

Application No.: A.23-08-013
Exhibit No.: SCE-06
Witnesses: J. Hasbrouck



(U 338-E)

***Thomas Fire and Debris Flow Cost Recovery
Application – Claims Resolution Testimony***

Before the

Public Utilities Commission of the State of California

Rosemead, California
August 22, 2023

**SCE-06: Thomas Fire and Debris Flow
Cost Recovery Application – Claims Resolution Testimony**

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I.

EXECUTIVE SUMMARY

SCE seeks recovery of reasonable costs incurred to settle claims arising out of the 2017 Thomas Fire and 2018 Montecito debris flow. SCE faced significant exposure had plaintiffs' claims proceeded to trial. This is because, in addition to the risk inherent in litigating hundreds of trials, California's inverse condemnation doctrine subjects investor-owned utilities to strict liability for property damage, even absent any showing of negligence. By pursuing reasonable settlements, SCE resolved claims for significantly less than the amounts plaintiffs had demanded and avoided additional attorneys' fees and interest. SCE has achieved settlements with over 5,000 plaintiffs for amounts significantly lower than the dollar value of plaintiffs' total demands. These settlements also expedited the resolution of the claims compared to litigation.

This testimony discusses the litigation that arose from the Thomas Fire and debris flow events and the reasonable processes SCE followed to resolve the multitude of lawsuits brought by the three main categories of plaintiffs: (1) Public Entity Plaintiffs, (2) Subrogation Plaintiffs, and (3) Individual Plaintiffs. SCE worked with experienced mediators to reach settlements with the majority of Public Entity Plaintiffs and all Subrogation Plaintiffs. In addition, SCE used a Resolution Protocol—developed by the parties and supervised by Retired Los Angeles Superior Court Judge Peter Lichtman¹—to facilitate efficient, cost-effective settlement of most Individual Plaintiffs' claims. Judge Lichtman himself has attested to the reasonableness of the Resolution Protocol, stating “unequivocally” that it “represents ... an exceedingly reasonable approach and methodology in resolving the claims” and that SCE’s “overall approach to settlement has led to definite cost savings.”² Similarly, Judge Buckley, a presiding judge in the Thomas Fire coordinated action, extolled SCE’s settlement process as a “spectacular success in a case of over 5,000 people.”³ SCE prudently and successfully pursued settlement because it allowed SCE to avoid the risks, uncertainties, delay, and expense of litigation while reaching reasonable resolution of claims. Neutralizing such risks through pre-trial settlement is not

¹ Judge Lichtman’s qualifications are described in Section IV.B.

² See Appendix A (Declaration of Honorable Judge Peter D. Lichtman) at pp. 1-2.

³ Feb. 15, 2022 Thomas Hearing Tr. 16:3-7 (Judge Buckley).

1 only prudent, but is also common practice for handling lawsuits of this nature.⁴

⁴ See Jeffrey Johnson, J.D. & Adam Ramirez, J.D., *Personal Injury Settlement Amounts Examples (2023 Guide)*, FORBES, Sept. 22, 2022 (estimating that approximately 95 percent of civil personal injury cases reach settlement).

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II.

BACKGROUND ON LITIGATION AND PLAINTIFF GROUPS

The 2017 Thomas Fire caused substantial damage to both residential and business properties and the unfortunate loss of life. According to the California Department of Forestry and Fire Protection (Cal Fire), the Thomas Fire burned over 280,000 acres, destroyed or damaged an estimated 1,343 structures, and resulted in two fatalities. In January 2018, the Montecito debris flows destroyed an estimated 135 structures, damaged an estimated 324 structures, and resulted in 23 fatalities and other personal injuries.

Beginning in December 2017, and continuing into mid-2022, 431 lawsuits comprising 6,188 plaintiffs were initiated against SCE⁵ in connection with the 2017 Thomas Fire and 2018 Montecito debris flow events (together, the Events). Some of these lawsuits alleged that SCE bore responsibility for the damages caused by the debris flows and flooding in Montecito and surrounding areas in January 2018 based on the theory that SCE started the Thomas Fire and that the fire proximately caused the debris flow. The 6,188 plaintiffs included public entities as well as owners, insurers, and renters of residential and commercial properties, including agricultural properties, that were damaged or destroyed in the Events. The lawsuits sought recovery of unspecified amounts of damages, including in some cases, punitive damages.

The three main categories of plaintiffs are as follows:

- **Public Entities** – The 15 public entities who sued SCE comprise state agencies, cities, counties, and one federal agency (the United States Forest Service). Their alleged damages include property damage, public resource damage, fire suppression costs, lost tax revenue, overtime costs, prejudgment interest, and attorneys’ fees and costs.
- **Subrogation Plaintiffs** – 335 insurance companies sought reimbursement from SCE of amounts paid to their insureds for damages arising out of the Events, as well as prejudgment interest and attorneys’ fees and costs.
- **Individual Plaintiffs** – 5,838 individual plaintiffs, including people, businesses, and trusts associated with 2,388 households⁶ brought claims against SCE. Individual Plaintiffs asserted a variety of damages, including property damage, evacuation costs, alternative living

⁵ Edison International was also improperly named in many cases.

⁶ A household is a group of individual plaintiffs with a shared interest, such as plaintiffs that resided at the same address, a homeowner and their business, or a plaintiff and their trust, among others.

1 expenses, personal injuries, emotional distress, lost income, wrongful death, punitive
2 damages, prejudgment interest, and attorneys' fees and costs.

3 Beginning shortly after litigation was anticipated, SCE took a number of actions to defend the
4 Company in response to plaintiffs' claims. As an initial step, SCE successfully moved to coordinate the
5 various state lawsuits in Los Angeles Superior Court on April 20, 2018.⁷ This allowed for a more
6 efficient litigation process by giving the California trial court judge the power to fashion specialized
7 procedures applicable across all 400+ cases – such as master pleadings, coordinated discovery, and
8 bellwether trials⁸ – which in turn later allowed SCE to achieve efficiencies in both cost and time by
9 handling plaintiffs' claims on a global basis. SCE also obtained a stay on pending class action
10 complaints on July 11, 2018.⁹ On August 3, 2018, SCE filed a demurrer seeking to dismiss plaintiffs'
11 inverse condemnation claims. On October 4, 2018, the court denied SCE's demurrer, and on February
12 26, 2019, the California Supreme Court denied SCE's petition to review the court's decision.¹⁰ On
13 August 16, 2019, SCE again sought to challenge plaintiffs' inverse condemnation claims by filing a
14 motion for a legal determination that the doctrine of inverse condemnation did not apply given the
15 factual basis of plaintiffs' claims. That motion was also denied and the appellate court declined to hear
16 an interlocutory writ on this issue.

17 While pursuing these thus-far unsuccessful legal challenges to inverse condemnation, SCE was
18 nonetheless able to separately obtain dismissal of a significant number of plaintiffs who would not or
19 could not substantiate their alleged damages. On July 9, 2019, the court ordered all individual plaintiffs
20 to complete damages questionnaires and submit supporting documents by October 31, 2019. On
21 February 14, 2020, SCE filed a motion for an order to show cause regarding certain individual plaintiffs
22 who had failed to provide the court-ordered damages discovery. Prompted in part by the court's orders

⁷ A claim by the United States of America for damages alleged by the United States Forest Service was not coordinated and remains pending in the United States District Court for the Central District of California.

⁸ A bellwether trial is a common procedural practice in mass tort litigation. Instead of setting hundreds or thousands of plaintiffs' cases for trial, a court will initially set a trial involving a small number of plaintiffs to act as a test case whose results will ideally assist in streamlining future proceedings (such as settlements or additional trials).

⁹ As of the date of this filing, a sole putative class action complaint has been filed by four households that opted out of the Resolution Protocol. *See* SCE-10 at Section II.F.1. But no motion for class certification has yet been filed, and the assigned judge has expressed skepticism on the record about the viability of the class.

¹⁰ Following a stipulated judgment entered against SCE in the Thomas Fire litigation, SCE filed an appeal related to inverse condemnation in the California Court of Appeal. That appeal is still pending.

1 requiring plaintiffs to substantiate their damages by submitting discovery, the claims of 503 individual
2 plaintiffs in 341 households were eventually dismissed.

3 On June 26, 2019, the California state court judge set a bellwether trial to begin on January 13,
4 2020. This date was later moved to April 20, 2020, and subsequently was continued and stayed several
5 times. Because of SCE's significant efforts to settle the cases prior to trial, no trial has yet taken place on
6 the cases arising from the Events and only one is currently scheduled for April 2024 as a damages-only
7 trial. As described in Section III below, SCE's decision to settle cases rather than proceed to trial was
8 prudent given the inherent unpredictability of jury verdicts.

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III.

SETTLING CLAIMS WAS PRUDENT IN LIGHT OF SCE’S LITIGATION RISK

As described herein, even though SCE contests that its facilities caused the Anlauf ignition despite a fire investigation report and plaintiffs’ allegations to the contrary, SCE prudently began settling claims in December 2019 for all of the Events due to the outsized litigation risk the Company would have faced in hundreds of trials with thousands of plaintiffs alleging strict liability inverse condemnation, among other causes of action. The Company’s decision to pursue a settlement strategy in late 2019 rather than proceed to trial was driven largely by a number of factors. As an initial matter, individually trying the cases of many thousands of plaintiffs was never a viable option. Given that some type of settlement with at least some plaintiffs was the only practical way forward after the court denied SCE’s motions to dismiss plaintiffs’ claims, SCE was reasonable in negotiating settlements and resolution protocols with each plaintiffs’ group relatively early in the course of the litigation and before any trial. SCE’s settlement strategy was driven in significant part by the California legal doctrine of inverse condemnation, which allows plaintiffs to establish liability for property damages even without showing that the utility was negligent.

