

October 1, 2025

Labor & Workforce Development Agency

ATTN: PAGA Administrator

1515 Clay Street, Suite 801

Oakland, CA 94612

Email: PAGAfilings@dir.ca.gov

RE: Final PAGA Settlement Enforcement Notice – Mountain Valley Homeowners Association

PAGA Case No: LWDA-CM-1098706-25

To Whom It May Concern:

Please accept this formal submission of a PAGA enforcement settlement notice involving Mountain Valley Homeowners Association (MVHOA), pursuant to California Labor Code § 2699(l) and related enforcement provisions. This notice documents final civil penalty enforcement based on a previously filed and unremedied PAGA claim.

The undersigned holds valid derivative and PAGA enforcement authority. Despite proper notice, the named parties failed to cure or respond within the statutory period. This enforcement notice is being submitted to LWDA for regulatory documentation and potential state-level intervention, audit, or escalation.

The following materials are included:

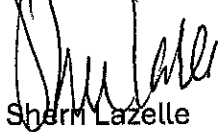
- Executed PAGA Settlement Notice
- Proof of Service
- Certification of No ADR / IDR

- Original PAGA Notice

This settlement does not waive any criminal liability, civil penalties, or regulatory enforcement rights. All derivative and statutory remedies are fully preserved under California law.

Please confirm receipt of this filing or contact me directly with any regulatory questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Sharm Lazelle", written over the printed name.

Derivative and PAGA Enforcement Representative

On behalf of Mountain Valley Homeowners Association (MVHOA)

Email: [INSERT YOUR EMAIL HERE]

Phone: [INSERT YOUR PHONE NUMBER HERE]

Date: October 1, 2025

PRIVATE ATTORNEY GENERAL ACT (PAGA) SETTLEMENT NOTICE

Mountain Valley Homeowners Association – Final Settlement Terms

Dated: September 30, 2025

I. INTRODUCTION AND PURPOSE

This document constitutes a formal Private Attorney General Act (PAGA) settlement notice pursuant to California Labor Code § 2699 et seq., issued by the undersigned in derivative and enforcement authority on behalf of Mountain Valley Homeowners Association (MVHOA). It resolves civil penalty exposure for systemic fiduciary misconduct, unremedied labor code violations, insurance fraud, and regulatory breaches impacting MVHOA, its members, and broader public interest.

This PAGA notice is part of a private enforcement and collection action, executed outside the court system due to widespread obstruction, unclean hands, and noncompliance by all named parties. It operates under binding derivative and PAGA authority and is not subject to further challenge by any entity or individual lacking lawful capacity, proper standing, or compliance with statutory prerequisites.

The undersigned reserves all rights to escalate this document to the California Department of Insurance (CDI), the Labor & Workforce Development Agency (LWDA), and other regulatory agencies should payment be obstructed, mishandled, or delayed.

This notice does not waive criminal liability or immunize any party from future regulatory enforcement, corporate forfeiture, or disbarment. It settles civil penalty obligations only and explicitly preserves the right to pursue criminal or administrative consequences separately.

This settlement further supports:

- Derivative enforcement claims under California Corporations Code §§ 800–802 and Civil Code § 5980
- Statutory penalty recovery under PAGA (Lab. Code §§ 2698–2699.5)

- Regulatory enforcement and consumer protection under the California Insurance Code, Business & Professions Code, and Davis–Stirling Act
- RICO predicate claims involving forged TROs, fraudulent identity use, misuse of insurance proceeds, and obstruction of derivative litigation

No further notice or hearing is required. Default status is triggered under Labor Code § 2699.3 and related corporate code provisions.

II. PARTIES AND STANDING

Enforcing Party:

The undersigned holds derivative enforcement authority over Mountain Valley Homeowners Association (MVHOA) and possesses valid PAGA standing over all named entities and individuals.

This authority arises from:

- Refusal to provide records to a co-owner (in violation of the Davis–Stirling Act, Cal. Civ. Code §§ 5200–5240)
- Systemic fiduciary breaches by the board
- Misuse of corporate authority
- Ongoing concealment of litigation and funds
- Procedural and regulatory violations following notice

Settling Party (Nominal):

Mountain Valley Homeowners Association (MVHOA) — named as the nominal settling party for the purpose of resolving statutory penalties and regulatory exposure.

Funding Source (Non-Named Settling Party):

Philadelphia Indemnity Insurance Company is not named as a settling party in this agreement.

However, Philadelphia is contractually obligated to fund this settlement in full pursuant to its coverage duties under the applicable HOA liability policy.

Philadelphia is the exclusive funding source and may be subject to regulatory and statutory enforcement if payment is obstructed or delayed.

III. MONETARY TERMS

Total PAGA Penalty Settlement Amount: \$5,000,000.00

Breakdown of Responsibility:

- Mountain Valley Homeowners Association (Entity)
 - \$50,000.00 (nominal penalty amount)
- Board Members (*Joint and Several Liability*)
 - Remaining amount apportioned among all past and present board members.
 - Names are withheld in this version and collectively referred to as "Board Members" throughout.
 - Personal liability based on fiduciary breach, obstruction, and derivative harm.
- Philadelphia Indemnity Insurance Company (*Funding Source Only*)
 - Not named as a formal settling party
 - Required to fully fund this settlement under existing policy obligations
 - Subject to regulatory enforcement action (e.g., California Department of Insurance penalties, suspension, or clawback) if funding is delayed, withheld, or rerouted unlawfully

Statutory Distribution (Per Cal. Lab. Code § 2699(i)):

- 75% payable to the California Labor & Workforce Development Agency (LWDA)
- 25% payable to the enforcing derivative/PAGA representative

- Payment of the full settlement amount is due within ten (10) calendar days of receipt of this notice. Failure to pay constitutes breach and triggers immediate regulatory and collection enforcement.

