, 2011 and concludes on December 31, 2012.
2. Products covered under this agreement will include all commercial products.
3. Equipment pricing: Percentage discount as well as pricing shown on Exhibit "A", dated July 15, 2011, will remain the same during the term of this agreement. Pricing for any new product not included on Exhibit "A" will be negotiated at the time of its introduction. Price proposals may also be submitted, on a per project basis, as requested and mutually agreed to by LAF and CORE.
4. Any new product that replaces a similar product, will receive the same pricing as the discontinued item.
5. Equipment ordered for pre-sale locations will receive the same pricing as the permanent location. If CORE chooses to be part of the presale locations, then when the permanent facility is opened, CORE will relocate the presale equipment to the permanent facility at no cost to LAF.

09/22/2011

6. No guaranteed orders or minimum purchase amounts will be given by LAF.
7. Showcase locations and equipment mix will be determined by LAF. For each showcase order, CORE will include 10 free TBT's (inclusive of freight, install and tax) to be traded out at existing LAF locations.
8. Freight, delivery and installation charges will be determined using the most efficient and cost effective means for LAF. Please refer to attached freight schedule, Exhibit "B", dated July 15, 2011 which is made part of this agreement.
9. CORE agrees to have a responsible supervisory representative on-site to oversee the delivery and installation. This representative will identify any problems and ensure that they are resolved prior to the LAF facility opening.
10. All equipment is to be installed per LAF floor plan. LAF will dictate the time frames for delivery, installation and completion schedule. CORE will be required to complete installation within two days. No additional compensation for overtime or weekend work will be given to meet the delivery and installation schedule as dictated by LAF. LAF will not pay additional charges for difficult deliveries or for installations that involve stairs. CORE will provide the appropriate amount of qualified manpower to meet each schedule. Installation will not be considered complete until it's signed off by LAF management.
11. CORE does hereby agree to defend and indemnify LAF for any claim or injury, including attorney's fees, which arises from a design or manufacturing defect. CORE agrees to add LAF as an additional insured as evidenced on a Certificate of Insurance that CORE will provide to LAF with a limit of \$1,000,000 for bodily injury and property damage, with an insurance company that is satisfactory to LAF.
12. Warranty: CORE agrees to warrant all equipment from the date of acceptance. Please refer to the attached warranty agreement, Exhibit "C", dated July 15, 2011 which is made part of this agreement.
13. LAF requires warranty service to be provided within 48 hours of request to the manufacturer. In the event that the manufacturer's factory service technician or authorized warranty service provider does not arrive at the LAF facility within four days (Sundays excepted) of written request, parts

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- 2600 Michelson Dr. | Suite 300 | Irvine, CA 92612 | Ph: 949.255.7200 | Fax: 949.255.7455 | www.lafitness.com

21. CORE will issue one original invoice for each LAF purchase order. This invoice must match the purchase order prior to payment being made.
22. Sales Tax: It is the understanding of LAF that all equipment and part purchases made by LAF are subject to sales tax. CORE is responsible for reporting and paying sales tax to the tax authority having jurisdiction over the LAF facility for which the equipment is purchased. In the event that CORE does not have a sales tax license for tax authority in the jurisdiction of the sale, it is CORE's responsibility to apply and obtain a sales tax license from the taxing authority.
23. Equipment is not the property of LAF until it is delivered, installed, debris removed, and accepted by LAF
24. The terms of this agreement are confidential.
25. The LAF Irvine South showcase Purchase Order will be issued to CORE by July 29, 2011. This complete order will be delivered and stored in the Irvine CORE facility by November 15, 2011. Included in this showcase order are upright and recumbent bikes. If, during the first 3 years of use, LAF determines that there are serious design or manufacturing defects with the bikes, CORE will trade out the bikes at no cost to LAF. Also with this order, CORE will provide 20% replacement parts for the bike units. These parts will be mutually agreed upon by LAF and CORE.

Please sign both original agreements in the space provided below and return both originals to my attention. I will forward one executed original back to you for your files.

Sincerely,



Peter Bissell
Director/Senior Manager of
Equipment Purchasing

PB:sm

2011/07/29

AGREED AND ACCEPTED



Michael Bruno
Chairman & CEO
CORE Industries, Inc.

Date July 22, 2011



Todd von Sprecken
Senior VP/Chief Development Officer
LA FITNESS INTERNATIONAL, LLC.

Date _____



Kathryn Polson
Chief Financial Office
LA FITNESS INTERNATIONAL, LLC.

Date _____

LA FITNESS

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PROOF OF SERVICE

STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

I am employed in the County of Los Angeles, State of California. I am over the age of 18 and not a party to the within action; my business address is 801 South Figueroa Street, 15th Floor, Los Angeles, California 90017.

On March 30, 2016, I served the document described as **SUMMONS ON CROSS-COMPLAINT AND CROSS-COMPLAINT OF FITNESS INTERNATIONAL, LLC AGAINST CORE INDUSTRIES, LLC** on the interested parties in this action by placing true copies thereof enclosed in sealed envelopes addressed as follows:

Eric L. Webb, Esq.
Brian G. Beecher, Esq.
6253 Hollywood Boulevard, Suite 203
Los Angeles, CA 90028
(323) 462-3736
(323) 462-3732 - Fax
Counsel for Plaintiff, Manuel Rodriguez

Michael E. Gallagher, Esq.
Paul D. Rasmussen, Esq.
Jonquil L. Whitehead, Esq.
Bassi, Edlin, Hui & Blum, LLP
333 S. Hope Street, 35th Floor
Los Angeles, CA 90071
(213) 412-2661
(213) 652-1992 - Fax
Attorneys for Defendant Core Industries, LLC

☒ (BY MAIL) I caused such envelope to be deposited in the mail at Los Angeles, California. The envelope was mailed with postage thereon fully prepaid. I placed such envelope with postage thereon prepaid in the United States mail at Los Angeles, California. I am "readily familiar" with the firm's practice of collection and processing correspondence for mailing. Under that practice it would be deposited with the U.S. postal service on that same day with postage thereon fully prepaid at Los Angeles, California in the ordinary course of business. I am aware that on motion of the party served, service is presumed invalid if postal cancellation date or postage meter date is more than one day after date of deposit for mailing in affidavit.

☒ (STATE) I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

Executed on March 30, 2016 at Los Angeles, California.


Norma Limon

3634-45577

09/22/2017

09/22/2017

EXHIBIT "C"



AIG Property Casualty -- Concord, CA
P.O. Box 25588
Shawnee Mission, KS 66225

Michael S. Morse,
Director
Direct -- 925-681-3627
Fax - 866-299-9003
Michael.morse@aig.com

November 11, 2015

VIA U.S. MAIL (Return Receipt Requested)

Reed Brown, General Counsel
Core Industries, LLC
4400 NE 77th Avenue, Suite 300
Vancouver, WA 98662

RE: Manuel Rodriguez v. Fitness International, LLC, et al.,
Los Angeles Superior Court, Case No. BC532963 (hereinafter, "Lawsuit")
Insured: Core Industries, LLC
Claimant: Manuel Rodriguez
Policy No.: 536-16-09
Claim No.: 2584495128US

Dear Mr. Brown:

AIG Claims, Inc. ("AIG Claims") is the authorized representative for National Union Fire Insurance Company of Pittsburgh, Pa. ("National Union") regarding the above-referenced Commercial General Liability Policy ("Policy") issued to Core Industries, LLC. Please be advised that this correspondence serves to acknowledge receipt of a letter that LA Fitness International, LLC issued to Michael Bruno at Core Industries, Inc., dated May 20, 2014, in which Fitness tendered defense of the above-referenced Lawsuit to Core for equitable and contractual indemnity pursuant to a Purchase Agreement dated July 20, 2011, and to Core's insurance carrier for contractual indemnity, and which you in turn tendered to National Union for defense and indemnity.

Now that facts in the Lawsuit have developed based upon allegations in the Second Amended Complaint, the purpose of this letter is to provide you with National Union's position regarding Core's insurance coverage under the Policy as it relates to the Lawsuit. I am the adjuster handling this matter and all future correspondence should be directed to my attention.

Please be advised, National Union is also sending a coverage position letter to Fitness concerning Fitness's insurance coverage under the Policy for the Lawsuit. In short, based upon the Purchase Agreement between Fitness and Core and an additional insured endorsement in the Policy, Fitness's status as an additional insured is limited to its liability arising out of Core's operations as a fitness equipment manufacturer for Core's design or manufacturing defects, if any. Based upon the allegations in Plaintiff's Lawsuit, it does not appear that Plaintiff is seeking to hold Fitness liable for Core's operations, i.e., for Core's design or manufacturing defects. Rather, Plaintiff is seeking to hold Fitness liable for its own negligence, gross negligence, premises liability in failing to inspect, maintain, and warn concerning the crossover machine, and when Fitness allegedly was on notice that the machine had caused injuries to other Fitness patrons. Therefore, there is no coverage for Fitness based upon the allegations in the Second Amended Complaint.

In addition, under the National Union Policy, even to the extent Fitness qualifies as an additional insured, National Union does not have a duty to defend Fitness under the Policy. The Policy contains a "Self-Insured Retention Endorsement," which specifically states that National Union has the right, but not the duty to defend Fitness. As a result, as will be discussed in greater detail below, the defense that National Union understands Core is providing to Fitness is not covered under the Policy. We note that on November 8, 2015, Core sent us an update on Core's \$150,000 retained limit and notified us that you have exceeded such retained limit. Under the Policy, the defense costs that Core has been providing to Fitness do not erode the retained limit. However, as a matter of good faith and without waiver of any provisions under the Policy, we will consider the \$150,000 retained limit met.

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As to any claim for coverage that Core may have under the National Union Policy, our coverage position is summarized below. We expect that you may have questions after reading this letter regarding our coverage position and the practical impact of our reservation of rights. Please feel free to contact me regarding any questions you may have regarding our coverage position.

In considering the request for coverage, we have reviewed the Policy referenced above, the allegations asserted against Core in the Lawsuit, and the Purchase Agreement between Fitness and Core dated July 20, 2011. No other policies were considered. If you assert a right to coverage under another policy issued by National Union or any other member company of American International Group, Inc., please submit notice pursuant to the notice provisions contained in that policy. In addition, if you are served with any further complaints regarding this matter, please forward them to my attention as soon as possible and we will review any such subsequent complaint(s) for potential coverage under the terms of the Policy.

ALLEGATIONS OF THE SECOND AMENDED COMPLAINT

Based on the information we have received to date, the following sets forth a summary of the allegations of the claims asserted in the Lawsuit. Our summary of the allegations in no way implies that we believe that the allegations asserted by the Plaintiff are true or deserve merit.

This matter arises from Plaintiff filing a Second Amended Complaint on or about January 12, 2015, in Los Angeles Superior Court for numerous claims against Fitness International, LLC; Core Industries, LLC; and Does 1-20. As to Fitness, Plaintiff asserts the following claims: 1) gross negligence; 2) general negligence; 3) premises liability; and 4) premises liability – willful failure to warn. As to Core, Plaintiff asserts the following claims: 1) strict liability – manufacturing defect; 2) strict liability – design defect; 3) negligent failure to recall/retrofit; and 4) intentional failure to recall/retrofit.

Plaintiff alleges that Core is a designer and distributor of a workout machine known as a "crossover machine" that Core sells to consumers. Plaintiff alleges that Fitness purchased a set of three crossover machines and installed the machines at one of its health clubs located in Van Nuys, California in approximately late 2012.

Plaintiff alleges that on November 18, 2013, he suffered severe injuries, including, but not limited to head and brain injuries as a result of dangers, manufacturing defects, and design defects that were known to Fitness and Core, as well as based upon Fitness's gross negligence, and Core's failure to recall/retrofit the Core crossover machines (and specifically the Core crossover machine at the Van Nuys location) that cut Plaintiff's head open, injured his head and brain, and caused him permanent scarring, among other injuries.

According to Plaintiff, Defendants had been aware since approximately February 2013, that the Core crossover machines had manufacturing and design defects and were dangerous for use by Fitness's patrons. Plaintiff further alleges that Defendants were aware that the Core crossover machines contained defects in connection with the heavy steel carriages of the machines, and that these defects were not recognizable by an average and reasonable user of the Core crossover machine. Further, Plaintiff alleges that Defendants were aware that the carriages in the machine became worn out and required replacing after approximately three months in order to prevent injuries to users of the Core crossover machines.