A. California’s Legal Doctrine of Inverse Condemnation Dramatically Increases Utilities’ Risk of an Adverse Liability Finding at Trial

The current law in California surrounding inverse condemnation—which is highly unfavorable to utilities—made it prudent for SCE to pursue a reasonable settlement strategy. Under current precedent, in California, property owners who suffer wildfire damages caused by utility equipment can file claims against investor-owned utilities under the legal doctrine of inverse condemnation. If a wildfire is substantially caused by a utility’s equipment, property owners can seek compensation for their property losses, including diminution in the value of their property, any physical damage to their property, and loss of business goodwill.¹¹ Under this doctrine, investor-owned utilities are liable for property damage resulting from wildfires associated with utility facilities regardless of whether or not the utility’s conduct was reasonable and regardless of whether the utility complied with safety standards

¹¹ See *Ratepayer Impacts of Strict Liability*, The Public Advocates Office, April 7, 2023, available at <https://www.publicadvocates.cpuc.ca.gov/-/media/cal-advocates-website/files/reports/230407-caladvocates-wildfire-safety-inverse-condemnation-policy-paper.pdf>; *Barthelemy v. Orange Cnty. Flood Control Dist.*, 65 Cal.App.4th 558, 76 Cal.Rptr.2d 575 (1998) (discussing damages available on an inverse condemnation claim).

1 and regulations. This effectively results in strict liability for the utility and dramatically increases the
2 risk that a utility will be found liable to civil plaintiffs at trial. Moreover, because attorneys' fees and
3 prejudgment interest are recoverable on an inverse condemnation claim, plaintiffs' ability to invoke
4 inverse condemnation increases the magnitude of damages plaintiffs may be awarded after a protracted
5 litigation resulting in a jury verdict.

6 In the face of strict liability under the doctrine of inverse condemnation, it is reasonable and less
7 costly to settle legal claims (where the parties can agree to a reasonable settlement amount), rather than
8 proceed to lengthy and protracted trials where the damages are likely to be greater due to accruing
9 prejudgment interest and attorneys' fees that plaintiffs may seek to recover on inverse condemnation
10 claims. When inverse condemnation is at issue, settlement is often the most prudent approach even
11 where the utility acted reasonably in its underlying design, inspection, operation, and maintenance of its
12 system. Indeed, it is often prudent for the utility to settle rather than litigate all types of claims,
13 depending on a reasonable evaluation of the costs of litigating and the risks of loss, because all litigation
14 is costly in time, money, and attention, and even the strongest case carries a risk of loss.

15 Here, as described in SCE-03, fire agency investigators were focused on the cause of the fire
16 (and not whether SCE met its standard of care), and SCE asserts that it was not negligent with respect to
17 the facilities alleged to have been associated with either ignition. To the contrary, SCE believes that it
18 could have been able to show at trial that the Company appropriately designed, inspected, maintained,
19 and operated the electrical facilities at issue. Yet, because California's inverse condemnation doctrine
20 requires a utility to pay for property damages (plus interest and attorneys' fees) stemming from a
21 wildfire caused by its equipment regardless of the utility's negligence (or lack thereof), a liability
22 finding as to plaintiffs' property damages was nonetheless highly likely with respect to property
23 damages arising out of the Thomas Fire.

24 **B. Additional Factors Contributing to SCE's Litigation Risk Arising Out of the Thomas Fire**
25 **and Montecito Debris Flow**

26 Aside from facing unfavorable inverse condemnation law, additional factors also contributed to
27 SCE's reasonable decision to pursue settlement of plaintiffs' claims prior to a trial.

28 First, even though the Anlauf fire agency report was flawed, as described in SCE-02, the fire
29 agency investigators' determination that SCE facilities caused both the Anlauf and Koenigstein ignitions
30 nonetheless increased SCE's risk of an adverse jury trial outcome. Had plaintiffs' claims proceeded to
31 trial, jurors would have heard and considered investigators' testimony pointing to SCE's facilities as

1 having ignited both fires. Though the government’s findings are not determinative and SCE believes the
2 underlying investigations were flawed and some conclusions were erroneous, there was a significant risk
3 that jurors would simply defer to the fire agencies’ findings. Compounding this risk was SCE’s inability
4 to present a definitive alternative conclusion regarding the cause of the Anlauf ignition due to the failure
5 of fire investigators to prevent the loss of key evidence from the private residence area where SCE’s
6 experts concluded that the Anlauf fire originated. Given the fire investigators’ findings, SCE would not
7 have been able to prevail on summary judgment and the Company would have been in a difficult
8 position if it were to try the matter before a jury given that the key evidence to disprove SCE’s role had
9 been removed by others before SCE could inspect it.

10 Second, proceeding to trial on plaintiffs’ inverse condemnation and negligence claims carried the
11 additional risk of an anomalous, outsized jury award that could have increased the cost of later
12 settlements (and thus could have exacerbated the total amount of reimbursements SCE would seek from
13 its customers). All trials carry risk, and here the risk was heightened due to the nature of many plaintiffs’
14 alleged damages. At trial, jurors could sympathize with plaintiffs who lost their homes and personal
15 belongings, or who would testify that they were impacted physically or emotionally, which carries the
16 risk that a jury will seek to help the claimant regardless of the legal standard or any mitigating factors.

17 Third, with respect to the Montecito debris flows, SCE was at risk of an adverse liability finding
18 at trial despite the fact that the actions of third parties caused or contributed to some plaintiffs’ debris-
19 flow damages (*see* SCE-05). In January 2018, the California Department of Insurance issued a formal
20 notice to all property and casualty insurers admonishing them of their duty to cover damages for debris
21 flows, and opining based on “preliminary information” that “there is a substantial basis to indicate that
22 the Thomas fire was the efficient proximate cause of the flooding, mudflow, debris flow, mudslide,
23 landslide, and other similar events in Santa Barbara County following the Thomas fire.”¹²
24 Insurance Commissioner Dave Jones followed up with a press release indicating that he “expect[s]
25 insurance companies to step up and cover these financial losses.”¹³ This conclusion enabled Montecito

¹² Notice from Lisbeth Landsman-Smith, California Dept. of Ins., to All Property Casualty Insurance Companies Providing Homeowners and Commercial Property Insurance in the California Areas and Other Interested Persons (Jan. 29, 2018). *Available at* <https://www.insurance.ca.gov/0400-news/0100-press-releases/2018/upload/FINAL-Prox-Cause-NOTICE.pdf>.

¹³ Press Release, Ricardo Lara, Insurance Commissioner, Jones issues formal notice to insurers regarding mudslide coverage for homeowners (Jan. 29, 2018). *Available at* <https://www.insurance.ca.gov/0400-news/0100-press-releases/2018/release012-18.cfm>.

1 residents to avail themselves of fire insurance coverage if their flood insurance coverage was insufficient
2 or lacking, and the hook to the Thomas Fire brought SCE into the fold as a party from whom to pursue
3 subrogated and uninsured claims.¹⁴ Though the Insurance Commissioner’s determination that the
4 Thomas Fire was “the efficient proximate cause” of the Montecito debris flows is not binding on a trial
5 court, this statement nonetheless created significant litigation risk, particularly where other courts have
6 acknowledged that fires can be a substantial factor in causing debris flow damage. Thus, SCE faced
7 significant litigation risk arising out of the Montecito debris flows as well.

¹⁴ A vigorous effort is underway to pursue cross claim recoveries from parties responsible for contributing to the damages. If and to the extent it achieves recoveries, SCE will net them against WEMA entries for debris flow damage, as explained in SCE-10.

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IV.

DESCRIPTION, BY PLAINTIFF CATEGORY, OF SCE'S REASONABLE SETTLEMENT PROCESSES

As noted above, starting within mere days of the ignitions and before the fires were even extinguished, plaintiffs filed claims in litigation against SCE for alleged damages incurred in connection with the Events. Over the course of more than five years, SCE has settled claims with 5,125 of the more than 6,000 plaintiffs, including all Subrogation Plaintiffs, 12 out of 15 Public Entities, and 4,778 out of 5,838 Individual Plaintiffs.¹⁵ In total, plaintiffs with settled claims asserted aggregated damages they valued at approximately \$8.54 billion,¹⁶ and only through diligent work did the Company ultimately pay approximately \$3.118 billion to settle these claims.¹⁷ Each household's claim was reviewed and resolved individually based on the merits of the specific claim, evidence to support the claim, legality and applicability of the claimed damages, and a number of related individualized factors. Settlement amounts have ranged from 1 to 100 percent of the demand based on these individual factors and settlements are not negotiated based on a percentage of a demand; but in aggregate, the settlements have averaged approximately one-third of the aggregated demands. As of July 31, 2023, SCE has successfully resolved all but 557 Individual Plaintiffs' (associated with 233 households) claims and three Public Entity Plaintiffs' claims.¹⁸

¹⁵ Specifically, there were 6,188 total plaintiffs made up of 5,838 individual plaintiffs, 335 subrogation claims, and 15 claims by public entities. The 5,838 individual plaintiffs were associated with 2,388 households. Of the 5,838 individual plaintiffs (2,388 households), SCE has settled claims with 4,778 individual plaintiffs (1,814 households), claims with 503 individual plaintiffs (341 households) were dismissed, and claims with 557 individual plaintiffs (233 households) (equal to less than 10 percent of all individual plaintiff claims initiated) remained unresolved as of July 31, 2023. SCE has settled all 335 subrogation claims. Of the 15 claims by public entities, SCE has settled 12 of these claims and, as described in SCE-10, three remained unresolved as of July 31, 2023. Cumulatively, SCE has thus achieved settlements with 5,125 total plaintiffs.

¹⁶ This is the aggregated amount of damages demanded by claimants with settled claims. SCE has excluded the amount demanded by claimants whose claims were dismissed or remain active. SCE further notes that not all plaintiffs with active claims have submitted a demand to date.

¹⁷ As of July 31, 2023, the total amount that SCE has paid to settle claims arising from the Thomas Fire and Montecito debris flows is \$3.118 billion, of which approximately \$1.73 billion is for settlements with individual plaintiffs, approximately \$1.24 billion is for subrogation settlements, and approximately \$150 million is for settlements with public entities. These amounts are the gross settlement payments before the application of wildfire insurance or the SED Administrative Consent Order permanent disallowance.

