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16	COUNTY OF LOS ANCE	LES – CENTRAL DISTRICT
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	VICTORIA FROST d/b/a FROST FIT and	Case No. BC 6 9 1 1 4 6
18	ROBERT BLANCHARD; MARTHA SMILGIS; DIANE MEEHAN d/b/a	CLASS ACTION COMPLAINT
19	DADIANA, INC.; PETER PARK and	
	KELLY PARK; PLATINUM PERFORMANCE FITNESS, INC.;	JURY TRIAL DEMANDED
20	HONHAI, INC.; THOMAS E. CARROLL;	(1) NEGLIGENCE
21	and CHRISTOPHER T. BURKE on behalf of	(2) INVERSE CONDEMNATION
22	themselves and others similarly situated,	(3) PUBLIC NUISANCE
22	Plaintiffs,	(4) PRIVATE NUISANCE
23	50° - 54° - 50° -	(5) PREMISES LIABILITY
	v.	(6) TRESPASS
24	SOUTHERN CALIFORNIA EDISON	Description of the second control of th
25	COMPANY, a California corporation;	(7) VIOLATION OF PUBLIC UTILITIES CODE § 2106
	EDISON INTERNATIONAL, a California	
26	corporation, and DOES 1 through 20, inclusive,	(8) VIOLATION OF HEALTH & SAFETY CODE § 13007
27		(9) NEGLIGENT INTERFERENCE
	Defendants.	WITH PROSPECTIVE ECONOMIC
28		ADVANTAGE
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1. Beginning on or about December 4, 2017, the Thomas Fire set in motion a chain of horrific events in Southern California that has devastated the environment and destabilized life in the area for years to come.

- 2. The Thomas Fire raged in the mountains and steep slopes surrounding Lake Casitas and the City of Ojai. Driven by the Santa Ana winds, the fire consumed over 280,000 acres, including large portions of the Los Padres National Forest. Ash from the fire covered the land like a gray snow, and smoke filled the air and brought a dark pall over the sky. Over 100,000 residents were required to evacuate and two lives were lost.
- 3. The Thomas Fire denuded the landscape of the dense thickets of chaparral, brush, and tall grass that normally cover the region. When rain arrived, the destruction from the Thomas Fire triggered mudslides by turning hundreds of miles of the Santa Ynez Mountains into precarious, unstable ground capable of being swept away at any moment. Additionally, because the Fire burned so intensely, the soil was transformed into a dense, water-repellant surface. Indeed, the U.S. Geological Survey warned of the high risk for disastrous landslides if heavy rain fell on mountainsides around Santa Barbara that had been scorched by the Thomas wildfire.
- 4. On January 9, 2018, massive flows of water and mud tumbled down mountain slopes laid bare by the fire. Then huge debris flows, comprised of mud as thick as concrete and moving at speeds of up to 20 miles per hour, slammed into the neighborhoods below. Some homes were ripped from their foundations while others were swallowed by waist-high mud and rubble. Over 20 million pounds of debris have been removed thus far, and trucks continue to haul thousands of pounds each day.
- 5. At least twenty-one people, including children, were killed, and more than 450 homes and businesses were destroyed or damaged. Rescue crews continue to search for two missing people, a 2 year old and a 17 year old.
- 6. The city hardest hit by the mudslides was Montecito, a small community nestled between the Santa Ynez Mountains and the Pacific Ocean, that was just below the Thomas Fire but had been spared by its flames. The small oceanside city of Carpinteria was also affected.

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Code of Civil Procedure § 395(a) because, at all times relevant, Defendants have resided in, been

patio. The mud then filled the lower story of her home to a depth of approximately four feet. The Mudslides also filled the home with the contents of homes higher up the hill, including their books, clothing, and pieces of plumbing. She could not access the property for three weeks due to the closure of U.S. Highway 101 and/or its entrances and exits, and the full extent of the damage is not yet known. Ms. Smilgis rented the home to a tenant who was rescued from the property the night of the Mudslides and cannot return due to the damage, and thus Ms. Smilgis is losing rental income from the property.

C. <u>Diane Meehan d/b/a Dadiana, Inc.</u>

- 20. Diane Meehan is a resident of Santa Barbara County and the sole proprietor of Dadiana Montecito d/b/a Dadiana, Inc., a salon in Montecito. She has owned and worked in the salon for the past twenty years. The Thomas Fire forced a closure of her salon for two weeks initially, and just as she finally was ready to get back to work, the Mudslides hit. She has yet to be able to return to her salon, and she has had to rent a space from another salon in order to do any work or make retail sales. Because of the closure of U.S. Highway 101, she was not able to drive to Montecito, and Ms. Meehan had to take the train and pay someone to pick her up and drive her to the new salon. She also has had to completely refurnish and restock her new salon, buying new products and equipment.
- 21. Many of her clients have not able to come in for their appointments because of the evacuations and the damage to the area. There is still not running water for her to use in the salon, and the public is barred from entering the area. She fears that many will not return to Montecito due to the Thomas Fire and Mudslides, and that her business will never return to what it once was.
 - 22. Additionally, Ms. Meehan's home in Carpinteria was damaged by smoke and ash.

D. Peter Park, Kelly Park, and Platinum Performance Fitness, Inc.

23. Platinum Performance Fitness, Inc., d/b/a Platinum Fitness Summerland, is a California corporation. It operates a gym located in Summerland, Santa Barbara County, owned by Peter Park and Kelly Park, husband and wife and residents of Santa Barbara County. Peter Park is a nationally recognized personal trainer with clients in Santa Barbara and Los Angeles.

His Los Angeles clients often come up to train with him in his gym in Summerland. He also travels three times per week to Los Angeles and has done so for the last eight years. When the Thomas Fire hit, Platinum Fitness Summerland was closed down under an evacuation order. Approximately 80% of the gym's clients are from Montecito, which was hit hard by the Fire and was also under mandatory evacuation orders. In addition, the air quality was so poor that no clients wanted to train. Following the Fire, the gym was again placed under mandatory shut down after the flood, mudslides, and Highway 101 closure. The gym's income comes from fees from clients and trainers. No trainers or clients could use the gym during the fire and flood shutdown, and all of its income was lost during those closures. Moreover, the gym is unlikely to recover quickly, since its client base came from Montecito. Some of its clients were actual victims of the flood. Survivors are not thinking of training, and may not be able to return to their damaged or destroyed homes for lengthy periods of time. The long-term prospects for the gym are therefore bleak.

24. Additionally, Peter Park and Kelly Park were under a mandatory evacuation order during the Thomas Fire, from their home at 681 Chelham Way, Santa Barbara. They suffered damages in having to evacuate, and their home suffered ash and smoke damage.

E. Honhai, Inc.

25. Honhai, Inc., is a California corporation doing business as the China Pavilion at Chapala, a restaurant in Santa Barbara City. It is owned by Santa Barbara County residents and husband and wife, Lisa Lee and Peter Chen. Situated in the downtown corridor, the restaurant has been a well-loved local fixture since 2006. December is its busiest month. The Thomas Fire hit as holiday parties and catered events were just starting. Large numbers of these events were canceled due to air pollution, while others were simply not set, or had to be re-set. Many would-be patrons stayed in their homes or offices due to the heavy particulate level during the weeks of the fire and did not eat out. Fire evacuation orders were issued and then expanded, leading many of the restaurant's customers to leave town altogether. The restaurant was unable to open and/or could only operate a few hours in a day, because the electricity went on and off. The fluctuating electricity also interrupted the point of sale (POS) system, so transactions made on credit cards

were decoded and lost. During the fire, restaurant workers and customers could not come into town due to Highway 101's initial closure. Produce and meat were delivered late and had to be rejected due to spoilage. When the mudslides then closed Highway 101 again, and evacuations were re-instituted, there was an additional drastic drop in customer traffic that had only just begun to revive. Plaintiffs' business losses are ongoing.

F. Thomas E. Carroll

26. Thomas E. Carroll is a resident of Santa Barbara County, and the sole proprietor of his personal business driving residents of Montecito and Santa Barbara. He has been taking care of his clients for roughly 18 years. He often drives clients back and forth to Los Angeles Airport (he has made over 3,600 round trips), or to the City of Los Angeles, on Highway 101. When the Thomas Fire hit, most of his clients evacuated. The visibility was so poor that most of the remaining clients stayed inside. Scheduled trips were canceled, and his business dropped drastically. On January 9, 2018, he was on his way to pick someone up in Montecito at 3:30 A.M., when he was stopped on Highway 101 by law enforcement, told the highway was closed, and ordered to turn around. Since January 9, 2018, to this date, his business has been virtually nonexistent.

G. <u>Christophe</u>r T. Burke

27. Christopher T. Burke is a resident of Santa Barbara County. He is a sole proprietor and independent contractor who works as a personal trainer. He operates primarily out of Platinum Fitness Summerland in Summerland, California. He also travels to corporations and goes to clients' homes. When the Thomas Fire hit, the air quality deteriorated to the extent that no one wanted to train, and many clients had to leave town. He was reduced to having only a few hours of work a week, before Platinum Fitness was shut down under a mandatory evacuation order. When the air quality improved, his work schedule improved also, but only temporarily. When the mudslides hit Montecito, evacuation orders were re-imposed and Highway 101 was shut down once again. He was cut off from approximately 70% of his income. He anticipates having to pro-rate clients who had pre-paid due to the lack of training sessions, and suffering a continuing loss of income until he can re-build his practice.