IV. CHARGES AND CAUSES OF ACTION (INCORPORATED BY REFERENCE)

This PAGA settlement incorporates all claims and violations previously detailed in the original PAGA notice, and expands them based on post-notice misconduct.

These include:

A. Fraud, Deceit, and Financial Misconduct

- Fraud and Deceit
- Commingling of Funds (MVHOA and California HOA Solutions)
- Forgery / Use of Stolen Identity in TROs
- Misappropriation of HOA Funds
- Concealment of Lawsuits from Owners
- Failure to Maintain and Provide Records

Governing Laws Violated:

- Davis–Stirling Act (Civ. Code §§ 5200–5240)
- Insurance Code §§ 790.03(h), 790.035, 790.05
- Title 10 CCR § 2695.7 (Unfair Claims Settlement Practices)

B. Corporate Governance and Fiduciary Breach

- Breach of Fiduciary Duty
- Obstruction of Derivative Claims
- Retaliation Against HOA Member

- Failure to Respond to PAGA Notice
- Negligence

Governing Laws Violated:

- Corp. Code §§ 7210–7238, 800–802
- Civ. Code § 5980
- Labor Code § 2699.3

C. Insurance and Legal Malpractice Violations

- Bad Faith Insurance Practices
- Use of Unlicensed / Suspended Counsel
- Refusal to Cooperate with Regulatory Oversight

Governing Laws Violated:

- Insurance Code §§ 790.03–790.05
- Business & Professions Code §§ 6125–6130
- Labor Code § 2699 et seq.

D. RICO and Federal Predicate Offenses

- Civil RICO Violations (18 U.S.C. § 1962)
- Pattern of Mail and Wire Fraud
- Conspiracy to Defraud via TRO Abuse and Insurance Misconduct

V. BASIS FOR DEFAULT SETTLEMENT

This Private Attorney General Act (PAGA) settlement is enforceable without a court hearing based on the following uncontested defaults and statutory authority:

- **Failure to Respond Within 65 Days:**

The named parties failed to cure, investigate, or respond to the original PAGA notice within the 65-day statutory window as required by Labor Code § 2699.3(a)(2)(A). Their silence constitutes waiver and default.

- **Proper Exercise of Derivative Standing:**

The enforcing party exercised derivative standing on behalf of MVHOA under California Corporations Code §§ 800–802 and Civ. Code § 5980, without challenge or lawful opposition. No party has filed any valid objection or rebuttal to that authority.

- **Ongoing Post-Notice Misconduct:**

The named parties, after receiving lawful notice, continued engaging in misconduct, including:

- Filing unauthorized or fraudulent pleadings
- Refusing to produce HOA books, records, or financials
- Employing suspended, non-California-licensed, or unregistered legal counsel in violation of Bus. & Prof. Code § 6125
- Obstructing access to bank accounts and insurance claim information

These acts constitute willful disregard of fiduciary and statutory obligations and trigger default enforcement rights under both PAGA and derivative law.

VI. STRUCTURAL REMEDIES AND OVERSIGHT

- **Removal of All MVHOA Board Members**

Immediate and total removal of all current board members due to fiduciary breach and obstruction of derivative/PAGA authority, consistent with Corporations Code §§ 7220–7223 and Civil Code § 5100 et seq. (Davis–Stirling Act).

- **Enforcement of Bank and Document Access**

MVHOA must immediately provide access to:

- All financial records and HOA books

– All HOA bank accounts

– All communications with Philadelphia Insurance or outside counsel

Failure to provide access constitutes continuing violation of Davis–Stirling Act § 5200 and Insurance Code § 790.03(h).

- Document Custody and Corporate Oversight

All corporate governance documents must be delivered to the enforcing party. No filings may be made by prior counsel or board members under the MVHOA name. This condition is enforceable under derivative standing and PAGA authority (Labor Code § 2699.3).

- Reserves Rights for Future TRO / Warrant Removal

This notice does not yet address criminal warrants or fraudulent TROs, which will be settled in separate derivative filings against additional parties (e.g., CHOAS and Steve Waisbren). Philadelphia's continued funding of such matters constitutes unfair claims settlement practices under 10 CCR § 2695.7 and Insurance Code §§ 790.03(h), 790.05.

VII. REGULATORY NOTICES AND COLLECTION RIGHTS

This notice is not yet submitted to any state or federal agency. It is issued solely for the following purposes:

- Private enforcement under derivative and PAGA authority
- Initiation of collection agency recovery and lien enforcement

The enforcing party reserves all rights to escalate this matter to relevant regulatory and prosecutorial agencies in the event of continued noncompliance, obstruction, or settlement breach. Reserved agencies include, but are not limited to:

- California Department of Insurance (CDI) – for insurance fraud, claims handling violations, and carrier misconduct under Insurance Code §§ 790.03 and 790.05
- California Labor & Workforce Development Agency (LWDA) – for non-payment of statutory penalties under Labor Code § 2699

- California Secretary of State – for corporate suspensions, illegal filings, or violations of Business & Professions Code §§ 17900–17930
- Internal Revenue Service (IRS) and Franchise Tax Board (FTB) – for tax evasion, fraud, and improper filings
- California Attorney General's Office – for broader civil RICO enforcement, corporate fraud, and fiduciary breaches affecting HOA residents

Nothing in this notice waives any enforcement rights under federal or state law.

Payment must be received within ten (10) calendar days. Enforcement actions, including liens and regulatory escalation, will commence immediately thereafter if no confirmation of payment is received.