¹⁸ See SCE-10 at Section II.F.1 for a description of outstanding claims.

1 **A. Global Settlement with Certain Public Entities**

2 In December 2019, SCE¹⁹ reached its first global settlement, for \$150 million, to resolve a
3 consolidated complaint filed by certain public entity plaintiffs in California Superior Court regarding the
4 Events.²⁰ The signatories to the agreement were the: (1) County of Ventura; (2) County of Santa
5 Barbara; (3) Montecito Water District; (4) City of Santa Barbara; (5) City of San Buenaventura;
6 (6) Montecito Fire Protection District; (7) Carpinteria Summerland Fire Protection District; (8) Santa
7 Barbara County Fire Protection District; (9) Santa Barbara County Flood Control and Water
8 Conservation District; (10) Ventura County Watershed Protection District; and (11) Ventura County Fire
9 Protection District.

10 Some of the Public Entities had asserted claims for reimbursement of funds provided to them by
11 the Federal Emergency Management Agency (FEMA) and the California Governor’s Office of
12 Emergency Services (Cal OES) for emergency and public assistance projects.²¹ The Public Entities also
13 sought property damage, public resources damage, fire suppression costs, lost tax revenue, overtime
14 costs, fire and debris flow cleanup costs, prejudgment interest, and attorneys’ fees and costs, among
15 other damages. Notwithstanding this global settlement with the Public Entities, SCE did not waive its
16 right to pursue cross claims against four of the Public Entities that were signatories to the settlement
17 (and SCE also has a pending cross-claim against the California Department of Transportation, which
18 was not a party to that settlement).

19 The mediation with the Public Entities was presided over by the Honorable Jay C. Gandhi (ret.)
20 of Judicial Arbitration and Mediation Services (JAMS), a private dispute resolution service.
21 Judge Gandhi had previously served for eight years as a United States Magistrate Judge for the Central
22 District of California, the nation’s largest federal court. He oversaw the court’s Alternative Dispute
23 Resolution program.

24 The mediation process with the Public Entities included the submission of numerous expert
25 reports from both sides. After exchanging several confidential demands and offers in arm’s length

¹⁹ SCE’s parent company, Edison International, was also a party to the settlement.

²⁰ At the same time, SCE also settled with a broader set of Public Entities for Woolsey-related claims, but those settlement costs are not being sought in this Application.

²¹ The settlement did not, however, resolve potential claims that FEMA and/or Cal OES could bring in the future seeking reimbursement for administrative costs, direct funding of state or federal projects, or assistance provided by these agencies directly to individuals. *See* SCE-10 at Section II.F.1.

1 negotiations, the parties were able to agree on a settlement after a lengthy mediation. The \$150 million
2 settlement represented a little over one third of the amount sought by the Public Entities for the Events.
3 SCE made no admission of wrongdoing or liability. This was a reasonable compromise recognizing the
4 risks of litigation.²²

5 **B. Global Settlement with Subrogation Plaintiffs**

6 Almost one year after reaching resolution with certain Public Entity Plaintiffs, SCE entered into
7 a global settlement in September 2020 with a group of insurance companies exercising subrogation
8 rights on account of claims paid to their insureds (the Subrogation Plaintiffs). Under the subrogation
9 claims settlement, Subrogation Plaintiffs received \$1.16 billion for claims based on payments insurers
10 had already made to individual and business policyholders associated with the Events, which reflected a
11 substantial discount of the total payments to policyholders. SCE also agreed to pay additional amounts
12 for claims arising from future payments made to policyholders prior to July 15, 2023, up to an agreed-
13 upon cap (with supporting documentation due by August 31, 2023). In total, as of July 31, 2023, SCE
14 has paid approximately \$1.24 billion to settle Subrogation Plaintiffs' claims.

15 SCE engaged in multiple rounds of mediation in order to globally settle Subrogation Plaintiffs'
16 claims. After the parties had been unable to resolve the claims with two prior mediators, the parties
17 engaged the Honorable Retired Judge Peter Lichtman to facilitate settlement negotiations.
18 Judge Lichtman previously served as head of the Los Angeles County Superior Court's Mandatory
19 Settlement Program. He was also one of the founders of the Superior Court's Complex Civil Litigation
20 program, and twice served as its supervising judge. Before joining Signature Resolution, a private
21 alternative dispute resolution firm, Judge Lichtman's legal career had spanned 40 years as a practitioner,
22 judge, mediator and arbitrator.

23 SCE expended substantial efforts to evaluate and negotiate Subrogation Plaintiffs' claims, and as
24 a result was able to achieve a significant reduction on Subrogation Plaintiffs' initial demand. In order to
25 evaluate the claims, SCE first obtained Subrogation Plaintiffs' claims data by insurer, expressed as a
26 percentage of claims paid and claims reserved. During the mediation process, SCE carefully analyzed
27 the insurance carriers' claimed damages and negotiated reductions, including by: (1) auditing certain
28 claims to ensure they were located within the fire perimeter or the areas where properties were affected

²² SCE later settled a small claim with the California Department of Veteran's Affairs in April 2020, as part of a joint settlement for claims arising from the Thomas and Woolsey Fires.

1 by smoke and ash; (2) confirming that no duplicate claims had been submitted; (3) reviewing claims
2 files to determine discounts for various categories of coverage payments; and (4) comparing a random
3 selection of claims against the underlying claims files to ensure consistency and accuracy. SCE also
4 exchanged confidential liability analyses with Subrogation Plaintiffs to preview the Company's liability
5 defenses, particularly on the Anlauf ignition and the Montecito debris flow events, in aid of achieving a
6 reasonable settlement.

7 As a result of these extensive negotiations, which occurred over approximately eight months,
8 SCE was able to settle the 335 Subrogation Plaintiffs' claims (collectively comprising thousands of
9 insureds) for \$0.555 of each dollar in claims paid by Subrogation Plaintiffs to policyholders. As
10 described above, under the settlement agreement, SCE also agreed to pay at the same rate any future
11 claims for which the insurance companies had reserved that converted to actual paid claims before July
12 15, 2023, up to a negotiated cap for each carrier. Where Subrogation Plaintiffs have from time to time
13 attempted to submit claims above the negotiated cap, SCE has denied those claims. SCE made no
14 admission of wrongdoing or liability in connection with the settlement.²³

15 **C. Resolution Protocol for Settlements with Individual Plaintiffs**

16 In addition to settling certain Public Entity Plaintiffs' and all Subrogation Plaintiffs' claims, SCE
17 also sought to limit its litigation costs and potential exposure by mediating and resolving Individual
18 Plaintiffs' claims on reasonable terms quickly and efficiently before trial. Starting in July 2020,
19 attorneys representing SCE began negotiating the details of a comprehensive mediation program with
20 lawyers representing various Individual Plaintiffs. SCE sought to establish a program that would fairly
21 resolve plaintiffs' claims on a case-by-case basis without full jury trials.²⁴ As part of these discussions,
22 SCE also required Individual Plaintiffs' agreement to defer the bellwether trial date so that SCE could
23 focus its resources on mediations rather than expending significant additional attorney time and
24 attention, as well as legal costs in litigating the cases through trial. On October 16, 2020, following a
25 joint request by SCE and Individual Plaintiffs' leadership, the court granted a 30-day initial stay of the

²³ The insurers were incentivized to carefully review and analyze each insured's claim before making any payouts. The fact that a third party interested in the outcome (the insurer) affirmed the validity and amounts of the underlying insureds' claims further supports SCE's determination that the claims were valid.

²⁴ Previously, SCE had explored the potential for a global settlement with Individual Plaintiffs. That effort was abandoned because SCE would not have been able to meaningfully evaluate claimed damages under a global settlement for Individual Plaintiffs as SCE had done for Public Entities and Subrogation Plaintiffs.

1 bellwether trial then scheduled for January 12, 2021, so that the parties could focus on establishing a
2 protocol to resolve Individual Plaintiffs' claims.²⁵

3 With the assistance of Judge Lichtman, on November 6, 2020, SCE and Individual Plaintiffs
4 finalized a Resolution Protocol setting forth a detailed process for settling Individual Plaintiffs' claims.
5 The purpose of the Resolution Protocol was to provide an alternative dispute resolution process through
6 which Individual Plaintiffs' claims could be efficiently resolved. The Resolution Protocol established a
7 standing offer to all individual plaintiffs to opt into a process that guaranteed resolution of their claims
8 through first informal negotiations or non-binding mediations, and if that failed, either binding
9 mediation or a damages-only trial.

10 **1. Benefits of the Resolution Protocol for SCE and Individual Plaintiffs, and**
11 **Validation of the Resolution Protocol's Success**

12 The Resolution Protocol has four key features that have allowed SCE to fairly and
13 efficiently resolve Individual Plaintiffs' claims. First, each Individual Plaintiff who opts-in to the
14 Resolution Protocol agrees to furnish SCE with a completed Resolution Demand Template and
15 Checklist describing that plaintiff's damages in detail and providing supporting documentation,
16 including expert reports which are not otherwise required under California law. *See* Appendix B.
17 Second, Individual Plaintiffs who opt in to the Resolution Protocol waive both their rights to a trial on
18 liability and their potential claims for punitive damages. Third, Individual Plaintiffs who opt in to the
19 Resolution Protocol may only proceed to trial on damages where the Special Master determines that the
20 plaintiff (i) attempted in good faith to resolve claim(s) through the settlement program and (ii) was
21 unable to resolve the claim(s) despite good faith efforts. This damages-only trial would focus on
22 assessing the appropriate amount of compensatory damages to be awarded to the opt in plaintiff. The
23 Company agreed as part of the Resolution Protocol that it will not contest liability with respect to the
24 Thomas Fire or Montecito debris flow events for those plaintiffs who opt in, without admitting liability,
25 fault, or negligence.²⁶ Opt in plaintiffs may also instead elect to proceed to a binding mediation on

²⁵ The court subsequently granted further stays of the trial date and associated discovery.

