



HEARTLAND CHARTER SCHOOL
955 Stanislaus St. Maricopa, CA 93252
Phone (661) 525-1178 * Fax (661) 465-4544

**Regular Scheduled Board Meeting
Heartland Charter School
February 21, 2020 – 2:00 pm
5060 California Avenue #420
Bakersfield, CA 93309**

Through Teleconference

**Tony Miranda
601 24th Street
Bakersfield, CA 93301**

AGENDA

1. Call to Order
2. Approval of the Agenda
3. Public Comments
4. Closed Session – Conference with Legal Counsel – Anticipated Litigation § 54956.9
5. Adjournment

Public comment rules: Members of the public may address the Board on agenda or non-agenda items. Please fill out a yellow card available at the entrance. Speakers may be called in the order that requests are received, or grouped by subject area. We ask that comments are limited to 2 minutes each, with no more than 15 minutes per single topic so that as many people as possible may be heard. By law, the Board is allowed to take action only on items on the agenda. The Board may, at its discretion, refer a matter to district staff or calendar the issue for future discussion.

Note: Heartland Charter School Governing Board encourages those with disabilities to participate fully in the public meeting process. If you need a disability-related modification or accommodation, including auxiliary aids or services, to participate in the public meeting, please contact the Governing Board Office at 818-207-3837 at least 48 hours before the scheduled board meeting so that we may make every reasonable effort to accommodate you. (Government Code § 54954.2; Americans with Disabilities Act of 1990, § 202 (42 U.S.C. § 12132)).



February 18, 2020

Via E-Mail

Provenance, d.b.a. Inspire Charter Services
c/o Steven Lawrence, PhD, Executive Director
1740 E. Huntington Drive, No. 205
Duarte, CA 91010
stevenl@inspireschools.org

Yosemite Valley Charter School
c/o Laurie Goodman, PhD, Principal/Senior Director
1781 E Fir Ave Ste 101
Fresno, CA 93720
laurie@inspireschools.org

Heartland Charter School
c/o Courtney McCorkle, Principal
5060 California Ave., #420
Bakersfield, CA 93309
courtney@heartlandcharterschool.org

Pacific Coast Academy
c/o Krystin Demofonte, Principal
13915 Danielson St. #103
Poway, CA 92064
krystin@inspireschools.org

Blue Ridge Academy
c/o Samantha Haynes, Principal
1740 Huntington Dr., Ste. 205
Duarte, CA 91010
samantha@inspireschools.org

Dear Clients:

You have asked our firm to represent Provenance, d.b.a. Inspire Charter Services, Yosemite Valley Charter School, Heartland Charter School, Pacific Coast Academy, and Blue Ridge Academy (the Companies or you), and we have agreed to do so after speaking with you and discussing the nature of our representation with you in some, but not complete detail. While we have reviewed many of the facts, we have not reviewed nor are we familiar with all facts and relevant documents at this time. We do, however, have a fairly good idea of the nature of your case and the relevant facts.

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Both good business practices, and the California Business and Professions Code, require that we have a written agreement detailing the nature and specifics of our attorney/client relationship to ensure our expectations are the same relating to your retention of our services. This letter constitutes our written, attorney/client fee agreement.

I will be in charge of your case assisted by any other lawyers, paralegals or law clerks we think would be helpful as it is our practice to assign more routine aspects of any case to the most junior, least expensive person capable of performing a particular task. You are hiring a law firm which consists of a number of people and, as such, it is the firm that will represent you not any one specific person. We reserve the right to determine, in our judgment and with your best interests in mind, how to staff your case and we will assign the most appropriate attorneys and support staff to you.

This is our agreement concerning our representation.