Non-Waiver of Criminal and Civil Enforcement Rights

This settlement does **not waive, diminish, or restrict** the rights of Mountain Valley Homeowners Association (MVHOA) to pursue **criminal complaints, civil penalties, or administrative actions** against any individual or entity responsible for its financial harm, legal obstruction, or fiduciary injury.

MVHOA expressly **reserves all rights to initiate or support criminal referrals, bar complaints, contractor licensing actions, insurance fraud enforcement, and other public or private remedies** against board members, property managers, attorneys, and affiliated individuals or firms. These rights are retained in full under:

- California Penal Code
- Civil RICO (18 U.S.C. § 1961 et seq.)
- California Government Code §§ 12650–12656 (False Claims)
- Cal. Bus. & Prof. Code §§ 17200 et seq. (Unfair Competition)

Nothing in this notice shall be construed as a release, waiver, or settlement of any criminal claims or future civil proceedings arising from the misconduct outlined herein.

CERTIFICATION, PUBLIC INTEREST NOTICE, AND EXECUTION

Certification Under Penalty of Perjury

This PAGA settlement notice is executed under penalty of perjury under the laws of the State of California. The undersigned affirms that all factual representations, legal authority, and claims asserted herein are true and correct to the best of their knowledge and belief, and are made in their official capacity as derivative and PAGA enforcement representative for Mountain Valley Homeowners Association.

Public Interest Exception to Confidentiality

Pursuant to California Labor Code § 2699(g)(1), this action is brought in the public interest for the enforcement of labor, insurance, fiduciary, and governance laws. No party may request or condition payment upon the concealment, sealing, or confidentiality of this notice or any related settlement terms. Any attempt to do so constitutes obstruction and regulatory interference under applicable statutes.

Reservation of Enforcement Rights

All derivative, statutory, and regulatory rights are fully reserved. This document is enforceable without judicial confirmation. Collection, lien, and regulatory escalation shall commence if full payment is not received within ten (10) calendar days of service.

VIII. EXHIBITS

The following exhibits are incorporated by reference and attached in support of this PAGA settlement and derivative enforcement action:

- **Exhibit A – Proof of Service**

Documentation showing service of this PAGA enforcement settlement to:

- Philadelphia Indemnity Insurance Company, as the contractually obligated funding source under the applicable HOA liability policy.
- Lordon Management, listed as the official *Agent for Service of Process* for Mountain Valley Homeowners Association (MVHOA) according to public records. Lordon Management is served solely for the purpose of legal notice to MVHOA under California Corporations Code §§ 1502(b), 2117, and Civil Code § 5200 et seq.

- *No valid board control, legal representative, or authorized manager exists due to ongoing fraud, unauthorized filings, and operational misconduct. Service on the agent of record is provided strictly to meet legal notification requirements under California law. Individual board members will be served separately upon enforcement or lien action.*
- **Exhibit B – Certification of No ADR / IDR**
Formal certification that no Internal Dispute Resolution (IDR) or Alternative Dispute Resolution (ADR) was offered or conducted by MVHOA as required under Civil Code §§ 5900–5960.
- **Exhibit C – Original PAGA Notice (Filed or Submitted)**
Copy of the initial PAGA letter issued under Labor Code § 2699.3, showing the start of the 65-day response period.
- **Exhibit D – Executed PAGA Settlement Notice**
A fully signed and certified version of this final PAGA enforcement settlement, executed under penalty of perjury by the authorized derivative and PAGA representatives.

Signatories

Executed on this 30th day of September 2025

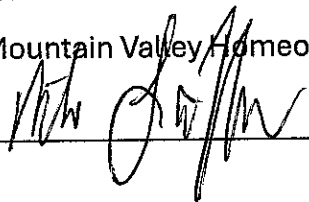
By:

Michael LaZelle

Derivative and PAGA Enforcement Representative

On behalf of Mountain Valley Homeowners Association (MVHOA)

Signature: _____



And

Sherri LaZelle

Derivative and PAGA Enforcement Representative

On behalf of Mountain Valley Homeowners Association (MVHOA)

Signature: _____

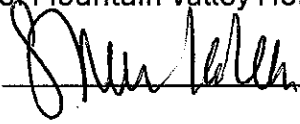
A handwritten signature in black ink, appearing to read "Sherri LaZelle", is written over a horizontal line.

EXHIBIT A

PROOF OF SERVICE

The undersigned certifies that on **October 1, 2025**, the attached PAGA enforcement settlement notice, executed under derivative and Private Attorney General Act (PAGA) authority, was delivered via electronic mail to the following recipients:

1. Philadelphia Indemnity Insurance Company

Claims Department

Email: Claimsreport@phly.com

Address (reference):

One Bala Plaza, Suite 100

Bala Cynwyd, PA 19004-0950

Telephone: (800) 765-9749

2. Lordon Management

(Listed Agent for Service of Process for Mountain Valley Homeowners Association (MVHOA))

Address: 1275 Center Court Drive, Covina, CA 91724

Email: donalea@mylordon.com or customerservice@mylordon.com

Telephone: (626) 967-7921

No additional parties were served at this time. Individual board members of MVHOA remain subject to future enforcement, lien, or personal service as permitted by law. This proof of service may be supplemented if further regulatory or collection action is required.

Executed under penalty of perjury under the laws of the State of California.