²⁶ Though SCE does not believe that its facilities caused the Anlauf ignition, does not believe that it was negligent with respect to either the Anlauf or Koenigstein ignitions, and does not believe that it is solely liable for the Montecito debris flows, a damages-only Resolution Protocol was nonetheless prudent for the reasons discussed in Section III above. Additionally, mediating liability as to more than 5,000 Individual Plaintiffs' claims would have been highly inefficient and impractical, and would have increased SCE's own costs and plaintiffs' costs for which SCE faced responsibility.

1 damages in lieu of a damages-only trial. Fourth, the Special Master, and not the trial court with its full
2 docket of other cases, is charged with efficiently resolving disputes and overseeing the mediation
3 process under the Resolution Protocol.²⁷ The parties agreed to have Judge Lichtman appointed as the
4 Special Master of the Resolution Protocol.²⁸

5 The Resolution Protocol has provided multiple advantages to SCE in comparison to
6 taking all or even some of Individual Plaintiffs' cases to trial. For example, it has allowed SCE to
7 achieve finality with settlements in the vast majority of cases,²⁹ thus avoiding the expense and
8 uncertainty of trials and subsequent appeals. Moreover, most Individual Plaintiffs agreed to support a
9 trial continuance as a result of SCE entering into the Resolution Protocol, which has reduced the costs of
10 extensive and expensive discovery and trial preparation, and risk of a future trial. Finally, using a former
11 judge rather than a jury to resolve cases typically has more predictable outcomes, particularly where, as
12 here, the plaintiffs agreed to waive punitive damages as a condition of SCE agreeing to mediate under
13 the Resolution Protocol.³⁰

14 San Diego Gas & Electric Company (SDG&E) resolved civil litigation following the
15 2007 wildfires in its service territory by implementing a similar process to that which SCE implemented
16 in the Thomas Fire cases. In evaluating the reasonableness of the similar SDG&E mediation process, the
17 Federal Energy Regulatory Commission determined as follows:

²⁷ Outside of the Resolution Protocol, SCE also resolved cases with 646 Individual Plaintiffs (associated with 279 households) who chose not to formally opt in. The process for these settlement discussions was nonetheless substantially similar to the process for mediating with opt in plaintiffs. Those Individual Plaintiffs who opted in were typically given priority in terms of scheduling mediations over those who chose not to opt in.

²⁸ Judge Lichtman's qualifications are described above in Section IV.B.

²⁹ SCE also notes the considerable success of its mediation program, as evidenced by the fact that, for Individual Plaintiffs that attended a mediation under the Resolution Protocol, settlement was achieved with approximately 98 percent of those plaintiffs.

³⁰ SCE does not believe that Plaintiffs are entitled to punitive damages. Though SCE would have had a strong basis to challenge punitive damages at the summary judgment stage, the outcome of any summary judgment motion is always uncertain; the Resolution Protocol therefore eliminated the risk, albeit a small risk, of one or more potentially outsized punitive damages awards.

1 [I]t is clear that [the utility’s] proactive steps in settling the ... third-party damage
2 claims were justified since they would have been exposed to strict liability in any
3 event. By settling, [the utility] avoided facing considerable litigation risk and
4 disposed of the claims for significantly less than the amount demanded by
5 claimants. Therefore, I [the Administrative Law Judge whose decision became
6 final] find [the utility’s] conduct was rational and prudent.³¹

7 The same can be said of SCE’s settlement of claims pursuant to the Resolution Protocol.

8 The Resolution Protocol has also been repeatedly validated by the presiding judges in the
9 underlying coordinated state court actions,³² Judge Buckley and Judge Highberger, and in subsequent
10 litigation arising out of the 2018 Woolsey Fire. In the Thomas Fire coordinated action, the parties have
11 been required to provide periodic updates to the court regarding the status and success rate of the
12 Individual Plaintiff mediation program. On numerous occasions, the courts have extolled the success of
13 the Resolution Protocol as well as a nearly identical program SCE is using in the Woolsey Fire cases.

14 For example:

- 15 • **Feb. 15, 2022 Thomas Hearing Tr. 16:3-7 (Judge Buckley):** “[Edison’s mediation
16 process] has been a spectacular success; I definitely agree with you on that...it’s a
17 spectacular success in a case of over 5,000 people, hundreds and hundreds of, or I
18 think thousands, of households.”
- 19 • **Dec. 20, 2022 Woolsey Hearing Tr. 13:6-9 (Judge Highberger):** “[The Resolution
20 Protocol] does seem to have been a whiz-bang success. And I hope that, for those
21 who have opted in, it will continue to be a success.”
- 22 • **May 18, 2023 Thomas Hearing Tr. 23:14-17 (Judge Highberger):** “It is a very
23 desirable flow. I am pleased with your flow of settlements ... [and] you have
24 wonderful throughput.”

25 In connection with the Woolsey matter, Judge Lichtman submitted a declaration to the
26 Superior Court in July 2021 stating that the “the protocol³³ is . . . functioning perfectly,” “damages are

³¹ *San Diego Gas & Electric Co.*, Initial Decision and Order Granting SDG&E Motion for Summary Disposition, But Denying SDG&E Motion to Terminate, 146 FERC ¶ 63,017 at P 62 (2014).

³² The litigation was coordinated in the proceeding Southern California Fire Cases, Case No. JCCP 4965, Superior Court of the State of California, County of Los Angeles.

³³ The declaration stated, “[t]he settlement protocol that governs the mediations and informal negotiations now underway in this judicially coordinated proceeding is virtually identical to that which governs those cases in the Thomas Fire” and that “[t]here can be no dispute that both settlement protocols are and have been a resounding success.”

1 calculated in various fashions with an overlay from those cases which govern the law of inverse,” and
2 “[Edison] wanted the ability to have counsel bargain in good faith so as to earnestly and efficiently seek
3 resolutions vis a vis a mountain of claims.” He also stated in the same declaration that “even the most
4 efficient trial judge can only accomplish 15-16 trials per year on the civil side versus a settlement
5 protocol designed to handle hundreds per month.”

6 Because of SCE’s diligence in negotiating a rational protocol, the amounts SCE settled
7 each Individual Plaintiff’s claim were highly reasonable.³⁴ When settlements with all categories of
8 plaintiffs are viewed collectively, SCE has ultimately resolved claims for approximately 36 percent of
9 plaintiffs’ aggregate demands.³⁵

10 **2. Process for Resolving Claims Under the Resolution Protocol**

11 SCE began mediating claims under the Resolution Protocol in November 2020. Pursuant
12 to the detailed steps outlined in the Resolution Protocol, SCE thoroughly evaluated, investigated, and
13 validated the reasonableness of plaintiffs’ demands with the goal of resolving each claim for a fair
14 amount. The process for resolving claims under the Resolution Protocol is summarized below.

15 **a) Plaintiff submits a complete demand package and a mediation is scheduled.**

16 The process begins when an Individual Plaintiff who has opted in to the
17 Resolution Protocol submits a household-comprehensive demand package to SCE’s outside counsel.
18 The demand package describes the claims and provides supporting documentation, including plaintiffs’
19 expert valuations of claimed damages, third-party invoices and/or estimates for repairing/replacing
20 damaged items, pre- and post-fire photographs of damaged real property, personal property and
21 vegetation, and other required information. The demand package must include the required Resolution
22 Demand Template and Checklist and a verification signed by the plaintiff(s) confirming that the
23 provided information is accurate to the best of their knowledge. *See* Appendix B. If the package is
24 incomplete, SCE will object under the protocol and request missing information. SCE also evaluates

³⁴ As with the subrogation claims, settlements involving insured plaintiffs whose insurer covered at least some losses were also reasonable because of the fact that a third party interested in the outcome affirmed the claims, at least in part. *See* note 23, *supra*.

³⁵ This statistic relates to the amount of damages demanded by and paid to plaintiffs with settled claims. SCE has excluded from this analysis claims that were dismissed or that remain active.

1 whether the plaintiff has submitted a duplicate claim in this initial phase.³⁶ Plaintiffs cannot move
2 forward in the mediation process without responding to SCE's objections and providing missing
3 documentation. When the demand package is deemed complete and validated, a plaintiff will be
4 scheduled for a mediation.

5 **b) Analysis and additional discovery as needed is conducted on each plaintiff's**
6 **damages claim.**

7 In order to ensure that every settlement SCE enters into is reasonable, after
8 receiving the plaintiff's demand package, SCE's attorneys, experts and consultants conduct a thorough
9 analysis of each plaintiff's claim on an individual basis. The extent of the investigation and validation
10 that is required varies from plaintiff to plaintiff, but generally speaking, SCE first evaluates the demand
11 to determine whether to request additional discovery before the scheduled mediation date. For claims
12 involving significant real property damage, SCE schedules site inspections that are attended by relevant
13 subject matter experts and appraisers. To the extent plaintiffs provide estimates of costs to rebuild
14 damaged property, SCE also demands substantiation to verify actual rebuild costs. SCE also may take
15 depositions of plaintiffs when necessary.

16 Depending on the amount demanded, SCE will retain damages experts to review
17 the demands and supporting documentation provided for the claimed amounts and/or develop additional
18 evidence relevant to the claimed damages, and retain the appropriate subject matter experts to help
19 evaluate the claims. As explained in SCE-07, the types of damages experts and consultants that are
20 necessary to support this process include damage experts in the areas of personal property loss; art
21 appraisal and restoration; automobile appraisal; trees, landscaping, and agricultural damage (including
22 avocado tree loss and olive tree loss); business loss; real estate appraisal; construction forensics and
23 reconstruction costs; erosion damage; smoke and ash damage; internal medicine (including pulmonary
24 specialists and other types of medical doctors); and mental and emotional distress, among others.
25 In particular, due to the type of damages at issue, real estate appraisers and experts and consultants in the
26 area of lost income (business loss and agricultural losses) are heavily utilized.

