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8 SUPERIOR COURT OF CALIFORNIA
9 FOR THE COUNTY OF VENTURA
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11
12 LESLIE RULE,
13
14 Plaintiff,
15 v.
16 CITY OF OJAI,
17
18 Defendant.

Case No.:

COMPLAINT FOR:
1) INDEMNIFICATION
2) DECLARATORY RELIEF

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23 PLAINTIFF LESLIE RULE (“PLAINTIFF” or “RULE”) hereby alleges:
24 1. This complaint seeks to compel the Defendant City of Ojai to defend and
25 indemnify Rule against all claims brought against her in *Byrne et. al. v. Rule et al.*,
26 Super Ct. No.2023CUMC008352, Court of Appeal No. B332962 (consolidated with
27 Ct. of Appeal No. 335099) and to reimburse her for all cost and fees incurred in
28 said actions to date.

1 **PARTIES**

2 1. Plaintiff Leslie Rule is a duly elected member of the Ojai City Council
3 (“the Council”), having been employed in that capacity since December 13, 2022.

4 2. Defendant City of Ojai (“the City”) is an incorporated city in the
5 County of Ventura, in the State of California.

6
7 **JURISDICTION AND VENUE**

8 3. This Court has subject matter jurisdiction over this controversy as a
9 court of general jurisdiction within the County of Ventura. This Court has
10 jurisdiction to grant injunctive relief under to Code of Civil Procedure (“CCP”) §§
11 525 and 526, and jurisdiction to grant declaratory relief under CCP § 1060.

12 4. Venue is proper under CCP § 395.5, as Defendant City of Ojai is
13 located in the County of Ventura, both parties are residents of and do business in
14 Ventura County, and all conduct giving rise to this lawsuit occurred in this County.

15
16 **STATEMENT OF FACTS**

17 5. In the Fall of 2022, the Ojai City Council enacted an ordinance (“the
18 Ordinance”) approving a real estate Development Agreement with a local developer
19 by a vote of 4-1, with only the Mayor, Betsy Stix, voting NO.

20 6. In early December 2022, Sabrina Venskus, a local Ojai attorney, led a
21 successful effort to gather signatures to place a ballot initiative (the “Initiative”) on
22 the City’s election calendar. The express purpose of the Initiative was to overturn
23 the City’s Ordinance adopting the Development Agreement.

24 7. Days later, Sabrina Venskus also filed a lawsuit on behalf of a local
25 nonprofit called “Simply Ojai” against the City. The lawsuit also sought to
26 invalidate the Ordinance and Development Agreement – on the alleged basis that
27 the Ordinance and Development Agreement violated CEQA (the Cal.
28 Environmental Quality Act) (“the CEQA Litigation”).

1 8. The week of December 5, 2022, Mayor Stix, exercising her unilateral
2 prerogative to add items to the City Council’s agenda, added a closed session item
3 to discuss the now already-pending CEQA Litigation. She set the first closed
4 session for December 13, 2023, the first day of the newly elected Council.

5 9. Thus, the first of three closed sessions convened were set to convene
6 on the very first day Rule and two other new Councilmembers took office – without
7 Rule’s knowledge or participation.

8 10. The Council’s Closed Session Agenda Statement, drafted by City
9 Attorney Matthew Summers, cited the CEQA Litigation and Government Code §
10 54956.9(2) (“already-filed” litigation) as its only legal authority – and they repeated
11 this formulation for the two succeeding closed sessions.

12 11. During the *open* City Council session on December 13, 2022, which
13 always *precedes* a closed session, a member of the community suggested that
14 Mayor Betsy Stix *recuse* herself from all City matters concerning the CEQA
15 Litigation and plaintiff Simply Ojai. He pointed out that the Mayor’s election
16 campaign *manager* was also the manager and sole employee of Simply Ojai; her
17 assistant election campaign *treasurer* was Simply Ojai’s treasurer; the Simply Ojai
18 treasurer had contributed money to the Mayor’s re-election campaign; and that
19 Mayor Stix’s position on the Development Agreement matched with the position of
20 Simply Ojai – the plaintiff in the CEQA Litigation—which was *adverse* to the
21 City’s now-established law, *i.e.*, the Ordinance.

22 12. Mayor Stix ignored the suggestion to recuse herself.

23 13. The Council then went into closed session. Immediately, Mayor Stix
24 recommended that the City hire a new law firm she had lined-up to “*look at the*
25 *Development Agreement with a new set of eyes*” – not to defend or advise the City on
26 the CEQA litigation. Hiring new counsel to “look at the Development Agreement”
27 was not covered by the closed session Statement.
28

1 14. When Councilwoman Suza Francina asked the Mayor to respond to
2 the conflicts of interest raised in the open session (also not covered by the closed
3 session Statement), Councilman Andrews Whitman (“Whitman”), yelled at her,
4 “Suza, you’re talking out of your ass!” Councilwoman Leslie Rule came to her
5 defense, saying the conflicts were a real issue and merited a response. Whitman
6 barked at Rule, “You’re talking horseshit.”