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IV. THE DEFENDANTS

A. SCE Defendants

- 28. At all times herein mentioned Southern California Edison and Edison International (collectively, "SCE Defendants") were corporations authorized to do business, and doing business, in the State of California, with their principal place of business in the County of Los Angeles, State of California. Defendant Edison International ("EI") is an energy-based holding company headquartered in Rosemead, and it is the parent company of Defendant Southern California Edison. EI subsidiaries provide customers with public utility services, and services relating to the generation of energy, generation of electricity, transmission of electricity and natural gas, and the distribution of energy.
- 29. SCE is both an "Electrical Corporation" and a "Public Utility" pursuant to, respectively, Sections 218(a) and 216(a) of the California Public Utilities Code. SCE is in the business of providing electricity to the residents and businesses of Central, Coastal, and Southern California and, more particularly, to Plaintiffs' residences, businesses, and properties through a network of electrical transmission and distribution lines.
- 30. SCE, based in Los Angeles County, is one of the nation's largest electric utilities, serving a 50,000 square-mile area within Central, Coastal, and Southern California. It is whollyowned by Edison International, which has a market cap of over \$ 20.5 billion. SCE's assets total approximately \$ 53 billion.
- 31. EI is a publicly traded company that owns and/or manages an "Electric Plant" as defined in Section 217 of the Public Utilities Code, and, like its subsidiary, SCE, is both an "Electric Corporation" and a "Public Utility" pursuant to, respectively, Sections 218(a) and 216(a) of the Public Utilities Code. It develops and operates energy infrastructure assets related to the production and distribution of energy such as power plants, electric lines, natural gas pipelines and liquefied natural gas receipt terminals. EI's total assets are approximately \$ 53 billion.
 - 32. Defendants have at least \$ 1 billion in wildfire insurance.

33. At all times mentioned herein, the SCE Defendants were suppliers of electricity to
members of the public. As part of supplying electricity to members of the public, SCE installed,
constructed, built, maintained, and operated overhead power lines, together with supporting poles
and appurtenances, for the purpose of conducting electricity for delivery to members of the
general public. Furthermore, on information and belief, SCE are responsible for maintaining
vegetation near, around, and in proximity to their electrical equipment in compliance with State
and Federal Regulations, specifically including, but not limited to, Public Resource Code § 4292,
Public Resource Code § 4293, California Public Utilities Commission ("CPUC") General Order
95, and CPUC General Order 165.

- 34. Plaintiffs allege on information and belief that the SCE Defendants are jointly and severally liable for each other's negligence, misconduct, and wrongdoing as alleged herein, in that:
- a. The SCE Defendants operate as a single business enterprise operating out of the same building located at 2244 Walnut Grove Ave, Rosemead, California for the purpose of effectuating and carrying out SCE's business and operations and/or for the benefit of EI;
- b. The SCE Defendants do not operate as completely separate entities, but rather, integrate their resources to achieve a common business purpose;
- c. SCE is so organized and controlled, and its decisions, affairs, and business so conducted as to make it a mere instrumentality, agent, conduit, or adjunct of EI;
- d. SCE's income results from function integration, centralization of management, and economies of scale with EI;
- e. The SCE Defendants' officers and management are intertwined and do not act completely independent of one another;
- f. The SCE Defendants' officers and managers act in the interest of SCE as a single enterprise;
- g. EI has control and authority to choose and appoint SCE's board members as well as its other top officers and managers;

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- t. EI generally directs and controls SCE's relationship with, requests to, and responses to inquiries from, the CPUC and uses such direction and control for the benefit of EI.
- 35. Plaintiffs are informed and believe that the SCE Defendants herein, and each of them, were agents and/or employees each of the other and in acting and/or failing to act as alleged herein, the SCE Defendants, and each of them, were acting in the course and scope of said agency and/or employment relationship.

B. Doe Defendants

- 36. The true names of Does 1 through 20, whether individual, corporate, associate, or otherwise, are unknown to Plaintiffs who, under California Code of Civil Procedure § 474, sue these Defendants under fictitious names.
- 37. Each of the fictitiously named Defendants is responsible in some manner for the conduct alleged herein, including, without limitation, by way of conspiracy, aiding, abetting, furnishing the means for, and/or acting in capacities that create agency, respondent superior, and/or predecessor- or successor-in-interest relationships with the other Defendants.
- 38. The Doe Defendants are private individuals, associations, partnerships, corporations, or other entities that actively assisted and participated in the negligent and wrongful conduct alleged herein in ways that are currently unknown to Plaintiffs. Some or all of the Doe Defendants may be residents of the State of California. Plaintiffs may amend or seek to amend this Complaint to allege the true names, capacities, and responsibility of these Doe Defendants once they are ascertained, and to add additional facts and/or legal theories. Plaintiffs make all allegations contained this Complaint against all Defendants, including Does 1 through 20.

V. FACTUAL ALLEGATIONS

A. <u>SCE Caused Two Tragedies</u>

1. The Thomas Fire

39. After years of drought and with the absence of significant precipitation in the past fall or winter, the landscape of much of Southern California was critically dry.

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40. On October 20, 2017, the California Department of Forestry and Fire Protection ("Cal Fire") issued a news release to warn of dangerous weather conditions in Southern California following the devastating Northern California fires. Specifically, Cal Fire noted:

After one of the deadliest and most destructive weeks in California's history, firefighters are preparing for another significant wind event in Southern California. The National Weather service has issued several Red Flag Warnings and Fire Weather Watches across Southern California starting this weekend through early next week due to gusty winds, low humidity and high temperatures. In response to these anticipated conditions, CAL FIRE is increasing its staffing levels with additional firefighters, fire engines, fire crews, and aircraft to respond to any new wildfires. "This is traditionally the time of year when we see these strong Santa Ana winds," said Chief Ken Pimlott, director of CAL FIRE. "and with an increased risk for wildfires, our firefighters are ready. Not only do we have state, federal and local fire resources, but we have additional military aircraft on the ready. Firefighters from other states, as well as Australia, are here and ready to help in case a new wildfire ignites." The weather warnings stretch from Santa Barbara, San Diego, Orange, Riverside, Los Angeles, San Bernardino, and Ventura counties. The winds are expected to reach gusts of up to 50 mph, along with record breaking heat, fire danger in these areas is high. It is vital that the public use caution when outside and avoid activities that may spark a new fire. Any new fires can spread rapidly under these types of weather conditions.

- 41. On December 4, 2017, the National Weather Service issued a Red Flag Warning, stating "[t]his will likely be the strongest and longest duration Santa Ana wind event we have seen so far this season. If fire ignition occurs, there will be the potential for very rapid spread...and extreme fire behavior." ¹
- 42. The National Weather Service issues Red Flag Warnings to alert fire departments of the onset, or possible onset, of critical weather and dry conditions that could lead to rapid or dramatic increases in wildfire activity. ²
 - 43. The Thomas Fire began in two separate locations in the evening of December 4.
- 44. The first broke out around 6:26 P.M. about to the east of the KOA Campground near Steckel Park, about 2 miles north of Santa Paula.³ Santa Ana winds gusting up to 80 miles

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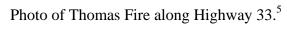
¹ Sonali Kohli, *Expect the "Strongest and Longest" Santa Ana Winds of the Season this Week in L.A. Area*, L.A. Times (Dec. 4, 2017 8:10 A.M.), http://www.latimes.com/local/lanow/la-me-ln-fire-risk-20171204-story.html.

² Red Flag Warnings & Fire Weather Watches, Cal. Dept. Forestry & Fire Protection, http://calfire.ca.gov/communications/communications_firesafety_redflagwarning

³ *Thomas Fire Incident Information*, Cal. Dept. Forestry & Fire Protection, http://cdfdata.fire.ca.gov/incidents/incidents_details_info?incident_id=1922.

1	per hour drove the blaze toward Thomas Aquinas College (from which the fire gets its name) and
2	across California State Route 150, toward the city of Ventura. Upon information and belief,
3	plaintiffs allege that SCE crews' construction activities in the hills above the Ventura Ranch
4	KOA Holiday campground in Santa Paula caused the fire.
5	45. The second ignition point of the Thomas Fire was at the top of Koenigstein Road
6	in Upper Ojai, where a power pole transformer exploded shortly after 7:00 P.M. This transformer
7	explosion was witnessed by several area residents. According to a newspaper report, one
8	Koenigstein Drive resident and her children heard a huge explosion outside their window. They
9	saw sparks falling to the ground and their yard catch fire. One of the residents saw a huge flash of
10	light near the pole, heard a boom, and saw a "sprinkling of sparks falling to the ground." The
11	second ignition point was located approximately five miles from the initial ignition point. The
12	two joined and burned as one fire.
13	46. The Thomas Fire has burned an area larger than New York City, Washington D.C.,
14	and San Francisco combined.
15	47. At the height of its strength, the Thomas Fire qualified as a "firestorm," meaning it
16	was strong enough to create its own weather.
17	48. The rocky, steep terrain of the Santa Ynez Mountains and the strong push of the
18	Santa Ana winds made the fire difficult to stop.
19	49. At times, the fire advanced at a rate of an acre per second.
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27	⁴ Kit Stolz, <i>Thomas Fire Had Two Origins</i> , Santa Barbara Independent (Dec. 22, 2017),
28	https://www.independent.com/news/2017/dec/22/thomas-fire-had-two-origins/.

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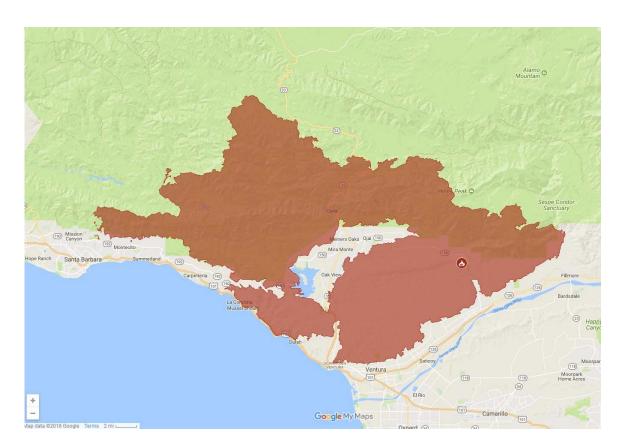


- 50. Fighting the Thomas Fire required the largest mobilization of firefighters for combating any wildfire in California history. More than 8,500 came from all over the United States and other parts of the world to combat the flames.
- 51. The areas affected by the Thomas Fire were declared a national disaster by the President in January.
- 52. The Thomas Fire burned more than 281,000 acres, destroyed 1,063 structures, including 775 homes, and damaged another 280 before it was finally contained on January 12, 2018.⁶

⁵ Tom Bolton, *No End in Sight as Firefighters Battle 132,000-Acre Thomas Fire on Several Fronts*, Noozhawk (Dec. 7, 2017 9:59 A.M.), https://www.noozhawk.com/images/uploads/slideshows/120717 -Thomas-Fire-Highway-33-Cyclone-rf-1000x667.jpg.