27 In addition to the demand packages and any additional discovery requested from
28 plaintiffs after the demand package is evaluated, SCE's experts and consultants will also look at

³⁶ In response to the Thomas Fire cases, SCE developed a central repository to collect and analyze information about plaintiff claims in aid of gathering information about plaintiffs' claims and preventing duplicate claims.

1 additional forms of data when preparing their mediation reports. With respect to claims covered by
2 plaintiffs' insurance, the Resolution Protocol gives SCE the right to net the insurance recoveries in full
3 from the total claim, which is a safeguard to prevent double recovery. SCE generally has the plaintiffs'
4 complete insurance files and the insurance companies' reported payments, so its experts review these
5 insurance files for information regarding damages. This enables SCE to hold plaintiffs to statements
6 they made to their insurers to the extent that they differed from claims they made in their demands to
7 SCE. SCE's experts also independently validate plaintiffs' claims against information such as ownership
8 records, zoning, building permits, market research, employment records, tax returns, satellite imagery,
9 personal property records and other publicly available data. Additionally, SCE often compares plaintiffs'
10 asserted damages against internal data that SCE has compiled regarding prior claims specific to
11 neighborhood, property, and loss types.

12 After completing a thorough analysis of each plaintiff's demand package as well
13 as any additional relevant information, SCE's experts and consultants prepare damages reports in
14 anticipation of the mediation. These reports are then provided to SCE's counsel to assist them in drafting
15 mediation briefs and preparing for the mediation.

16 **c) The parties participate in a non-binding mediation**

17 After SCE's experts and consultants complete their work, SCE attorneys review
18 and analyze plaintiffs' demand, SCE's experts' reports, and any relevant documentation. The attorneys
19 then address any inconsistencies or clarifications needed with SCE's experts, and the expert reports are
20 revised as necessary. SCE then submits a mediation brief to the mediator in which SCE outlines its
21 factual and legal positions. Where appropriate, SCE includes legal arguments pointing out errors in
22 plaintiffs' views on California law with respect to damages. Plaintiffs' counsel submits their own briefs
23 to the mediator. For high demand claims, special damages reports are prepared and used. SCE often
24 prepares slide presentations for the mediation, which focus on high-value claims in a group.³⁷
25 Where feasible and beneficial in the assessment of the negotiating team, such as for lower monetary-
26 value cases like smoke-and-ash, SCE may conduct pre-mediation negotiation with plaintiffs' counsel. In

³⁷ As described below in this Section IV.C.2(c), mediations were often grouped by household and multiple households were allowed to participate in a single joint mediation, although any resulting settlement was reached on an individual household basis.

1 those cases where direct negotiations were successful, which accounted for 5-10 percent of total cases,
2 the cost of a mediation session is avoided.³⁸

3 In terms of the mediation itself, the process generally follows a repeated
4 procedure. The Resolution Protocol governs the selection of mediators and provides the plaintiff the
5 option to (a) select the mediator of plaintiff's choice from the list of pre-approved mediators included in
6 the Resolution Protocol or (b) request to use a different mediator with mutual agreement by SCE. Most
7 of the pre-approved mediators are retired judges employed by one of two well-respected alternative
8 dispute resolution firms: Signature Resolution or JAMS. Which mediators to include on this list of pre-
9 approved mediators was the subject of intense arm's length negotiations between SCE and plaintiffs'
10 counsel leadership and any alternative mediators requested by plaintiffs were similarly thoroughly
11 vetted. Once selected, the mediator presides over the sessions, which typically last a half day (four
12 hours) or a full day (eight hours) depending on the number of claims and their complexity. For every
13 mediation, SCE sends a legal management executive paired with outside counsel. For approximately the
14 first year of the mediation process, SCE's Assistant General Counsel of Litigation attended all mediation
15 sessions, and thereafter, some mediation sessions were attended by the Director and Managing Attorney
16 of Claims Litigation. In addition, due to the risk that precedent could be set by settlement valuations
17 early in the process, SCE's Senior Vice President and General Counsel and the Senior Vice President
18 and Chief Financial Officer also attended virtually every mediation for that first year. A mediation
19 session often includes multiple households represented by the same plaintiffs' counsel. This approach
20 has been used approximately 95 percent of the time; some mediations involve as many as 20+
21 households, and SCE routinely resolves 15 to 20 claims in even a half day mediation, but ultimately
22 reaches resolution on an individual household basis. To the extent SCE finds that some households
23 assert unreasonable and/or unsupported demands, SCE considers removing them from a given mediation
24 session and revisiting them alone or at a future session after the claims can be reevaluated.

25 For larger cases, or if a reasonable request was made by plaintiffs' counsel, cases
26 are mediated on an individual basis. Both sides present their case to the mediator, and often joint
27 sessions are held during which the plaintiff and SCE, and their experts, exchange information and are
28 given opportunities to follow up on outstanding issues or concerns. The mediators weigh in on the

³⁸ In all such cases, SCE took appropriate steps to ensure that those settlements were reasonable and prudent based on the documentation provided, the amount of plaintiffs' demands, and the settlement discount negotiated.

1 reasonably of the claims and the credibility of the plaintiffs and work hard to facilitate a settlement.
2 Even most high monetary-value individual cases are settled after no more than a one-day session.

3 After a successful mediation, a draft confidential settlement agreement and
4 release is circulated. Any requested changes or clarifications are worked out before signing.

5 Within about one week of the effective date of settlements, plaintiffs provide requests for dismissal to be
6 held in trust until payment. SCE endeavors to make payments under executed agreements within 30-45
7 days, and the payment amounts generally reflect a black box settlement inclusive of attorneys' fees and
8 costs, economic damages (real property, landscaping, personal property, lost income, medical bills, etc.),
9 prejudgment interest, and, where applicable, non-economic damages. Upon confirmation by plaintiffs
10 that payment was received, SCE files requests for dismissal for those plaintiffs.

11 As part of the settlements, plaintiffs also generally agreed to close their insurance
12 claims. Efforts to close insurance claims files were designed to prevent plaintiffs from seeking more in
13 insurance than taken as an offset in the mediation. After the settlement agreement was signed, SCE
14 counsel also notified subrogation counsel of all plaintiffs who have agreed to permanently close their
15 claim files.

16 The mediation process was greatly assisted by the continuity of Judge Lichtman
17 as the Special Master. Together with SCE's in-house team of claims representatives, this continuity
18 helped guide the parties to reach reasonable settlement outcomes. As a result, the vast majority of
19 individual plaintiffs' claims to-date have settled through informal settlement discussions or non-binding
20 mediations.³⁹

21 **d) If a claim does not settle in a non-binding mediation, a binding mediation or**
22 **damages-only trial proceeds only if the plaintiff has mediated in good faith.**

23 In relatively few instances,⁴⁰ the non-binding mediation is not successful, and
24 several next steps may occur. The parties may continue to informally mediate the claims, with or

³⁹ As described above in Section IV, SCE has achieved settlement with 4,778 of the 5,335 Individual Plaintiffs (or 1,814 of the 2,047 households), not inclusive of plaintiffs whose claims were dismissed. Of these 4,778 Individual Plaintiffs' settlements (associated with 1,814 households), 4,132 settlements (associated with 1,535 households) were achieved through the Resolution Protocol and 646 settlements (associated with 279 households) were achieved with plaintiffs that had not formally opted in to the Resolution Protocol. As described in Section IV.C.1, the settlement process for plaintiffs that did not formally opt in to the Resolution Protocol was substantially similar to the process for mediating with opt in plaintiffs.

⁴⁰ As of July 31, 2023, only 39 Individual Plaintiffs' claims (associated with 22 households) proceeded to binding mediation, and as described in this Section IV.C.2(d), only two have received a trial date for a

(Continued)

1 without the help of a mediator. Another non-binding mediation may be scheduled. In rare cases, the
2 parties pursue a mandatory settlement conference with the court, which usually is only for cases
3 involving Individual Plaintiffs who did not opt in to the Resolution Protocol. A plaintiff who has opted
4 in to the Resolution Protocol also has the option to proceed to a binding mediation or a damages-only
5 trial, but only if the Special Master determines that the Individual Plaintiff had previously attempted to
6 mediate the claim in good faith but has been unable to achieve a settlement. The Special Master has
7 denied a number of demands for damages-only trials after concluding that the plaintiff did not
8 demonstrate good faith, saving SCE the expense and uncertain outcome of multiple trials on damages.
9 Thus far, only two cases have received a trial date for a damages-only trial after unsuccessfully
10 mediating their claims under the Resolution Protocol, with one of those cases settling before the trial
11 began and the other currently scheduled for a damages-only trial in April 2024.

Continued from the previous page

damages-only trial after unsuccessfully mediating their claims under the Resolution Protocol, with one of those cases being settled before such trial began and the other set for a damages-only trial in April 2024.

V.

SCE’s Cross-Claims Against Certain Local Public Entities

In addition to reasonably settling claims, SCE has also taken legal action to attempt to recover at least part of its settlement payments from public entities who caused or contributed to damages arising from the Montecito debris flows. In January 2019, SCE filed a cross-complaint against certain local public entities alleging that failures by these entities, such as the failure to adequately plan for flood hazards or build and maintain adequate debris basins, roads, bridges and other channel crossings, among other deficiencies and omissions, caused, contributed to or exacerbated the losses that resulted from the Montecito debris flows. These cross-claims were not released as part of the Public Entity settlements described in Section IV.A, above. Certain of these cross-claims are still pending as part of active litigation, but no trial date has been set. As described in SCE-10, SCE will reduce its cost recovery claims for debris flows to the extent it achieves any recovery from cross-defendants for indemnity associated with debris flow claims payments.⁴¹

⁴¹ SCE’s ability to recoup settlement payments from cross-defendants is limited based on California law, which generally only allows SCE to seek recovery of settlements for economic damages. SCE’s decision to mediate debris flow claims was nonetheless reasonable given the litigation risk discussed in Section III. There are also pending motions by cross defendants to exclude damages evidence of individual plaintiff settlements and for summary judgment on SCE’s claims seeking indemnity and contribution for certain settlements with individual plaintiffs.