Plaintiff alleges that Fitness was aware that the crossover machine that eventually caused Plaintiff's injuries (the "Rodriguez crossover machine") had not had its carriage replaced for approximately seven months. According to Plaintiff, Fitness was aware that when one of the Core crossover machines at the Van Nuys location demonstrated defects and/or problems and/or demonstrated that it was worn out, that it was important to replace the carriage on all of the Core crossover machines at the Van Nuys location in order to prevent injuries to user of the machines. Plaintiff further alleges that Fitness was aware that when there were complaints and/or complaints of injuries caused by one of the Core crossover machines at the Van Nuys location, that it was important to replace the carriage on all of the Core crossover machines at the Van Nuys location in order to prevent injuries to users of the machines.

Plaintiff also alleges that Fitness was aware that when there were complaints and/or complaints of injuries caused by one of the Core crossover machines at the Van Nuys location, that it was important for Fitness to notify Fitness employee, John Baki – (because John Baki was the only employee of Fitness that was able to inspect, evaluate, and/or repair the crossover machines at the Van Nuys Location) – in order to prevent injuries to users of the machines. According to Plaintiff, Fitness was aware that when there were complaints and/or complaints of injuries caused by one of the crossover machines at the Van Nuys location, that it was important for John Baki to then replace the carriage on all of the crossover machines at the Van Nuys location in order to prevent injuries to users of the machines.

Plaintiff alleges that Fitness was aware that when there were complaints and/or complaints of injuries caused by one of the crossover machines at the Van Nuys location, that it was important that Fitness follow Core's instructions to properly notify Core of a problem and/or incident of injury with the carriage of a crossover machine. In addition, Plaintiff alleges that Fitness was aware that when there were complaints and/or complaints of injuries caused by one of the crossover machines at the Van Nuys location, that it was important that Fitness follow Core's instructions to forbid any further use in any of the crossover machines until after there was an inspection of all of the crossover machines at the Van Nuys location and remediation of the problem(s) found and/or replacement of defective or worn out parts.

Plaintiff alleges that Fitness had been aware since September 16, 2013, that a third party ("Acosta") had sustained injuries at the Van Nuys location from using the defective and dangerous crossover machine. Plaintiff further alleges that Fitness had been aware since September 2013, that Acosta attributed his injuries from the crossover machine to dangers and defects in the carriage of the crossover machine. Plaintiff alleges that in September 2013, Acosta informed Fitness that the crossover machines (including the Rodriguez crossover machine) were not safe for use, and that Fitness's acts and/or omissions in allowing further use of the crossover machines at the Van Nuys locations—without proper notice, warning, repair, and/or restriction—would result in future injury to Fitness's patrons.

Plaintiff further alleges that Fitness had been aware since November 6, 2013, that another third party ("Perez") had sustained injuries at the Van Nuys location from the defective and dangerous crossover machines. According to Plaintiff, Fitness had been aware since November 6, 2013, that Perez attributed his injuries from the crossover machine to dangers and defects in the carriage of the crossover machine.

Plaintiff alleges that starting on November 6, 2013, and prior to Plaintiff's November 18, 2013, incident, Perez informed Fitness that the crossover machines (and including the Rodriguez crossover machine) were not safe for use, and that Fitness's acts and/or omissions in allowing further use of the Core crossover machines at the Van Nuys location—without proper notice, warning, repair, and/or restriction—would result in future injury to Fitness's patrons.

According to Plaintiff, Fitness essentially ignored repeated injuries, complaints, and admonishments from its patrons that the crossover machines (including the Rodriguez crossover machine) were in a dangerous condition and would likely cause future injuries to patrons, and Fitness failed to provide any sufficient warning, notice, and/or take any proper action to prevent injuries to Plaintiff.

As a result of Defendants' action, Plaintiff alleges that he sustained injuries, including, but not limited to his head, brain, and permanent scarring on November 18, 2013, as a result of his use of the crossover machine.

In his prayer for relief, plaintiff requests the following: 1) compensatory damages, as proven at trial, but in excess of \$25,000; 2) general and special damages, as proven at trial, but in excess of \$25,000; 3) non-economic damages according to proof at the time of trial, including pain and suffering; 4) lost wages, according to proof at time of trial; 5) loss of earning capacity; 6) past and future medical expenses; 7) damages according to proof at trial, as permitted by law; 8) costs of suit, as permitted by law; 9) punitive and exemplary damages; 10) prejudgment and post-judgment interest to the extent permitted by law; and 11) further relief as the Court deems just and proper.

ADDITIONAL RELEVANT FACTS AND INFORMATION

In a letter dated May 20, 2014, Fitness tendered the defense of the Lawsuit to Core. The tender letter advised Core that Fitness entered into a Purchase Agreement with Core on July 20, 2011, to purchase exercise equipment, including the crossover machine that ultimately injured Plaintiff. Fitness tendered defense and indemnity of the Lawsuit to Core subject to a provision in the Purchase Agreement which states as follows:

11. CORE does hereby agree to defend and indemnify LAF for any claim or injury, including attorney's fees, which arises from a design or manufacturing defect. CORE agrees to add LAF as an additional insured as evidenced on a Certificate of Insurance that CORE will provide to LAF with a limit of \$1,000,000 for bodily injury and property damage, with an insurance company that is satisfactory to LAF.

Once again, at this point, National Union understands that Core is providing Fitness with a defense to the allegations in the Lawsuit. However, Core and not National Union is providing Fitness with such defense, as the Policy does not entitle Fitness to a defense.

THE POLICY

National Union issued a Commercial General Liability Policy to Core Fitness, LLC, policy number 536-16-09, beginning on August 1, 2013, and ending on August 1, 2014. By endorsement, Core Industries, LLC, and Core Industries, Inc., are also Named Insureds under the Policy. The Policy's Limits of Insurance total \$1,000,000 for each occurrence and \$2,000,000 general aggregate.

Please see Exhibit A attached to this correspondence, in which we provide certain policy provisions contained in the National Union Policy, which may be applicable to the claims in this matter. Please note, however, that our inclusion of the policy provisions in Exhibit A is only a partial recitation of the terms, conditions, limitations, and exclusions contained in the subject Policy. Such discussion is not intended to supplement, amend, supersede or otherwise alter the National Union Policy. Moreover, National Union does not intend to waive any provisions of the Policy by virtue of this discussion.

COVERAGE POSITION

In order for coverage to potentially apply to Core's claim for coverage under the Policy for the allegations asserted against it in Plaintiff's Lawsuit, Core must qualify as an "insured." Pursuant to a "Named Insured Endorsement" in the Policy, both Core Industries, Inc., and Core Industries, LLC qualify as Named Insureds under the Policy and are potentially entitled to coverage for the allegations asserted against Core in the Lawsuit, subject to the terms, conditions, and exclusions of the Policy.

In part, pursuant to the Policy's "Self-Insured Retention Endorsement," Core is potentially entitled to coverage for those sums in excess of the "Retained Limit" that Core becomes legally obligated to pay as damages because of "bodily injury" to which the Policy applies. The Policy states that "[n]o other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under ALLOCATED LOSS ADJUSTMENT EXPENSES – COVERAGES A AND B." In addition, the insuring agreement of the Policy states that the insurance applies to "bodily injury" only if the "bodily injury" is caused by an "occurrence" that takes place during the policy period, as those terms are defined by the Policy.

The Policy's "Retained Limit" applying to damages for "occurrences" covered under the Policy is \$150,000 per occurrence. Pursuant to the Policy, Core is responsible for 100% of the "Allocated Loss Adjustment Expenses" up to the Policy's \$150,000 "Retained Limit," but the most Core is responsible for with respect to damages and "Allocated Loss Adjustment Expenses" combined shall not exceed the Policy's "Retained Limit," subject to the Policy's terms, conditions, and provisions regarding limits of insurance. In part, "Allocated Loss Adjustment Expenses" includes "all fees for services of process and court costs and court expenses; pre and post-judgment interest; attorneys' fees;...costs of employing experts;...and any similar fee, cost or expense reasonably chargeable to the investigation, negotiation, settlement or defense of a loss or a claim or a 'suit' against you..."

National Union understands that Core is defending itself against the allegations asserted by Plaintiff in the Lawsuit, since such amount has been within the Retained Limit. Under the Policy, National Union does not have a duty to defend Core, but will pay Allocated Loss Adjustment Expenses, as that term is defined in the Policy, now that the Retained Limit has been met. National Union requests that Core continue to keep National Union apprised of developments in the cost of Core's defense to the allegations in the Lawsuit as it relates to Allocated Loss Adjustment Expenses.

As mentioned above, National Union also understands that Core is defending Fitness concerning the Lawsuit. However, as it relates to a potential additional insured, under the terms and conditions of the Self-Insured Endorsement, the Policy specifically states that National Union has the right, but not the duty to defend any suit seeking damages because of "bodily injury" to which the Policy applies. Once again, the defense costs that Core has been providing to Fitness do not erode the retained limit. However, as we noted above, as a matter of good faith and without waiver of any provisions under the Policy, we will consider the \$150,000 retained limit met, but National Union will have no ongoing duty to cover the costs of defending Fitness.

At this point, neither Core, nor Fitness have been found legally obligated to pay damages for "bodily injury" to Plaintiff because of Core's operations as a fitness equipment manufacturer for Core's design or manufacturing defects, if any, in the subject crossover machine. As noted above, subject to the terms, conditions, and exclusions in the Policy, Core is potentially entitled to coverage for the allegations asserted against it by Plaintiff in the Lawsuit, to the extent Core is held liable to pay damages for "bodily injury" to Plaintiff because of Core's operations. In addition, in the event Fitness sues Core to enforce the terms of the Purchase Agreement, Core is potentially entitled to coverage for the liability it has to Fitness as a result of its operations as a fitness equipment manufacturer for design or manufacturing defects causing "bodily injury" to Plaintiff. However, at this time, National Union understands that Fitness has not filed suit or any cross-claims against Core concerning this matter. As a result, National Union's coverage position regarding this issue is preliminary and subject to the terms, conditions, and exclusions of the

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Policy, and subject to a complete reservation of rights. National Union requests that Core notify National Union immediately in the event that Fitness files a lawsuit or cross-claim against Core concerning this matter.

Even to the extent Core becomes legally obligated to pay Plaintiff damages because of "bodily injury" because of an "occurrence," certain exclusions may apply to exclude coverage, which we discuss below.

Exclusion a. Expected or Intended: There is no coverage under the Policy for "bodily injury" expected or intended from the standpoint of the insured. In the Lawsuit, Plaintiff alleges that Core knew that an integral mechanism in the crossover machines would wear out and need replacement within 3 months of use. Plaintiff further alleges that Core knew that the crossover machine was defective and unsafe for use by Plaintiff and that the machine did not include sufficient instructions and/or warnings of potential safety hazards and design defects. Plaintiff alleges that Core was aware of the problems with the crossover machines, but did not recall or retrofit the machines, and that Core's actions resulted in Plaintiff's bodily injuries. As a result, to the extent the allegations in the Lawsuit indicate that Plaintiff's bodily injuries were expected or intended by Core, there is no coverage under the National Union Policy and National Union reserves the right to deny coverage to Core based upon this exclusion.

Exclusion n. Recall Of Products, Work Or Impaired Property: The Policy excludes coverage for any loss, cost or expense incurred by Core or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of: (1) "Your Product";...if any such product...is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it. At this point, it does not appear that there is any specific claim for damages related to a recall of the crossover machines. However, to the extent facts or allegations develop related to such a claim for damages, National Union reserves the right to deny coverage for such claim based upon this exclusion.

Exclusion - Designated Professional Services: By endorsement, concerning any professional services of the named insured, the Policy excludes coverage for "bodily injury" "due to the rendering of or failure to render any professional service." Pursuant to the endorsement, the "exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the 'occurrence' which caused the 'bodily injury'...involved the rendering of or failure to render any professional service." To the extent Core seeks to be indemnified for such damage, National Union reserves the right to deny a duty to indemnify Core for such damage.

Please be advised, the Policy also potentially provides coverage for medical expenses in excess of the "Retained Limit" for "bodily injury" caused by an accident, subject to the terms and conditions, and limits of insurance of the Policy. See, Section I, Coverage C - Medical Payments, as modified by Self-Insured Retention Endorsement. We note however, that Coverage C contains an exclusion related to "Athletic Activities," which states that National Union will not pay expenses for "bodily injury" "[t]o a person injured while practicing, instructing or participating in any physical exercises or games, sports, or athletic contests." See, Section I, Coverage C - Medical Payments, Exclusion e. Concerning Coverage C, National Union reserves the right to deny coverage for any claimed expense for "bodily injury" to Plaintiff to the extent he was injured while practicing or participating in a physical exercise, as discussed in Exclusion e.