⁶ Thomas Fire Quick Update, Cal. Fire (Dec. 19, 2017 6:00 P.M.) http://cdfdata.fire.ca.gov/admin8327985/cdf/images/incidentfile1922_3295.pdf.

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Map of Thomas Fire Perimeter from Cal Fire.

- 53. One firefighter died from injuries sustained fighting the blazes, and one elderly woman died in a car accident while fleeing the Thomas Fire.
- 54. California Department of Forestry and Fire Protection ("Cal Fire") determined the Thomas Fire was both the largest fire in California's modern history, as well as the seventh most destructive.
- 55. The Los Padres National Forest Service noted that such a large blaze "would be significant if it were summer; however, it is unprecedented for December and January."
 - 56. The Thomas Fire devastated the Los Padres National Forest.
- 57. The Fire also ripped across the Los Padres Sespe Condor Sanctuary, where most of the state's free-flying California condors live as fledglings. The federally endangered California condor is the largest scavenging bird in the nation and is on the brink of extinction. The Fire endangered their habitat and the potential survival of the species.
- 58. U.S. Highway 101, and California State Routes 33 and 150 were shut down at various times due to the Thomas Fire.

⁷ *Id*.

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59. On December 11, 2017, SCE issued a press release, which stated that it was being investigated by Cal Fire for its role in starting the Thomas Fire: "The causes of the wildfires are being investigated by Cal Fire SCE believes the investigations now include the possible role of its facilities."

- 60. The Thomas Fire forced over 100,000 residents to evacuate their homes.⁸
- 61. Over a quarter million SCE customers lost power as a result of damage from the fire. The transmission system which runs from Ventura County to Goleta, Santa Barbara had to be shut down to prevent further problems until SCE employees could safely access the area for inspections.⁹
- 62. On December 13, officials also began closing California State Route 154 for several hours each morning in order to mobilize fire equipment.
 - 63. The forced road closures impeded firefighting and rescue efforts.



Santa Barbara during Thomas Fire on December 8, 2017 taken by Kelsey Gerckens, KEYT-TV.

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⁸ *Id*.

⁹ See Voicemail from SCE's Kim Utah dated Dec. 5, 2017 8:07 A.M., Cal. Pub. Utils. Comm'n, http://cpuc.ca.gov/uploadedFiles/CPUC_Public_Website/Content/Safety/voicemail%20from%20(626)%20812-4286%20at%208 07%20AM%20redacted.pdf.

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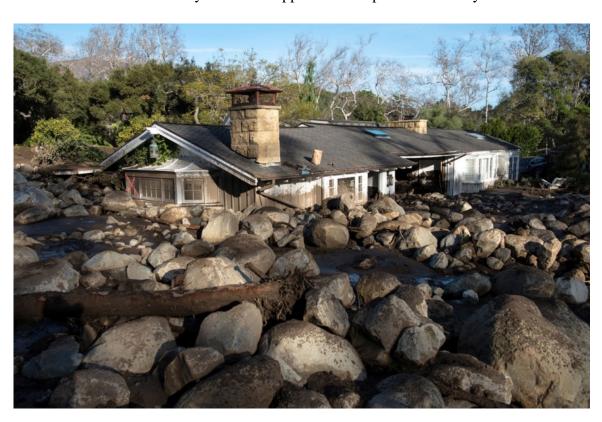
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77. Rescuers had to rescue approximately 300 residents of the Romero Canyon neighborhood near Montecito by helicopter airlift after the road into the area was cut off by a massive debris flow.¹⁰

78. Prior to the Mudslides, Montecito was a sunny seaside paradise known for its great weather, nice shops, and beautiful vistas of both mountains and the sea.

79. The magnitude of devastation has irrevocably changed the community. Residents are in shock and overwhelmed by what has happened to the place where they live.



A home on Glen Oaks Road after the Mudslides. Photograph by Kenneth Song, Santa Barbara-News Press.

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¹⁰ Alene Tchekmedyian, About 300 People Still Stuck In Romero Canyon; Rescue Operations

http://www.latimes.com/local/california/la-me-southern-california-storm-live-300-people-still-

Will Resume at Daybreak, Los Angeles Times (Jan. 9, 2018 11:06 P.M.),

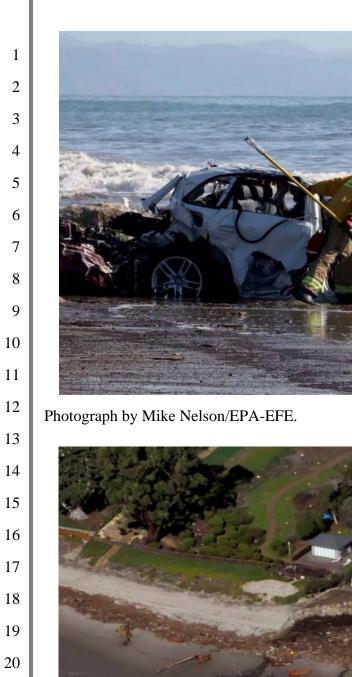


Photograph by Wally Skalij of Los Angeles Times / Getty.



Photograph from Reuters.

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Two vehicles submerged in the surf amidst debris from the Mudslides in Montecito. Photograph by Rafael Maldonado of Santa Barbara News-Press.

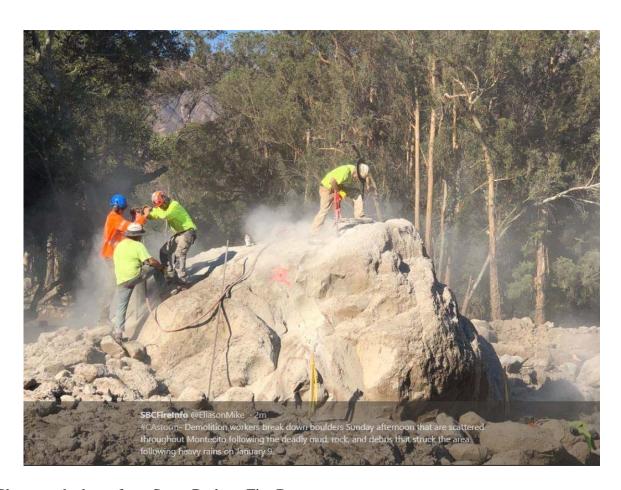
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A clean-up crew works on removing the mud from U.S. Highway 101. Photograph from Reuters. $^{-22}$ -



Before and after photos of the Coral Casino.



Photograph above from Santa Barbara Fire Department.

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A house and vehicle damaged by the Mudslides. Photograph by Kyle Grillot of Reuters.

- 80. The Mudflows have created a vast wasteland over much of Montecito where homes and business once stood.
- 81. The debris flows swept down over homes, businesses, and roadways from the Los Padres National Forest all the way to the Pacific Ocean, and rendering vast areas of Montecito uninhabitable.
- 82. The destruction covered 30 square miles, leaving 129 single-family homes and 6 businesses demolished and more than 324 structures damaged. The rest of the community's infrastructure also was harmed. Some streets cracked in half, and bridges and overpasses were closed because officials feared they were unstable.
- 83. Santa Barbara County Sheriff Bill Brown said that the area now resembled a "World War I battlefield" with "a carpet of mud and debris everywhere, with huge boulders, rocks, downed trees, power lines, wrecked cars." 12

Footnote continued on next page - 24 -

¹¹ Press Release, January Storm Incident Update, County of Santa Barbara (Jan. 21, 2018 6:05 P.M.), http://www.countyofsb.org/asset.c/3813.

¹² Tom Piozet and Erik Ortiz, *Deadly Rains in Southern California Send Rivers of Mud Into Homes, Trigger Fire, Flooding*, NBC News (Jan. 9, 2018 11:19 P.M.),

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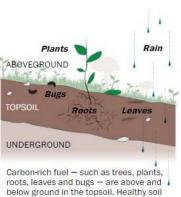
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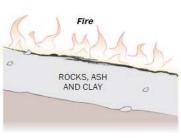
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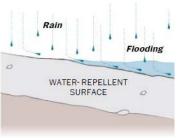
http://www.latimes.com/local/lanow/la-me-mudflows-science-montecito-20180112-story.html.

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Fire destroys the carbon-rich fuel and leaves behind such materials as rocks and clay, above and below ground.

Dirt loses porosity and the ability to absorb and hold water, increasing the risk of flooding and mudslides.



118. When the rains finally came, they hit bare, hydrophobic soil that could not readily absorb water, and the impermeable layer in fact increased the speed of the surface water. So the rain ran off the Thomas Fire burn area, picking up soil, boulders, and speed as it surged down canyons and streams. Muds formed, and swiftly moved down towards the communities below, carrying loads of debris like rocks and boulders with them.

²⁰ Laris Karklis, et al., *Mapping the Destruction of the Montecito Mudslides*, Washington Post (Jan., 11, 2018), https://www.washingtonpost.com/graphics/2018/national/california-mudslides/?utm_term=.0dd65fd3d714.

