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OFS, The Business Doctors CEO BJ Hawkins Files Government Claim Against City of Los Angeles' Department of Water and Power

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LOS ANGELES--(BUSINESS WIRE)--Aug. 25, 2004--

Claim Alleges DWP's Bad Faith Actions Were Motivated to Protect Itself from Exposure to "Pay for Play" Scams and Other Illegal Activity

"The DWP's removal of the amendment was an act of bad faith"



OFS, The Business Doctors founder and CEO BJ Hawkins filed a Government Claim with the City of Los Angeles for breach of contract and various tort claims against the City of Los Angeles (Los Angeles Department of Water and Power) and Thomas Hokinson, DWP assistant general manager in charge of contracting. She alleges that as a result of the Los Angeles Department of Water and Power's (DWP) bad faith conduct that she and OFS, The Business Doctors (OFS) have sustained a loss of business, a loss of labor and capital investment, a loss of exclusive control over their product and services, and a loss of business opportunity, among other claims. Dr. Hawkins and OFS are represented by Browne Greene and Mark Quigley with the Santa Monica, CA. law firm of Greene, Broillet, Panish & Wheeler, LLP.

OFS holds the intellectual property rights to a sophisticated supply chain and e-commerce solution to assist companies in the implementation of supply chain management systems. The parties contracted with each other in 1999, with additional contracts and amendments thereafter through 2002. Since it began using the OFS solution on January 9, 2002, the DWP has successfully reduced its bid cycle time 35%-40% and has realized a cost savings of 15%-20% from its previous system.

In October 2003, the Claimants entered into negotiations to expand the services they provided, and the DWP indicated that they would agree to increase their funding to support the additional services. Dr. Hawkins and OFS invested significant resources into making critical preparations for the new services, relying on the DWP's representations that they would agree to increase the expenditure limit under their contracts. The June 15, 2004 agenda for the DWP's meeting of the Board of Water and Power Commissioners included an amendment to increase the expenditure limit under its contracts with Claimants by \$2,780,000. According to Dr. Hawkins, the Board of Water and Power Commissioners and/or Thomas Hokinson caused the item to be removed from the agenda before the June 15, 2004

meeting took place.

"The DWP's removal of the amendment was an act of bad faith," explained Browne Greene, "which precipitated the damages that OFS and Dr. Hawkins have suffered. If that wasn't enough, the DWP made a calculated move to drive my clients into bankruptcy by deliberately failing to meet all of its payment obligations to OFS and which, if successful, would enable the DWP to take advantage of a clause in their agreement which would give it access to OFS' propriety source code. Such conduct is reprehensible and unbecoming of the nation's largest municipal utility, and that's why we will pursue the rights of our clients to the letter of the law."

"At one time, the DWP sang the praises of OFS and Dr. Hawkins," said Mark Quigley, "for saving it thousands of hours in time and multiple millions of dollars by using its e-commerce and supply chain solutions. Since then, it has engaged in a pattern of deceptive, defamatory and discriminatory conduct. Why? We believe the DWP's bad faith actions have been motivated by a need to protect itself from exposure to 'pay for play' scams and other illegal activity behind its doors, and that it rejected the task order it engaged OFS to carry out because it feared that certain aspects of its solution would reveal the truth about the real nature of its operations. OFS and Dr. Hawkins should not have to be punished for the DWP's own transgressions, and we will see to it that they have their day in court."

Editor's Note:

Claimants OFS, The Business Doctors and BJ Hawkins are based in Inglewood, CA (www.ofs3.com); Tel: 310-821-1893. They are represented by Browne Greene and Mark Quigley with the Santa Moncia, CA. law firm of Greene, Broillet, Panish & Wheeler, LLP (www.gbpwlaw.com); Tel: 310-576-1200.

Respondents the Los Angeles Department of Water and Power (www.ladwp.com) and Thomas Hokinson are represented by the Office of the City Attorney, Los Angeles City Attorney Rocky Delgadillo; Tel: 213-978-8100.

Greene, Broillet, Panish & Wheeler, LLP Kathy Pinckert, 310-566-6048

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