In addition, Coverage C states that National Union will not pay expenses for "bodily injury" "[e]xcluded under Coverage A." See, Section I, Coverage C - Medical Payments, Exclusion g. As discussed above, concerning Coverage A., the Policy contains the following exclusions: 1) Exclusion a. Expected or Intended; 2) Exclusion n. Recall Of Products, Work Or Impaired Property; and 3) Exclusion - Designated Professional Services. To the extent there is no coverage under Coverage A based upon application of these exclusions, there is also no coverage under Coverage C, and National Union reserves its right to deny coverage based upon these exclusions in the Policy.

The Policy also contains various conditions and duties precedent to coverage. In this regard, the Policy states that "[n]o insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without [National Union's] consent." See, Section IV. 2.d. National Union reserves the right to deny coverage to the extent Core does not comply with this provision of the Policy. In addition, please reference Section IV. 2. regarding Core's duties to cooperate and provide information to National Union under the terms and conditions of the Policy.

Please be advised, National Union reserves the right to file an action for declaratory relief to determine the rights and duties under the Policy. National Union's coverage position is based on the information presently available to us. Nothing contained in this correspondence should be construed as a waiver of any rights or defenses, which National Union possesses under the terms, conditions, and exclusions contained in the applicable Policy and law. Investigation conducted by National Union regarding the above-referenced Lawsuit is subject to all terms, conditions, provisions, and limitations of the Policy. Any action

taken by National Union or its agents, representatives, or attorneys do not constitute and are not intended as a waiver of any rights or defenses available to National Union, whether or not stated herein, that may be available now or at any point in time. National Union expressly reserves all of its rights under the Policy, including the right to assert additional defenses to any claims for coverage, if subsequent information indicates that such action is warranted. National Union also reserves the right to recoup any amounts National Union pays in damages and/or Allocated Loss Adjustment Expenses, if any, in accordance with applicable law.

Should you have any additional information with respect to this matter that you believe would either cause us to review our coverage position or would assist us in our investigation or determination, we ask that you advise us as soon as possible. In addition, if you are served with any additional demands or amended complaints or pleadings, please forward them to us immediately, so that we are able to review our coverage position.

Should you have any questions or concerns regarding this correspondence, then please feel free to contact the undersigned to discuss the same. Thank you in advance for your attention and cooperation in this matter.

Very truly yours,

Michael Morse

Encls.

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EXHIBIT "D"

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MAIN OFFICE

September 6, 2016

VIA E-MAIL ONLY

***Confidential Attorney-Client
Communication***

Michael Morse
Director, Complex Claims
P.O. Box 25588
Shawnee Mission, KS 66225
Email: michael.morse@aig.com

Re: **Rodriguez, Manuel v. Core Industries LLC, et al.**
Los Angeles County Superior Court Case No. BC532963
Agreed-to Litigation Plan/Pre-Trial Report

Claims Professionals: Michael Morse	Date: September 6, 2016
Lawyers: Michael E. Gallagher	Version: One (1)
Insured: Core Industries, LLC	Date of Prior ATLP: February 17, 2016
Other Parties Representing: None	Venue: Los Angeles County Superior Court
Claimants: Manuel Rodriguez	Remaining Budget Through Trial: \$340,330
Claim Number: 2584495128US	Probable Ultimate Total Legal Cost: \$650,000 (this does not include what was incurred by prior counsel)
Date of Loss: November 18, 2013	Projected Trial Date: May 2, 2016

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This shall serve as our combined Agreed-to Litigation Plan (“ATLP”) at Pre-Trial Report, and our anticipated budget in connection with our representation of your insured, Core Industries, LLC (“Core”), in the above-referenced matter. Accordingly, this ATLP will set forth our analysis of this matter, as well as our anticipated activity and estimated budget for the remaining stages of the case through trial. Please be aware, however, that additional information will undoubtedly be discovered as we move forward, which may require us to modify our activities and/or revise the budget provided below.

This case arises out of the alleged injuries and damages suffered by Plaintiff Manuel Rodriguez ("Plaintiff"), as a result of an exercise equipment malfunction on November 18, 2013. Plaintiff alleges he was using the Core crossover machine at a Fitness International facility ("Fitness") when the machine malfunctioned causing a part - the carriage assembly - to fall and hit him on the top of his head. Two prior incidents are also alleged in the Complaint, and were testified to, which occurred within two months of the subject incident. Based on these prior incidents, Plaintiff is alleging the Core crossover machine was defective and Core and Fitness were on notice of this dangerous condition. Plaintiff seeks damages for past, present, and future medical expenses, lost future earning capacity, pain and suffering and punitive damages.

Venue, Jurisdictional Considerations, Judge, Probable Jury: The case is venued in Los Angeles County Superior Court at the Van Nuys Courthouse, California. The Honorable Rick Brown is the assigned judge. Based on our experience in this matter, we evaluate Judge Brown as an experienced judge, but he definitely appears to be siding with Plaintiff on most motions and discovery disputes. Note also that, on occasion, the Honorable Lawrence Riff recently ruled on Core's demurrer and motion strike. While the motions were denied, he appeared much more balanced than Judge Brown, and he certainly exercised his authority in keeping plaintiff in check. The jury pool in Los Angeles County is generally considered liberal. As such, Los Angeles County juries can be unpredictable in personal injury cases.

Name and Evaluation of Plaintiffs' Counsel and Other Counsel: Plaintiffs are represented by Eric L. Webb, Esq., and Brian Beecher, Esq., of Webb & Beecher. Beecher has been the lead attorney for Plaintiff in this matter since the outset; Webb, on the other hand, has played a limited role in this matter, but is generally the one who takes lead on settlement negotiations. Fitness International, LLC ("Fitness") is represented by Anthony J. Ellrod, Esq., and Alex Caraveo, Esq., of Manning, Kass, Ellrod, Ramirez & Trester LLP.

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What attorney will try the case for the insured: Michael E. Gallagher of Bassi, Edlin, Huie & Blum LLP. Mr. Gallagher will be supported by several others within the firm, and will likely have Noel Edlin or Fred Blum first chair at trial.

Will a representative of the insured attend the trial? Yes. We expect a representative from Core will attend trial because it demonstrates to the Judge and jury that the insured takes the matter seriously, as well as humanizes the insured. We will work with Core to determine the appropriate person for attending the trial.

III. Facts

General Overview of the Facts:

Plaintiff alleges that on November 18, 2013, he was exercising at a Fitness facility in Van Nuys, California. While using a Core cable crossover machine, the machine malfunctioned and the carriage assembly fell and hit him on the top of his head, which resulted in a laceration and multiple staples to close the wound. He now claims to suffer from head, brain, back and neck injuries, and tinnitus; Plaintiff also has a scar from the laceration, and now suffers from depression as a result of the incident given the way he looks as a result of the scar, and because he believes he suffered brain damage as a result.

Plaintiff also claims that in the two months prior to the subject incident, two other individuals, Marcial Perez and Mario Acosta, were injured by the same type of machine at the Fitness facility. Fitness was immediately notified of the two injuries due to the alleged same malfunction of the Core cable crossover machine. However, Fitness failed to notify Core of these prior two injuries until *after* the subject incident. The first time Core generally became aware of incidents at the Fitness facilities involving its cable crossover machine was in early December 2013. Thereafter, Fitness notified Core of the Acosta incident approximately one year later, in November 2014. Core was not notified of the Perez incident until after the onset of litigation.

Core sent a third party vendor, Glide, to replace parts on these same machines approximately three months before the subject incident, in August, 2013. After the incidents at Fitness, Fitness requested replacement of the carriage assemblies on all the crossover machines in December 2013. Core relied on Fitness to inspect the equipment regularly and notify Core of any issues with the machines. However, Plaintiff alleges Core was aware that the particular parts on the Core crossover machine would wear out after three months and was, therefore, defective in design. Plaintiff alleges, relying on testimony from the Vice President of Quality at Core, that Core was aware in February 2013 that the Core crossover machine had design/manufacturing defects. Plaintiff also claims that with this knowledge, Core should have recalled or retrofitted the Core crossover machines.

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The following is a timeline of significant events that may impact Core's liability in this matter:

- **May 2011:** The design of the pin was changed to different material, stainless steel, and the spring in the carriage was changed to a different tolerance.
- **January 27, 2012:** Core is made aware of an incident on a different type of machine, a dual adjustable pulley machine, in Samsung, Korea (**Incident #1**).¹ It appears a wheel in the carriage assembly – similar in design to the carriage assembly involved in this matter – broke during use that resulted in injury. Core sent new wheels to the company in Korea in June 2012, then contacted the manufacturer. The wheels used in the carriage assembly at the time were mold injected, and found to be very porous - which likely resulted from the manufacturer rushing the cooling process. Core then contacted the manufacturer in China to ensure corrective action.
- **August 14, 2012:** Another incident, also involving the dual adjustable pulley machine, occurred in Clearwater, Florida (**Incident #2**).
- **September 2012:** Improvements were made to increase the tolerance of the spring, increase the strength of the pin and use molded/machined wheels. A test report was completed on the newly designed spring, pin and wheels.
- **October 28, 2012:** There is another incident at Crunch in El Cajon, California, involving Robert Bingham (**Incident #3**). This is the first incident involving the crossover machine Core is made aware of. Core receives pictures and a video of a failed unit with mention of an injury. An internal privileged email, that has not been disclosed, to Joe Travers, VP of Quality at Core, states that "this is becoming a pattern" and that the rollers are "defective" and the "pin material is too soft."
- **November 4, 2012:** Mr. Travers recommends a risk review be completed due to the Robert Bingham incident.
- **December 16, 2012:** The spring and wheel change went into effect and approval is given to air ship the new parts to customers in January 2013.
- **January 29, 2013:** The Core crossover machines are installed at Fitness in Van Nuys, California.

¹ Documentation related to the dual adjustable pulley machine was not disclosed in discovery as it is irrelevant to the crossover machine. However, the correspondence is referenced herein as it discusses similar wheels that were at issue.

- **June 7, 2013:** Core sent a bulletin with instructions to conduct a field upgrade.
- **July 2013:** Core learns the injection molded wheels are breaking, yet continues with upgrade.
- **August 2013:** Core replaces the carriage assembly on the Fitness Machines.
- **September 1, 2013:** Manufacturer changed from injection molded wheels to machined billet wheels.
- **September 16, 2013:** Mario Acosta is injured at Fitness on a Core crossover machine (**Incident #4**). Fitness is immediately notified. Core is not made aware until November 2014.
- **October 2013:** Core learns the molded wheels and the pins are not being manufactured to specification. The next month, Core moves to update the materials and hardness of the pin.
- **November 6, 2013:** Marcial Perez is injured at Fitness on a Core crossover machine (**Incident #5**). Fitness is immediately notified. Core first becomes aware after Mr. Perez is deposed in this case April 8, 2014.
- **November 18, 2013:** The subject incident occurs (**Incident #6**).
- **December 2013:** Core again replaces the carriage assembly on crossover machines.
- **March and April, 2014:** New products are designed and produced. Land America begins outsourcing through a third party the manufacture of the wheels. Upon inspection, Core learned the wheels are porous in nature, thus injection molded and not up to specifications.
- **November 2014:** Land America is asked to purchase its wheels from Core until it can find a qualified supplier that will meet specifications.

Summary of Expected Facts in Support of Plaintiff's Case & in Rebuttal to Defendant's Case:

Plaintiff will likely argue or attempt to argue the following in support of his case:

- Core was aware of prior incidents with its cable crossover machines, which resulted in similar injuries to users of the machine.
- Core, in response to these prior incidents, should have warned all of its customers

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Director, Complex Claims
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Page 6

of these events and the potential for injury, and provided additional safeguards and/or warnings to its customers in an effort to prevent further similar incidents from occurring.

- Core, in response to these incidents, should have redesigned the cable crossover machine to prevent further similar incidents from occurring.
- Core, in response to these incidents, should have instructed its customers to take the cable crossover machines out of service until it could be demonstrated that this type of malfunction could not happen again.
- Given these events, it is evidence that Core's cable crossover is unsafe as designed, and/or is defective in the way was manufactured.

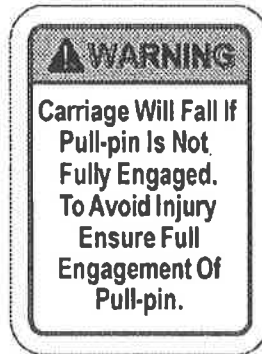
These are a few of the arguments we have heard Plaintiff's counsel assert over the course of the litigation.