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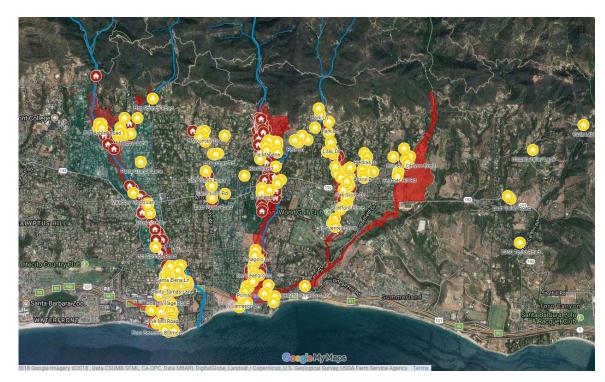
²¹ Jasmine C. Lee, et al., *Identifying the Causes of the California Mudslides*, N.Y. Times (Jan. 16, 2018), https://www.nytimes.com/interactive/2018/01/16/us/map-california-mudslides.html.

1	119. The steepness of the slopes above Montecito added to the speed of the debris
2	flows. These debris-charged torrents slowed only where steep channels gave way to gentler
3	slopes.
4	120. The muds were powerful and fast enough to carry large boulders downhill because
5	there was no longer any robust soil to keep them rooted into the ground.
6	121. Some streets became rivers as mud "tore houses in half, blasted cars from garages,
7	ripped down trees and tumbled boulders like Legos."22
8	122. Although vegetation grows back in approximately five years after a fire,
9	researchers estimate that it takes up to two decades for a hillside's soil to be restored to pre-fire
10	conditions. ²³
11	123. In the aftermath of the rains, the porous soil has become even more dense and
12	water repellent, which makes the region more prone to further mudslides should sharp rains hit
13	the surface once again. This is a long-term effect, which means the area will be vulnerable to
14	flooding and mudslides for years to come. Such ramifications of wildfires can last from a year to
15	decades.
16	124. Montecito and Carpinteria are especially vulnerable to mudslides because their
17	steep terrain in some places goes from thousands of feet above sea level to the ocean in just a few
18	miles.
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24	22 D 11 D 14 C 11 C 11 C 1 C 1 C 1 C 1 C 1 C 1 C
2526	²² David R. Montgomery, <i>Deadly California Mudslides Show The Need For Maps And Zoning That Better Reflect Landslide Risk</i> , The Conversation (Jan. 16, 2018 6:16 A.M.), https://theconversation.com/deadly-california-mudslides-show-the-need-for-maps-and-zoning-that-better-reflect-landslide-risk-90087.
27	23 Raoul Rañoa, <i>Infographic: How Debris Flows Happen</i> , L.A. Times (Oct. 16, 2015 3:34 P.M.), http://www.latimes.com/visuals/graphics/la-g-how-debris-flows-happen-20151016-

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htmlstory.html.



Map showing the known destroyed structures and damage of the Mudslides. ²⁴

4. The Devastating Aftermath

- 125. The full extent of the damage has not yet been quantified and will take time to be fully realized.
- 126. The damage and destruction resulting from the Thomas Fire and Mudslides and Mudslides has negatively impacted the value of Plaintiffs' real property, and will continue to affect its resale value and development for an indefinite period of time in the future.
- 127. In addition to damage and destruction of real and personal property, the Thomas Fire and Mudslides caused widespread economic losses to individuals and businesses throughout the region and will continue to do so into the future.
- 128. Individuals who were displaced have incurred and will continue to incur costs related to temporary lodging while being displaced.

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Yellow house notation show damaged structures while red house notations mean the property is majorly damaged or destroyed. The red zones denote debris flows. This map also features creeks and waterways in the area. *See* Brandon Yadegari and Tyler Hayden, *A House-by-House Damage Assessment of the Montecito Mudslides*, Santa Barbara Independent (Jan. 14, 2018, last updated Jan. 22, 2018), https://www.independent.com/news/2018/jan/14/house-house-damage-assessment-montecito-mudslides/.

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arrester, line junction, or dead end or comer pole, a firebreak which consists of a clearing of not less than 10 feet in each direction from the outer circumference of such pole or tower." Also, Public Resources Code § 4293 mandates SCE maintain clearances of four to 10 feet for all of its power lines, depending of their voltage. In addition, "[d]ead trees, old decadent or rotten trees, trees weakened by decay or disease and trees or portions thereof that are leaning toward the line which may contact the line from the side or may fall on the line shall be felled, cut, or trimmed so as to remove such hazard."

- 136. Pursuant to CPUC General Order 165, SCE is also required to inspect its distribution facilities to maintain a safe and reliable electric system. In particular, SCE must conduct "detailed" inspections of all of its overhead transformers in urban areas at least every five years. Also, every ten years, SCE is required to conduct "intrusive" inspections of its wooden poles that have not already been inspected and are over fifteen years old.
- 137. SCE knew or should have known that such standards and regulations were minimum standards and that SCE has a duty to identify vegetation which posed a foreseeable hazard to power lines and/or other electrical equipment, and to manage the growth of vegetation near its power lines and equipment so as to prevent the foreseeable danger of contact between vegetation and power lines starting a fire. Further, SCE has a duty to manage, maintain, repair, and/or replace its aging infrastructure to protect public safety. These objectives could and should have been accomplished in a number of ways, including, but not limited to, putting electrical equipment underground in wildfire-prone areas, increasing inspections, developing and implementing protocols to shut down electrical operations in emergency situations, modernizing infrastructure, and/or obtaining an independent audit of its risk management programs to ensure effectiveness.

2. Foreseeable and Known Weather and Geographic Conditions

- 138. At all times mentioned herein, Defendants were aware that the State of California had been in a multi-year period of drought.
- 139. On January 17, 2014, the Governor issued an Executive Order proclaiming a

 State of Emergency throughout the State of California due to severe drought conditions which

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had existed for four years. On November 13, 2015, the Governor issued Executive Order B-36-15, which proclaimed "[t]hat conditions of extreme peril to the safety of persons and property continue to exist in California due to water shortage, drought conditions and wildfires."²⁵ Although the Governor issued an Executive Order in April 2017 ending the Drought State of Emergency in all counties except Fresno, Kings, Tulare, and Tuolumne, the declaration directed state agencies "to continue response activities that may be needed to manage the lingering drought impacts to people and wildlife."²⁶

- 140. Defendants were also aware that Southern California frequently experiences
 Santa Ana wind conditions, which are highly conducive to the rapid spread of wildfires. In
 California's dry season, the dry, hot, powerful Santa Ana winds—sometimes called the "fire" or
 "devil" winds—blow inland from desert regions across the Mojave Desert.
- 141. The winds are a regular and foreseeable part of life in Southern California at the time of year of the Thomas Fire began. Everyone who lives and works in Southern California is familiar with this type of wind event.
- of chaparral, posed an additional risk of fire. Chaparral is a coastal biome that covers approximately five percent of the state of California. Because of California's hot, dry summer and fall, chaparral is one of the most fire-prone plant communities in North America. Chaparral is also one of the most flammable vegetation complexes. Chaparral typically has multiple stems emerging from a single root crown, which not only adds to the density of the thickets but also increases the available surface area of combustible material. Hundreds of acres of chaparral can be burned in minutes. When chaparral burns in the mountains, the thick black smoke rises through the canyons like it is going through a chimney.
- 143. Furthermore, in the presence of Santa Ana winds, the level of moisture in chaparral plants drops, and they become even more flammable.

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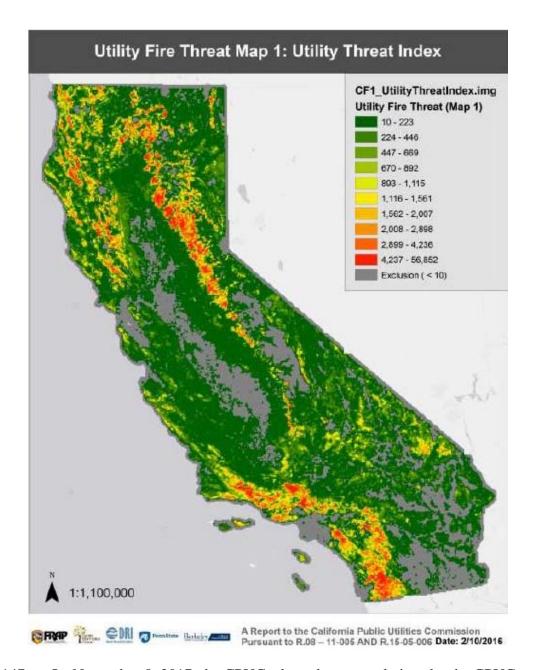
²⁵ Exec. Order B-36-15, Office of Gov. Edmund Brown, Jr. (Nov. 13, 2015).

²⁶ Exec. Order B-040-17 at 3, Office of Gov. Edmund Brown, Jr. (April 7, 2017).

1	144. According to records maintained by Cal Fire, electrical equipment was
2	responsible for starting 350 of the 5,609 wildfires in the Southern California region during
3	2015, the latest year such statistics have been published. ²⁷ Thus, SCE knew of the foreseeable
4	danger of wildfire when its power lines came into contact with vegetation.
5	145. In May 2016, the CPUC adopted Fire Map 1, which is a map that "depicts areas of
6	California where there in an elevated hazard for ignition and rapid spread of power line fires due
7	to strong winds, abundant dry vegetation, and other environmental conditions."28
8	146. On the map, the area in and around the Thomas Fire is both red and orange,
9	indicating the highest level of elevated hazard for the "ignition and rapid spread of power line
10	fires due to strong winds, abundant dry vegetation, and/or other environmental conditions."
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25	²⁷ Historical Wildfire Activity Statistics (Redbooks), Cal Fire, available at http://www.fire.ca.
26	gov/fire_protection/fire_protection_fire_into_redbooks_2015; see e.g., Table 9. Number of
27	Fires by Cause, by Unit and by County—Southern Region at 15, available at http://www.fire.ca. gov/downloads/redbooks/2015_Redbook/2015_Redbook_Fires_SouthernRegion.pdf. 28 Decision Adopting Fire Map 1, at A-1, Cal Pub. Utils. Comm'n (May 27, 2016), available at
28	http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M162/K550/162550016.PDF.

