

EXHIBIT 1

Message

From: Clark, James P. [/O=GIBSONDUNN/OU=USA/CN=RECIPIENTS/CN=JCLARK]
Sent: 8/1/2015 4:39:47 PM
To: 'mannaguey@linerlaw.com' [mannaguey@linerlaw.com]
Subject: Re: ATTORNEY CLIENT PRIVILEGED COMMUNICATION - Follow up re mediation

Quo

Sent from my BlackBerry Wireless Handheld

From: Maribeth Annaguey [mailto:mannaquey@linerlaw.com]
Sent: Saturday, August 01, 2015 02:40 PM Pacific Standard Time
To: james.p.clark@lacity.org <james.p.clark@lacity.org>
Cc: Brown, Richard (LEGAL) (Richard.Brown@ladwp.com) <Richard.Brown@ladwp.com>; Tom, Richard (Richard.Tom@ladwp.com) <Richard.Tom@ladwp.com>; Eskel.Solomon@ladwp.com <Eskel.Solomon@ladwp.com>; Dorny, Deborah (Deborah.Dorny@ladwp.com) <Deborah.Dorny@ladwp.com>; Angela C. Agrusa <aagrusa@linerlaw.com>
Subject: FW: ATTORNEY CLIENT PRIVILEGED COMMUNICATION - Follow up re mediation

Dear Jim, I am forwarding to you an email that I sent earlier to Richard Tom, Eskel and Deborah. They and Rich Brown responded by requesting that I share it with you as well. I am available throughout the weekend to discuss. Best, Maribeth

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From: Maribeth Annaguey
Sent: Saturday, August 01, 2015 11:50 AM
To: Tom, Richard (Richard.Tom@ladwp.com); Eskel.Solomon@ladwp.com; Dorny, Deborah (Deborah.Dorny@ladwp.com)
Cc: Angela C. Agrusa
Subject: ATTORNEY CLIENT PRIVILEGED COMMUNICATION - Follow up re mediation

Dear Richard, Eskel and Deborah,

As Jim Clark is considering the mediator's proposal, I thought it would be important to itemize the various issues that were discussed yesterday. Likely objections to the proposed fee amount (which Jim acknowledged is high) include:

- The litigation risk was nominal;
 - The LADWP committed to fully refund/credit its customers before any litigation had been filed;
 - The lawsuit against PWC contained LADWP admissions virtually admitting liability on the billing class actions;
 - The LADWP had already determined it was going to settle these cases before Landskroner filed the Jones lawsuit;
- Blood had already initiated settlement discussions with the LADWP before the Jones lawsuit was filed;

- During preliminary discussions, Blood indicated that he does not see this case as providing a windfall but rather would get a straight lodestar for the attorneys' fees;
- Blood settled a class action case against the LADWP for \$375k;
- These cases, particularly the Jones lawsuit, are in their infancy by litigation standards;
- There has been no responsive pleading filed in Jones/Bransford/Fontaine;
- One of our primary defenses against the Jones Plaintiff is that he has failed to follow the administrative process -- He never filed a government claim;
- There has been zero motion practice in any of the settled cases;
- There has been no discovery in any of the settled cases;
- There has been no decision (much less briefing) on class certification;
- The settling lawyer is based in Cleveland, Ohio and will be receiving the lions share of fees despite little demonstrable work to advance the interests of the class;
- There will likely be higher scrutiny of Landskroner and Libman, individually, and their relationships with the LADWP and its counsel;
- Despite Landskroner's professed investigation into the CC&B system in Cleveland, he never pursued a lawsuit there;
- Note, Kiesel and Libman apparently just tried a PI case together last week;
- Defense fees are nowhere near the alleged lodestar for Landskroner and we have been defending five class actions for nearly a year;
- We do not have numbers to support the value of the settlement such that any common fund percentage could be calculated or used as a cross-check;
- The economic impact on the 8 subclasses is approximately \$37 million (excluding back-billed accounts);
- We do not have back up for plaintiffs' counsel's alleged lodestar numbers to support the fees requested;
- Case law in California likely will not support a multiplier of 4 (or even above 2.3); and
- Landskroner may be unable to reign in the other attorneys, in which case any premium would be unwarranted but may nonetheless be guaranteed.

Given all of this, a settlement figure in the 7 figures may be difficult to support. We should, at a minimum, require that Landskroner provide support for the lodestar immediately.

We understand that the client is seriously considering the fee proposed because of Plaintiffs' threats to leverage the back-billed accounts issue. This feels like nothing short of blackmail. Dave Wright pointed out that this was an issue the Department identified to Landskroner and offered a solution. In his words, "we [the Department] brought it to him" and now we're being penalized for it. Our position at the prior mediation sessions was that these claims are not even ripe.

Richard and Deborah and I spoke about the impact numbers for the back-billed accounts. Paradis said yesterday that he thinks they are in the \$80M-\$120M range. Townsend quoted to Deborah that he thinks the unbilled accounts may have an impact of \$18M. If the number is closer to \$18M, then query whether the Department would have an issue with that number being disclosed. If not, then Landskroner's leverage may be neutralized and the client may well be better off defending against a fee application than accepting a fee/cost award of nearly \$15 million.

We understand that there are policy/public relations issues that may trump our concerns. Ultimately, this is a client decision. Of course, we will abide by the client's decision and comply with it consistent with our ethical and professional responsibilities.



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