Summary of Expected Facts in Support of Insured Defendant's Case & In Rebuttal to Plaintiff's Case:

Our response to Plaintiff's arguments are as follows:

- Core was only aware of one prior similar incident involving a cable crossover machine. There were two other incidents involving a different machine, a dual adjustable pulley, but this machine has a similarly designed carriage assembly. In response to these incidents, the carriage assembly was upgraded with billet wheels and stronger pull pins, which were the suspected reason for the carriage assembly failing in these prior incidents.
- The subject incident involving Plaintiff involved the redesigned/upgraded carriage assembly (although, upon inspection, the parts in the subject carriage assembly (wheels, pull pin and spring) may have been replaced with new parts, but not upgraded parts).
- Core's analysis of the carriage assembly involved in the subject incident involving Plaintiff reveals that neither the wheels nor pin were defective or the cause of the incident.
- Core's analysis of the spring in the pull pin of the carriage assemble reveals that the spring is in need of replacement due to use/wear and tear, not because of a defect.
- Core's cable crossover machine contained a warning to all users of its machine that read as follows:

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- Core's expert inspected the machine, during which he simulated a workout in an effort to re-create the incident. During the course of this inspection, the carriage assembly only failed when the pull pin was not engaged correctly; when the pull-pin was engaged correctly, the carriage assembly never failed.
- Core will also argue, through its experts, that there is no safer design of the cable crossover machine, that it is indeed state of the art; that any secondary safety device to insure that carriage assembly will not fail, will likely never be used and is entirely dependent on the user to make sure it is used.
- Core will also argue that, had Fitness maintained the machine correctly, the subject incident would likely have never happened as the spring would have been replaced as needed, and when the spring is under the proper tension, the carriage assembly will catch in the next setting in the event the user fails to engage the pull pin correctly.
- Any argument that the carriage assembly failed the "drop test," which is a simulation to ensure that in the event of the pull pin is not engaged correctly, the carriage assembly will catch at the next setting, is evidence that Fitness failed to maintain the assembly correctly.
- Core will also argue that, had Plaintiff engaged the pull pin correctly, the incident would not have occurred. Plaintiff was also performing an exercise, a tricep extension, both incorrectly and on the wrong machine. Plaintiff was also never trained on this machine to learn how to properly use it, and the exercises for which it was to be used.

These are a few of the arguments we will raise at trial, in addition to others that may be raised through our experts or in response to Plaintiff's and/or Fitness's experts.

Summary of Expected Facts in Support of Co-Defendant's Case:

Fitness will likely argue that Plaintiff waived any claims against Fitness when he and/or his mother signed up with Fitness for a membership; that the machines were properly maintained, and that the failure in the carriage assembly was the result of Plaintiff's failure to ensure the pull pin was engaged correctly; and, we expect that Fitness will argue that, if these

others arguments are not enough, then any fault for the failure in the carriage assembly must be born by Core as there must have been some defect in its design or manufacture.

Summary of Resolved and Unresolved Critical Liability Issues:

The unresolved critical issues are as follows:

- Will Plaintiff be found responsible for any part of the subject incident?
- Is there a defect in the machine – particularly a design defect, as there is not evidence of a manufacturing defect?
- Will it be determined that Core could have made the cable cross machine safer than it is currently designed?
- Will Fitness be found to have failed to maintain the cable crossover machine adequately, and that this failure caused or contributed to the incident?
- Will Fitness's lack of notice to Core regarding the prior incidents, prior to the subject incident, prevent Plaintiff from arguing that Core could have done something more to prevent the incident?
- Is Core's warning on the machine enough to prevent it from being found liable?
- Is the fact that Plaintiff was not trained on the machine, that he was using the wrong machine for the exercise he was doing, that he was doing the exercise improperly, and/or his general inexperience in the gym and using such equipment, enough to put the blame on both Plaintiff and Fitness for the incident?

Identify All Experts and Comment on Their Effectiveness:

Expert designations were recently served. The parties identified the following experts:

Plaintiff's experts:

1. Timothy Lanning of Formusiz, Pickersgill & Hunt, Inc.: an economist, will provide testimony about the present value of the costs of Plaintiff's future medical care needs, and loss of earnings.
2. Sarah Guentz, RN: a life care planner.
3. Daniel D. Lee, Ph.D: a neuropsychologist, will provide testimony about Plaintiff's alleged TBI and impact on him now and in the future, treatment needs, and the impact the TBI will have on Plaintiff and his ability to seek and obtain employment.
4. Richard D. Grossman, PE, Product Safety Engineer: a mechanical engineer, will provide testimony as to the safety of the cable crossover machine, the existence of design and manufacturing defects.
5. Hasan Badday, MD: a rehab and pain management specialist, will provide testimony as an expert in pain management, injuries and care received by Plaintiff, with a focus on his neck and back injuries, Plaintiff's current condition and need for future care,

pain management and rehab. He will also provide testimony as to the reasonable of the cost of past and future medical care.

6. Amit Mehta, DC: a chiropractor, will provide testimony as to his current and future chiropractic care as a result of the injury.
7. Robert C. Cohenour, MD: a neurologist, will provide testimony as to Plaintiff's neurological injuries, care he received, his current neurological condition, and need for future care.
8. Sol Marghzar, Au.D. CCCA: an audiologist, will provide testimony about Plaintiff's alleged hearing loss and tinnitus.
9. Stephan Grifka, MD: a ENT physician, will provide testimony as to the injuries and care received by Plaintiff related to his balance and ENT issues, and the overlap with TBI, as well as scarring and required treatment, and his current and future medical care needs.

To date, only one of Plaintiff's experts, Sarah Guentz, has been deposed. Our impression of her was that she was ill prepared and did not do what she was required to do in preparing a life care plan. In fact, Guentz only spoke with two of Plaintiff's doctors – Dr. Cohenour and Dr. Karen Lewis (Plaintiff's therapist). With that limited information, and based on her review of some medical records, she prepared the plan, which she estimates will cost \$3.8 to \$4.9 million. We tend to believe that the rest of Plaintiff's experts will be similarly ill prepared and/or less than thorough in coming to their opinions.

Defendants' experts (we are sharing many of these experts with Fitness, unless otherwise noted):

1. John W. House, MD: Audiologist.
2. Michael Dennis Landman, MD, FACS: Plastic Surgeon
3. David J. Weiner, MBA, AM: Core's Economist
4. Victoria Wilkerson, MBA, CPA, ABV, CFE: Fitness's Economist.
5. Mary Jesko, MS, Ed.D., CCM, CDMS, CC, CLCP: Life Care Planner
6. Nancy Fraser Michalski, BSN, RN, CPMA: Core's Medical Bill Auditor.
7. Marilyn Pacheco, CPC: Fitness's Medical Bill Auditor.
8. Barry I. Ludwig, MD: Neurologist.
9. George Henry, Ph.D.: Neuropsychologist.
10. Brian F. King, MD: Neuroradiologist.
11. Joshua Prager, MD: Pain Rehab Specialist.
12. Harvey C. Voris: Core's Mechanical/Design Engineer.
13. Mack Quan, Ph.D., PE: Fitness's Mechanical/Design Engineer.
14. Wilson C. Hayes, Ph.D.: Human Factors & Accident Reconstructionist.

Our experts, we believe, are reasonable and perfectly suited and able to respond and rebut the claims of Plaintiff's experts. All are sophisticated and experienced experts, and know Plaintiff's experts well.

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Identify All Risk Transfer Issues (Indemnity, Additional Insurance, Contribution, etc.):

As you know, we have cross-motions for summary adjudication pending between Fitness and Core based on Fitness's cross complaint against Core for breach of contract. The gist of these motions is that Fitness believes that Core owes it a defense and indemnity per the terms of a contract between the two given the nature of the claims asserted against Fitness. Core believes that, in addition to there being no applicable contract memorializing Core's duty to defend and indemnify Fitness for the subject incident, Fitness is not being sued for a defect in the equipment, but for its own negligence, which is not covered by the provision Fitness is relying on to claim a defense and indemnity obligation is owed by Core to Fitness. These motions are being heard on September 22, 2016.

Summary of Discovery Responses Relevant to the Medicare Medicaid and SCHIP Extension Act of 2007 (MMSEA):

At this time, there are no MMSEA issues in this matter.

Injuries

Continuing Medical Conditions/Injuries: Plaintiff claims that his head and brain injury remain the same. His back and neck injury continue to worsen, but that physical therapy (chiropractor) helps. Plaintiff stated in his interrogatory responses that he now has confusion, cognitive problems, headaches, lethargy, ringing in his ears, sensitivity to light, and dizziness associated with his brain injury.

Summary of Plaintiffs' Expected Proof of Damages:

Damages for past medical treatment: Plaintiff will attempt to offer the following damages incurred for his past medical treatment:

Provider	Amount Paid
South Bay Pain Docs (Dr. Badday) billing date - 5/11/15	\$585
Dr. Cohenour billing date - 2/3/15	\$3,440.00
Valley Presbyterian - Physician (11/18/13)	\$924
Valley Presbyterian - Physician (11/27/13)	\$169
Renaissance Imaging (11/18/13)	\$236
Valley Presbyterian - Hospital (11/18/13)	\$552.55

Valley Presbyterian - Hospital (11/20/13)	\$64.81
Valley Presbyterian - Hospital (11/27/13)	\$115.26
CA Imaging 5/26/15 (Claim form to Pl atty) (Not Paid)	\$5,660
Mehta Chiro (5/15-8/15)	\$3,250
TOTAL	\$14,996.62

Future Medical Expenses Incurred: Plaintiff's life care planner expert, Ms. Guentz, recently testified. Ms. Guentz testified that she believe the cost of Plaintiff's life care plan could range from \$3.8 to \$4.9 million depending on the course of treatment required. Although Plaintiff claims that he continues to have headaches and some memory loss, Plaintiff testified he is weight lifting again. His physician documented he would not require further therapy for his neurologic issues. Plaintiff's only continued care is with a physical therapist/chiropractor twice a week for pain in his back and neck. Plaintiff also alleges that his therapist, Karen Lewis, MA, will testify to his depression from his permanent injuries, the things he can no longer do and his fear his injuries will worsen overtime. Plaintiff will also present his physical therapist/chiropractor, Amit Mehta DC.

Total Lost Future Income: Plaintiff was employed at Autozone. He listed in the Statement of Damages that an expert will be used to identify his lost future earnings. Plaintiff stated in his interrogatories that an expert will opine that a permanent brain injury will reduce his lifetime earning capacity. His physician documented that he will have difficulty in academic setting or working long days. However, his employment records with Autozone demonstrate he worked full time as a cashier and was unemployed prior to the subject incident. At his deposition, Plaintiff stated he was applying for nursing programs and was not under the belief his injuries would prevent him working as a nurse. Further, his academic records preceding the subject incident demonstrate he was not a good student. He graduated 421st out of 485 in his high school class.

Total damages that Plaintiff will attempt to introduce at trial: We will not know until expert discovery is complete.

Summary of Insured's Rebuttal of Damages:

Past Medical Treatment. As noted above, we only have evidence of approximately \$15k in past medical bills paid to date by Plaintiff. We are conferring with Fitness's counsel on this number to confirm this number, but we believe after we review the additional document produced in this case that the past medical bill to date will not amount to more than \$30k.

Future Medical Needs. One of our biggest differences in this case is whether Plaintiff suffered a TBI. Based on what our experts have concluded, Plaintiff did not suffer a TBI, and there is no evidence that he continues to suffer any lingering effects from the incident. If we prevail on this issue, the only other damage he may be able to claim is for cosmetic surgery on his scalp, underneath his hair. By all accounts, it healed well, and is not noticeable. Our expert may recommend that there is not need for the surgery, but even if surgery would proceed it would cost less than \$30k to perform.

Lost Income. We do not have any numbers from Plaintiff's experts, but based on Plaintiff's own testimony, he was not working at the time. Thus, there should be no past lost income claim. As far as future lost income, it will depend on the whether it is found that Plaintiff suffered a TBI, and whether a jury will believe Plaintiff's expert in that he cannot work. Of course, our experts do not believe he suffered a TBI, and that he can work if he so choses.

Additional Care/Life Care. The estimate provided by Guentz was \$3.8 to \$4.9 million for his future life care. Our expert is currently critiquing Guentz's plan, assuming he has suffered a TBI, and we should have that number shortly. Absent a TBI, however, Plaintiff will not need a life care plan.

Given the above, we believe the total special damages that Plaintiff should be limited to at the time of trial is approximately \$60,000 – which assume Plaintiff did not suffer a TBI.

Note, this does not include general damages, i.e. the pain and suffering Plaintiff might be awarded at trial.

Summary of Co-Defendant's and Other Parties' Cases on Damages:

See above – we are similarly aligned with Fitness on Plaintiff's alleged damages.

Summary of Resolved and Unresolved Critical Damage Issues:

There are no resolved damages issues.

