

JUN 20 2025

City Clerk

Date and Time Filed

**CLAIM FOR DAMAGES
TO PERSON OR PROPERTY**
(Government Code § 910, 910.2)

INSTRUCTIONS

(Please read carefully):

- > *Claims related to injury to person or damage to personal property must be presented to the City within six (6) months from the date of loss.*
- > *Claims related to any other loss must be presented not later than one (1) year from the date of loss.*
- > *Answer all questions fully and to the best of your knowledge and information. If more space is needed, please attach additional pages and identify question(s) being answered.*
- > *Sign and date claim on page 3.*
- > *File claim with the City Clerk.*

To the City Clerk, City of Ojai

Name of Claimant: Leslie Rule

Date of Birth: April 22, 1959

Mailing Address of Claimant:

Daytime Phone: (415) 225-1925

403 N Fulton St., Ojai, CA 93023

Email: lcr952@mail.harvard.edu

All notices and communications with regard to this claim will be directed to the Claimant unless you identify to whom further communication should be directed by completing the following:

Name: Steven Rood

Relationship: Attorney

Address: Law Office of Steven Rood
2705 Webster Street #5173
Berkeley, California, 94705

Daytime Phone: (510) 839-0900

Email: Rood1@mindspring.com

To City Clerk: Please send all correspondence in copy to both Ms. Rule and Mr. Rood, preferably by email.

Date of incident: The City's wrongful actions toward Rule are ongoing. In respect of the claims for the reimbursement or indemnification of legal fees, that is a freestanding duty which exists alongside the ongoing litigation against her as fees are steadily incurred. Specific incidents

include, but are not limited to, those that occurred on or about February 4, 2025, February 11, 2025, February 18, 2025, March 11, 2025, and May 2025 when the City Council refused to reimburse or indemnify Rule in the *Byrne* litigation or otherwise acted unlawfully. If the City Council rejected Claimant Leslie Rule's most recent request for fees at its June 17, 2025 meeting, this will give rise to yet another claim or cause of action against the City.

In respect of the breaches of California Labor Code §1102.5, the retaliations began in January 2023 and have continued since, as set out further below.

Time of incident: During the City Council meetings

Location of incident: *(Specify in as much detail as possible. If applicable, see page 3 for Description of incident/accident that caused you to make this claim:*

The City of Ojai has failed to fulfill its mandatory statutory obligation to reimburse City Councilmember Leslie Rule ("Rule" or "Claimant") for defense fees and costs incurred in connection with a lawsuit against Rule (*David Byrne, et al. v. Leslie Rule, et al.* Ventura County Superior Court Case No. 2023CUMC008352; Appellate Court Case Nos. B332962 and B335099). California Government Code §§ 825.2 and 996.4 and California Labor Code § 2802 require the City to pay such fees and costs, but they refuse to do so.

The Trial Court dismissed the lawsuit via a special motion to strike pursuant to the anti-SLAPP statute (California Code of Civil Procedure section 425.16, et. seq.). The plaintiffs in that suit have appealed the Trial Court's granting of Rule's anti-SLAPP motion and a subsequent motion for attorneys' fees.

Rule has requested both that the City defend her pursuant to Government Code §995 and reimburse or indemnify her for her legal fees pursuant to Government Code §§ 825.2 and 996.4, which are mandatory except in very limited circumstances (where, for example, an employee has committed fraud, which is not the case here).

During the course of this dispute, the City Council has made findings that Rule acted "within the scope of her authority" and "did not commit fraud, corruption or act with actual malice" - thereby satisfying all statutory prerequisites for mandatory reimbursement. Despite these findings establishing the City's clear legal duties, the City has refused, and is expected to continue to refuse paying the \$352,042.85 in defense fees and costs necessarily incurred by Rule in successfully defending against the SLAPP suit.

In addition to being in breach of Government Code §§ 825.2 and 996.4 and Labor Code § 2802, the City is in breach of Government Code § 815.6, which provides for damages where a public entity fails to comply with a mandatory obligation, in this case the unlawful and ongoing refusals to defend Rule and to reimburse or indemnify her for legal fees and costs.

Moreover, the City and those acting on its behalf have committed numerous violations of California Labor Code § 1102.5 by way of illegal retaliations against Rule. The lawsuit against Rule was instigated by various friends and associates of former Mayor Betsy Stix following legally protected disclosures that Rule made to the public about the Council and Stix's behavior. The City or those acting on its behalf, including the City Attorney, made illegal efforts to interfere with and prevent the disclosures. When Rule's disclosures went forward as permitted by law, there followed a long series of retaliatory actions by the City or those acting on its behalf, including Stix, Councilmember Andrew Whitman, and City Attorney Matthew Summers.