Appendix A

Declaration of Honorable Judge Peter D. Lichtman

Declaration of the Hon. Peter D. Lichtman (Ret.)

Special Master for the Thomas Fire

The purpose of this declaration is to provide background and context to the settlement process undertaken by Southern California Edison (herein Edison) in its efforts to resolve all claims presented arising from the Thomas Fire.

In order to provide the reader with a better understanding of the statements that I will be providing below, permit me to share some of my background. I was initially appointed to the bench in 1993 by then Governor Pete Wilson. My judicial career was unlike any other in that from the inception of my judicial assignments I was involved one way or the other in settling civil cases that either I had on my own docket or the docket of my fellow colleagues. I was chosen by both the Presiding Judge of the Los Angeles Superior Court and the Chief Justice of the State of California to establish a new and innovative court entitled Complex Civil Litigation. This was founded in the year 2000 and continues to this day. I was appointed twice to serve as its Supervising Judge. I then established in 2010 the Mandatory Settlement Court which likewise continues to this day. In both roles I have had to create or supervise the methodology for resolving mass tort claims.

Approximately, three years ago I was asked by leadership counsel for the plaintiffs and counsel for Edison to assist in the formulation of a protocol for efficiently settling and moving to resolution literally thousands of household and business claimants. In that regard the parties engaged in arms-length negotiations on developing a format in which fire victim claimants could seek resolution of their claims. The end result of countless hours of negotiations and a common effort to become more efficient in approaching resolution was the formulation of what is now referred to as the Thomas Protocol.

To highlight the success of this settlement format, the following should be noted: More than 1,500 households have settled their claims through the Thomas Protocol. The settlement amounts for individuals and households are approximately 1.7 billion dollars. If the subrogation and public entity settlements in the Thomas Fire are added to the above, the number will exceed three billion dollars. I can unequivocally state that the Thomas Protocol represents and represented an exceedingly reasonable approach and methodology in resolving the claims.

While the negotiations by and between the Subrogation Carriers and Edison was not subject to the mandates of the Thomas Protocol, I personally oversaw the negotiations and participated in the resolution of those claims. To reiterate, the negotiations undertaken were arms-length and resulted in a very reasonable end result.

By instituting and rigorously following the Thomas Fire Protocol, Edison was able to accomplish and be the recipient of numerous benefits. First, it was able to drive down

significantly its own litigation costs. Second, costly discovery and law and motion battles were avoided. Third, very few claimants sought trials and as of the formulation of this declaration, none of the Thomas Fire Claimants have actually gone through the entire trial process. Not one Thomas Fire Claimant has proceeded to verdict. Fourth, the Protocol added a valuable and indispensable element of predictability which, in turn, promoted consensual settlements.

The Protocol contained many safeguards and deadlines such that each side was forced to accomplish a certain number of matters to be presented for settlement each month. Mediation templates were agreed upon and prepared. Heavy emphasis was placed on the claimants to supply the necessary documentation that would enable Edison to safeguard against exaggerated or frivolous claims.

Fire cases are not like other mass tort cases. Counsel on both sides of the aisle are specialized and as such know the value and the issues that govern settlement parameters. Damages are calculated in various fashions with an overlay of case law which governs the application of inverse damages. From my own experience, I have worked with all counsel and there is a tremendous amount of consistency and predictability that is enveloped in each mediation that eventually leads to settlements.

Moreover, the methodology utilized promoted a higher level of understanding and preparedness which greatly assisted Edison's ability to challenge the contentions and arguments of counsel.

Edison and counsel for the claimants have engaged in hard-fought negotiations which have resulted in the savings of time and the avoidance of huge litigation costs and the added benefit of resulting in predictability as stated above. This predictability has a separate value of its own as both sides wish to avoid the lack of predictability that comes with jury trials. Individual trials present a huge risk of inconsistencies in dollar amounts awarded. This has all been avoided to the benefit of both sides.

In addition to serving as Special Master for the overall governance of the protocol, I have likewise been involved in the mediation process and have mediated well over 400 fire claims. Southern California Edison has been meticulous in its evaluations of the claims presented and has retained experts where needed to counter the various claims made against it. All of the negotiations where I served as the mediator were arm's length and reasonable.

In brief, Edison's overall approach to settlement has led to a definite cost savings in terms of settlement valuations, avoidance of unnecessary and repeated trial preparations and the savings of attorney time in the avoidance of the costly process of taking endless depositions.

The entire protocol was based on equality and reasonableness. The statistics provided above have proven that the protocol has functioned as designed and has enabled both sides to save time and money and avoid the inconsistencies and unpredictability of trials.

Dated: July 21, 2023

DocuSigned by:



214B87706FF8406

Hon. Peter D. Lichtman (Ret.)

Appendix B

Questionnaire and Checklist for Resolution Protocol

2017 SoCal Fires/Montecito Debris Flow

Resolution Demand Template

Name(s) of Plaintiff(s):

Bellwether:

Yes

No

Type of Claim (if more than one choose category representing largest losses):

Homeowner Total Loss

Homeowner Smoke & Ash

Tenant

Agriculture

Other business

Cause of Damage (if both choose one causing largest losses):

Fire

Debris Flow

Preference status:

Yes

Moved for preference prior to October 9th, 2020

Named plaintiff qualifies for preference under:

CCP 36 (a) (plaintiff with significant interest in case over 70 and in poor health)

CCP 36 (d) (illness with life expectancy of less than 6 months-- please include documentation)

No

Damaged Property Address(es):

Complaint Name(s):

Case Number(s):

Primary law firm representing Plaintiff:

Lead Attorney with Contact Information:

I.

A. Economic Damages

1. Real Property – Dwelling, Other Structures, Diminution in Value, Debris Removal, Land and Erosion, Other	
a. Dwelling (Exhibit 1 should be a folder containing all supporting documents)	
Description of Damage and Amount:	\$
<ul style="list-style-type: none">• Total: \$	
<ul style="list-style-type: none">○ Description of home/property damaged• <i>See Exhibit 1 for (List contents of Exhibit 1 which should include supporting documentation for damages including Loss Assessments, Rebuild Estimate, Pre-Fire Permits, and Pre-Fire/Post-Fire Photographs)</i>• <i>See “Document Checklist” attached as Exhibit A for additional requested documents</i>	
b. Other Structures and Improvements (Exhibit 1 should be a folder containing all supporting documents)	
Description of Damage and Amount:	\$
<ul style="list-style-type: none">○ All structures and items below were damaged and/or destroyed	
<ul style="list-style-type: none">• Total: \$	
<ul style="list-style-type: none">○ Item/Structure Damaged: \$ (Include as many as applicable)	
<ul style="list-style-type: none">• Description of Item/Structure Damaged	
<ul style="list-style-type: none">• <i>See Exhibit 1 for (List contents of Exhibit 1 including all supporting documentation)</i>• <i>See “Document Checklist” attached as Exhibit A for additional requested documents</i>	
c. Diminution in Value for Property (Exhibit 2 should be a folder containing all supporting documents)	

Description of Real Estate (land and improvements) and Pre-Fire Market Value:	\$
• Total: \$	
○ Pre-Fire Value: \$	
○ Post-Fire Value: \$	
• <i>See Exhibit 2a for (List contents of Exhibit 2a including Diminution in Value Report)</i>	
• Gross Sale Price	
○ Total: \$	
• <i>See Exhibit 2b for (List contents of Exhibit 2b including Land Sale Contract, etc.)</i>	
• <i>See “Document Checklist” attached as Exhibit A for additional requested documents)</i>	
d. Debris Removal (Exhibit 3 should be a folder containing all supporting documents)	
Description of Damage and Amount:	\$
• Total: \$	
○ List of Service Performed/Estimate Provided: \$	
• <i>See Exhibit 3 for (List contents of Exhibit 3 including estimate and any other supporting documentation)</i>	
• <i>See “Document Checklist” attached as Exhibit A for additional requested documents)</i>	
e. Land and Erosion (Exhibit 4 should be a folder containing all supporting documents)	
Description of Damage and Amount:	\$
• Total: \$	
○ Description of erosion, drainage repairs, mitigation measures, and cost of implementation	
• <i>See Exhibit 4 for (List contents of Exhibit 4 including Erosion Damage Assessment, estimates, and other supporting documents)</i>	
• <i>See “Document Checklist” attached as Exhibit A for additional requested documents)</i>	
f. Other Real Property Damage Categories (Include as many as applicable) (Exhibit 5 should be a folder containing all supporting documents)	
Description of Damage and Amount:	\$

Total: \$	
Description of real property damaged/destroyed	
<ul style="list-style-type: none"> • <i>See Exhibit 5 for (List contents of Exhibit 5) See “Document Checklist” attached as Exhibit A for additional requested documents</i> 	
2. Real Property - Dwelling, Other Structures, Diminution in Value, Debris Removal, Land and Erosion, and Other Insurance Off-Set (Exhibit 6 should be a folder containing all supporting documents)	
Description of Coverage and Payments:	\$
Total: \$	
<ul style="list-style-type: none"> • Real Property: \$ <ul style="list-style-type: none"> ○ Dwelling: \$ ○ Other Structures: \$ ○ Diminution in Value: \$ ○ Debris Removal: \$ ○ Land and Erosion: \$ ○ Other: \$ 	
<ul style="list-style-type: none"> • <i>See Exhibit 6 for (List contents of Exhibit 6 including payout information, Claims File, etc.)</i> 	
Net Real Property Damage – Dwelling, Other Structure, Diminution in Value, Debris Removal, Land and Erosion, and Other	0
3. Real Property - Trees and Vegetation (Exhibit 7 should be a folder containing all supporting documents)	
Description of Damage and Amount:	\$
Total: \$	
Description of trees and vegetation damaged/destroyed	
<ul style="list-style-type: none"> • <i>See Exhibit 7 for (List contents of Exhibit 7 including Tree Loss Evaluation, Arborist Report, Pre-Fire and Post-Fire Photographs, etc.) See “Document Checklist” attached as Exhibit A for additional requested documents)</i> 	

