1 2 3 4 5	WAYNE K. LEMIEUX (SBN 43501) W. KEITH LEMIEUX (SBN 161850) LEMIEUX & O'NEILL 2393 Townsgate Road, Suite 201 Westlake Village, California 91361 Telephone: (805) 495-4770 Facsimile: (805) 495-2787 Attorneys for Defendants/Cross-Complainants LITTLEROCK CREEK IRRIGATION DISTRICT, NORTH EDWARDS WATER DISTRICT, DESER		
6 7	LLANO DEL-RIO WATER CO., LLANO MUTUA CO., and LITTLE BALDY WATER CO.	,	
8	SUPERIOR COURT OF THE STATE OF CALIFORNIA		
9	IN AND FOR THE COUNTY OF LC	OS ANGELES – CENTRAL DISTRICT	
10			
11	Coordinated Proceeding Special Title (Rule 1550(b))) Judicial Council Coordination No. 4408	
12 13	ANTELOPE VALLEY GROUNDWATER CASES	 Santa Clara Case No. 1-05-CV-049053 Assigned to the Honorable Jack Komar – Dept. 17 	
14	Included Actions:	OPPOSITION TO MOTION TO	
15 16 17	Los Angeles County Waterworks District No. 40 v. Diamond Farming Co. Los Angeles County Superior Court Case No. BC 325201;	DISQUALIF 1)))) DATE: July 10, 2009	
18 19	Los Angeles County Waterworks District No. 40 v. Diamond Farming Co., Kern County Superior Court, Case No. S-1500-CV-234348;) TIME: 9:00 a.m.) DEPT: 17C	
20	Wm. Bolthouse Farms, Inc. v. City of Lancaster Diamond Farming Co. v. City of Lancaster v.)))	
21 22	Palmdale Water District, Riverside County Superior Court, Consolidated Actions, Case Nos. RIC 353840, RIC 344436, RIC 344668))	
23	AND RELATED CROSS-ACTIONS		
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	OPPOSITION TO MO	TION TO DISQUALIFY	

I. <u>INTRODUCTION</u>

Lemieux & O'Neill represents a group of water suppliers including Littlerock Creek Irrigation District, Palm Ranch Irrigation District, North Edwards Water District, Desert Lake Community Services District, Big Rock Mutual Water Company, Little Baldy Mutual Water Company, Llano-Del Rio Water Company, and Llano Mutual Water Company (hereafter "Lemieux & O'Neill Parties"). The Lemieux & O'Neill Parties are public entities and private water companies.

Through the instant motion, the Wood Class seeks to disqualify Lemieux & O'Neill from this case on the grounds the public and private water companies have a potential conflict with each other. The Wood Class argues there is an actual conflict of interest because the Wood Class believes the Lemieux & O'Neill "is simultaneously representing plaintiffs and defendants in the same case." This statement is false. No party in the Lemieux & O'Neill group has a claim against another party in the group. Every party in the Lemieux & O'Neill group is a defendant to a complaint filed by the County of Los Angeles. The Wood Class has been informed of their error, but as of the date of this opposition, has refused to withdraw their motion.

The Wood Class has no standing to make this claim because its members are not clients of Lemieux & O'Neill. Further, the Rules of Professional Conduct are clear that potential conflicts may be waived as (is the case here). In fact, the Wood Class's premise is also wrong because the water rights among public and private water suppliers are determined by use and not by the legal status of the entity. Finally, this motion was filed unreasonably late and has been made primarily for tactical reasons in an effort to avoid trial. The court should discourage these sharp practices.