Summary of Relevant Laws or Other Issues Not Previously Addressed that May Impact the Amount of Damages Recoverable by Plaintiff or Against the Insured:

Plaintiff's total damages are not recoverable to the extent his *own negligence* contributed to the injuries. Rather, awardable damages must be proportionately reduced to reflect the percentage of plaintiff's "fault." *Li v. Yellow Cab Co.* (1975) 13 Cal.3d 804, 828-829; see CACI 405, 3960; BAJI 14.90, 14.91. *Li* is uniformly interpreted as extending the comparative negligence doctrine to all cases where the parties' conduct was anything less than intentional. *Id.* at 825-826. Damages are properly apportioned even where plaintiff has engaged in a greater

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degree of negligence than defendant. *Zavala v. Regents of Univ. of Calif.* (1981) 125 CA3d 646, 647.

Plaintiff's negligence or other culpable conduct need *not* be a "proximate" ("legal") cause of the injury. Rather, comparative fault principles are properly invoked whenever plaintiff's conduct contributes to the overall *harm* emanating from the injury. *Potter v. Firestone Tire & Rubber Co.* (1993) 6 Cal.4th 965, 1011.

Moreover, we should be able to limit Plaintiff's claim for medical damages pursuant to *Howell v. Hamilton Meats & Provisions, Inc* (2011) 52 Cal.4th 541 and *Corenbaum v. Lampkin* (2013) 215 Cal.4th 1308. Pursuant to *Howell*, a plaintiff may only recover medical damages for amounts actually paid for medical treatment, and not the full amounts billed or unpaid. *Corenbaum* further limits a plaintiff's ability to introduce evidence of past amounts billed for medical services to prove a plaintiff's future medical damages or damages for pain and suffering.

Trial Readiness

Do you consider the investigation/discovery of the case complete? If not, what remains to be completed?

No. We are just beginning expert discovery, which will greatly impact the outcome of this case.

Are all witnesses on notice and available, and will they testify live, or via videotape or other medium?

We anticipate all witnesses will testify live.

Are all motions in *limine* completed?

No. Motions in *limine* are due on September 8, 2016.

Are all jury instructions completed?

No. These will be due on September 15, 2016.

Have you discussed with the claim professional involving appellate counsel at trial?

Yes. Horvitz & Levy have been retained to oversee the many motions pending prior to trial to evaluate any basis for taking a writ or filing an appeal post judgment.

09/07/2016

Has this case been discussed/round tabled within in your office?

Yes, the case had been round tabled several times.

Has this case been round tabled with the claims handling office?

We have had several discussions regarding the merits of Plaintiff's case with the claims professional assigned to this matter.

Evaluation

Strengths and Weaknesses of the Insured's Case and Plaintiff's Case:

Plaintiff's case hinges on whether he suffered a TBI. If Plaintiff is able to establish he suffered TBI, it will turn a \$60,000 damages case into a possible multi-million dollar one. Also at issue is what Core knew and when regarding certain similar incidents that happened prior to the subject incident. Plaintiff would have the jury believe that Core knew about the "defective" condition of its cable crossover machine, and did nothing about it. Nothing could be further from the truth. What we know is that there were issues with certain carriage assemblies, prior to the subject incident. In response, Core implemented a product upgrade to address the wheels and pins that were believed to be the cause of why certain carriage assemblies failed. At the time of the subject incident, the carriage assembly on the cable crossover machine Plaintiff was using was either the upgraded carriage assembly or at the very least the parts of the carriage assembly were replaced with new parts. Regardless, there is no evidence a wheel, pull pin, or spring is what caused the carriage assembly to fail, and strike Plaintiff in the head.

Joint and Several Liability and Insurance Coverage for Other Parties:

Fitness is the other named defendant in this matter. We believe that between Plaintiff's failure to follow instructions and engage the pull pin correctly, and Fitness's lack of maintenance of the Machines, both Plaintiff and Fitness should face the most responsibility for Plaintiff's injuries. For joint and several purposes, Fitness appears to be in good financial health, and should be able to cover any judgment against it.

Jurisdictional, Public Policy, and Regulatory Considerations:

There are no significant jurisdictional, public policy, or regulatory considerations known in this matter at this time.

Contributory or Comparative Negligence Considerations

Plaintiff's general damages will be reduced to the extent of his comparative fault, if any. Based on the available facts, we will argue that Plaintiff is at fault for the incident.

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Probable Damages (Compensatory) if the Case is Lost:

If Plaintiff is able to convince the jury he suffered a TBI, Plaintiff will likely be able to introduce damages via his experts of somewhere between \$5 and \$10 million. However, expert discovery has only just commenced, and the specific dollar amount Plaintiff will attempt to recover is not yet known. As reported above, however, Plaintiff is seeking more than \$20 million in damages, with \$10 million attributed to punitive damages.

Punitive Damages Exposure:

Plaintiff claims that Core knew about the defective condition of its cable crossover machines, yet continued to sell the machines without regard to consumer safety, and solely for economic gain. That, despite knowing about the condition, Core did nothing to address the alleged defective condition, and/or failed to give notice to its customers of the potential defective condition and potential for injury.

Note also that, while Plaintiff has not raised this argument, Core should have reported the prior incidents with this machine to the Consumer Safety Product Commission ("CSPC"). Core knows of its self-reporting requirements, and knowingly chose not to report given that, regardless of what may have been determined to be the cause of the carriage assembly failure in these incidents, it did not want to face a inquiry or penalties as a result. If this were to be discovered by Plaintiff, it might be enough to support a claim for punitive damages. Note, however, that Plaintiff has never sought any discovery on the issue, and Plaintiff failed to designate any experts on the issue. It's likely that Plaintiff missed this argument, and it will not be an issue at trial, but we wanted to report on this issue regardless.

Attorney's Fees Recoverable:

Not applicable in Plaintiff's case. However, we may owe Fitness a defense depending on the ruling on Fitness's motion for summary adjudication as to Core's defense and indemnity obligation it believes is owed.

Probable Apportionment of Fault Among Defendants

If Plaintiff is not found to be entirely at fault for his injuries due to his failure to follow instructions, i.e., that he failed to make sure the pull pin was fully engaged before using the cable crossover machine, the question then becomes to what extent there is a defect, and/or could the injury have been avoided if the machine was maintained correctly. In our estimation, both Fitness and Core could be found equally at fault for Plaintiff's injuries.

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Net Exposure to Insured

It's hard to determine at this point as so much depends on whether Plaintiff has a TBI, and whether there is any basis for punitive damages. We believe the answer to both is no; and, to date, there has been no evidence produced in this litigation to support a punitive damages award against Core. Given that this case will depend heavily on experts, and expert discovery has only just begun, we will provide updates on the insured's estimated exposure as we move forward with expert discovery.

Realistic Settlement Value and Basis for Evaluation

For all the reasons set forth above, a realistic settlement range is difficult to estimate. Given what we know, a realistic settlement range is likely between \$0 and \$500,000, which in part is cost of defense driven, as well as takes into consideration the risk of a jury believing that Plaintiff was not entirely at fault for his injuries, that he in fact suffered a TBI, and that there is some basis for punitive damages. There is a mediation currently scheduled for September 14, 2016, in the afternoon, prior to which a few more experts will have been deposed, and we should have a better understanding of the insured's exposure. Of course, we will report and discuss the expert testimony provided prior to the mediation, and adjust our settlement range as needed in time for mediation.

Resolution

What negotiations (whether formal or informal) have occurred or are expected to occur, if any?

There have been attempts to engage in settlement discussions with Plaintiff's counsel, but to date they have been unsuccessful. While many of us are skeptical that any progress will be made at the September 14 mediation, Plaintiff's counsel has agreed not to put any conditions on participating in same. However, Plaintiff's counsel did indicate that they would be starting with a \$10 million plus demand.

What resolution options should be explored before proceeding to trial?

To the extent that mediation is unsuccessful, we may consider requesting a mandatory settlement conference prior to trial.

Should this case be settled or tried, and why?

If Plaintiff does not want to be reasonable, and consider the risk that he may be found entirely at fault for his injuries, then we may have no choice but to take this matter to trial. Again, expert discovery will reveal much about Plaintiff's case, and we can further evaluate how best to proceed as we approach trial.

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What is the percent chance of a defense verdict or a directed verdict, and what is the basis for the figure set forth?

We believe there is a chance of a defense verdict; there was a clear warning on the cable crossover machine that required Plaintiff to ensure the pull pin was fully engaged or run the risk of serious injury. Given that there is no evidence of a manufacturing defect, the only reasonable conclusion for why the carriage assembly failed is that Plaintiff failed to ensure that pull pin was engaged correctly. Accordingly, we give the possibility of a defense verdict of less than 10%.

What is the percent chance of a plaintiff's verdict where the verdict amount is less than the last agreed to evaluation, and why?

Not applicable.

What is the probable verdict range if the case is tried and a verdict is returned for the plaintiff?

Based on the current information available to us, if the case is lost, the probable verdict range could be between \$60,000 and \$20 million. Of course, details of Plaintiff's damages are still being provided, through expert discovery, which has only just commenced. As we proceed, we will have a better understanding of the possible verdict range and will report.

What is the expected length of the trial?

3 weeks is what Plaintiff estimates.

Are there any collection problems with regard to any other co-defendants?

No.

In your opinion, will this case be resolved by this trial? If not, please explain the most likely scenario for resolution?

Yes, but an appeal may follow depending on what occurs at trial.

Anticipated Legal Services, Claims Activity, and Budget

Summary of Claims Activities

Counsel anticipates the following claims activity: (1) preparation of this ATLP/Pre-Trial Report and budget report; (2) preparing for mediation; (3) consultation regarding the status and results of expert discovery; and, (4) discussion of pre-trial and trial strategy.

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Summary of Legal Services

Counsel anticipates conducting the following legal services, which are more fully described in the itemized Budget Report below: (1) reviewing and analyzing documents from expert discovery and reports; (2) preparing for, taking, defending, and attending depositions of expert witnesses; (3) preparing for and attending mediation; (4) attending in court mandated conferences; (5); preparing for and attending the final status conference, including preparation of pre-trial documents; (6) preparing our witnesses for trial; and, (7) preparing for and attending trial. The following attorneys and staff are anticipated to provide the legal services outlined in the budget.

Timekeepers	Roles
Michael E. Gallagher	Senior Partner, lead trial counsel
Charles LaPlante	Senior Associate as litigation counsel
Lisa Stevenson	Senior Associate as litigation counsel
Christine Luong-Pham	Senior Associate as litigation counsel
Emily Berman	Junior Associate as litigation counsel
Scott Fryer	Paralegal providing litigation support

Note also that either Fred Blum or Noel Edlin will first chair the trial if it proceeds.

Budgets/ Legal Expense for Remaining Stages of the Case

The following table below represents a summary of the probable cost of defense for the remaining and ongoing stages of the case, both up to trial and to obtain a verdict.

Remaining Case Stage	Total for Each Case Stage
Evaluation	\$39,080
Dispositive Motion	\$6,880
Discovery	\$121,410
Alternative Dispute Resolution	\$6,940
Trial Preparation and Trial	\$132,020
Additional Expenses	\$34,000
Total Budget	\$340,330

Our itemized description of the probable defense costs for the ongoing and remaining case stages set forth below is based on a blended rate of \$172.

1. Evaluation

a. Fact Investigation/Development

We will conduct a supplementary factual investigation, which will likely include reviewing records further subpoenaed records from various third parties. As our case analysis and fact investigation will be an ongoing activity until the commencement of trial, we anticipate having to incur an additional 20 hours of attorney time associated with such activities, resulting in legal defense costs of approximately \$3,440.

b. Analysis/Strategy

We anticipate conducting further analysis and development of defense strategies against Plaintiff's causation claims and purported damages. We estimate incurring approximately 45 hours in attorney time on these issues, resulting in legal defense costs of approximately \$7,740.

b. Experts/Consultants

We will be working with our experts in anticipation of their depositions, and testifying at trial. We estimate incurring approximately 60 hours in attorney time assisting these experts render their respective opinions, resulting in legal defense costs of approximately \$10,320.

c. Documents/File Management

We anticipate performing document management and file management activities through trial. We estimate incurring approximately 10 hours in attorney and paralegal time on these issues, resulting in legal defense costs of approximately \$1,720.

d. Budgeting

We anticipate incurring approximately 5 hours in attorney and paralegal time on budgeting issues, resulting in legal defense costs of approximately \$860.

e. Private Investigators

We anticipate having Critical Solutions continue to perform surveillance on Plaintiff. We estimate incurring \$15,000 for Critical Solutions' investigative work.