4. Real Property - Trees and Vegetation Insurance Off-Set (Exhibit 6 should be a folder containing all supporting documents)	
Description of Coverage and Payments:	\$
Total: \$	
<ul style="list-style-type: none"> • Real Property: \$ <ul style="list-style-type: none"> ○ Trees and Vegetation: \$ 	
<i>See Exhibit 6 for (List contents of Exhibit 6 including payout information, Claims File, etc.)</i>	
5. Personal Property (Exhibit 8 should be a folder containing all supporting documents)	
Description of Damage and Amount:	\$
<ul style="list-style-type: none"> • Total: \$ <ul style="list-style-type: none"> ○ Description of personal property damaged/destroyed (Include as many as applicable) 	
<ul style="list-style-type: none"> • <i>See Exhibit 8 for (List contents of Exhibit 8 including Personal Property Inventory including itemization of all damaged/destroyed property with values for Replacement Cost Value (RCV) and Actual Cost Value (ACV)</i> • <i>See “Document Checklist” attached as Exhibit A for additional requested documents</i> 	
6. Personal Property Insurance Off-Set (Exhibit 6 should be a folder containing all supporting documents)	
Description of Coverage and Payments:	\$
<ul style="list-style-type: none"> • Total: \$ 	
<ul style="list-style-type: none"> • Personal Property: \$ <ul style="list-style-type: none"> ○ Contents: \$ ○ Autos: \$ ○ Etc.: \$ 	
<ul style="list-style-type: none"> • <i>See Exhibit 6 for (List contents of Exhibit 6 including payout information, Claims File, etc.)</i> 	
Net Personal Property Damages	\$
7. Agricultural Damages and Losses (Exhibit 9 should be a folder containing all supporting documents)	
Description of Damage and Amount:	\$

<ul style="list-style-type: none"> • Total: \$ 	
<ul style="list-style-type: none"> ○ Description of damages to agriculture/commercial farms, loss of income, etc. 	
<ul style="list-style-type: none"> • <i>See Exhibit 9 for (List contents of Exhibit 9 including estimates, reports, acreage usage, acreage descriptions, water sources, marketing plans implemented, customer lists, receipts, invoices, permits, other sources of income for property, mitigation protocol for erosion, maintenance/mitigation protocol for fire damage, easements, pre-fire and post-fire photographs of trees and surrounding vegetation, purchase and listing history, historical annual road maintenance costs, 5 year crop production history and 5 year Gross income, expense and net income history, and any additional supporting documents as applicable)</i> • <i>See “Document Checklist” attached as Exhibit A for additional requested documents)</i> 	
8. Agricultural Damages/Losses Insurance Off-Set (Exhibit 6 should be a folder containing all supporting documents)	
Description of Coverage and Payments:	\$
<ul style="list-style-type: none"> • Total: \$ 	
<ul style="list-style-type: none"> ○ Description of Various Coverages: \$ 	
<ul style="list-style-type: none"> • <i>See Exhibit 6 for (List contents of Exhibit 6 including payout information, Claims File, etc.)</i> 	
Net Agricultural Damages	\$
9. Additional Living Expenses (Exhibit 10 should be a folder containing all supporting documents)	
Description of Damage and Amount:	\$
<ul style="list-style-type: none"> • Total: \$ 	
<ul style="list-style-type: none"> ○ Description of ALE costs and expenses 	
<ul style="list-style-type: none"> • <i>See Exhibit 10 for (List contents of Exhibit 10 including receipts, invoices, and all supporting documentation for costs and expenses related to food, supplies, transportation, essential items, etc.)</i> • <i>See “Document Checklist” attached as Exhibit A for additional requested documents</i> 	

10. Additional Living Expense Off-Set (Exhibit 6 should be a folder containing all supporting documents)	
Description of Coverage and Payments:	\$
<ul style="list-style-type: none"> • Total: \$ 	
<ul style="list-style-type: none"> ○ Description of ALE Coverages: \$ 	
<ul style="list-style-type: none"> • <i>See Exhibit 6 for (List contents of Exhibit 6 including payout information, Claims File, etc.)</i> 	
Net ALE Damages	\$
11. Lost Income (Exhibit 11 should be a folder containing all supporting documents)	
Description of Damage and Amount:	
<ul style="list-style-type: none"> • Total: \$ 	
<ul style="list-style-type: none"> ○ Description of Lost Income 	
<ul style="list-style-type: none"> • <i>See Exhibit 11 for (List contents of Exhibit 11 including W-9s, rental agreements, check images, bank statements, reports, communications that support your claimed loss, Schedule E from Form 1040 personal tax returns, etc.)</i> • <i>See “Document Checklist” attached as Exhibit A for additional requested documents</i> 	
12. Lost Income Insurance Off-Set (Exhibit 6 should be a folder containing all supporting documents)	
Description of Coverage and Payments:	\$
<ul style="list-style-type: none"> • Total: \$ 	
<ul style="list-style-type: none"> ○ Description of Lost Income Coverages: \$ 	
<ul style="list-style-type: none"> • <i>See Exhibit 6 for (List contents of Exhibit 6 including payout information, Claims File, etc.)</i> 	
Net Lost Income Damages	\$
13. Loss of Use (Exhibit 12 should be a folder containing all supporting documents)	

Description of Damage and Amount:	\$
<ul style="list-style-type: none"> • Total: \$ 	
<ul style="list-style-type: none"> ○ Description of Loss of Use basis 	
<ul style="list-style-type: none"> • <i>See Exhibit 12 for (List contents of Exhibit 12 including check images, bank statements, reports, communications that support your claimed loss, Schedule E from Form 1040 personal tax returns, etc.)</i> • <i>See “Document Checklist” attached as Exhibit A for additional requested documents</i> 	
14. Loss of Use Insurance Set-Off (Exhibit 6 should be a folder containing all supporting documents)	
Description of Coverage and Payments:	\$
<ul style="list-style-type: none"> • Total: \$ 	
<ul style="list-style-type: none"> ○ Description of Loss of Use Coverages: \$ 	
<ul style="list-style-type: none"> • <i>See Exhibit 6 for (List contents of Exhibit 6 including payout information, Claims File, etc.)</i> 	
Net Loss of Use Damages	\$
15. Out of Pocket Expenses (Exhibit 13 should be a folder containing all supporting documents)	
Description of Coverage and Payments:	\$
<ul style="list-style-type: none"> • Total: \$ 	
<ul style="list-style-type: none"> ○ Description of Out of Pocket Expenses (Include as many as apply): \$ 	
<ul style="list-style-type: none"> • <i>See Exhibit 13 for (List contents of Exhibit 13 including any and all supporting documentation for the alleged loss)</i> • <i>See “Document Checklist” attached as Exhibit A for additional requested documents</i> 	
16. Other Damages (Exhibit 14 should be a folder containing all supporting documents)	
Description of Coverage and Payments:	\$

• Total: \$	
○ Description of Loss (Include as many as apply): \$	
• <i>See Exhibit 14 for (List contents of Exhibit 14 including any and all supporting documentation for the alleged loss)</i>	
• <i>See “Document Checklist” attached as Exhibit A for additional requested documents</i>	
TOTAL ECONOMIC DAMAGES	\$
TOTAL INSURANCE	\$
NET ECONOMIC DAMAGES	\$

B. Non-Economic Damages

1. Annoyance, Disturbance, Inconvenience and Mental Anguish	
Description of Damage and Amount:	\$
• <i>See Mediation Narrative (outlines basis for damages)</i>	
2. Emotional Distress	
Description of Damage and Amount:	\$
3. Loss of Consortium	
Description of Damage and Amount:	\$
• <i>See Mediation Narrative (outlines basis for damages)</i>	
TOTAL NON-ECONOMIC DAMAGES	\$

II. POST-VERDICT DAMAGES REQUIRED BY STATUTE

1. Attorney Fees	
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• Explanation of reasoning and method for determining amount	\$
2. Pre-Judgment Interest	
• Explanation of reasoning and method for determining amount	\$
3. Costs of Suit	
• Explanation of reasoning and method for determining amount	\$
Total Attorney Fees, Interest, and Costs of Suit:	\$

III. SUMMARY OF DAMAGES

TOTAL VALUE OF ECONOMIC DAMAGES	\$
TOTAL INSURANCE PAYMENTS	\$
NET VALUE OF ECONOMIC DAMAGES	\$
TOTAL VALUE OF NON-ECONOMIC DAMAGES	\$
TOTAL VALUE OF POST-VERDICT DAMAGES	\$
TOTAL VALUE OF DAMAGES	\$
TOTAL SETTLEMENT DEMAND (IF DIFFERENT FROM VALUE OF DAMAGES)	\$

CHECKLIST FOR RESOLUTION DEMAND TEMPLATE

A. Claims Files

1. Unless a plaintiff is uninsured, the plaintiff must submit a copy of all claims files with the mediation demand and state whether, to the plaintiff's knowledge, each claim is open or closed. If the claim file has already been produced to Edison by the plaintiff or by Subrogation Plaintiffs, via Brown Greer or otherwise, Individual Plaintiffs do not need to reproduce the claim file to Edison. If the claims file(s) have been updated since first being produced, then the updated claims file must be produced.

B. Damages Discovery

1. Mediation demands should only be submitted if the plaintiff has provided complete responses to SCE's Damages Discovery (Personal Questionnaire, Property Questionnaire, Request for Production Response, and Document Production).
 - i. If the mediation demand is on behalf of an unfiled plaintiff, please have that plaintiff fill out the appropriate discovery and provide it with the mediation demand.