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- 147. On November 8, 2017, the CPUC adopted new regulations by the CPUC to enhance fire safety of overhead electrical power lines and communications lines located in high fire-threat areas following the devastating Northern California fires.
- 148. SCE is able to temporarily shut down power grids in high fire-threat areas to prevent wildfires by de-energizing its lines. SCE did not, however, shut off power grids in the Santa Paula, Ojai or Ventura areas on December 4, 2017.
- 149. Defendants were specifically aware that they had a duty to maintain equipment and the surrounding vegetation in compliance with these regulations and that a failure to do

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1	constituted negligence and would expose Plaintiffs and Class members to a serious risk of		
2	property damage and economic losses caused by wildfires.		
3	150. Defendants were also aware that California's wet season runs from October		
4	through March. The southern shift of the jet stream during winter months causes storms to track		
5	over California and delivers much of the state's yearly rain in just a few months. ²⁹		
6	151. In addition, EI has been in business since 1886 in California, and SCE since 1896.		
7	Thus, Defendants were aware of the fire-flood cycle in the state—and their region in particular:		
8	should a fire erupt prior to the rainy season, it would greatly increase the risk of dangerous		
9	mudslides and/or debris flows.		
10	3. SCE Knew Its Infrastructure Was Too Old and Improperly		
11	Maintained for Safety		
12	a. <u>Overloaded Poles</u>		
13	152. SCE has known for years that its miles of aging power lines pose a serious safety		
14	risk of triggering wildfires.		
15	153. SCE's service territory spans approximately 50,000 square miles, and 63.3 percen		
16	of SCE's electric transmission and distribution system is comprised of overhead lines.		
17	154. There are 1.4 million utility poles its service territory.		
18	155. Most of SCE's poles were installed just after World War II. ³⁰ While the methods		
19	used to measure safety have changed since then, SCE has not brought the older poles into		
20	compliance with modern standards.		
21	156. In a 2015 report to the CPUC addressing the risk factors in its electrical system,		
22	SCE noted that "[w]ood poles are more susceptible to decay, woodpecker damage, or failure		
23	during a fire compared to concrete or steel poles." Furthermore, poles located in high-wind area		
24			
25	²⁹ Brian Lada, Wildfire-Ravaged Areas of California Face Elevated Risk For Flooding. Mudslide This Winter, AccuWeather (Nov. 9, 2017 12:39 P.M.), https://www.accuweather.com/en/weather		
26	news/wildfire-ravaged-areas-of-california-face-elevated-risk-for-flooding-mudslides-this-winter/70003199.		
27	³⁰ Inspecting and Upgrading Utility Poles (SCE Pamphlet), <i>available at</i> https://www.sce.com/wps/wcm/connect/55d4ff43-9d3e-4d37-9e70-02cd51867efa/PoleLoadingProgramFactSheet.		
28	pdf?MOD=AJPERES.		

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1 such as in Southern California are "exposed to higher stresses [i]f a pole fails and starts a 2 wildfire, the fire is more likely to spread in a high-wind area" and "[i]f a pole fails in service, wildfires are more likely to start in high-fire regions "31 3 4 In 2017, the CPUC ordered that the creation of a shared database be investigated, 5 specifically to address the problems with SCE's infrastructure that caused the 2007 Malibu 6 Canyon Fire and electrical problems in the 2011 Windstorms: Poorly maintained poles and attachments have caused substantial property damage 7 and repeated loss of life in this State. Unauthorized pole attachments are particularly problematic. A pole overloaded with unauthorized equipment 8 collapsed during windy conditions and started the Malibu Canyon Fire of 2007, destroying and damaging luxury homes and burning over 4500 acres. Windstorms 9 in 2011 knocked down a large number of poles in Southern California, many of which were later found to be weakened by termites, dry rot, and fungal decay. 10 In the June 29, 2017 CPUC press release for its Order, the CPUC President 11 158. 12 Michael Picker stated, "[p]lain old wooden poles, along with their cousins, the underground 13 conduits, are work horses, carrying most of our power and telecommunications. They sometimes 14 get crowded and fail, causing outages and fires because of all the equipment crammed onto 15 them." Further, "[n]ot knowing where all the poles are and who owns them, how loaded they are, how safe they are, and whether they can handle any additional infrastructure, is problematic to 16 17 both the utilities and to the CPUC. Creating a database of utility poles could help owners track 18 attachments on their poles and manage necessary maintenance and rearrangements, and can help the CPUC in our oversight role."33 19 20 21 22 23 ³¹ Safety Model Assessment Before the Pub. Utils. Comm'n of the State of Cal. (May 2015), Prepared by SCE, available at http://www3.sce.com/sscc/law/dis/dbattach5e.nsf/0/4841D9996 24 A06A2B288257E38007AA374/\$FILE/A.15-05-XXX%20SMAP%20-%20SCE-01%20SMAP% 20Testimony M.%20Marelli S.%20Menon N.%20Woodward.pdf. 25 ³² CPUC Order Instituting Investigation into the Creation of a Shared Database or Statewide Census of Utility Poles and Conduit (July 10, 2017), Cal. Pub. Utils. Comm'n, 26 http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M191/K656/191656519.PDF. 27 ³³ Press Release, CPUC to Examine Utility Pole Safety and Competition; Considers Creation of Pole Database, Cal. Pub. Utils. Comm'n (June 29, 2017), 28 http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M191/K560/191560905.PDF.

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b. <u>Failure to Maintain Electrical Infrastructure and Failure to</u> Remediate its Known Risks

- 159. On top of having aging infrastructure with no formal, organized system to track its condition, SCE also failed to perform the necessary maintenance and inspections of its electrical equipment.
- 160. Overloaded poles have been a long-standing problem for SCE. Because of this, as part of SCE's 2012 General Rate Case, the CPUC ordered SCE to conduct a sample of SCE-owned and jointly-owned utility poles to determine whether pole loading³⁴ complied with current legal standards. SCE's study found that 22.3% of the more than 5,000 poles tested failed to meet current design standards.
- 161. In 2013, the CPUC's Safety and Enforcement Division sent a letter to the CPUC Commissioners recommending the following changes to SCE's policy in order to better approximate the true risk of its aging equipment: (1) SCE should conduct wind analysis in its service territory by incorporating actual wind standards into its internal pole loading standards; (2) SCE should conduct a pole loading analysis of every pole carrying SCE facilities, employing a risk management approach, specifically considering fire risk, the presence of communications facilities, and the number of overloaded poles in the area; and (3) SCE should commence pole mitigation measures as soon as possible and not wait for the pole loading analysis to be completed.
- 162. The CPUC noted in its 2012 General Rate Case decision the importance of remediating overloaded poles because of the risk of fire:

SCE did not establish its ability to undertake intrusive inspections of 130,000 wood poles per year during this rate cycle. However, we are concerned to the degree that some poles in SCE's service territory, particularly jointly-owned poles, may, unknown to SCE, be overloaded. Overloaded poles may break and thereby contribute to increased fire and other hazards.³⁵

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³⁴ "Pole loading" refers to the calculation of whether a pole meets certain design safety factors based on wind in that location and given the facilities attached to the pole.

³⁵ Decision On Test Year 2012 General Rate Case For Southern California Edison Company, 181, CPUC (Dec. 10, 2012), http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M037/K668/37668274.pdf (emphasis added).

1	163. In its 2015 General Rate Case, SCE proposed a Pole Loading Program ("PLP") to			
2	"inspect and assess over 1.4 million poles over a seven-year period to identify and then remediat			
3	those poles that do not meet the current standards." ³⁶			
4	164. SCE requested \$1 billion in 2013-2017 capital expenditures and \$38 million in			
5	2015 test year expenses to cover costs for pole loading assessments and remediation. ³⁷			
6	Additionally, SCE noted:			
7 8 9	SCE's electric and telecommunications facilities are attached to over 1.4 million poles that range from less than one year to nearly 100 years of age [R]ecent events, including the Malibu Canyon Fire in October 2007 and the November 2011 San Gabriel Valley windstorm, have shown that some of the poles that failed during those incidents did not meet minimum pole loading criteria when measured against today's standards.			
10	165. SCE claims to have started its program in 2014, and it proposed that it would			
11	complete its assessment in high fire areas in 2017 and pole remediation of overloaded poles in			
12	2025. In its 2015 General Rate Case, SCE estimated that 22% of its utility poles were overloaded			
13 14	as a part of this assessment. SCE forecast it would perform an assessment of over 205,000 poles			
15	in 2015.			
16	166. Then in its 2018 General Rate Case, SCE disclosed that instead of addressing the			
17	problems with its infrastructure, SCE modified its software used to calculate pole loading safety			
18	factors and these revisions reduced the percentage of poles it needed to remediate to just 9%. ³⁸			
19	167. SCE further disclosed that it had it again failed to meet its 2015 projected			
20	assessment and repair numbers of overloaded poles. Specifically, SCE admitted that it had only			
21	conducted around 142,500 out of the 205,000 pole assessments stated it would have completed.			
22	As a result, SCE announced that it was changing the duration of its PLP from 7 years to 10 years			
23	to allow for fewer pole assessments each year.			
24				
25	36 Test Veer 2015 General Pete Case Application of Southern California Edison Company (II			
26	³⁶ Test Year 2015 General Rate Case Application of Southern California Edison Company (U 338-E), Nov. 23, 2013 at 23.			
27	³⁷ Transmission and Distribution (T&D) Volume 6, Part 2 – Pole Loading at 2, http://www3.sce.com/sscc/law/dis/dbattach5e.nsf/0/763A8DBECCA94ECC88257C210080F6E3. \$FILE/SCE-03%20Vol.%2006%20Part%202.pdf.			
28	³⁸ Test Year General Rate Case 2018, Transmission & Distribution Volume 9, Poles.			
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Government also alleged that SCE didn't install appropriate animal guards at the location, and that SCE employees also lacked the equipment to stop the fire before it went into the forest.