The Complaint, if it becomes necessary, will list each and every retaliatory action taken by or on behalf of the City. Notable instances include:

- 1) Refusing to honor the City's mandatory obligations under California Government Code §995 to defend Rule, when it had provided for the defense of the City Clerk in a separate matter just months before;
- 2) Labelling Rule "*adverse*" to the City without any legal basis for doing so;
- 3) Refusing to honor the City's mandatory obligations under California Government Code §§ 996.4 and/or 825.2 to reimburse or indemnify Rule for the legal fees and costs incurred in the *Byrne* litigation;
- 4) Scheduling closed sessions to initiate litigation against Rule;
- 5) Taking numerous actions to exclude Rule from attending to her official City Council duties, including excluding her from closed sessions and requiring her to recuse herself from votes in contravention of state ethics guidance and advice subsequently received from the Fair Political Practices Commission; and
- 6) Scheduling an illegal special session in violation of Government Code § 54956 to file an Amicus Brief in support of the *Byrne* Plaintiffs.

None of the above would have taken place but for Rule's protected disclosures in relation to *inter alia*, the City's violation of the Brown Act and illegal actions of its former Mayor.

Rule counts at least twenty instances of retaliation, and will claim the statutory civil penalty of \$10,000 per violation, in addition to damages for physical, mental, and emotional injuries, pain, distress, suffering, anxiety, worry, shame, humiliation and indignity, as well as damages to reputation, and other non-economic damages that the City has inflicted on her. Rule reserves her right to file further claims arising out of the City's further actions and retaliation against her if and when they occur.

The Complaint will seek equitable and legal relief and will contain causes of action including, but not limited to, writ of mandamus, injunctive and declaratory relief, indemnification, reimbursement, violations of Labor Code §§ 2802 and 1102.5, violations of Government Code § 815.6, libel, slander, personal injury, and negligent and intentional infliction of emotional distress.

What specific injury, damages, or loss did you incur:

- 1) Principal Amount: \$335,753 - Defense fees and costs which the City is statutorily required to reimburse under Government Code § 996.4.
- 2) Damages of \$10,000 for each violation of California Labor Code § 1102.5, totaling at least \$200,000.
- 3) Consequential damages from the City's breach of statutory duty, including but not limited to physical, mental, and emotional injuries, pain, distress, suffering, anxiety, worry, shame, humiliation and indignity, as well as damages to reputation, and other non-economic damages that the City has inflicted on her, in an amount to be determined.

- 4) Interest charges on the loan that Rule used to pay legal fees due to City's refusal to timely reimburse her.
- 5) Additional legal fees and costs in these proceedings, to compel, inter alia, compliance with mandatory obligations by a public body.
- 6) Ongoing appellate fees and costs (estimated at \$30,000) for which City has a continuing reimbursement obligation.

Total damages include both the mandatory reimbursement amount and all consequential damages resulting from the City's refusal to comply with its clear legal obligations.

What amount of money are you seeking to recover: *(Check one of the boxes below):*

☐ The amount claimed totals less than \$10,000.

Enter the amount claimed: \$ _____.

☐ The amount claimed is more than \$10,000 but not over \$25,000; jurisdiction rest in Municipal Court.

☒ The amount claimed is more than \$25,000; jurisdiction rests in Superior Court.

Amount claimed:

- 1) At least \$365,753 (mandatory reimbursement amount), subject to proof;
- 2) At least \$200,000 (civil penalty pursuant to California Labor Code 1102.5(f)(1), subject to proof;
- 3) Consequential damages for physical, mental, and emotional injuries as above, subject to proof;
- 4) Interest; and
- 5) Costs of litigation already incurred.

How was this amount calculated? (Itemize and attach bills, repair estimates, receipts, etc.; if claim is for vehicle damage, obtain and attach two (2) repair estimates):

The principal amount represents reasonable legal defense fees and costs necessarily incurred:

- 1) Trial defense fees and costs in Byrne lawsuit: [Invoices have been provided to the City]
- 2) Anti-SLAPP motion fees and costs: [Invoices have been provided to the City]
- 3) Appellate response fees and costs: [Invoices have been provided to the City, and additional invoices will follow]
- 4) Interest charges on loan: [Documented interest caused by City's non-payment of fees and costs]

- 5) Fees and costs of pursuing mandatory reimbursement: [Invoices have been provided to the City, and will continue to accrue]
- 6) Verified payments to counsel: \$74,260 (documented with checks/wires)
- 7) Damages for breach of California Labor Code § 1102.5: Statutory penalties of \$10,000 per violation, calculated on at least 20 such violations.