1. The nature of our representation in this matter shall include: Defending the Companies in a SEC Investigation, *In re Matter of Inspire Charter Schools (SF-4333)*. We will provide the legal services reasonably required to carry out this representation. Services for any matters not described above are outside the scope of our engagement and will require a separate, subsequent negotiated and written agreement between you and our firm.
2. We will maintain time records based upon hourly rates charged according to the schedule attached which depend upon the individual performing services for you. The rate for a particular individual is based upon that individual's experience and expertise. Services on your behalf, depending on the nature of the specific service, shall be performed by different individuals, whose hourly rates are not the same. Our general practice is to assign the more routine aspects of a case to the attorney, paralegal or law clerk most capable of doing that task at the lowest hourly rate.
3. Our charges for fees are based exclusively on time expended. In charging for our time, we employ a particular structured system. Each attorney, paralegal and other timekeeper maintains daily time sheets, on which time is entered and, on a daily or other regular basis, that time, in turn, is entered into our computer billing system which becomes the basis for the printed statement which you will receive on a regular monthly basis shortly after the first of each month.
4. Our basic billing is done in tenth-of-an-hour increments. We do not bill for only a few minutes of time to perform a task, including brief phone calls, unless the time for such brief tasks accumulates over a short period of time so that billing a tenth of an hour is warranted.

Notwithstanding the foregoing, we do not charge for an extremely brief telephone call or short email.

5. Provenance has agreed to pay our firm an initial retainer deposit of **\$25,000.00** to retain us. The retainer deposit, as well as any future deposits, will be deposited into our firm's client trust account. You agree that we may draw from those funds, from time to time, to pay for our fees and other charges as they are incurred. The retainer is fully refundable. Should you no longer need our services and we have not exhausted the retainer, you are entitled to a prompt refund of any unused portion of the retainer.
6. Each of you is our client and all of you are responsible for payment of our fees. You may, of course, have any agreement amongst yourselves on how you share those fees internally, but your internal sharing arrangement is between and amongst yourselves and not binding upon our firm.

You understand, however, that this initial retainer may not represent all of the fees that will be required in your case. If a case does not settle and proceeds to hearings or trial, the fees will be greater. If it is settled without the need for a hearing, the overall fees will be less. It is impossible, for this or any case, to predict the total cost necessary to effectuate the outcome. You agree that, whenever the initial retainer is exhausted, we may demand further deposits be paid to us before we are required to continue our representation. If the case does not settle, and we proceed to mediation or hearings, we will ask you for an additional retainer prior to mediation or hearings which will cover the anticipated amount of any outstanding fees or disbursements owed to our firm, as well the attorney's fees we estimate we will incur in preparing for and completing the mediation or hearings, and all expert witness fees, other costs and expenses likely to be incurred through completion of mediation or hearings.

7. We will bill you on a monthly basis. **All invoices are payable within 30 days of receipt.** The monthly bills or statements to you are in substantial detail. We do not discount bills at the conclusion of a matter, and you should have no expectation of any discount being considered. Any invoices that are not paid within thirty (30) days will bear interest, until paid, at the annualized rate of ten percent (10%).
8. In addition to attorneys' fees, during the course of your case there may be costs incurred for which you will be responsible. Those costs will include, but not be limited to and initial or subsequent filing fees, overnight courier and messenger fees, outside photocopying, court call, outside document management (ESI) fees, in-office photocopying (billed at 22 cents/page), expert witnesses or outside consultants, etc. We will advise you of all such

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costs as we progress with your case. If we feel that it would be helpful for your case to retain the services of an expert witness or consultant, we will propose one or more experts or consultants, as the case may be, and you will retain, and pay, those experts or consultants directly. We will not advance or be responsible for any expert fees or costs.