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2. Dispositive Motions

a. Dispositive Motions

At this time, we have three motions for summary adjudication pending: one filed by Fitness, Core's MSA against Fitness, and Core's MSA as to Plaintiff's eighth cause of action and request for punitive damages. We estimate incurring approximately 20 hours in attorney and paralegal time on these issues, resulting in legal defense costs of approximately \$3,440.

b. Other Written Motions/Submissions

We anticipate filing various other statements and submissions in this matter. We estimate incurring approximately 20 hours in connection with these other motions/submissions, resulting in \$3,440 in defense costs.

3. Discovery Activities

a. Court Mandated Conferences

We anticipate participating in court-mandated conferences. We estimate incurring approximately 10 hours in attorney time attending such conferences, resulting in legal defense costs of approximately \$1,720.

b. Written Discovery

Not applicable.

c. Document Production

Not applicable.

d. Depositions

Not applicable.

e. Expert Discovery

We anticipate taking, defending, and attending approximately 24 expert depositions in this case. While the length of each deposition will vary, we estimate incurring at least 10 hours of attorney time in connection with the preparation and attendance of each deposition, for approximately 240 hours of attorney time, resulting in legal defense costs of approximately \$41,520.

f. Discovery Motions

It is possible that discovery disputes will arise regarding our pending discovery requests, resulting in discovery motions. In the event that such a discovery disputes requires a motion, we estimate incurring approximately 20 hours of attorney and paralegal time, or \$3,440 in defense costs.

g. Depositions Transcripts Expense

We anticipate ordering deposition transcripts of key expert witnesses in this matter. We estimate incurring approximately \$10,000 in depositions transcripts expenses.

j. Experts Expense

We anticipate working with our experts through the duration of this matter, including preparing for and attending depositions, as well as preparing for and attending the trial. We estimate incurring approximately \$65,000 in expert expenses.

4. ADR

a. Settlement

Mediation is scheduled for September 14, 2016. We estimate incurring approximately 20 hours in attorney time on for preparing for and attending mediation resulting in legal defense costs of approximately \$3,440.

b. Arbitrators/Mediators

We anticipate incurring approximately \$3,500 for the mediator's fees for the mediation and any related settlement discussions.

5. Trial Preparation and Trial

a. Fact Witnesses

We estimate incurring 30 hours in attorney time to prepare fact witnesses in this matter, resulting in legal defense costs of approximately \$5,160.

b. Expert Witnesses

We anticipate having to work with and prepare our expert witnesses for trial. We estimate incurring 40 hours in attorney time on these issues, resulting in legal defense costs of approximately \$6,880.

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c. Written Motions/Submissions

We anticipate drafting and filing other written motions and submissions for trial. We estimate incurring 30 hours in attorney and paralegal time on these issues, resulting in legal defense costs of approximately \$5,160.

d. Other Trial Preparation and Support

We anticipate there will be other trial preparation, and incurring 15 hours in attorney and paralegal time on these issues, resulting in legal defense costs of \$2,580.

e. Trial Attendance

We estimate a 3-week trial, and we anticipate incurring at least 10 hours per day in connection with the preparation and attendance of each day of the trial. We estimate incurring 400 hours of attorney time on these issues (two attorneys at trial, an support), resulting in legal defense costs of approximately \$68,800.

f. Post-Trial Motions Submissions

We anticipate having to file certain post-trial motions and submissions. We estimate incurring 20 hours in attorney and paralegal time on these issues, resulting in legal defense costs of approximately \$3,440.

g. Enforcement

At this time, we do not anticipate any costs associated with enforcement related issues.

h. Trial Transcript Expense

We anticipate ordering certain trial transcripts in connection with this matter. We estimate incurring approximately \$10,000 in trials transcripts expenses.

i. Trial Exhibit Expense

We estimate incurring approximately \$5,000 in trial exhibit expenses to present to the jury to explain our defenses.

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j. Litigation Support Vendor Expense

We estimate incurring approximately \$25,000 in litigation support vendors expenses, including the preparation of trial graphics and exhibits to present to the jury to explain our defenses, as well as to consult with a jury consultant.

6. Appeal

While we do not anticipate any costs associated with an appeal, Horvitz & Levy were hired to assist in this endeavor to the extent it becomes necessary.

7. Additional Expenses

We anticipate incurring approximately \$1,500 in copying expenses, \$1,500 in court fees, \$2,500 in subpoenas, \$3,500 in witness fees, and possibly another \$25,000 in sanctions depending on the remaining potential discovery disputes that may arise.

A revised budget reflecting the defense costs and expenses estimated above is attached to this report. The above estimated fees are based upon information currently available to us and, as a result, may need to be revised as events unfold. We will continue to update you on all significant matters as they arise. In the interim, please contact us with any comments or questions.

Very truly yours,

BASSI, EDLIN, HUIE & BLUM LLP

/s/ Michael E. Gallagher

MICHAEL E. GALLAGHER

MEG/dc

Attachment – Appendix A

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APPENDIX A

Anticipated Budget/Legal Expense

This budget is based upon the following rates:

- Sr. Partner: \$179/hour
- Jr. Partner: \$173/hour
- Sr. Associate: \$168/hour
- Jr. Associate: \$167/hour
- Paralegals: \$73/hour

For ease, we've blended the Partner and Associate rates at \$172/hour.

Case Stage	Total Budget
Evaluation	\$39,080
Dispositive Motion	\$6,880
Discovery	\$121,410
ADR	\$6,940
Trial Preparation and Trial	\$132,020
Appeal	\$0
Additional Expenses	\$34,000
Total Budget	\$340,330

EVALUATION	Current Budget
Fact Investigation/Development (L110)	\$3,440
Analysis/Strategy (L120)	\$7,740
Experts/Consultants (L130)	\$10,320
Documents/File Management (L140)	\$1,720
Budgeting (L150)	\$860
Pleadings (L210)	\$0
Prelim Injunctions/Provisional Remedies (L220)	\$0
Private Investigators Expense (E120)	\$15,000
Sub-Total	\$39,080

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DISPOSITIVE MOTIONS	Current Budget
Dispositive Motions (L240)	\$3,440
Other Written Motions/Submissions (L250)	\$3,440
Sub-Total	\$6,880
Discovery Activities	Current Budget
Court Mandated Conferences (L230)	\$1,720
Written Discovery (L310)	\$0
Document Production (L320)	\$0
Depositions (L330)	\$0
Expert Discovery (L340)	\$41,250
Discovery Motions (L350)	\$3,440
On Site Inspections (L360)	\$0
Other Discovery (L390)	\$0
Deposition Transcripts Expense (E115)	\$10,000
Experts Expense (E119)	\$65,000
Sub-Total	\$121,410
ADR	Current Budget
Settlement (L160)	\$3,440
Arbitrators/Mediators (E121)	\$3,500
Sub-Total	\$6,940
Trial Preparation and Trial	Current Budget
Fact Witnesses (L410)	\$5,160
Expert Witnesses (L420)	\$6,880
Written Motions/Submissions (L430)	\$5,160
Other Trial Preparation and Support (L440)	\$2,580
Trial Hearing Attendance (L450)	\$68,800
Post Trial Motions Submissions (L460)	\$3,440
Enforcement (L470)	\$0
Trial Transcripts Expense (E116)	\$10,000
Trial Exhibits Expense (E117)	\$5,000
Litigation Support Vendors Expense (E118)	\$25,000
Sub-Total	\$132,020

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Appeal	Current Budget
Appellate Proceedings/Motions Practice (L510)	\$0
Appellate Briefs (L520)	\$0
Oral Argument (L530)	\$0
Sub-Total	\$0

Additional Expenses	Current Budget
Copying (E101)	\$1,500
Outside Printing (E102)	\$0
Delivery Service Messengers (E107)	\$0
Out of Town Travel (E110)	\$0
Meals (E111)	\$0
Court Fees (E112)	\$1,500
Subpoenas (E113)	\$2,500
Witness Fees (E114)	\$3,500
Other Professionals (E123)	\$0
Other (E124)	\$25,000
Sub-Total	\$34,000

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EXHIBIT E

EXHIBIT "E"

EXHIBIT "E"

Fitness alleges that Core was responsible, in whole or in part, for the injuries, if any, suffered by Plaintiff. Fitness alleges that if it is liable to Plaintiff, then Core should be required to pay a share of Plaintiff's judgment which is in proportion to the comparative negligence of Core in causing Plaintiff's damages, and to reimburse Fitness for any payments it makes to Plaintiff in excess of Fitness's proportional share of Core's negligence.

Fitness further alleges that if it is found in some manner responsible to Plaintiff as a result of the incidents or occurrences described in Plaintiff's Lawsuit, any liability would be based solely upon a derivative form of liability not resulting from Fitness's conduct, but only from an obligation imposed upon it by law. Therefore, Fitness claims that it would be entitled to complete indemnity from Core.

Fitness requests a judicial declaration of rights, responsibilities, and obligations of Core as to Fitness.

Fitness asserts an express contractual indemnity claim against Core. According to Fitness, it entered into a written agreement with Core dated July 20, 2011, regarding the purchase of the equipment at issue in the Lawsuit. Fitness alleges that in that agreement Core agrees to defend and indemnify Fitness for any claim or injury including attorneys' fees, which arise from a design or manufacturing defect, which is what Plaintiff alleges in the Lawsuit. Fitness further alleges that Core agrees to add Fitness as an additional insured under a comprehensive general liability policy with a limit of \$1,000,000 for bodily injury and property damage. Fitness alleges that it tendered the Lawsuit to Core for defense and indemnification and Core rejected the tender. According to Fitness, Plaintiff alleges personal injuries allegedly caused by a defect in the design and/or manufacture of a product purchased from Core by Fitness. Therefore, Fitness alleges that it is entitled to indemnity from Core for Plaintiff's Lawsuit, since Fitness alleges that the damages alleged by Plaintiff were caused by Core and not Fitness.

Fitness further asserts a breach claim against Core alleging that Fitness entered into a written agreement with Core dated July 20, 2011, pursuant to which Core was to procure insurance coverage naming Fitness as an additional insured, providing insurance coverage to Fitness for any litigation arising out of the alleged design or manufacturing defect of any products purchased from Core by Fitness. Fitness alleges that Core failed to procure the insurance coverage for Fitness required under the agreement, forcing Fitness to pay attorneys' fees and costs in defending Plaintiff's Lawsuit. Therefore, Fitness alleges that it has been damaged in an amount equal to all fees and costs incurred in defending the Lawsuit, as well as the costs associated with filing the Cross-Complaint.

Finally, Fitness asserts a claim for declaratory relief regarding the duty to defend against Core. This declaratory relief action is derivative of Fitness's breach of contract claim in which Fitness claims it is entitled to a defense from Core based upon the provision in the written agreement dated July 20, 2011. Fitness alleges that Core has a duty to defend Fitness against any claims arising from the defective design or manufacture of Core's products. Fitness alleges that an actual controversy exists between Fitness and Core because Fitness contends that it is entitled to a defense from Core as to the allegations in Plaintiff's Lawsuit while Core denies any such obligations under the written agreement.

Fitness requests judgment as follows in the Cross-Complaint: 1) compensatory damages; 2) total and complete indemnity for any judgments rendered against Fitness; 3) costs and expenses incurred in the defense of Plaintiff's Lawsuit, and in bringing the Cross-Complaint, including reasonable attorneys' fees; and 4) for such other and further relief as is just and proper.

THE POLICY

As discussed in National Union's prior coverage position letters, National Union issued a Commercial General Liability Policy to Core Fitness, LLC, policy number 536-16-09, beginning on August 1, 2013, and ending on August 1, 2014. By endorsement, Core Industries, LLC, and Core Industries, Inc., are also Named Insureds under the Policy. The Policy's Limits of Insurance total \$1,000,000 for each occurrence and \$2,000,000 general aggregate. Please reference Exhibit A to our November 11, 2015, coverage position letter for policy provisions contained in the National Union Policy that may be applicable to the claims in this matter. To the extent we have identified additional policy provisions applicable to the claims Fitness asserts against Core in the Cross-Complaint, we reference those in this coverage position letter. Once again, please note that our inclusion of the policy provisions in Exhibit A and in this letter is only a partial recitation of the terms, conditions, limitations, and exclusions contained in the subject Policy. Such discussion is not intended to supplement, amend, supersede or otherwise alter the National Union Policy. Moreover, National Union does not intend to waive any provisions of the Policy by virtue of this discussion.

COVERAGE POSITION

Once again, to avoid repetition, National Union incorporates by reference herein the coverage position and reservation of rights discussed at length in National Union's prior coverage position letters.