Date: October 1, 2025

Signed: _____

Name: Sherri Lazelle

Title: Derivative and PAGA Enforcement Representative

On behalf of: Mountain Valley Homeowners Association (MVHOA)

EXHIBIT B

CERTIFICATION OF NO ADR

Mountain Valley Homeowners Association

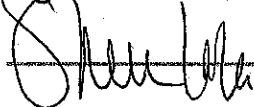
I, the undersigned, hereby certify and declare under penalty of perjury under the laws of the State of California that:

1. I am a member of Mountain Valley Homeowners Association, located in the City of Simi Valley, County of Ventura, State of California.
2. As of January 14, 2023, and continuing to the present day, there has been no Alternative Dispute Resolution (ADR) conducted between myself and the Board of Directors, any acting management company, or any associated party claiming authority or control over Mountain Valley Homeowners Association.
3. This certification applies to all disputed matters relating to liens, fines, alleged violations, property interference, civil harassment, or any action initiated by or involving the HOA, whether through private correspondence, public record, unlawful detainer, restraining order, or judicial proceeding.
4. No offer, invitation, agreement, or scheduling of ADR was ever made in compliance with California Civil Code §§ 5925–5965 (Davis-Stirling Common Interest Development Act), and no Notice of ADR was served, delivered, or honored by any officer or agent of the Association.
5. Therefore, any legal action, foreclosure, lien, fine, sale, or judgment made or pursued by the HOA or its representatives is and was procedurally unlawful, and any transaction connected to these violations is subject to reversal, liability, and criminal investigation.

Executed this 7th day of July, 2025,

at July 7th 2025 Simi Valley CA (City, State).

Signature of Declarant:



Sherri-LaZelle: of the LaZelle Family

Derivative Claimant / Private Attorney General

Member, Mountain Valley Homeowners Association

EXHIBIT C

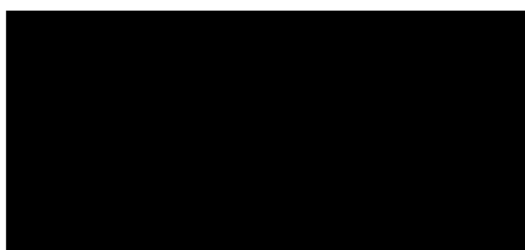
Private Attorneys General Act (PAGA) Notice
Submitted Pursuant to California Labor Code § 2699.3
Re: Labor Code, Public Policy, and RICO Violations

Private Attorneys General Act (PAGA) Notice of Labor Code Violations
Submitted under California Labor Code § 2699.3

Complainants and Authorized Enforcers:

Sherri-LaZelle: of the LaZelle family
Michael LaZelle, U.S. Air Force Veteran
Derivative Claimants, Whistleblowers, and Private Attorneys General
Acting under authority of:

- **California Civil Code §§ 3294, 5975 (Davis-Stirling Act)**
- **Labor Code § 2699 (PAGA – Private Enforcement Rights)**
- **Corporations Code § 17708.08 (Derivative Standing)**
- **U.S. Constitution and Public Trust Doctrine**



I. EMPLOYER/RESPONDENT NAMES:

- **Jeremy Yablan** – Contractor License #759496
- **Steven Waisbren, Esq.** – Operating without legal capacity
- **Martin Zaehring, Esq.** – Court-appointed without consent
- **Sabawoon “Sam” Shewa** – Unlicensed property manager
- **Christopher J. Weber Esq.** – Active participant in fraud, aiding others

II. ENTITIES:

1. Mountain Valley Homeowners Association (MVHOA)

- **Entity Name:** Mountain Valley Homeowners Association
 - **SOS Entity Number:** C1015863
 - **Entity Type:** Domestic Nonprofit Corporation
 - **Principal Address:** 2244 N Justin Ave, Simi Valley, CA 93065
-

2. California HOA Solutions LLC (CHOAS)

- **Entity Name:** California HOA Solutions LLC
 - **SOS Entity Number:** 202108410004
 - **Entity Type:** Domestic Limited Liability Company
 - **Principal Address:** 5850 Canoga Ave Ste 400, Woodland Hills, CA 91367
-

3. United Mechanical Contractors

- **Entity Name:** United Mechanical Contractors, Inc.
 - **SOS Entity Number:** C2371807
 - **Entity Type:** Domestic Stock Corporation
 - **Principal Address:** 794 East Los Angeles Ave, Simi Valley, CA 93065
 - **Contractor License Number:** 759496
 - **License Classification:** B (General Building), C-20 (HVAC)
 - **DIR Registration Number:** 1000004362
-

4. Freeman Mathis & Gary LLP

- **Entity Name:** Freeman Mathis & Gary, LLP
 - **SOS Entity Number:** 201507200018
 - **Entity Type:** Foreign Limited Liability Partnership
 - **Principal Address:** 550 South Hope Street, Suite 2200, Los Angeles, CA 90071
-

5. Philadelphia Indemnity Insurance Company

- **Company Name:** Philadelphia Indemnity Insurance Company
 - **California Company ID #:** 3576-6
 - **NAIC #:** 18058
 - **Date Authorized in California:** January 27, 1993
 - **License Status:** Unlimited-Normal
 - **Company Type:** Property & Casualty
 - **State of Domicile:** Pennsylvania
 - **Principal Address:** One Bala Plaza, Suite 100, Bala Cynwyd, PA 19004
-

III. ALLEGED LABOR CODE VIOLATIONS:

Complainant alleges the following violations against the above-named parties under the California Labor Code, Civil Code, and relevant public policy doctrines:

- **Labor Code § 98.6** – Retaliation against a whistleblower for reporting unlawful activity, including fraud, forgery, and misuse of court process.
- **Labor Code § 432.5** – Coercion to agree to unlawful or unenforceable legal agreements, including participation in defaulted HOA governance or silence regarding fraudulent filings.
- **Labor Code § 2802** – Failure to indemnify or protect a whistleblower for expenses incurred while defending against retaliatory legal actions, forged documents, and misuse of public systems.
- **Contractor Misconduct** – Unlicensed, uninsured, and fraudulent operations by United Mechanical Contractors and California HOA Solutions LLC (CHOAS), including payroll fraud, insurance evasion, and COVID-era PPP abuse.
- **Forgery and Judicial Process Abuse** – Fabrication and misuse of court documents (including Temporary Restraining Orders and affidavits), violating due process and creating retaliatory legal exposure for the complainant.
- **Fraud on the Court** – Active participation by attorneys and agents (including Steven Waisbren, Martin Zaehring, and Christopher J. Weber) in misrepresenting parties' legal standing and filing documents on behalf of suspended or nonexistent entities.
- **Violation of Public Policy** – Systematic use of defaulted or defunct corporate shells (MVHOA, CHOAS) to retaliate against whistleblowers and obstruct legitimate claims. These acts undermine public trust and violate constitutional and statutory protections.

Contractor & Insurance Fraud

(Applies to: Jeremy Yablan, United Mechanical Contractors, MVHOA, CHOAS, and Philadelphia Indemnity Insurance)

- **Jeremy Yablan**, while operating under Contractor License #759496 (United Mechanical Contractors), used his licensed entity to **conduct Mountain Valley HOA board business, issue retaliatory communications**, and enforce unlawful board decisions—while concealing the actual source of direction and fiduciary misconduct.
- **United Mechanical Contractors** functioned not only as a construction business but as a **proxy shell used to harass, threaten, and retaliate** against whistleblowers and dissenting HOA members, including the complainant, through fraudulent notices, repair actions, and billing threats.
- **MVHOA and CHOAS** exploited United Mechanical's business status to **evade direct liability** for board-level decisions, while Jeremy acted in a dual role—contractor and covert HOA agent—without disclosure, member consent, or lawful process.
- **Philadelphia Indemnity Insurance**, acting as insurer to these parties, failed to investigate, revoke, or report known fraud and misuse of insurance-backed business status, in violation of **Insurance Code § 1871.4** and **§ 790.03(h)**, and enabling continued public deception and financial harm.
- These activities constitute contractor fraud, insurance fraud, civil retaliation, and use of a licensed business to **commit RICO predicate acts** under false color of authority.

IV. Judicial and Administrative Misconduct

(Applies to: Steven Waisbren, Martin Zaehringer, Christopher J. Weber, Jeremy Yablan, Sabawoon "Sam" Shewa, and Philadelphia Indemnity Insurance Company)

- **Knowingly filed and/or supported forged TROs, falsified affidavits, and other fraudulent court documents** to retaliate against protected whistleblowers and interfere with valid derivative actions—violating **Penal Code §§ 115, 118, 132, and Civil Code § 52.1 (Bane Act)**.
- **Misused judicial and administrative processes** to file unlawful restraining orders, contempt actions, and fraudulent criminal charges for the purpose of intimidation, retaliation, and obstruction of justice.
- **Violated due process and legal ethics** by appearing without client consent, failing to obtain lawful court appointments, and concealing conflicts of interest—especially where no Penal Code § 977(b) waivers were signed or disclosed.
- **Knowingly represented suspended, defaulted, and defunct entities** (MVHOA, CHOAS, United Mechanical Contractors), in violation of **Corporations Code §§ 17708.07, 17701.09, and Business & Professions Code §§ 6125–6126**, while filing documents as if those entities had standing.
- **Jeremy Yablan and Sabawoon Shewa** acted as shadow officers and unauthorized board members of MVHOA and CHOAS, issuing threats, enforcing illegal rules, and using contractor and management positions to file retaliatory documents and false claims.
- **Philadelphia Indemnity Insurance** enabled and insured the continued operations of fraudulent, suspended, or criminally-involved entities, despite documented evidence of court fraud and retaliation—constituting aiding and abetting, civil conspiracy, and violation of **Insurance Code § 790.03(h) and § 1871.4**.
- This coordinated misconduct represents a pattern of **racketeering, public fraud, and targeted abuse of the legal system** to silence whistleblowers and protect a fraudulent enterprise operating through both public and private channels.

V. PAGA & RICO Extension – Derivative Liability Under Racketeering and Corporate Fraud Theories

Pursuant to **Labor Code § 2699(f)** (Private Attorneys General Act), **Corporations Code § 17708.08** (Derivative Standing), **Civil Code § 3294** (Malice, Fraud, Oppression), and **18 U.S.C. §§ 1961–1964** (Federal RICO), all named individuals and entities are **jointly and severally liable** for participating in, aiding, or profiting from a coordinated fraud and retaliation enterprise.

This RICO-qualified pattern includes:

- **Forged court documents** (e.g., TROs, affidavits, contempt filings)
- **Use of suspended or defaulted corporate shells** (MVHOA, CHOAS, UMC)
- **Contractor and insurance fraud to conceal retaliation**
- **Denial of constitutional rights, due process, and property protections**
- **Abuse of judicial process to intimidate, retaliate, or obstruct lawsuits**
- **Misrepresentation of standing, legal capacity, and agency authority in court**

These actions form a **systemic and deliberate racketeering enterprise** designed to suppress whistleblowers, silence derivative claimants, and obstruct lawful enforcement under state and federal law. The violations extend beyond labor code and implicate **federal mail fraud, wire fraud, false filings in public office, and obstruction of justice.**

This complaint proceeds under **dual sovereign authority**: as a **PAGA Private Attorney General under California law** and a **derivative claimant with RICO standing under federal statute.** All parties who aided or concealed the misconduct—including attorneys, insurers, and contractors—are liable.