9. You are immediately and separately responsible for all costs incurred in your case. We will not, and do not advance costs on behalf of our clients, and it is fully expected that you will pay for such costs when requested by us. Furthermore, even though you may have paid us a retainer, we reserve the right to ask you for the payment of cost items separate and apart from your retainer in advance of when they are owed. To pay for these costs, you have two options: You can complete a credit card form to which card we will charge those expenses after advising you of the nature and amount of the expense; or you can provide us with an advance deposit to cover the initial costs which we will ask you to replenish, from time to time, as that deposit is exhausted. Any advance payment for costs will be deposited into our firm's client trust account and will be drawn against as those costs are incurred.
10. In reviewing your statement from us, we urge you to carefully consider the fact that the practice of law is unlike certain other professional practices. A great deal of time is spent devoted to a matter outside of the client's presence. We will be happy to meet or speak with you at any time to explain the nature of all of the work that has been performed on your behalf. While we will forward to you copies of any correspondence or other documents we receive or generate, and will do our best to keep you informed of the status of your case, we encourage you to contact the partner in charge with any questions at any time.
11. Our years of experience in this field of law have taught us that it is impossible to quote a fixed fee or even a reasonable estimate of total fees. The nature of the cases themselves are frequently compounded by the personalities of the respective parties and respective counsel. We will be pleased, however, to discuss our then analysis of the generalized scope of your potential additional fees from time to time. It is impossible to predict how much this case will cost since we have no idea whether a settlement will be reached and, if so, at what point in the case and most of what we need to do will depend on what the other side does. Nor can we, or do we, make any guarantee of the outcome of your matter. We will make all reasonable efforts to achieve your desired results. Court and arbitration proceedings, and all negotiations, however, are often highly unpredictable. I am sure you understand that our firm cannot make any promise or guarantee that we can or will obtain any specific result. Our comments about possible outcomes are our expressions of opinion only.

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12. If you have any question or concern about any provision of this retainer agreement, you are free to consult with another attorney prior to signing it. By signing it, you will be deemed to have fully understood and approved of all of the terms and provisions hereof.
13. By signing this agreement, you hereby grant our firm a lien only on the claims and causes of action that are the subject of the representation under this agreement. The lien will be for any sums owing to our firm at the conclusion of services performed. The lien will attach to any recovery you may obtain, whether by arbitration award, judgment, settlement or otherwise. The effect of such a lien is that our firm may be able to compel payment of fees and costs from any such funds or other recovery obtained on your behalf even if our firm has been discharged before the end of the case. Because a lien may affect your property rights, please be advised you may seek the advice of an independent lawyer of your choice before agreeing to such a lien. By signing this agreement, however, you represent and agree that you have had a reasonable opportunity to consult with such an independent lawyer and—whether or not you have exercised that right—you agree that our firm will have a lien as specified herein. We further agree that we are authorized to endorse, negotiate and deposit any settlement check or judgment or award payments we collect, whether payable to you, our firm or to us jointly, into our firm’s trust account and that, from that deposit, we will be entitled to first pay our firm any fees or disbursements owed to our firm. We will promptly remit the remaining balance to you.
14. You agree to be truthful with us, to cooperate, and to keep us informed of any information or developments that come to your attention that may impact your case. We, in turn, agree to be truthful to you, to cooperate with you, to keep you informed of significant developments and, to the best of our ability, to ethically and zealously represent your interests. We reserve the right to withdraw from your case, however, if you breach this agreement; fail to be honest and truthful to us; refuse to cooperate or follow our advice on a material issue or the actual facts of the case turn out to be, in our opinion, materially and negatively different than you have described them to us.
15. This agreement represents our entire understanding and agreement with respect to the matters recited herein. There have not been any oral promises, representations, or statements inconsistent with or in addition to the terms hereof upon which you are relying in entering into this agreement. Furthermore, no amendment or modification may be made hereto except by a writing signed by both of us. We have informed you that there is no standard retainer agreement and the agreement set forth in this letter is one negotiated between us, as your attorneys, and yourselves, as the client. You confirm that we have

advised you to have an independent attorney review this agreement on your behalf and you further confirm you have had an opportunity to do so.