II. ARGUMENT

A. THE WOOD CLASS HAS PROVIDED NO EVIDENCE OF CONFLICT AMONG THE PARTIES REPRESENTED BY LEMIEUX & O'NEILL

Motions to disqualify counsel are strongly disfavored. (*Visa U.S.A. v. First Data Corp.* (N.D. Cal. 2003) 241 F.Supp. 2d 1100, 1104 (applying California Rules of Professional Conduct); In re Marvel (N.D. Cal. 2000) 251 B.R. 869 (applying California Rules of Professional Conduct). "A motion for

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disqualification of counsel is a drastic measure which courts should hesitate to impose except when of
 absolute necessity. They are often tactically motivated; they tend to derail the efficient progress of
 litigation." (*Id.*) As such, requests for disqualification "should be subjected to particularly strict judicial
 scrutiny." (*Optyl Eyewear Fashion Int'l Corp. v. Style Cos.* (9th Cir. 1985) 760 F.2d 1045, 1050 (applying
 California Rules of Professional Conduct, citations omitted).)

Assuming there is standing, the Wood Class must show an *actual* conflict of interest exists between the Lemieux & O'Neill parties. A *potential* conflict may be waived by the parties. The Wood Class fails to offer evidence of adversity among these parties. Instead, the Wood Class says a conflict must exist because "one law firm, Lemieux & O'Neill . . . represents both cross-complainants and crossdefendants in the Public Water Suppliers' cross-complaint for declaratory and injunctive relief." (Mot. Disq., p. 3:7-10.) This statement misrepresents the pleadings.

The parties in the Lemieux & O'Neill Group are *defendants* to the complaint filed by County Waterworks District No. 40. This complaint was originally filed on December 1, 2004, naming Littlerock Creek Irrigation District and Palm Ranch Irrigation District. (Declaration of W. Keith Lemieux ("Lemieux Decl."), ¶ 6, Exh. "A".) A Second Amendment to the complaint was filed on May 22, 2006 to include North Edwards Water District and Desert Lake Community Services District. Doe Amendments were then filed on April 4, 2007, naming defendants Llano Del Rio Water Company (Doe 205), Llano Mutual Water Company (Doe 207), Big Rock Mutual Water Company (Doe 200), and Little Baldy Water Company (Doe 204). (Lemieux Decl., ¶ 8, Exhs. "B" and "C".) As the court can see by reference to these documents, the amendments were clearly made as "Does" to the County's original complaint.

In September, 2007, each of the private water suppliers to the Lemieux group filed a separate answer to the complaint of County Waterworks District No. 40. However, this answer was erroneously entitled "Answer of [name] to First Amended Cross-Complaint of Public Water Suppliers for Declaratory and Injunctive Relief and Adjudication of Water Rights." These parties have subsequently filed a Notice of Errata to change the title of these documents to "Answer to Los Angeles County Waterworks District No. 40's Complaint." For the convenience of this court, the Notices of Errata are attached as Exhibits "D" through "G" to the Lemieux Decl.) OPPO.MtnDisqualify.doc -3 -

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In other words, the parties represented by Lemieux & O'Neill, both public and private, are in the identical position as defendants to the County's original complaint. The Wood Class's confusion apparently comes from the fact a separate cross-complaint was filed by the attorneys for the County on behalf of the "public water suppliers." This cross-complaint includes Littlerock Creek Irrigation District and Palm Ranch Irrigation District as *cross-complainants*. However, this cross-complaint does *not* state any claim against any party in the Lemieux & O'Neill group. (Concurrently with this motion, the Lemieux & O'Neill group has requested leave to amend its cross-complaint to avoid even the appearance of a conflict.)

The amendment at issue is clear and unambiguous. It is stated as a "Doe Amendment" to the original complaint. (The Cross-Complaint has Roe amendments, with a different numbering system.) It was filed by Best, Best & Krieger on behalf of the County of Los Angeles Waterworks District No. 40, the party to the original complaint. The summons attached is the original summons issued with the original complaint. Therefore, the Wood Class should have known that their suggestion the Lemieux & O'Neill parties filed claims against one another was inaccurate at the time this motion was filed.