176. SCE was also held responsible for its role in the 2007 Malibu Canyon Fire. The fire began when three wooden utility poles snapped during high Santa Ana winds and ignited nearby brush. The fire burned 3,836 acres and destroyed or damaged over 30 structures. The CPUC alleged that at least one of the poles that fell was overloaded with telecommunications equipment in violation of the applicable standards. It further alleged that misled investigators about the circumstances of the fire. SCE also agreed to conduct a safety audit and remediation of its utility poles in the Malibu area. In 2013, the CPUC fined SCE \$37 million for its role in this fire. Additionally, \$17 million of the settlement was required to be spent on pole loading assessments and resulting remediation work in Malibu Canyon and surrounding areas.

177. Under the settlement agreement with the CPUC, SCE admitted it violated the law by not taking prompt action to prevent its poles in Malibu Canyon from becoming overloaded. Further, SCE admitted that a replacement pole did not comply with the CPUC's safety regulations for new construction, which should have caused SCE to take steps to remedy the situation. ⁴⁰

178. SCE was also found liable for the 2007 Nightsky fire in Ventura County. The fire burned 53 acres and started when sagging, overloaded power lines arced and sparked. The jury determined that SCE had not properly maintained its lines, that there were problems with insulators or conductors on SCE's poles, and that phase to ground faults, relay-tripping, and phase-to-phase imbalances indicated the existence of a chronic, unfixed hazard.

179. In 2011, the United States Government successfully sued SCE for a wildfire in the San Bernardino National Forest. A tree fell onto SCE power lines and emitted molten aluminum, starting the fire. The Government alleged that SCE should have removed the tree prior to the fire during its inspection and maintenance. The Government received a \$9.4 million verdict for fire suppression costs and rehabilitation of the forest.

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⁴⁰ Press Release, CPUC Staff Enter Settlement Agreement of \$37 Million with Southern California Edison over 2007 Malibu Fire, Cal. Pub. Utils. Comm'n (May 20, 2013), http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M065/K515/65515418.PDF.

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- 184. The Risk Assessment and Safety Advisory Staff of the CPUC's Safety & Enforcement Division ("SED") is in the process of advancing a new "risk-informed" process to support decision-making and fund allocation in the context of energy utility General Rate Cases ("GRCs").
- 185. When the SED assessed SCE's GRC application, the regulatory agency was highly critical of SCE's risk assessment practices, determining it would be "unwise to accept SCE's risk assessment methods as a basis for determining reasonableness of safety-related program requests." The SED further found that "SCE is classifying major categories of spending as safety related, even though they relate to issues of customer satisfaction or electric service reliability than safety." *See* Arthur O'Donnell, et al., Risk and Safety Aspects of Southern California Edison's 2018-2020 General Rate Case Application 16-09-0001, 5 Cal. Pub. Utils. Comm'n (Jan. 31, 2017).
- 186. In particular, the agency "analyzed and evaluated the risk-informed decision framework used by SCE to identify major risks and determine potential mitigation plans and programs, and concluded that these methods and processes have not been particularly well described or effectively used to inform the 2018 GRC Test Year budget request." *Id*.
- 187. SCE also "admitted in testimony that it did not use risk assessment in the identification of its top risks, or to select programs to address those risks, but mostly after-the-fact as a way to measure risk reduction associated with the programs or projects proposed." *Id.*
- 188. The SED found that SCE failed to identify the threats having the potential to lead to safety risk, noting "SCE's approach to identify threats . . . suffers from an almost non-existent level of granularity." *Id.* at 20.
- 189. Additionally, SCE attempted to submit requests for funds for grid modernization under the guise of safety improvements. *Id.* at 46. However, the SED noted that improvement efforts are "typically portrayed as a means to expand integration of distributed energy resources and to improve reliability." *Id.* The SED emphasized that SCE must "distinguish[] between safety and reliability when conducting [its] safety risk assessment." *Id.* It ultimately found that "[w]hile SCE projected improvements in reliability metrics in its testimony from grid modernization, [the] SED did

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1	estimating the frequency and consequence terms." Id. Also, SCE was not able to "provide even			
2	qualitative prioritization of its risks." <i>Id.</i> at 32.			
3	VI. <u>CLASS ACTION ALLEGATIONS</u>			
4	197. Plaintiffs bring this class action individually and on behalf of all others similarly			
5	situated pursuant to California Code of Civil Procedure § 382. This action may be brought and			
6	properly maintained as a class action because Plaintiffs satisfy the numerosity, adequacy,			
7	typicality, and commonality prerequisites for suing as representative parties pursuant to			
8	California Code of Civil Procedure § 382.			
9	A. <u>Class Definitions And Exclusions</u>			
10	198. Plaintiffs seek certification of the following Economic and Property Damages			
11	Class (the E&PD Class"):			
12	1. <u>Class Definition</u>			
13	199. Economic and Property Damages Class means the individuals and entities defined			
14	in this Section 1, subject to the Exclusions in Section 2 below. If a person or entity is included			
15	within the geographical descriptions in Section 1(a) or Section 1(b), and their claims meet the			
16	descriptions of one or more of the Damage Categories described in Section 1(c), that person or			
17	entity is a member of the Economic and Property Damages Class, unless the person or entity is			
18	excluded under Section 2:			
19	a. <u>Individuals</u>			
20	200. Unless otherwise specified, all individuals residing in California who, as of			
21	December 4, 2017 and/or January 9, 2018, lived in, worked in, were offered and accepted work			
22	in, or owned or leased real or personal property located within, the California counties of Santa			
23	Barbara or Ventura (the "Fire and Mudslides Area").			
24	b. <u>Entities</u>			
25	201. All California entities that:			
26	a. owned, operated, or leased a physical facility in the Fire and Mudslides			
27	Area and (A) sold products (i) directly to consumers or end users of those products or (ii) to			
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1	another entity, or (B) regularly purchased products from the Fire and Mudslides Area in order to			
2	produce goods for resale;			
3	b. provided services while physically present in the Fire and Mudslides Area			
4	or			
5	c. owned or leased real property in the Fire and Mudslides Area.			
6	c. <u>Damage Categories</u>			
7	202. Individuals and entities who meet the descriptions of Sections 1(a) or 1(b) above			
8	are included in the E&PD Class only if their claims meet the descriptions of one or more of the			
9	Damage Categories described below:			
10	a. Economic Damage Category. Loss of income, earnings, or profits.			
11	b. Real Property Damage Category. Losses suffered by owners and lessees of			
12	real property located in the Fire and Mudslides Area.			
13	c. Personal Property Damage Category. Losses suffered by owners and			
14	lessees of personal property located in the Fire and Mudslides Area.			
15	d. Evacuation Damage Category. Losses suffered by those evacuated pursuan			
16	to voluntary or mandatory evacuation orders arising from the Fire and/or Mudslides.			
17 18	2. <u>Exclusions From The Economic And Property Damages Class</u> <u>Definition</u>			
19	203. Notwithstanding the above, the following individuals and entities are excluded			
20	from the E&PD Class:			
21	a. Any E&PD Class Member who or which timely elects to be excluded from			
22	the E&PD Class under the deadlines and procedures to be set forth by the Court.			
23	b. Defendants, and individuals who are current employees of Defendants.			
24	c. The Court, including any sitting judges on the Superior Court of the State			
25	of California, their law clerks serving during the pendency of this action, and members of any			
26	such judge's or current law clerk's immediate family.			
27	d. Any companies that insure any parties or Class members against the losses			
28	alleged in this complaint.			
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- 204. This action is brought and may properly be maintained as a class action on behalf of the proposed Class defined above, pursuant to the applicable and appropriate provisions of California Code of Civil Procedure § 382.
- 205. The members of the Class are so numerous that a joinder of all members would be impracticable. Based on public information on the numbers of acres and structures damaged or destroyed, businesses interrupted, and persons displaced or otherwise affected, the Class of those with Fires-related damages includes tens of thousands of potential claimants.
- 206. The Class is ascertainable. The Class definition identifies groups of unnamed plaintiffs by describing a set of common characteristics sufficient to allow a member of that group to self-identify as having a right to recover based on the description. Other than by direct notice, alternatively proper and sufficient notice of this action may be provided to the Class members through notice disseminated by electronic means, through broadcast media, and published in newspapers or other publications.
- 207. A well-defined community of interest in questions of law or fact involving and affecting all members of the Class exists, and common questions of law or fact are substantially similar and predominate over questions that may affect only individual Class members. This action is amenable to a class-wide calculation of damages, or the establishment of fair and equitable formulae for determining and allocating damages, through expert testimony applicable to anyone in the Class. The most significant questions of law and fact that will decide the Fires litigation are questions common to the Class, or to definable categories or subclasses thereof, and can be answered by the trier of fact in a consistent manner such that all those similarly situated are similarly treated in the litigation. The questions of law and fact common to the Plaintiffs and Class members, include, among others, the following:
- a. Whether Defendants were negligent in their construction, maintenance, and operation of electrical infrastructure, high voltage power lines, transformers, and/or other equipment;
 - b. Whether Defendants owed any duties to Class members;
 - c. Whether Defendants breached one or more duties to Class members;

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burdensome to the courts in which the individual litigation(s) would proceed. The class action device is preferable to individual litigation(s) because it provides the benefits of unitary and inclusive adjudication, economies of scale, and comprehensive adjudication by a single court.

211. Prosecution of separate actions by individual Class members would create a risk of inconsistent or varying adjudications with respect to individual Class members that would establish incompatible standards of conduct for the party (or parties) opposing the Class lead to the underinclusive, inconsistent or otherwise inequitable allocation of Defendants' available assets and insurance among similarly situated claimants and would lead to repetitious trials of numerous common questions of fact and law. Plaintiffs know of no difficulty that will be encountered in the management of this litigation that would preclude its maintenance as a class action. As a result, a class action is superior to other available methods for the fair and efficient adjudication of this controversy.