16. The Clients entering into this attorney/client agreement acknowledge they have been advised of the potential of a conflict of interest between them in relation to their prospective claims and defenses. Although the interests of the Clients in this matter are generally consistent, and it does not appear there is any obvious conflict of interest at this stage of the case, it is recognized and understood that differences may exist or arise between one or more of the clients during the course of our representation. While we are not aware of an actual conflict at this time, a dispute may arise amongst Clients involving, amongst other things, the general direction and strategy of the case moving forward. Other conflicts may arise of which we are currently unaware. Notwithstanding these possibilities, Clients have determined that it is in their individual and mutual interests to have a single law firm represent them jointly in connection with this matter. Accordingly, this confirms the agreement of the Clients that Shustak Reynolds & Partners, P.C. may represent all of the Clients jointly in connection with this matter, and Clients each have agreed to waive any conflict of interest arising out of the joint representation.

With limited exception, an attorney who represents a single client is obligated to keep all communications with his or her client confidential. When an attorney represents more than one client in the same claim or action, however, the attorney must be able to tell one client what the other said with regard to matters related to the subject of the joint representation. It is further understood and agreed, therefore, that Shustak Reynolds & Partners, P.C. may freely convey necessary information provided by one client to another client, and Clients agree they have waived their right to confidentiality as to those communications in the limited manner described herein. Nothing herein shall constitute a general waiver of the attorney-client privilege or otherwise render communications amongst and between Clients and Shustak Reynolds & Partners, P.C. non-confidential as to the opposing parties or other third parties.

Furthermore, an attorney owes his or her client a duty of loyalty. In the case of joint representation, a duty of loyalty is owed to each of the jointly represented clients. A conflict of interest may arise if our duty of loyalty to one of the Clients impacts our ability to fulfill the duty of loyalty owed to another Client such that actual adversity between the Clients exists. If such a situation arises, we will discuss it with you and evaluate potential options on how to proceed.

During the course of negotiating a settlement for you, it is possible there is an offer of settlement made to some or all of the clients that is different than the offer made to others.

It also is possible that one or more clients decide to accept any particular offer and no longer be part of the group we are representing. Each of you has the right to decide to accept an offer of settlement, or discontinue your claims at any stage of our representation of you. If one or more of you decides to accept an offer of settlement and resolve your differences, the remainder of the clients have the right to continue your case without that settling client. Once a client decides to resolve his or her differences, the costs from that point forward, for our firm's fees and related disbursements, will be shared by the remaining, non-settling clients.

We were first retained by Provenance, and would continue to represent it should an actual conflict arise between it and any or all of the other Companies. Should such an actual conflict arise, we would withdraw from continuing to represent the Company or Companies adverse to Provenance, and you agree in advance, by signing this conflict waiver, that we would be able to continue representing Provenance in that situation even through its interests had become actual adverse to yours and even through we may have gained confidential or attorney-client privileged information from you in the process of representing you.

Finally, Clients acknowledge they have been advised to seek the advice of independent counsel before executing this Joint Representation Agreement and, by signing this agreement, confirm they have had a reasonable opportunity to do so.

17. It is our sincere desire that there never be a dispute between us relating to our engagement. Clear communications of our up-front expectations, and truthful and accurate communications during our engagement, should preclude any such problems. However, it is prudent for us to agree at the outset how we will resolve any such dispute should one arise.

First, if we have a dispute relating to fees or disbursements owed to our firm, you, as the client(s) have the right to require any such dispute be submitted to final and binding Mandatory Fee Arbitration procedures as set forth in the California Business and Professions Code to resolve any such dispute. That program is administered by the San Diego County Bar Association. If you do initiate a fee dispute to such arbitration, we both agree that any such arbitration award will be final and binding. Since only clients, and not attorneys, may insist on mandatory fee arbitration, if we, as your attorneys, have a fee dispute, we first will ask you to voluntarily submit that dispute to final and binding fee arbitration before the San Diego County Bar Association. If you do not agree, however, we will pursue any fee dispute one against the other in court and we agree that the sole and exclusive venue for any dispute relating to fees or disbursements owed to our firm shall be

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in either: (i) the Superior Court of California, County of San Diego; or (ii) the United States District Court for the Southern District of California located in the County of San Diego, California. You and we expressly consent and submit to the jurisdiction of either such court, and agree to accept service of process inside or outside the State of California in any such dispute.