B. THE WO

THE WOOD CLASS LACKS STANDING TO SEEK DISQUALIFICATION

Before an attorney may be disqualified, it must first be established the party seeking the attorney's disqualification has standing. (*Civil Service Comm'n v. Superior Court* (1984) 163 Cal.App.3d 70, 76-77 [209 Cal.Rptr. 159].) The most common way of establishing standing is for the party seeking disqualification to demonstrate he was (or is) "represented" by the attorney. (*Id.*) Other courts have found standing is conferred by a breach of the duty of confidentiality owed to the complaining party, regardless of whether a lawyer-client relationship existed. (*DCH Health Servs. v. Waite* (2002) 95 Cal.App.4th 829, 832 [115 Cal.Rptr.2d 847] (noting that a lawyer may be disqualified after improper contacts with an opposing party's expert witness); see also *Am. Airlines v. Sheppard, Mullin, Richter & Hampton* (2002) 96 Cal.App.4th 1017, 1033-34 [117 Cal.Rptr. 2d 685] (holding that conflict may arise from an attorney's relationship with a non-client where confidential information has been disclosed or there is an expectation that the attorney owes a duty of fidelity); *Coyler v. Smith* (C.D. Cal. 1999) 50 F.Supp.2d 966, 971 (holding that non-clients have standing to raise serious ethical breaches).)

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No member of the Wood Class ever claimed to have been represented by Lemieux & O'Neill. The Wood Class has not claimed it has tendered confidential information to Lemieux & O'Neill. In fact, the Wood Class made no claims to support standing at all.¹ The Wood Class appears to argue that standing is unnecessary because the Lemieux & O'Neill group may somehow taint the case on appeal. There is simply no case law to support this proposition. To pursue this motion, the Wood Class needed to establish standing. It has failed to do so. Therefore, the motion must be denied.

C. REPRESENTATION OF PARTIES WITH POTENTIAL CONFLICT IS PERMITTED BY THE RULES OF PROFESSIONAL CONDUCT

Rule of Professional Conduct, Rule 3-310 provides:

"(c) A member shall not, *without the informed written consent* of each client: [¶] . . . [a]ccept representation of more than one client in a manner in which the interest of the clients potentially conflict" (Rule of Professional Conduct, Rule 3-1310.)

A potential conflict does not warrant automatic disqualification of joint counsel when permitted by informed, written consent of all of the parties involved. (Rule 3-310(c).) (*Gong v. RFG Oil, Inc.* (2008) 166 Cal.App.4th 209 [82 Cal.Rptr. 3d 416]; Prof Conduct Rule 3-310(c).) In other words, representation of potentially adverse parties in the same lawsuit does not require *per se* disqualification as suggested by the Wood Class. (*Fox Searchlight Pictures, Inc. v. Paladino* (2001) 89 Cal.App.4th 294, 302 [106 Cal.Rptr.2d 906] (no disqualification "when only hypothetical conflict exists"); *Federal Home Loan Mortgage Corp. v. La Conchita Ranch Co.* (1998) 68 Cal.App.4th 856, 862 [80 Cal.Rptr.2d 634] (mandatory disqualification is not justified by "some hypothetical possibility" of adversity between mortgagee and mortgagors).)

No member of the Lemieux & Group has ever asserted a claim against any other member of this group. At best, there is a potential conflict of interest. Under the California Rules, a potential conflict of interest gives rise to the obligation to obtain informed written consent when attorneys decide to represent more than one client in the same lawsuit. (*In re Jaeger* (C.D. Cal. 1997) 213 B.R. 578, at 584

¹ The Wood Class makes a vague assertion that some parties in the Lemieux & O'Neill group may have obtained confidential information from some other parties outside the Wood Class. It is unclear

("California rules always require the informed written consent of each client before an attorney may jointly represent two or more clients in the same lawsuit"). Defense counsel fulfilled this obligation by obtaining signed conflict waivers, in which each Defendant agreed to their concurrent representation. (Lemieux Decl. § 5.) All Defendants recognized the potential for conflict amongst them, and waived their rights in order to enjoy the benefit of joint representation by defense counsel. (Lemieux Decl., ¶ 5.) After being advised of the current motion, all Defendants reaffirmed their waivers of any potential conflict of interest among them. (Lemieux Decl., \P 5.) Therefore, representation of the parties in the Lemieux & O'Neill group was proper under the Rules of Professional Conduct.