VI. TIME PERIOD:

Violations began at minimum **August 1, 2020**, and continue through **May 2025** (ongoing). No records, insurance policies, tax compliance, or wage statements have been produced despite demand and court process.

VII. STANDING AND AUTHORITY TO ENFORCE

As a **derivative claimant, whistleblower, and private attorney general**, Complainant asserts standing under **Labor Code § 2699(a)** and related doctrines, including:

- **Derivative fiduciary control** of Mountain Valley Homeowners Association (MVHOA) and affiliated entities (CHOAS, United Mechanical Contractors) under the **Davis-Stirling Act and Corp. Code § 17708.08**
- **Direct retaliation victim** under **Labor Code § 98.6**, including threats, forged filings, and abuse of public process
- **Whistleblower status** for exposing contractor fraud, insurance misconduct, and illegal use of suspended entities in court
- **Constitutional standing** to challenge misuse of public resources, denial of due process, and coordinated fraud under both state and federal law, including **18 U.S.C. §§ 1961–1964 (RICO)**

This standing is independent of employment and arises from **public interest harm**, fiduciary obstruction, and retaliation against legal participation.

VIII. DEMAND FOR INVESTIGATION AND RIGHT TO PROSECUTE

The **Labor & Workforce Development Agency (LWDA)** is hereby placed on **formal notice** of these violations.

Pursuant to **Labor Code § 2699.3(a)**, Complainant demands that the state either **intervene within the statutory period** or **defer to private enforcement**.

Absent timely intervention, Complainant will proceed to:

- **Pursue civil penalties and equitable relief** on behalf of the People of the State of California
- **Seek injunctive relief, contempt findings, and constitutional remedies** against retaliating parties
- **File or expand a parallel federal RICO enforcement complaint** against all named parties for obstruction, fraud, and civil conspiracy

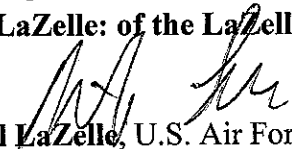
This action is brought in the **public interest**, not for personal benefit, and is based on violations that implicate **systemic corruption, judicial fraud, and unlawful retaliation** under both California and federal law.

Executed this day: 5/14/2025

By:



Sherri-LaZelle: of the LaZelle family



Michael LaZelle, U.S. Air Force Veteran

Private Attorneys General / Derivative Claimants
Authorized Representatives of the Public Interest
Acting under authority of:

- Labor Code § 2699 (PAGA)
- Civil Code § 3294 (Fraud, Oppression, Malice)
- Corporations Code § 17708.08 (Derivative Actions)
- Davis-Stirling Act (Civil Code § 5975)
- U.S. Constitution and RICO Statutes (18 U.S.C. § 1964)

Pursuant to Labor Code § 2699.3, this notice is being formally submitted to the Labor & Workforce Development Agency (LWDA) via approved online portal and simultaneously served on all listed respondents via certified mail.

EXHIBIT D

PRIVATE ATTORNEY GENERAL ACT (PAGA) SETTLEMENT NOTICE

Mountain Valley Homeowners Association – Final Settlement Terms

Dated: September 30, 2025

I. INTRODUCTION AND PURPOSE

This document constitutes a formal Private Attorney General Act (PAGA) settlement notice pursuant to California Labor Code § 2699 et seq., issued by the undersigned in derivative and enforcement authority on behalf of Mountain Valley Homeowners Association (MVHOA). It resolves civil penalty exposure for systemic fiduciary misconduct, unremedied labor code violations, insurance fraud, and regulatory breaches impacting MVHOA, its members, and broader public interest.

This PAGA notice is part of a private enforcement and collection action, executed outside the court system due to widespread obstruction, unclean hands, and noncompliance by all named parties. It operates under binding derivative and PAGA authority and is not subject to further challenge by any entity or individual lacking lawful capacity, proper standing, or compliance with statutory prerequisites.

The undersigned reserves all rights to escalate this document to the California Department of Insurance (CDI), the Labor & Workforce Development Agency (LWDA), and other regulatory agencies should payment be obstructed, mishandled, or delayed.

This notice does not waive criminal liability or immunize any party from future regulatory enforcement, corporate forfeiture, or disbarment. It settles civil penalty obligations only and explicitly preserves the right to pursue criminal or administrative consequences separately.

This settlement further supports:

- Derivative enforcement claims under California Corporations Code §§ 800–802 and Civil Code § 5980
- Statutory penalty recovery under PAGA (Lab. Code §§ 2698–2699.5)

- Regulatory enforcement and consumer protection under the California Insurance Code, Business & Professions Code, and Davis–Stirling Act
- RICO predicate claims involving forged TROs, fraudulent identity use, misuse of insurance proceeds, and obstruction of derivative litigation

No further notice or hearing is required. Default status is triggered under Labor Code § 2699.3 and related corporate code provisions.

II. PARTIES AND STANDING

Enforcing Party:

The undersigned holds derivative enforcement authority over Mountain Valley Homeowners Association (MVHOA) and possesses valid PAGA standing over all named entities and individuals.

This authority arises from:

- Refusal to provide records to a co-owner (in violation of the Davis–Stirling Act, Cal. Civ. Code §§ 5200–5240)
- Systemic fiduciary breaches by the board
- Misuse of corporate authority
- Ongoing concealment of litigation and funds
- Procedural and regulatory violations following notice

Settling Party (Nominal):

Mountain Valley Homeowners Association (MVHOA) — named as the nominal settling party for the purpose of resolving statutory penalties and regulatory exposure.