Per *Hosac v. County of Los Angeles* (2017), Government Code § 996.4 has a "plain and unambiguous meaning" requiring reimbursement of defense fees and costs necessarily incurred. Additional damages flow from the City's breach of this mandatory duty.

What is your basis for claiming that the City or City employee(s) are the cause of your injury, damages or loss?

The City has breached its mandatory, non-discretionary statutory duty to reimburse Rule for her defense fees and costs under Government Code § 996.4, which states that when a public entity refuses to defend an employee who retains counsel, the employee "is entitled to recover" reasonable attorney fees for defending actions arising from acts within the scope of employment. The City:

- 1) Made formal findings satisfying all statutory prerequisites (acts within the scope of employment; no fraud/corruption/malice);
- 2) Acknowledged that Rule acted within the scope of her authority;
- 3) Unlawfully refuses to fulfill its mandatory reimbursement obligations;
- 4) Is in breach of its clear legal duty, even though it purports to be engaging in discretionary decision-making; and
- 5) Has caused additional financial harm to Rule beyond the unpaid reimbursement.

The City or those acting on its behalf, including but not limited to the Council, former Mayor Betsy Stix, Councilmember Andrew Whitman, and City Attorney Matthew Summers, have engaged and continue to engage in a long and ongoing series of unlawful retaliations against Rule in violation of California Labor Code § 1102.5, as a result of Rule making protected disclosures about the behavior of Whitman, Stix, and the Council (including, *inter alia*, unlawful violations of the Brown Act).

What are the name(s) of the City employee(s) whom you allege caused your injury, damages or loss, if known?

The Ojai City Council and City administration past and present responsible for the above. This includes, but is not limited to:

- 1) Former Mayor Betsy Stix;
- 2) Councilmember Andrew Whitman; and
- 3) City Attorney Matthew Summers.

Name, address and telephone number of any witnesses who can substantiate your claim:

The past and present City officers who caused the injury, damages and losses, including but not limited to Former Mayor Betsy Stix, Councilmember Andrew Whitman, and City Attorney Matthew Summers.

The attorneys who represented Rule in the Byrne litigation, including but not limited to Stephen Johnson and Jon Drucker.

Additional evidence can also be provided by former Councilmember Suza Francina.

Helpfully, this claim is primarily substantiated by external and documentary evidence, including but not limited to:

- 1) Ojai City Council meeting records, agendas, staff reports, minutes, and audio-video recordings.
- 2) The rulings and court file in *Byrne v. Rule*.
- 3) Legal counsel's billing records and correspondence.
- 4) The City's own findings establishing that the statutory prerequisites for indemnification and reimbursement were satisfied.

Any additional information that you believe might be helpful to the City in considering this claim:

1. This claim enforces mandatory, crystal clear statutory duties;
2. Government Code § 996.4 creates a non-discretionary entitlement to reimbursement when the statutory prerequisites are met;
3. Public policy strongly favors enforcement of mandatory defense obligations for public servants, as the courts have consistently held;
4. If the City forces litigation, Rule will be entitled to fees for both the underlying defense of *Byrne v. Rule* and this lawsuit against the City (per *Hosac*).
5. The City will therefore, in addition to the sums claimed in this claim, be liable for three sets of legal fees: Rule's fees in the Byrne litigation, Rule's fees in this litigation, and its own fees.
6. Settlement prior to litigation would merely be the City complying with its own statutory obligations, and would save taxpayers from paying needless additional legal fees.
7. The retaliations against Rule have been persistent, blatant, and continuous. They are common knowledge, and indeed have been reported extensively in the media. She will seek the maximum penalties and damages in respect of those, starting with the events of January 2023 and each and every retaliation which followed.

READ CAREFULLY

For all accident claims, place on the following diagram names of streets, including North, East, South, and West; indicate the place of accident by "X" and by showing house numbers or distances to street corners.

If City vehicle was involved, designate by letter "A" location of City vehicle when you first saw it, and by "B" location of yourself or your vehicle when you first saw City vehicle; location of City vehicle at time of accident by "A-1" and location of yourself or your vehicle at the time of the accident by "B-1" and the point of impact by "X". N/A

I, the undersigned, declare under penalty of perjury that I have read the foregoing claim for damages and know the contents thereof; that the same is true of my own knowledge and belief, save and except as to those matters wherein stated on information and belief, and as to them, I believe to be true.

Leslie Rule

*Name of Claimant or person
Filing on Claimant's behalf*



Signature

Date: June 18, 2025

WARNING: Penal Code Section 72 makes it a crime punishable by imprisonment to submit a "false or fraudulent claim" for payment to a city or public district, and Code of Civil Procedures Section 1038 authorizes the award of attorney fees against a claimant who brings a claim that is "not brought in good faith and with reasonable cause."