Second, if a dispute arises where you believe our firm has acted negligently and has caused you damages, we jointly agree to submit such dispute to final and binding arbitration. Specifically, we jointly agree that any claim arising out of our rendition of legal services on your behalf, including claims of legal malpractice, will be determined by submission of any such dispute to final and binding arbitration and not by a lawsuit or resort to a court proceeding. This includes any claim by you that any legal services were improperly, negligently or incompetently rendered. "Binding arbitration" means we will not go to court but, instead, will have our dispute heard in a more streamlined, private process which is final, not subject to appeal and usually quicker and less costly to both of us. By entering into this agreement, we both are giving up our right to have any such disputes decided in a court of law and before a jury. We jointly agree the arbitrator will have the right to determine our rights according to the law of California and the arbitration will be administered by JAMS exclusively within San Diego County, using a single, mutually agreeable arbitrator, according to the rules and procedures of JAMS.

The following sentence is required to be enlarged and bold faced to make sure we understand that we are agreeing to give up important rights. **BY SIGNING THIS AGREEMENT, WE JOINTLY AGREE TO HAVE ANY ISSUE OF LEGAL MALPRACTICE DECIDED BY A SINGLE, NEUTRAL ARBITRATOR AND WE JOINTLY ARE WAIVING OUR RIGHT TO A JURY OR COURT TRIAL.**

If the foregoing is acceptable, please counter-sign this agreement and return the signed copy to us, together with your initial retainer check, payable to Shustak Reynolds & Partners, P.C., so that we will have a mutual memorandum of our understanding. Please return the signed retainer letter and the retainer check to our San Diego office, 401 West "A" Street, suite 2250, ATT: Accounting. We will not undertake any substantive work without receiving a signed retainer letter and your initial retainer payment. If you wish to pay all or any part of the retainer with a credit card, please let me know and I will forward a credit card charge sheet to you.

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Thank you for entrusting your matter to us. Be assured we will do our best to represent your interests. I look forward to working with you. My cell phone is (858) 922-3691. Please call me any day, any time and for any reason. I always am available to our clients.

Very truly yours,



PAUL A. REYNOLDS



SHUSTAK REYNOLDS & PARTNERS CURRENT HOURLY RATES
(subject to adjustment, from time to time)

Erwin J. Shustak.....	\$795/hr.
Richard Weintraub.....	\$695/hr.
Paul A. Reynolds	\$595/hr.
James Reynolds.....	\$495/hr.
Jonah A. Toleno	\$495/hr.
George C. Miller	\$495/hr.
Robert R. Boeche II	\$495/hr.
Kara Siegel.....	\$450/hr.
Tyler McQuillan.....	\$450/hr.
Katherine S. Bowles.....	\$425/hr.
Joseph Mellano	\$395/hr.
Paralegal/JD	\$235/hr.
Paralegals/Legal Assistants.....	\$195/hr.
Law Clerks	\$165/hr.
Clerical/Administrative Personnel	\$95/hr.

I ACKNOWLEDGE, UNDERSTAND,
AND AGREE TO THE FOREGOING:

PROVENANCE, d.b.a INSPIRE CHARTER SERVICES

Steven Lawrence, PhD, Executive Director

YOSEMITE VALLEY CHARTER SCHOOL

Laurie Goodman, PhD, Principal/Senior Director

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HEARTLAND CHARTER SCHOOL

Courtney McCorkle, Principal

PACIFIC COAST ACADEMY

Krystin Demofonte, Principal

BLUE RIDGE ACADEMY

Samantha Haynes, Principal