000000000026.0009

[illegible]

09/22/2017

08/22/2017

EXHIBIT "F"

FILED
Superior Court Of California
County Of Los Angeles
DEC 1

DEC 14 2016

14-00000
Sherri E. Carter, Probation Officer/Clerk
By D. M. [Signature] Deputy
e Core

Special Verdict Form, page 2

3. Did Core Industries LLC negligently fail to recall its crossover machines on or before November 18, 2013?

☒ Yes ☐ No

[If your answer to question 3 is yes, then answer question 4. If you answered no, skip to question 5.]

4. Was Core Industries LLC's negligent failure to recall its crossover machines a substantial factor in causing any harm to Manuel Rodriguez?

☒ Yes ☐ No

[Answer question 5.]

09/22/2017

Special Verdict Form, page 3

General Negligence As Against Fitness International, LLC

5. Did Manuel Rodriguez sign the Membership Agreement of Fitness International, LLC?

___ Yes ☒ No

[If your answer to question 5 is no, then answer question 6. If you answered yes, skip to question 8.]

6. Was Fitness International, LLC negligent in allowing Manuel Rodriguez to use a Core crossover machine on November 18, 2013?

☒ Yes ___ No

[If your answer to question 6 is yes, then answer question 7. If you answered no, skip to question 8.]

7. Was Fitness International, LLC's negligence a substantial factor in causing any harm to Manuel Rodriguez?

☒ Yes ___ No

[Please answer question 8.]

2013/11/18

Special Verdict Form, page 4

Gross Negligence As Against Fitness International, LLC

8. Was Fitness International, LLC grossly negligent in allowing Manuel Rodriguez to use a Core crossover machine on November 18, 2013?

☒ Yes ☐ No

[If your answer to question 8 is yes, then answer question 9. If you answered no, skip to question 11.]

9. Was Fitness International, LLC's gross negligence a substantial factor in causing any harm to Manuel Rodriguez?

☒ Yes ☐ No

[If your answer to question 9 is yes, then answer question 10. If you answered no, skip to question 11.]

10. Has Manuel Rodriguez proven by clear and convincing evidence that Fitness International, LLC allowing him to use a Core crossover machine on November 18, 2013, was with malice, oppression, or fraud?

☒ Yes ☐ No

[Please answer question F1.]

2102/22/50

YOU ARE ONLY TO ANSWER QUESTIONS 11 AND 12 IF YOU ANSWERED "YES" TO EITHER OF THE FOLLOWING: QUESTION NUMBER 7 OR QUESTION NUMBER 9

IF YOU ANSWERED "NO" TO BOTH QUESTION NUMBER 7 AND QUESTION NUMBER 9, THEN SKIP QUESTIONS 11 AND 12 AND SIGN AND DATE THE VERDICT FORM BELOW

11. What are Manuel Rodriguez's damages?

a. Past economic loss:

Past medical damages: \$ 54,303.81

Past loss of earnings: \$ 0

b. Future economic loss:

Future medical damages: \$ 3,500,000.00

Future loss of earnings: \$ 1,196,304.00

c. Past non-economic loss, including physical pain and mental suffering:

\$ 169,350.00

d. Future non-economic loss, including physical pain and mental suffering:

\$ 950,025.00

TOTAL OF THE ABOVE CATEGORIES:

\$ 5,865,682.81
4,664,310.81

[Go to question 12.]

09/22/2017

Special Verdict Form, page 6

12. For the damages calculated above, we assign the following percentage of fault to each party:

- a. Core Industries LLC: 25 %
- b. Fitness International, LLC: 75 %
- c. Plaintiff Manuel Rodriguez: 0 %

THE TOTAL PERCENTAGE MUST EQUAL 100%

Signed: Emilia Rodriguez
Presiding Juror

Dated: 12-14-16

After this verdict form has been signed, notify the clerk that you are ready to present your verdict in the courtroom.

69/22/2017

CTRL0000000915.0001

ORIGINAL

BY FAX

CM-010

ATTORNEY OR PARTY WITHOUT ATTORNEY (Name, State Bar number, and address): Michael J. Sachs (Bar No. 134468) CALLAHAN & BLAINE, APLC 3 Hutton Centre Drive, Ninth Floor Santa Ana, CA 92707 michael@callahan-law.com TELEPHONE NO.: (714) 241-4444 FAX NO.: (714) 241-4445 ATTORNEY FOR (Name): <u>Plaintiffs</u>		FOR COURT USE ONLY FILED Superior Court Of California County Of Los Angeles SEP 22 2017 Executive Clerk Deputy
SUPERIOR COURT OF CALIFORNIA, COUNTY OF LOS ANGELES STREET ADDRESS: 111 North Hill Street MAILING ADDRESS: CITY AND ZIP CODE: Los Angeles, CA 90012 BRANCH NAME: Stanley Mosk Courthouse		
CASE NAME: Core Health & Fitness, LLC v. National Union Fire Insurance Company of Pittsburgh, PA		
CIVIL CASE COVER SHEET <input checked="" type="checkbox"/> Unlimited (Amount demanded exceeds \$25,000) <input type="checkbox"/> Limited (Amount demanded is \$25,000 or less)		CASE NUMBER: BC 676824 JUDGE: DEPT:

Items 1-6 below must be completed (see instructions on page 2).

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

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

2. This case ☐ is ☒ is not complex under rule 3.400 of the California Rules of Court. If the case is complex, mark the factors requiring exceptional judicial management:
- | | |
|--|--|
| a. <input type="checkbox"/> Large number of separately represented parties | d. <input type="checkbox"/> Large number of witnesses |
| b. <input type="checkbox"/> Extensive motion practice raising difficult or novel issues that will be time-consuming to resolve | e. <input type="checkbox"/> Coordination with related actions pending in one or more courts in other counties, states, or countries, or in a federal court |
| c. <input type="checkbox"/> Substantial amount of documentary evidence | f. <input type="checkbox"/> Substantial postjudgment judicial supervision |
3. Remedies sought (check all that apply): a. ☒ monetary b. ☐ nonmonetary; declaratory or injunctive relief c. ☒ punitive
4. Number of causes of action (specify): 2
5. This case ☐ is ☒ is not a class action suit.

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

Date: September 22, 2017

Michael J. Sachs

(TYPE OR PRINT NAME)

(SIGNATURE OF PARTY OR ATTORNEY FOR PARTY)

NOTICE

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

Page 1 of 2

INSTRUCTIONS ON HOW TO COMPLETE THE COVER SHEET

CM-010

To Plaintiffs and Others Filing First Papers. If you are filing a first paper (for example, a complaint) in a civil case, you must complete and file, along with your first paper, the *Civil Case Cover Sheet* contained on page 1. This information will be used to compile statistics about the types and numbers of cases filed. You must complete items 1 through 6 on the sheet. In item 1, you must check one box for the case type that best describes the case. If the case fits both a general and a more specific type of case listed in item 1, check the more specific one. If the case has multiple causes of action, check the box that best indicates the primary cause of action. To assist you in completing the sheet, examples of the cases that belong under each case type in item 1 are provided below. A cover sheet must be filed only with your initial paper. Failure to file a cover sheet with the first paper filed in a civil case may subject a party, its counsel, or both to sanctions under rules 2.30 and 3.220 of the California Rules of Court.

To Parties in Rule 3.740 Collections Cases. A "collections case" under rule 3.740 is defined as an action for recovery of money owed in a sum stated to be certain that is not more than \$25,000, exclusive of interest and attorney's fees, arising from a transaction in which property, services, or money was acquired on credit. A collections case does not include an action seeking the following: (1) tort damages, (2) punitive damages, (3) recovery of real property, (4) recovery of personal property, or (5) a prejudgment writ of attachment. The identification of a case as a rule 3.740 collections case on this form means that it will be exempt from the general time-for-service requirements and case management rules, unless a defendant files a responsive pleading. A rule 3.740 collections case will be subject to the requirements for service and obtaining a judgment in rule 3.740.

To Parties in Complex Cases. In complex cases only, parties must also use the *Civil Case Cover Sheet* to designate whether the case is complex. If a plaintiff believes the case is complex under rule 3.400 of the California Rules of Court, this must be indicated by completing the appropriate boxes in items 1 and 2. If a plaintiff designates a case as complex, the cover sheet must be served with the complaint on all parties to the action. A defendant may file and serve no later than the time of its first appearance a joinder in the plaintiff's designation, a counter-designation that the case is not complex, or, if the plaintiff has made no designation, a designation that the case is complex.

CASE TYPES AND EXAMPLES

Auto Tort

- Auto (22)—Personal Injury/Property Damage/Wrongful Death
- Uninsured Motorist (46) (if the case involves an uninsured motorist claim subject to arbitration, check this item instead of Auto)

Other PI/PD/WD (Personal Injury/Property Damage/Wrongful Death) Tort

- Asbestos (04)
- Asbestos Property Damage
- Asbestos Personal Injury/Wrongful Death
- Product Liability (not asbestos or toxic/environmental) (24)
- Medical Malpractice (45)
- Medical Malpractice—Physicians & Surgeons
- Other Professional Health Care Malpractice
- Other PI/PD/WD (23)
- Premises Liability (e.g., slip and fall)
- Intentional Bodily Injury/PD/WD (e.g., assault, vandalism)
- Intentional Infliction of Emotional Distress
- Negligent Infliction of Emotional Distress
- Other PI/PD/WD

Non-PI/PD/WD (Other) Tort

- Business Tort/Unfair Business Practice (07)
- Civil Rights (e.g., discrimination, false arrest) (not civil harassment) (08)
- Defamation (e.g., slander, libel) (13)
- Fraud (16)
- Intellectual Property (19)
- Professional Negligence (25)
- Legal Malpractice
- Other Professional Malpractice (not medical or legal)
- Other Non-PI/PD/WD Tort (35)
- Employment
- Wrongful Termination (36)
- Other Employment (15)

Contract

- Breach of Contract/Warranty (06)
- Breach of Rental/Lease
- Contract (not unlawful detainer or wrongful eviction)
- Contract/Warranty Breach—Seller Plaintiff (not fraud or negligence)
- Negligent Breach of Contract/Warranty
- Other Breach of Contract/Warranty
- Collections (e.g., money owed, open book accounts) (09)
- Collection Case—Seller Plaintiff
- Other Promissory Note/Collections Case
- Insurance Coverage (not provisionally complex) (18)
- Auto Subrogation
- Other Coverage
- Other Contract (37)
- Contractual Fraud
- Other Contract Dispute

Real Property

- Eminent Domain/Inverse Condemnation (14)
- Wrongful Eviction (33)
- Other Real Property (e.g., quiet title) (26)
- Writ of Possession of Real Property
- Mortgage Foreclosure
- Quiet Title
- Other Real Property (not eminent domain, landlord/tenant, or foreclosure)

Unlawful Detainer

- Commercial (34)
- Residential (32)
- Drugs (38) (if the case involves illegal drugs, check this item; otherwise, report as Commercial or Residential)

Judicial Review

- Asset Forfeiture (05)
- Petition Re: Arbitration Award (11)
- Writ of Mandate (02)
- Writ—Administrative Mandamus
- Writ—Mandamus on Limited Court Case Matter
- Writ—Other Limited Court Case Review
- Other Judicial Review (39)
- Review of Health Officer Order
- Notice of Appeal—Labor Commissioner Appeals

Provisionally Complex Civil Litigation (Cal. Rules of Court Rules 3.400–3.403)

- Antitrust/Trade Regulation (03)
- Construction Defect (10)
- Claims Involving Mass Tort (40)
- Securities Litigation (28)
- Environmental/Toxic Tort (30)
- Insurance Coverage Claims (arising from provisionally complex case type listed above) (41)

Enforcement of Judgment

- Enforcement of Judgment (20)
- Abstract of Judgment (Out of County)
- Confession of Judgment (non-domestic relations)
- Sister State Judgment
- Administrative Agency Award (not unpaid taxes)
- Petition/Certification of Entry of Judgment on Unpaid Taxes
- Other Enforcement of Judgment Case

Miscellaneous Civil Complaint

- RICO (27)
- Other Complaint (not specified above) (42)
- Declaratory Relief Only
- Injunctive Relief Only (non-harassment)
- Mechanics Lien
- Other Commercial Complaint Case (non-tort/non-complex)
- Other Civil Complaint (non-tort/non-complex)

Miscellaneous Civil Petition

- Partnership and Corporate Governance (21)
- Other Petition (not specified above) (43)
- Civil Harassment
- Workplace Violence
- Elder/Dependent Adult Abuse
- Election Contest
- Petition for Name Change
- Petition for Relief from Late Claim
- Other Civil Petition

ORIGINAL

BY FAX

SHORT TITLE Core Health & Fitness v. National Union Fire Insurance Company	CASE NUMBER
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**CIVIL CASE COVER SHEET ADDENDUM AND
STATEMENT OF LOCATION
(CERTIFICATE OF GROUNDS FOR ASSIGNMENT TO COURTHOUSE LOCATION)**

This form is required pursuant to Local Rule 2.3 in all new civil case filings in the Los Angeles Superior Court.