However, the Wood Class argues that even if a waiver was obtained it is automatically ineffective. None of the cases cited by the Wood Class support their "mandatory" argument. Both *Tsakos Shipping & Trading v. Juniper Garden Townhomes* (1993) 12 Cal.App.4th 74 [15 Cal.Rptr.2d 585], and *People v. Speedee Oil Changes Systems* (1999) 20 Cal.4th 1135 [86 Cal.Rptr.2d 816] involved cases where there was no informed written consent. This authority is inapposite to the Wood Class's motion because the motion was not made by a party in the Lemieux & O'Neill group. Whether or not a party within the group could somehow later challenge the effectiveness of the waiver is a moot point because no such party has sought disqualification.

In fact, the Wood Class's argument is circular. It wishes to have this court disqualify Lemieux & O'Neill solely out of concern that some party in the Lemieux & O'Neill group may seek disqualification in the future. Clearly, it is the right of the parties in the Lemieux & O'Neill group to determine who is to be their attorney, not the Wood Class.

The instant case is precisely the kind of situation contemplated by Rule 3-310. While any party to this case could theoretically have a claim against any other party to this case, it is up to that party to determine whether or not the claim worth pursuing. Rule 3-310 permits a party to waive potential claims in exchange for the benefits of joint representation: reduced costs, and the ability to retain an attorney with specific expertise in this specialized field of law. In a groundwater adjudication, with literally

specifically what information the Wood Class is referring to. OPPO.MtnDisqualify.doc - 6 -

thousands of parties, Rule 3-310 allows for efficient litigation where it otherwise might be impossible.
 The Wood Class demonstrates no legal or policy reason to depart from the Rules of Professional Conduct
 in this case. This court should find that a waiver of conflict is sufficient for representation.

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D. THERE IS NO INHERENT CONFLICT OF INTEREST BETWEEN PUBLIC AND PRIVATE WATER SUPPLIERS

The Wood Class presumes public and private water companies have distinguishable claims to the use of water simply by virtue of their private or public status. The fact that the public water supplier is a public entity, as opposed to a private entity, does not determine the nature the public suppliers' water right. Public and private water suppliers can assert appropriative and prescription claims by alleging they pumped water on their own behalf. Likewise, both public and private water suppliers might assert overlying rights based on the allegation that they are pumping water *on behalf* of their members. In fact, public and private water suppliers could assert a right to pump based on some other right, such as a surface water right if the pumping occurs from a known and definite channel. Public water suppliers, like all other parties in this action, have the potential to assert a variety of water rights depending on where the water is drawn and the historical period of use.

Some of the private water companies in this case have asserted overlying rights. Other private water suppliers have asserted appropriative rights. Each of the public and private water suppliers represented by Lemieux & O'Neill will claim both overlying, appropriative and, in two cases, surface rights to use water. These claims will be made in the alternative. (As noted above, none of these claims have been asserted against any other party in the Lemieux & O'Neill group.) Therefore, the claims made by both the private and public water suppliers in the Lemieux & O'Neill group are indistinguishable from each other.

The Wood Class appears to be concerned because it does not know which "camp" the private water suppliers should be placed in. However, the private water companies are not unique in this regard. In fact, members of the Wood Class might themselves be confused. The Wood Class includes anyone who pumps less than 25 acre feet per year. This will include overlying water users, appropriative users

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and, perhaps, surface water users. The Wood Class will need to do some additional work before it can 1 2 decide into which "camp" its own members belong.