Funding Source (Non-Named Settling Party):

Philadelphia Indemnity Insurance Company is not named as a settling party in this agreement.

However, Philadelphia is contractually obligated to fund this settlement in full pursuant to its coverage duties under the applicable HOA liability policy.

Philadelphia is the exclusive funding source and may be subject to regulatory and statutory enforcement if payment is obstructed or delayed.

III. MONETARY TERMS

Total PAGA Penalty Settlement Amount: \$5,000,000.00

Breakdown of Responsibility:

- Mountain Valley Homeowners Association (Entity)
 - \$50,000.00 (nominal penalty amount)
- Board Members (*Joint and Several Liability*)
 - Remaining amount apportioned among all past and present board members.
 - Names are withheld in this version and collectively referred to as “Board Members” throughout.
 - Personal liability based on fiduciary breach, obstruction, and derivative harm.
- Philadelphia Indemnity Insurance Company (*Funding Source Only*)
 - Not named as a formal settling party
 - Required to fully fund this settlement under existing policy obligations
 - Subject to regulatory enforcement action (e.g., California Department of Insurance penalties, suspension, or clawback) if funding is delayed, withheld, or rerouted unlawfully

Statutory Distribution (Per Cal. Lab. Code § 2699(i)):

- 75% payable to the California Labor & Workforce Development Agency (LWDA)
- 25% payable to the enforcing derivative/PAGA representative

- Payment of the full settlement amount is due within ten (10) calendar days of receipt of this notice. Failure to pay constitutes breach and triggers immediate regulatory and collection enforcement.

IV. CHARGES AND CAUSES OF ACTION (INCORPORATED BY REFERENCE)

This PAGA settlement incorporates all claims and violations previously detailed in the original PAGA notice, and expands them based on post-notice misconduct.

These include:

A. Fraud, Deceit, and Financial Misconduct

- Fraud and Deceit
- Commingling of Funds (MVHOA and California HOA Solutions)
- Forgery / Use of Stolen Identity in TROs
- Misappropriation of HOA Funds
- Concealment of Lawsuits from Owners
- Failure to Maintain and Provide Records

Governing Laws Violated:

- Davis–Stirling Act (Civ. Code §§ 5200–5240)
- Insurance Code §§ 790.03(h), 790.035, 790.05
- Title 10 CCR § 2695.7 (Unfair Claims Settlement Practices)

B. Corporate Governance and Fiduciary Breach

- Breach of Fiduciary Duty
- Obstruction of Derivative Claims
- Retaliation Against HOA Member

- Failure to Respond to PAGA Notice
- Negligence

Governing Laws Violated:

- Corp. Code §§ 7210–7238, 800–802
- Civ. Code § 5980
- Labor Code § 2699.3

C. Insurance and Legal Malpractice Violations

- Bad Faith Insurance Practices
- Use of Unlicensed / Suspended Counsel
- Refusal to Cooperate with Regulatory Oversight

Governing Laws Violated:

- Insurance Code §§ 790.03–790.05
- Business & Professions Code §§ 6125–6130
- Labor Code § 2699 et seq.

D. RICO and Federal Predicate Offenses

- Civil RICO Violations (18 U.S.C. § 1962)
- Pattern of Mail and Wire Fraud
- Conspiracy to Defraud via TRO Abuse and Insurance Misconduct

V. BASIS FOR DEFAULT SETTLEMENT

This Private Attorney General Act (PAGA) settlement is enforceable without a court hearing based on the following uncontested defaults and statutory authority:

- **Failure to Respond Within 65 Days:**

The named parties failed to cure, investigate, or respond to the original PAGA notice within the 65-day statutory window as required by Labor Code § 2699.3(a)(2)(A). Their silence constitutes waiver and default.

- **Proper Exercise of Derivative Standing:**

The enforcing party exercised derivative standing on behalf of MVHOA under California Corporations Code §§ 800–802 and Civ. Code § 5980, without challenge or lawful opposition. No party has filed any valid objection or rebuttal to that authority.

- **Ongoing Post-Notice Misconduct:**

The named parties, after receiving lawful notice, continued engaging in misconduct, including:

- Filing unauthorized or fraudulent pleadings
- Refusing to produce HOA books, records, or financials
- Employing suspended, non-California-licensed, or unregistered legal counsel in violation of Bus. & Prof. Code § 6125
- Obstructing access to bank accounts and insurance claim information

These acts constitute willful disregard of fiduciary and statutory obligations and trigger default enforcement rights under both PAGA and derivative law.

VI. STRUCTURAL REMEDIES AND OVERSIGHT

- **Removal of All MVHOA Board Members**

Immediate and total removal of all current board members due to fiduciary breach and obstruction of derivative/PAGA authority, consistent with Corporations Code §§ 7220–7223 and Civil Code § 5100 et seq. (Davis–Stirling Act).

- **Enforcement of Bank and Document Access**

MVHOA must immediately provide access to:

- All financial records and HOA books

– All HOA bank accounts

– All communications with Philadelphia Insurance or outside counsel

Failure to provide access constitutes continuing violation of Davis–Stirling Act § 5200 and Insurance Code § 790.03(h).

- Document Custody and Corporate Oversight

All corporate governance documents must be delivered to the enforcing party. No filings may be made by prior counsel or board members under the MVHOA name. This condition is enforceable under derivative standing and PAGA authority (Labor Code § 2699.3).

- Reserves Rights for Future TRO / Warrant Removal

This notice does not yet address criminal warrants or fraudulent TROs, which will be settled in separate derivative filings against additional parties (e.g., CHOAS and Steve Waisbren).