Step 1: After completing the Civil Case Cover Sheet (Judicial Council form CM-010), find the exact case type in Column A that corresponds to the case type indicated in the Civil Case Cover Sheet.

Step 2: In Column B, check the box for the type of action that best describes the nature of the case.

Step 3: In Column C, circle the number which explains the reason for the court filing location you have chosen.

Applicable Reasons for Choosing Court Filing Location (Column C)

- | | |
|--|--|
| 1. Class actions must be filed in the Stanley Mosk Courthouse, Central District. | 7. Location where petitioner resides. |
| 2. Permissive filing in central district. | 8. Location wherein defendant/respondent functions wholly. |
| 3. Location where cause of action arose. | 9. Location where one or more of the parties reside. |
| 4. Mandatory personal injury filing in North District. | 10. Location of Labor Commissioner Office. |
| 5. Location where performance required or defendant resides. | 11. Mandatory filing location (Hub Cases – unlawful detainer, limited non-collection, limited collection, or personal injury). |
| 6. Location of property or permanently garaged vehicle. | |

2102/22/23

Auto Tort
Other Personal Injury/Property Damage/Wrongful Death Tort

A Civil Case Cover Sheet Category No.	B Type of Action (Check only one)	C Applicable Reasons (See Step 3 Above)
Auto (22)	<input type="checkbox"/> A7100 Motor Vehicle - Personal Injury/Property Damage/Wrongful Death	1, 4, 11
Uninsured Motorist (46)	<input type="checkbox"/> A7110 Personal Injury/Property Damage/Wrongful Death – Uninsured Motorist	1, 4, 11
Asbestos (04)	<input type="checkbox"/> A6070 Asbestos Property Damage <input type="checkbox"/> A7221 Asbestos - Personal Injury/Wrongful Death	1, 11 1, 11
Product Liability (24)	<input type="checkbox"/> A7260 Product Liability (not asbestos or toxic/environmental)	1, 4, 11
Medical Malpractice (45)	<input type="checkbox"/> A7210 Medical Malpractice - Physicians & Surgeons <input type="checkbox"/> A7240 Other Professional Health Care Malpractice	1, 4, 11 1, 4, 11
Other Personal Injury Property Damage Wrongful Death (23)	<input type="checkbox"/> A7250 Premises Liability (e.g., slip and fall) <input type="checkbox"/> A7230 Intentional Bodily Injury/Property Damage/Wrongful Death (e.g., assault, vandalism, etc.) <input type="checkbox"/> A7270 Intentional Infliction of Emotional Distress <input type="checkbox"/> A7220 Other Personal Injury/Property Damage/Wrongful Death	1, 4, 11 1, 4, 11 1, 4, 11 1, 4, 11

SHORT TITLE: Core Health & Fitness v. National Union Fire Insurance Company	CASE NUMBER
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Non-Personal Injury/Property
Damage/Wrongful Death Tort

Employment

Contract

Real Property

Unlawful Detainer

A Civil Case Cover Sheet Category No.	B Type of Action (Check only one)	C: Applicable Reasons - See Step 3: Above
Business Tort (07)	<input type="checkbox"/> A6029 Other Commercial/Business Tort (not fraud/breach of contract)	1, 2, 3
Civil Rights (08)	<input type="checkbox"/> A6005 Civil Rights/Discrimination	1, 2, 3
Defamation (13)	<input type="checkbox"/> A6010 Defamation (slander/libel)	1, 2, 3
Fraud (16)	<input type="checkbox"/> A6013 Fraud (no contract)	1, 2, 3
Professional Negligence (25)	<input type="checkbox"/> A6017 Legal Malpractice <input type="checkbox"/> A6050 Other Professional Malpractice (not medical or legal)	1, 2, 3 1, 2, 3
Other (35)	<input type="checkbox"/> A6025 Other Non-Personal Injury/Property Damage tort	1, 2, 3
Wrongful Termination (36)	<input type="checkbox"/> A6037 Wrongful Termination	1, 2, 3
Other Employment (15)	<input type="checkbox"/> A6024 Other Employment Complaint Case <input type="checkbox"/> A6109 Labor Commissioner Appeals	1, 2, 3 10
Breach of Contract/ Warranty (06) (not insurance)	<input type="checkbox"/> A6004 Breach of Rental/Lease Contract (not unlawful detainer or wrongful eviction) <input type="checkbox"/> A6008 Contract/Warranty Breach -Seller Plaintiff (no fraud/negligence) <input type="checkbox"/> A6019 Negligent Breach of Contract/Warranty (no fraud) <input type="checkbox"/> A6028 Other Breach of Contract/Warranty (not fraud or negligence)	2, 5 2, 5 1, 2, 5 1, 2, 5
Collections (09)	<input type="checkbox"/> A6002 Collections Case-Seller Plaintiff <input type="checkbox"/> A6012 Other Promissory Note/Collections Case <input type="checkbox"/> A6034 Collections Case-Purchased Debt (Charged Off Consumer Debt Purchased on or after January 1, 2014)	5, 6, 11 5, 11 5, 6, 11
Insurance Coverage (18)	<input checked="" type="checkbox"/> A6015 Insurance Coverage (not complex)	1, 2, 5, 8
Other Contract (37)	<input type="checkbox"/> A6009 Contractual Fraud <input type="checkbox"/> A6031 Tortious Interference <input type="checkbox"/> A6027 Other Contract Dispute(not breach/insurance/fraud/negligence)	1, 2, 3, 5 1, 2, 3, 5 1, 2, 3, 8, 9
Eminent Domain/Inverse Condemnation (14)	<input type="checkbox"/> A7300 Eminent Domain/Condemnation Number of parcels_____	2, 6
Wrongful Eviction (33)	<input type="checkbox"/> A6023 Wrongful Eviction Case	2, 6
Other Real Property (26)	<input type="checkbox"/> A6018 Mortgage Foreclosure <input type="checkbox"/> A6032 Quiet Title <input type="checkbox"/> A6060 Other Real Property (not eminent domain, landlord/tenant, foreclosure)	2, 6 2, 6 2, 6
Unlawful Detainer-Commercial (31)	<input type="checkbox"/> A6021 Unlawful Detainer-Commercial (not drugs or wrongful eviction)	6, 11
Unlawful Detainer-Residential (32)	<input type="checkbox"/> A6020 Unlawful Detainer-Residential (not drugs or wrongful eviction)	6, 11
Unlawful Detainer- Post-Foreclosure (34)	<input type="checkbox"/> A6020F Unlawful Detainer-Post-Foreclosure	2, 6, 11
Unlawful Detainer-Drugs (38)	<input type="checkbox"/> A6022 Unlawful Detainer-Drugs	2, 6, 11

09/22/2017
2107/22/16

SHORT TITLE: Core Health & Fitness v. National Union Fire Insurance Company	CASE NUMBER:
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1193/22/159

	A Civil Case Cover Sheet Category No.	B Type of Action (Check only one)	C Applicable Reasons - See Step 3 Above
Judicial Review	Asset Forfeiture (05)	<input type="checkbox"/> A6108 Asset Forfeiture Case	2, 3, 6
	Petition re Arbitration (11)	<input type="checkbox"/> A6115 Petition to Compel/Confirm/Vacate Arbitration	2, 5
	Writ of Mandate (02)	<input type="checkbox"/> A6151 Writ - Administrative Mandamus <input type="checkbox"/> A6152 Writ - Mandamus on Limited Court Case Matter <input type="checkbox"/> A6153 Writ - Other Limited Court Case Review	2, 8 2 2
	Other Judicial Review (39)	<input type="checkbox"/> A6150 Other Writ / Judicial Review	2, 8
	Antitrust/Trade Regulation (03)	<input type="checkbox"/> A6003 Antitrust/Trade Regulation	1, 2, 8
Provisionally Complex Litigation	Construction Defect (10)	<input type="checkbox"/> A6007 Construction Defect	1, 2, 3
	Claims Involving Mass Tort (40)	<input type="checkbox"/> A6006 Claims Involving Mass Tort	1, 2, 8
	Securities Litigation (28)	<input type="checkbox"/> A6035 Securities Litigation Case	1, 2, 8
	Toxic Tort Environmental (30)	<input type="checkbox"/> A6036 Toxic Tort/Environmental	1, 2, 3, 8
	Insurance Coverage Claims from Complex Case (41)	<input type="checkbox"/> A6014 Insurance Coverage/Subrogation (complex case only)	1, 2, 5, 8
	Enforcement of Judgment (20)	<input type="checkbox"/> A6141 Sister State Judgment <input type="checkbox"/> A6160 Abstract of Judgment <input type="checkbox"/> A6107 Confession of Judgment (non-domestic relations) <input type="checkbox"/> A6140 Administrative Agency Award (not unpaid taxes) <input type="checkbox"/> A6114 Petition/Certificate for Entry of Judgment on Unpaid Tax <input type="checkbox"/> A6112 Other Enforcement of Judgment Case	2, 5, 11 2, 6 2, 9 2, 8 2, 8 2, 8, 9
Miscellaneous Civil Complaints	RICO (27)	<input type="checkbox"/> A6033 Racketeering (RICO) Case	1, 2, 8
	Other Complaints (Not Specified Above) (42)	<input type="checkbox"/> A6030 Declaratory Relief Only <input type="checkbox"/> A6040 Injunctive Relief Only (not domestic/harassment) <input type="checkbox"/> A6011 Other Commercial Complaint Case (non-tort/non-complex) <input type="checkbox"/> A6000 Other Civil Complaint (non-tort/non-complex)	1, 2, 8 2, 8 1, 2, 8 1, 2, 8
	Partnership Corporation Governance (21)	<input type="checkbox"/> A6113 Partnership and Corporate Governance Case	2, 8
	Other Petitions (Not Specified Above) (43)	<input type="checkbox"/> A6121 Civil Harassment <input type="checkbox"/> A6123 Workplace Harassment <input type="checkbox"/> A6124 Elder/Dependent Adult Abuse Case <input type="checkbox"/> A6190 Election Contest <input type="checkbox"/> A6110 Petition for Change of Name/Change of Gender <input type="checkbox"/> A6170 Petition for Relief from Late Claim Law <input type="checkbox"/> A6100 Other Civil Petition	2, 3, 9 2, 3, 9 2, 3, 9 2 2, 7 2, 3, 8 2, 9

SHORT TITLE: Core Health & Fitness v. National Union Fire Insurance Company	CASE NUMBER
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Step 4: Statement of Reason and Address: Check the appropriate boxes for the numbers shown under Column C for the type of action that you have selected. Enter the address which is the basis for the filing location, including zip code. (No address required for class action cases).

REASON: <input checked="" type="checkbox"/> 1. <input type="checkbox"/> 2. <input type="checkbox"/> 3. <input type="checkbox"/> 4. <input type="checkbox"/> 5. <input type="checkbox"/> 6. <input type="checkbox"/> 7. <input type="checkbox"/> 8. <input type="checkbox"/> 9. <input type="checkbox"/> 10. <input type="checkbox"/> 11.			ADDRESS: 515 S. Flower Street, Suite 1020
CITY: Los Angeles	STATE: CA	ZIP CODE: 90071	

Step 5: Certification of Assignment: I certify that this case is properly filed in the Central (Stanley Mosk) District of the Superior Court of California, County of Los Angeles [Code Civ. Proc., §392 et seq., and Local Rule 2.3(a)(1)(E)].

Dated: September 22, 2017


 (SIGNATURE OF ATTORNEY/FILING PARTY)

PLEASE HAVE THE FOLLOWING ITEMS COMPLETED AND READY TO BE FILED IN ORDER TO PROPERLY COMMENCE YOUR NEW COURT CASE:

1. Original Complaint or Petition.
2. If filing a Complaint, a completed Summons form for issuance by the Clerk.
3. Civil Case Cover Sheet, Judicial Council form CM-010.
4. Civil Case Cover Sheet Addendum and Statement of Location form, LACIV 109, LASC Approved 03-04 (Rev. 02/16).
5. Payment in full of the filing fee, unless there is court order for waiver, partial or scheduled payments.
6. A signed order appointing the Guardian ad Litem, Judicial Council form CIV-010, if the plaintiff or petitioner is a minor under 18 years of age will be required by Court in order to issue a summons.
7. Additional copies of documents to be conformed by the Clerk. Copies of the cover sheet and this addendum must be served along with the summons and complaint, or other initiating pleading in the case.

CIVIL CASE COVER SHEET