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THIS DILATORY MOTION WAS BROUGHT FOR IMPROPER PURPOSES

4 Where the party opposing an attorney disqualification motion can demonstrate prima facie 5 evidence of unreasonable delay in bringing the motion causing prejudice to the present client, 6 disqualification should not be ordered, and the burden then shifts back to the party seeking disqualification to justify the delay. (Gong v. RFG Oil, Inc. (2008) 166 Cal.App.4th 209 [82 Cal.Rptr. 3d 416].) The Wood Class should have known of Lemieux & O'Neill's representation of Big Rock Mutual 8 Water Co., Little Baldy Water Co. and Llano Del-Rio Water Co. and Llano Mutual Water Co. since September 26, 2007. (Lemieux Decl. ¶ 8.) The Wood Class waited several years to bring this motion, and offers no explanation for this prejudicial delay.

In exercising discretion with respect to granting or denying an attorney disqualification motion, a trial court may properly consider the possibility the party brought the motion as a tactical device to delay litigation. (Gong, supra, 166 Cal.App.4th 209.) The timing of this motion is very interesting. It comes at a time when many landowner parties, including the Wood Class, are trying desperately to avoid the next phase of trial. Concurrently with this motion, requests have been made (or will be made) to both delay the trial and to dismiss the complaint outright. The Wood Class has also made several attempts to get some members of the Lemieux & O'Neill group to pay for its expert fees.

On June 19, 2009, counsel for the Lemieux & O'Neill group tendered correspondence to Class counsel for the Wood Class informing Class counsel of the factual errors contained in its motion. (Lemieux Decl., ¶ 12, Exh. "H".) The correspondence outlined the procedural history of this case and included copies of the Doe Amendments for the private water companies in the Lemieux & O'Neill group. This demonstrated the motion was made in error. The correspondence concluded with a request to withdraw the motion.

This correspondence was followed up by a series of phone calls on June 22 and 23, 2009, between counsel for the Wood Class and the Lemieux & O'Neill group. During these calls, the attorneys reviewed the documents in this case. Counsel for the Lemieux group specifically pointed out that the Doe - 8 -OPPO.MtnDisqualify.doc

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1	Amendments were made to the original complaint, not the cross-complaint. Counsel for the Wood Class		
2	indicated they intended to use this disqualification motion to discuss general problems with the pleading.		
3	Counsel for Lemieux group informed couns	el for the Wood Class this was an improper use of a	
4	disqualification motion, and indicated this c	onversation would be brought to the attention of the judge.	
5	This motion appears to be another ta	ctic to delay or avoid the trial. If disqualification is granted	
6	the Wood Class apparently understands that there is an automatic right of appeal. Class counsel		
7	apparently hopes this motion will guarantee a delay of trial during such appeal. In the meantime, its		
8	members will continue to mine the basin for water and, perhaps, irrevocably damage this precious natural		
9	resource. The court should resist these sharp tactics and deny the motion.		
10			
11	DATED: June 26, 2009	LEMIEUX & O'NEILL	
12		/s/	
13		By: W. KEITH LEMIEUX	
14		Attorneys for LITTLEROCK CREEK IRRIGATION DISTRICT, PALM RANCH IRRIGATION DISTRICT	
15		And Cross-Defendants, NORTH EDWARDS WATER DISTRICT and DESERT LAKES COMMUNITY	
16		SERVICES DISTRICT	
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t	PROOF OF SERVICE		
2	STATE OF CALIFORNIA,)		
3) ss. COUNTY OF VENTURA)		
1			
5 6	I am employed in the County of Ventura, State of California. I am over the age of 18 and not a party to the within action. My business address is 2393 Townsgate Road, Suite 201, Westlake Village, California 91361.		
7 8	On June 26, 2009 , I posted the following document(s) to the website <u>http://www.scefiling.org</u> , a dedicated link to the Antelope Valley Groundwater Cases:		
9	OPPOSITION TO MOTION TO DISQUALIFY THE FIRM OF LEMIEUX & O'NEILL		
0			
1	I declare under penalty of perjury under the laws of the United State of America that the above is true and correct.		
2	Executed on June 26, 2009, in Westlake Village, California.		
4	/s/		
5	KATHI MIERS		
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