C. Responding to Requests for Information

1. For any simple clarifications or responses advising of work in progress please provide responses in the body of our email requesting information/clarification.
2. For any substantive responses (which would include provision of missing information/documents such as pre-fire permits/photographs, amendments to mediation demand values, clarification of insurance payments, etc.) please provide the requests and your firm's responses in letter format. This letter, along with the requested supporting documents and amended mediation demands, as necessary, should be provided in the same manner as the original mediation demand.
 - i. Responsive email should be titled "Response to Document Request – 'Name of Plaintiff'," and then please provide a link to your firm's FTP site which contains the requested letter, supporting documents, and any amended mediation demands.
 - ii. This process will allow us to quickly provide this supplemental material to our experts for the most efficient workflow possible. In addition, organizing

the responses in this manner assists in preventing duplicative requests for documents from our experts that may have been discussed early on in emails.

D. Losses Related to Real Property Rebuilding

1. If you are claiming losses from the relating to real property rebuilding costs or diminution in value for an affected property, please provide the following (if available):
 - i. Loss assessments
 - ii. Actual rebuild/repair costs in line item fashion
 - iii. Rebuild estimate formatted in a line item fashion for evaluation of cost based upon trades, materials and quantities
 - iv. Insurance policy
 - v. Real estate appraisal reports
 - vi. Pre-fire permits for construction or remodel
 - vii. Pre-fire property information
 - viii. Pre-fire remodeling contracts, contractor receipts, and cancelled checks
 - ix. Pre-fire exterior photographs
 - x. Pre-fire interior photographs
 - xi. Post-fire photographs
 - xii. Post-fire rebuild photographs
 - xiii. Permits for rebuild
 - xiv. Post-fire contractor rebuild contract
 - xv. Post-fire contractor rebuilding invoices
 - xvi. Post-fire copies of check payments
 - xvii. Statements of loss and/or proofs of loss matching payments made on invoices and estimates submitted

E. Losses Related to Partial Damages

1. If you are claiming losses from the relating to real property partial damages for an affected property, please provide the following (if available):
 - i. A detailed contractor loss assessment noting damages and a remediation plan that relates to the actual damages and corresponding repairs and not to additional desired improvements or a change in home style

- ii. Loss assessment remediation/repair plan
- iii. Permits and competitive bids
- iv. Fully explained and detailed actual costs incurred including paid invoices, cancelled checks, and signed contractor contracts
- v. City/county sign off on completed work, paid invoices, and cancelled checks

F. Losses Related to Diminution in Value

1. If you are claiming losses from the relating to diminution in value of an affected property, please provide the following (if available):
 - i. Diminution in value reports
 - ii. Real estate appraisal reports
 - iii. Pre-fire permits for construction or remodel
 - iv. Pre-fire property information
 - v. Pre-fire remodeling contracts and contractor receipts
 - vi. Purchase and listing history
 - vii. Pre-fire interior photographs
 - viii. Pre-fire exterior photographs
 - ix. Post-fire photographs

G. Losses Related to Debris Removal

1. If you are claiming losses from the relating to Debris Removal, please provide the following (if available):
 - i. Receipts/invoices detailing claimed damages
 - ii. Statements of loss and/or proofs of loss matching payments made on invoices and estimates submitted

H. Losses Related to Trees, Landscaping, and Vegetation

1. If you are claiming losses from the relating to Trees, Landscaping, and/or Vegetation, please provide the following (if available):
 - i. Arborist report containing breakdown of costs incurred or expected
 - ii. Tree loss evaluation
 - iii. Landscape replacement estimate that reflects pre-fire landscaping
 - iv. Pre-fire photographs
 - v. Post-fire photographs

- vi. Statements of loss and/or proofs of loss matching payments made on invoices and estimates submitted
- vii. Copy of carrier policy limits/declaration page
- viii. Insurance documents showing any landscape items paid out or inventoried

I. Losses Related to Land and Erosion

1. If you are claiming losses from the relating to Land and/or Erosion Damage, please provide the following (if available):
 - i. Erosion damage assessment with proposed erosion control measures
 - ii. Engineering reports for erosion control
 - iii. Hydrology reports
 - iv. Estimates
 - v. Invoices
 - vi. Receipts

J. Losses Related to Personal Property

1. If you are claiming losses from the relating to Personal Property Damage, please provide the following (if available):
 - i. Personal property inventory including itemization of all damaged/destroyed property with replacement cost value and actual cost value (you can reference any inventory in your insurer's claim file):
 - ii. Pre-fire photographs
 - iii. Proof of restoration for any claimed auto damages
 - iv. Invoices and/or receipts for damaged or destroyed personal property
 - v. Invoices and/or receipts for replaced items
 - vi. Statements of loss and/or proofs of loss matching payments made on invoices and estimates submitted
 - vii. Copy of carrier policy limits/declaration page

K. Losses Related to Agriculture

1. If you are claiming losses from the relating to Agricultural Losses at an affected property, please provide the following (if available):
 - i. Estimates
 - ii. Pre-fire tree or crop assessments
 - iii. Agricultural damage analyses/reports

- iv. 2012-2020 yearly grower/pack out reports, including information on gross sales and production by class and adjustments to gross sales (e.g., offsets for CAC or HAB taxes, picking labor, or volume incentive plans).
- v. Total number and age of planted avocado trees as of the date of fire. Information should be provided yearly from 2012 through 2017 and by block and acre.
- vi. Total number of planted avocado trees and acres that were damaged from the fire and will be replaced. Information should be provided by block and acre.
- vii. Actual and expected trees and acres to be replanted after the fire, including a replanting schedule. Information should be provided by block and acre.
- viii. Documents regarding trees ordered, tree replanting costs, or other communications with tree growers.
- ix. Pre-fire/post-fire appraisals
- x. Attempts at farm/ranch expansion or reduction
- xi. Acreage usage/acreage descriptions
- xii. Water sources
 - 1. Number of wells
 - 2. Gpm
 - 3. Casing size
 - 4. Main line and lateral sizes
 - 5. Pipe material
 - 6. District water supplier
 - 7. Meter sizes
 - 8. Restrictions on water use
- xiii. Marketing plans implemented
- xiv. Customer lists
- xv. Receipts/invoices
- xvi. Permits including conditional use permits, agriculture use permits, structure permits, as well as organic or specialty certifications for wine or other uses
- xvii. 2012-2020 yearly profit and loss ("P&L") reports and balance sheets. P&L reports should be normal course of business documents and include

sufficient detail to identify avocado revenues and operating expenses by category, including irrigation, fertilizer, rodent control, repairs, maintenance, fertilizer, labor expense, and packing house charges. This can include amounts reported on tax returns.

- xxviii. Any financial planning documents, including forecasts, projections, or estimates of future avocado crop production that were prepared prior to and/or after the fire.
- xix. Any financial models or calculations related to lost revenues, saved costs, or extra expense in the periods after the fire related to avocado tree loses.
- xx. Any documents related to farm income or crop insurance money received from 2012 to 2020.
- xxi. Other sources of income for property
- xxii. Mitigation protocol for erosion
- xxiii. Maintenance/mitigation protocol for fire damage
- xxiv. Any easements
- xxv. Pre-fire and post-fire photographs of trees and surrounding vegetation
- xxvi. Purchase and listing history
- xxvii. Historical annual road maintenance costs

L. Losses Related to Additional Living Expenses (ALE)

1. If you are claiming losses from the relating to Additional Living Expenses, please provide the following (if available):
 - i. Receipts/invoices
 - ii. Costs and expenses related to food, supplies, transportation, essential items, etc.
 - iii. Copy of carrier policy limits/declaration page
 - iv. Statements of loss and/or proofs of loss matching payments made on invoices and estimates submitted
 - v. Lease agreements for temporary housing
 - vi. Carrier log notes or notations between contractor and plaintiff specifically discussing period of restoration and or delays

M. Financial Losses Related to Rental Activities

1. If you are claiming financial losses relating to Rental Activities at an affected property, please provide the following (if available):
 - i. Lease agreement(s) covering the period from 2015 to date.
 - ii. Evidence of rental revenues from 2015 to date, including Schedule E from Form 1040 personal tax returns, copies of checks, or bank statements.

N. Financial Losses Related to Other Business Activities

1. If you are claiming financial losses relating to Other Business Activities, please provide the following (if available):
 - i. Annual financial statements from 2015 to date, including profit and loss statements that list revenue and line item expenses related to Other Business Activities.
 - ii. Tax return statement of revenues and expense from 2015 to date, including either Schedule C from 1040 personal tax returns or relevant sections of partnership, corporate, or trust tax returns.
 - iii. Any documents, including contracts, agreements, reports, valuations, pre-fire projections or communications that support your claimed loss.

O. Financial Losses Related to Lost Wages or Employment

1. If you are claiming financial losses relating to Lost Wages or Employment, please provide the following (if available):
 - i. Paychecks, including pay stub with payment details, for all wages received in the 3 months prior to the fire.
 - ii. Paychecks, including pay stub with payment details, for all wages received in the 3 months after the fire.
 - iii. Evidence of wages received from any employer from 2015 to date, including W-2s, 1099s and personal 1040 tax returns.
 - iv. Any documents, including check images, bank statements, reports or communications that support your claimed loss.

P. Losses Related to Out-of-Pocket Expenses

1. If you are claiming losses relating to Out-Of-Pocket expenses, please provide the following (if available):
 - i. Receipts/invoices

- ii. Carrier log notes regarding discussions between plaintiff and carrier identifying need for out-of-pocket expenses

By signing this document, the following Plaintiff(s) acknowledge that they have an obligation to provide accurate information in the Resolution Demand Template and Checklist. The following Plaintiff(s) additionally certify that they have reviewed all information contained in their Resolution Demand Template and Checklist, and believe that the information is accurate to the best of their knowledge.

Dated: _____
_____ [Name of Plaintiff]

Dated: _____
_____ [Name of Plaintiff]

Dated: _____
_____ [_____] Guardian ad Litem for minor Plaintiff _____]

Dated: _____
_____ [_____] Guardian ad Litem for minor Plaintiff _____]