FIRST CAUSE OF ACTION Negligence

- 212. Plaintiffs incorporate and re-allege each of the paragraphs above as though fully set forth herein.
- 213. Defendants have a non-transferable, non-delegable duty to apply a level of care commensurate with and proportionate to the danger of designing, engineering, constructing, operating, and maintaining electrical transmission and distribution systems, including vegetation clearance.
- 214. Defendants have a non-transferable, non-delegable duty of vigilant oversight in the maintenance, use, operation, repair, and inspection appropriate to the changing conditions and circumstances of their electrical transmission and distribution systems.
- 215. Defendants have special knowledge and expertise far above that of a layperson that they were required to apply to the design, engineering, construction, use, operation, inspection, repair, and maintenance of electrical lines, infrastructure, equipment, and vegetation in order to assure safety under all the local conditions in their service area, including but not limited to, those conditions identified herein.

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- 217. The Thomas Fire and Mudslides were a direct, legal, and proximate result of Defendants' negligence. As a direct, proximate, and legal result of said negligence Plaintiffs and Class members suffered damages as alleged herein.
- 218. At all times mentioned herein, Defendants failed to properly inspect and maintain electrical infrastructure and equipment which they knew, given the then existing and known weather, climate, and fire- and mudslide-risk conditions, posed a risk of harm to Plaintiffs and the Class, and to their real and/or personal property. Defendants were aware that if the subject electrical infrastructure came in contact with vegetation that a fire would likely result and that a mudslide may result as well. Defendants also knew that, given the existing and known weather, climate, and fire-risk conditions, said fire was likely to pose a risk of property damage, economic loss, personal injury, and/or death to the general public, including to Plaintiffs and Class members.
- 219. Over the past decade, Defendants have been subject to numerous fines and penalties as a result of SCE's ongoing failure to abide by safety rules and regulations.
- 220. The property damage and economic losses occasioned by the Thomas Fire and Mudslides are the result of the ongoing custom and practice of Defendants of consciously disregarding the safety of the public and not following statues, regulations, standards, and rules regarding their business operations. Despite having caused death and injury to numerous people and extensive property damage and economic loss, these Defendants have continued to act in conscious disregard for the safety of others, and have ratified the unsafe conduct of their employees. Upon information and belief, no employee has been disciplined or discharged as a result of failing and/or refusing to comply with the regulations and/or as a result of the deaths of members of the public.
- 221. These Defendants, in order to cut costs, failed to properly inspect and maintain the subject electrical infrastructure with full knowledge that any incident was likely to result in a fire that would burn and/or kill people, damage or destroy property, and/or cause harm to the general public and that such a fire would be likely to cause a mudslide which also would injure and/or kill

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- 229. The harm to the Class from the Defendants' failure to properly inspect, repair, and maintain electrical infrastructure was clearly foreseeable. Specifically, it was foreseeable that such conduct would cause a massive wildfire, and that such a wildfire would destroy personal and real property near such infrastructure, force residents and visitors in the region to evacuate, cause a mudslide, and deter those who would have visited from visiting the area, resulting in fewer customers to patronize area businesses and fewer economic opportunities for the Class.
- 230. The Class suffered injuries which were clearly and certainly caused by the Thomas Fire and Mudslides, resulting evacuation and/or relocation and economic losses, and the remedial measures they were forced to take to restore their properties and businesses.
- 231. There is moral blame attached to Defendants as a result of the terrible injuries their misconduct caused, including the damage to Class through no fault of their own, and incalculable damage to the environment.
- 232. Public policy supports finding a duty of care in this circumstance due to, among other things, Defendants violation of California Civil Code §§ 3479, 3480, Public Utilities Code § 2106, and California Health & Safety Code § 13007.
- 233. Defendants, large billion-dollar corporations with tens of billions of total assets, are better placed to absorb the cost of this disaster than Plaintiffs, who are individual property owners, tenants, independent contractors, and small business owners.
- 234. A finding of a duty of care on Defendants will also deter Defendants from failing to properly inspect, repair, and maintain their electrical infrastructure in the future, whereas burdening the Plaintiffs with the cost of this disaster will not have any deterrent value, as Plaintiffs are victims through no fault of their own.
- 235. Wildfire insurance, corporate liability insurance, and reinsurance are widely available and prevalent in the industry, and Defendants maintain a substantial amount of wildfire insurance to pay for precisely these kinds of incidents.
- 236. Further, the conduct alleged against Defendants in this complaint was despicable and subjected Plaintiffs and Class members to cruel and unjust hardship in conscious disregard of their rights, constituting oppression, for which Defendants must be punished by punitive and

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exemplary damages in an amount according to proof. Defendants' conduct evidences a conscious disregard for the safety of others, including Plaintiffs and the Class. Defendants' conduct was and is despicable conduct and constitutes malice as defined by Civil Code § 3294. An officer, director, or managing agent of SCE personally committed, authorized, and/or ratified the despicable and wrongful conduct alleged in this complaint. Plaintiffs and Class members are entitled to an award of punitive damages sufficient to punish and make an example of these Defendants.

SECOND CAUSE OF ACTION Inverse Condemnation

- 237. Plaintiffs incorporate and re-allege each of the paragraphs above as though fully set forth herein.
- 238. Prior to and on December 4, 2017, Plaintiffs and Class members were owners of real property and personal property located within Southern California.
- 239. Prior to and on December 4, 2017, Defendants installed, owned, operated, used, controlled, and/or maintained electrical distribution infrastructure in Southern California.
- 240. Prior to and on December 4, 2017, as a direct, necessary, and legal result of Defendants' installation, ownership, operation, use, control, and/or maintenance for a public use of power lines and electrical equipment, Defendants' electrical lines and/or equipment came in contact with vegetation and caused the Thomas Fire and Mudslides, which burned in excess of 281,000 acres, including property owned or occupied by Plaintiffs and Class members. The Thomas Fire and Mudslides damaged and/or destroyed Plaintiffs' and Class members real and/or personal property.
- 241. The damage to Plaintiffs' property was proximately and substantially caused by Defendants' actions in that Defendants' installation, ownership, operation, use, control, and/or maintenance for a public use of power lines and equipment was negligent and caused the Thomas Fire and Mudslides.

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242. Plaintiffs and Class members have not received adequate compensation for the damage to and/or destruction of their property, thus constituting a taking or damaging of Plaintiffs' and Class members property by Defendants without just compensation.

- 243. As a direct and legal result of the above-described damages to Plaintiffs' property, including loss of use and interference with access, enjoyment and marketability of real property, and damage/destruction of personal property, Plaintiffs and Class members have been damaged in amounts according to proof at trial.
- 244. Plaintiffs and Class members have incurred and will continue to incur attorney's, appraisal, and engineering fees and costs because of Defendant's conduct, in amounts that cannot yet be ascertained, but which are recoverable in this action under Code of Civil Procedure § 1036.

THIRD CAUSE OF ACTION Public Nuisance

- 245. Defendants owed a non-transferable, non-delegable duty to the public, including Plaintiffs and the Class, to conduct their business, in particular the maintenance and/or operation of power lines, power poles, and/or electrical equipment on power poles, and adjacent vegetation in proximity to their electrical infrastructure in Southern California, in a manner that did not threaten harm or injury to the public welfare.
- 246. Defendants, by acting and/or failing to act, as alleged hereinabove, created a condition that was harmful to the health of the public, including Plaintiffs and the Class, and created a fire hazard and other potentially dangerous conditions to Plaintiffs' property, which interfered with the comfortable occupancy, use, and/or enjoyment of Plaintiffs' property. This interference is both substantial and unreasonable.
- 247. Plaintiffs did not consent, expressly or impliedly, to the wrongful conduct of Defendants.
- 248. The hazardous condition which was created by and/or permitted to exist by Defendants affected a substantial number of people at the same time within the general public, including Plaintiffs and the Class, and constituted a public nuisance under Civil Code §§ 3479

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and 3480 and Public Resources Code § 4171. Further, the ensuing Thomas Fire and Mudslides constituted a public nuisance under Public Resources Code § 4170.

- 249. The damaging effects of Defendants' creation of a fire hazard and the ensuing Thomas Fire and Mudslides are ongoing and affect the public at large. There is a long term risk of additional mudslides and/or debris flows in the future because the region was destabilized by the Thomas Fire and Mudslides.
- 250. As a direct and legal result of the conduct of Defendants, Plaintiffs and the Class suffered harm that is different from the type of harm suffered by the general public. Specifically, Plaintiffs have lost the occupancy, possession, use, and/or enjoyment of their land, real, and/or personal property, including, but not limited to: a reasonable and rational fear that the area is still dangerous; a diminution in the fair market value of their property; an impairment of the ability to sell their property; soils that have become hydrophobic; exposure to an array of toxic substances on their land; the presence of "special waste," mud, and/or boulders on their property that requires special management and disposal; and economic losses.
- 251. As a further direct and legal result of the conduct of Defendants, Plaintiffs and the Class have suffered, and will continue to suffer, discomfort, anxiety, fear, worries, annoyance, and/or stress attendant to the interference with Plaintiffs' occupancy, possession, use and/or enjoyment of their property.
- 252. A reasonable, ordinary person would be annoyed or disturbed by the condition created by Defendants, and the resulting Thomas Fire and Mudslides.
- 253. Defendants' conduct is unreasonable and the seriousness of the harm to the public, including Plaintiffs and the Class, outweighs the social utility of Defendants' conduct. There is little or no social utility associated with causing the Thomas Fire and Mudslides to destroy one of the most beautiful and beloved regions of Southern California.
- 254. The individual and/or collective conduct of Defendants set forth above resulting in the Thomas Fire and Mudslides is not an isolated incident, but is ongoing and/or a repeated course of conduct, and Defendants' prior conduct and/or failures have resulted in other fires and damage to the public.

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invaded the right of Plaintiffs to use their property, and interfered with Plaintiffs' enjoyment of their property, causing Plaintiffs unreasonable harm and substantial actual damages constituting a nuisance pursuant to California Civil Code § 3479.