Philadelphia's continued funding of such matters constitutes unfair claims settlement practices under 10 CCR § 2695.7 and Insurance Code §§ 790.03(h), 790.05.

VII. REGULATORY NOTICES AND COLLECTION RIGHTS

This notice is not yet submitted to any state or federal agency. It is issued solely for the following purposes:

- Private enforcement under derivative and PAGA authority
- Initiation of collection agency recovery and lien enforcement

The enforcing party reserves all rights to escalate this matter to relevant regulatory and prosecutorial agencies in the event of continued noncompliance, obstruction, or settlement breach. Reserved agencies include, but are not limited to:

- California Department of Insurance (CDI) – for insurance fraud, claims handling violations, and carrier misconduct under Insurance Code §§ 790.03 and 790.05
- California Labor & Workforce Development Agency (LWDA) – for non-payment of statutory penalties under Labor Code § 2699

- California Secretary of State – for corporate suspensions, illegal filings, or violations of Business & Professions Code §§ 17900–17930
- Internal Revenue Service (IRS) and Franchise Tax Board (FTB) – for tax evasion, fraud, and improper filings
- California Attorney General's Office – for broader civil RICO enforcement, corporate fraud, and fiduciary breaches affecting HOA residents

Nothing in this notice waives any enforcement rights under federal or state law.

Payment must be received within ten (10) calendar days. Enforcement actions, including liens and regulatory escalation, will commence immediately thereafter if no confirmation of payment is received.

Non-Waiver of Criminal and Civil Enforcement Rights

This settlement does **not waive, diminish, or restrict** the rights of Mountain Valley Homeowners Association (MVHOA) to pursue **criminal complaints, civil penalties, or administrative actions** against any individual or entity responsible for its financial harm, legal obstruction, or fiduciary injury.

MVHOA expressly **reserves all rights to initiate or support criminal referrals, bar complaints, contractor licensing actions, insurance fraud enforcement, and other public or private remedies** against board members, property managers, attorneys, and affiliated individuals or firms. These rights are retained in full under:

- California Penal Code
- Civil RICO (18 U.S.C. § 1961 et seq.)
- California Government Code §§ 12650–12656 (False Claims)
- Cal. Bus. & Prof. Code §§ 17200 et seq. (Unfair Competition)

Nothing in this notice shall be construed as a release, waiver, or settlement of any criminal claims or future civil proceedings arising from the misconduct outlined herein.

CERTIFICATION, PUBLIC INTEREST NOTICE, AND EXECUTION

Certification Under Penalty of Perjury

This PAGA settlement notice is executed under penalty of perjury under the laws of the State of California. The undersigned affirms that all factual representations, legal authority, and claims asserted herein are true and correct to the best of their knowledge and belief, and are made in their official capacity as derivative and PAGA enforcement representative for Mountain Valley Homeowners Association.

Public Interest Exception to Confidentiality

Pursuant to California Labor Code § 2699(g)(1), this action is brought in the public interest for the enforcement of labor, insurance, fiduciary, and governance laws. No party may request or condition payment upon the concealment, sealing, or confidentiality of this notice or any related settlement terms. Any attempt to do so constitutes obstruction and regulatory interference under applicable statutes.

Reservation of Enforcement Rights

All derivative, statutory, and regulatory rights are fully reserved. This document is enforceable without judicial confirmation. Collection, lien, and regulatory escalation shall commence if full payment is not received within ten (10) calendar days of service.

VIII. EXHIBITS

The following exhibits are incorporated by reference and attached in support of this PAGA settlement and derivative enforcement action:

- **Exhibit A – Proof of Service**

Documentation showing service of this PAGA enforcement settlement to:

- Philadelphia Indemnity Insurance Company, as the contractually obligated funding source under the applicable HOA liability policy.
- Lordon Management, listed as the official *Agent for Service of Process* for Mountain Valley Homeowners Association (MVHOA) according to public records. Lordon Management is served solely for the purpose of legal notice to MVHOA under California Corporations Code §§ 1502(b), 2117, and Civil Code § 5200 et seq.

- *No valid board control, legal representative, or authorized manager exists due to ongoing fraud, unauthorized filings, and operational misconduct. Service on the agent of record is provided strictly to meet legal notification requirements under California law. Individual board members will be served separately upon enforcement or lien action.*
- **Exhibit B – Certification of No ADR / IDR**
Formal certification that no Internal Dispute Resolution (IDR) or Alternative Dispute Resolution (ADR) was offered or conducted by MVHOA as required under Civil Code §§ 5900–5960.
- **Exhibit C – Original PAGA Notice (Filed or Submitted)**
Copy of the initial PAGA letter issued under Labor Code § 2699.3, showing the start of the 65-day response period.
- **Exhibit D – Executed PAGA Settlement Notice**
A fully signed and certified version of this final PAGA enforcement settlement, executed under penalty of perjury by the authorized derivative and PAGA representatives.

Signatories

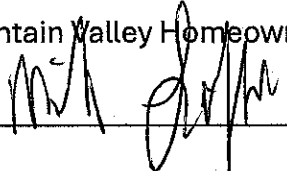
Executed on this 30th day of September 2025

By:

Michael LaZelle

Derivative and PAGA Enforcement Representative

On behalf of Mountain Valley Homeowners Association (MVHOA)

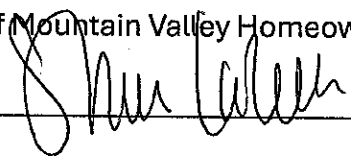
Signature: _____


And

Sherri LaZelle

Derivative and PAGA Enforcement Representative

On behalf of Mountain Valley Homeowners Association (MVHOA)

Signature:  _____