- 262. As a direct and proximate result of Defendants' conduct, Plaintiffs and Class members sustained loss and damage, including but not limited to damage to property, discomfort, annoyance, and emotional distress, the amount of which will be proven at trial.
- 263. As a further direct and proximate result of the conduct of Defendants, Plaintiffs seek the reasonable cost of repair or restoration of the property to its original condition and/or loss-of-use damages, as allowed under California Civil Code § 3334.
- 264. Defendants' conduct was willful and wanton, and with a conscious contempt and disdain for the disastrous consequences that Defendants knew could occur as a result of their dangerous conduct. Accordingly, Defendants acted with malice towards Plaintiffs, which is an appropriate predicate fact for an award of exemplary/punitive damages in a sum according to proof.

FIFTH CAUSE OF ACTION Premises Liability

- 265. Plaintiffs incorporate and re-allege by this reference, each of the paragraphs set forth as though fully set forth herein.
- 266. Defendants were the owners of an easement and/or real property in the area of origin of the Thomas Fire and Mudslides, and/or were the owners of the electrical infrastructure upon said easement and/or right of way.
- 267. Defendants acted wantonly, unlawfully, carelessly, recklessly, and/or negligently in failing to properly inspect, manage, maintain, and/or control the vegetation near their electrical infrastructure along the real property and easement, allowing an unsafe condition presenting a foreseeable risk of fire danger to exist in said areas.
- 268. As a direct and legal result of the wrongful acts and/or omissions of Defendants, Plaintiffs and the Class suffered, and continue to suffer, the injuries and damages as set forth above.

269. As a further direct and legal result of the wrongful acts and/or omissions of Defendants, Plaintiffs seek the recovery of punitive and exemplary damages against Defendants as set forth above.

SIXTH CAUSE OF ACTION Trespass

- 270. Plaintiffs incorporate and re-allege each of the paragraphs above as though fully set forth herein at length.
- 271. At all times relevant herein, Plaintiffs and Class members were the owners and lawful occupiers of real property damaged by the Thomas Fire and/or Mudslides.
- 272. Defendants had a duty to use reasonable care not to enter, intrude on, or invade Plaintiffs' and Class members' real properties. Defendants negligently allowed the Thomas Fire and/or Mudslides to ignite and/or spread out of control, causing injury to Plaintiffs and Class members. The spread of a negligently caused fire and/or debris flows to wrongfully occupy the land of another constitutes a trespass.
- 273. Plaintiffs did not grant permission for Defendants to cause the Thomas Fire and/or Mudslides to enter their properties.
- 274. As a direct, proximate, and substantial cause of the trespass, Plaintiffs and Class members have suffered and will continue to suffer damages, including but not limited to damage to property, discomfort, annoyance, and emotional distress in an amount to be proved at the time of trial.
- 275. As a further direct and proximate result of the conduct of Defendants, Plaintiffs have hired and retained counsel to recover compensation for loss and damage and are entitled to recover all attorney's fees, expert fees, consultant fees, and litigation costs and expenses, as allowed under California Code of Civil Procedure § 1021.9.
- 276. As a further direct and proximate result of the conduct of Defendants, Plaintiffs seek treble or double damages for wrongful injuries to timber, trees, or underwood on their property, as allowed under California Civil Code § 3346.

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277. As a further direct and proximate result of the conduct of Defendants, Plaintiffs seek the reasonable cost of repair or restoration of the property to its original condition and/or loss-of-use damages, as allowed under California Civil Code § 3334.

278. Defendants' conduct was willful and wanton, and with a conscious contempt and disdain for the disastrous consequences that Defendants knew could occur as a result of their dangerous conduct. Accordingly, Defendants acted with malice towards Plaintiffs and Class members, which is an appropriate predicate fact for an award of exemplary/punitive damages in a sum according to proof.

SEVENTH CAUSE OF ACTION Violations Of Public Utilities Code §2106

- 279. Plaintiffs incorporate and re-allege each of the paragraphs above as though fully set forth herein.
- 280. As Public Utilities, Defendants are legally required to comply with the rules and orders promulgated by the CPUC pursuant to Public Utilities Code § 702.
- 281. Public Utilities whose failure to perform or inadequate performance of duties required by the California Constitution, a law of the State, or a regulation or order of the Public Utilities Commission, leads to loss or injury, are liable for that loss or injury, pursuant to Public Utilities Code § 2106.
- 282. As Public Utilities, Defendants are required to provide and maintain service, equipment, and facilities in a manner adequate to maintain the safety, health, and convenience of their customers and the public, pursuant to Public Utilities Code § 451.
- 283. Defendants are required to design, engineer, construct, operate, and maintain electrical supply lines and associated equipment in a manner consonant with their use, taking into consideration local conditions and other circumstances, so as to provide safe and adequate electric service, pursuant to CPUC General Order 95, and CPUC General Order 165.
- 284. Defendants are required to maintain vegetation in compliance with California Public Resources Code §§ 4293, 4294, 4435 and Health & Safety Code § 13001.

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285. Through their conduct alleged herein, Defendants violated Public Utilities Code §§ 702, 451 and/or CPUC General Order 95, thereby making them liable for losses, damages, and injuries sustained by Plaintiffs and the Class pursuant to Public Utilities Code § 2106.

EIGHTH CAUSE OF ACTION Violation Of Health & Safety Code § 13007

- 286. Plaintiffs hereby re-allege and incorporate by reference each and every allegation contained above as though the same were set forth herein in full.
- 287. By engaging in the acts and omissions alleged in this Complaint, Defendants willfully, negligently, and in violation of law, allowed Fire and Mudslides to ignite on or spread to the property of another in violation of California Health & Safety Code § 13007.
- 288. As a legal result of Defendants' violation of California Health & Safety Code § 13007, Plaintiffs suffered recoverable damages to property under California Health & Safety Code §§ 13008 and 13009.1.
- 289. As a further legal result of the violation of California Health & Safety Code § 13007 by Defendants, Plaintiffs are entitled to reasonable attorney's fees under California Code of Civil Procedure § 1021.9 for the prosecution of this cause of action.
- 290. Further, the conduct alleged against Defendants in this complaint was despicable and subjected Plaintiffs to cruel and unjust hardship in conscious disregard of their rights, constituting oppression, for which Defendants must be punished by punitive and exemplary damages in an amount according to proof. Defendants' conduct was carried on with a willful and conscious disregard of the rights and safety of Plaintiffs, constituting malice, for which Defendants must be punished by punitive and exemplary damages according to proof. An officer, director, or managing agent of SCE personally committed, authorized, and/or ratified the despicable and wrongful conduct alleged in this complaint

NINTH CAUSE OF ACTION Negligent Interference With Prospective Economic Advantage

291. Plaintiffs hereby re-allege and incorporate by reference each and every allegation contained above as though the same were set forth herein in full.

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- 292. Plaintiffs and the Class have existing or prospective economic relationships with citizens of the region impacted by the Thomas Fire and Mudslides, visitors to the region, and other individuals and organizations in and related to the region.
- 293. These relationships have a reasonably probable likelihood of resulting in future economic benefits or advantages to Plaintiffs and the Class.
- 294. Defendants knew or should have known of these existing and prospective economic relationships.
- 295. Defendants owed a duty to Plaintiffs and the Class to avoid negligent or reckless conduct that would interfere with and adversely affect the existing and prospective economic relationships of Plaintiffs and the Class.
- 296. Defendants breached that duty to Plaintiffs and the Class by, among other things, failing to install and/or maintain reasonable safety equipment to prevent fires, failing to properly maintain their electrical infrastructure in a safe condition, and failing to manage the vegetation surrounding their equipment.
- 297. Defendants knew or should have known that, if they failed to act with reasonable care, the existing or prospective economic relationships of Plaintiffs and the Class would be interfered with and disrupted.
- 298. Defendants were negligent and failed to act with reasonable care as set forth above.
- 299. Defendants engaged in wrongful acts and/or omissions as set forth above, including but not limited to their violations of laws that require Defendants to operate their equipment in a manner that does not damage public health or safety.
- 300. As a direct and proximate result of Defendants' wrongful acts and/or omissions, Defendants negligently and recklessly interfered with and disrupted the existing and prospective economic relationships of Plaintiffs and the Class.
- 301. As a direct and proximate result of Defendants' wrongful acts and/or omissions, Plaintiffs and the Class have suffered and will suffer economic harm, injury, and losses as set forth above.

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1	VII. PRAYER FOR RELIEF				
2		WHE	REFORE, Plaintiffs pray for judgment against Defendants as follows:		
3		1.	Costs of repair, depreciation, and/or replacement of damaged, destroyed, and/or		
4	lost personal and/or real property;				
5	2. Loss of use, benefit, goodwill, and enjoyment of Plaintiffs' real and/or personal				
6	property, and/or alternative living expenses;				
7	3. Loss of wages, earning capacity, and/or business profits or proceeds and/or any				
8	related displacement expenses;				
9		5.	Attorney's fees, expert fees, consultant fees, and litigation costs and expense, as		
10	allowed under California Code of Civil Procedure § 1021.9;				
11		6.	Treble or double damages for wrongful injuries to timber, trees, or underwood on		
12	their property, as allowed under California Civil Code § 3346;				
13		7.	Punitive/exemplary damages;		
14		8.	All costs of suit;		
15		9.	Prejudgment interest, according to proof; and		
16		10.	General damages for fear, worry, annoyance, disturbance, inconvenience, mental		
17	anguish, emotional distress, and loss of quiet enjoyment of property; and				
18		11.	For such other and further relief as the Court shall deem proper, all according to		
19	proof.				
20	VIII.	<u>JURY</u>	Y TRIAL DEMAND		
21		Plaint	tiffs hereby demand a jury trial on all causes of action for which a jury is available		
22	under	the law	<i>7</i> .		
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1	Dated: January 24, 2018	Respectfully submitted,
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CLASS ACTION COMPLAINT

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