7 15. Whitman’s profanity-laced outbursts silenced the two councilwomen.

8 16. The Council then (tacitly) agreed to accept Mayor Stix’s suggestion to
9 hire her recommended new law firm.

10 17. It is unknown who assigned what to the new law firm, but rather than
11 addressing the CEQA Litigation, the new firm’s work and the Council’s ensuing
12 discussions conducted in closed session focused on thwarting the developer and
13 blocking the Development Agreement. These issues included but were not limited
14 to rezoning the relevant real estate, exercising eminent domain over it, applying
15 historical status to it, purchasing it, rescinding the Ordinance and Development
16 Agreement, and the merits of proceeding with the Initiative.

17 18. Over the course of these three closed sessions, it became apparent to
18 Plaintiff Rule that something was horribly amiss. One key moment came when she
19 posed a question to the new outside lawyer to the effect of: “What is your take on
20 the CEQA allegations of the complaint?” The new lawyer admitted she had not
21 been engaged to review or research the CEQA issue. This was thus not an
22 attorney-client communication relating to the CEQA Litigation; it was an
23 admission that none of the statements made in the closed session were attorney-
24 communications relating to the City’s defense of the CEQA Litigation at all.

25 19. Consequently, at the end of the third closed session on January 10,
26 2023, Plaintiff Rule pointedly asked Mayor Stix, “Where did you get the
27 recommendation for this law firm?” After a long awkward pause, Mayor Stix
28

1 responded, “Sabrina.” That is, Sabrina Venskus – the lawyer for the *plaintiff*,
2 *Simply Ojai*, in the CEQA Litigation – *against* the *defendant City*.

3 20. Plaintiff Rule was outraged; it was like the proverbial farmer hiring
4 the fox to watch the hen house. She asked Stix, “You didn’t think that the fact that
5 the recommendation for a lawyer to represent the City [the *defendant*] came from
6 the *plaintiff’s* lawyer was a fact worth mentioning to us beforehand?”

7 21. Mayor Stix then sheepishly responded, “Sabrina is my friend.”

8 22. In the week after that closed session, Rule sought the advice of the
9 City Attorney, telling him she felt that these improprieties *had* to be made public,
10 that the people of Ojai needed to know about these things. Summers told Rule she
11 could not disclose ANYTHING from the closed sessions.

12 23. Summers’ advice to keep silent did not sit well with Rule, who then
13 consulted three other lawyers, all of whom said she was on solid legal ground in
14 disclosing these improprieties.

15 24. Accordingly, on January 24, 2023, in *open session* of the Council,
16 Plaintiff Rule made a public statement reporting non-confidential information
17 about the closed sessions. Rule then handed out a written statement that included
18 Councilman Whitman’s profanity-laced outbursts at Rule and another
19 councilwoman, along with Mayor Stix’s admission that she had secretly colluded
20 with Venskus, lawyer to the plaintiff, to hire a law firm to give advice to the
21 defendant City. Rule, through her lawyer, also submitted one letter to the City
22 Attorney *at the beginning of* that Council meeting and one follow-up letter *about*
23 the meeting a few days later.

24 25. In response to her disclosures in the open session, the City Attorney
25 Matthew Summers, Andrew Whitman, and Mayor Stix shouted Rule down,
26 accusing her of willfully violating the Brown Act and her duty of confidentiality.

27 26. On numerous occasions thereafter, over many months, these three
28 repeated the erroneous assertion that Rule had willfully violated the Brown Act.

1 27. The City Attorney’s false accusations fueled and gave legal cover to
2 Mayor Stix and Councilman Whitman to relentlessly attack and level spurious
3 accusations against Rule. Rather than acknowledge and apologize for his
4 improprieties, Whitman publicly insinuated that Rule was corrupt, trying to curry
5 favor with the real estate developer. Mayor Stix echoed those sentiments.

6 **THE DISTRICT ATTORNEY CITES THE CITY FOR VIOLATIONS OF**
7 **THE BROWN ACT IN ALL THREE CLOSED SESSIONS**

8 28. Due to public outcry over the improprieties of their Council, the
9 District Attorney for Ventura County became involved in the controversy. After
10 interviewing City witnesses and reviewing the documentary evidence, the District
11 Attorney cited the City for violations of the Brown Act in all three closed sessions.

12 29. The Council was thus compelled to enact a resolution stating that it
13 would commit itself to not continue violating the Brown Act.

14 **THE MAYOR’S FRIEND FILES A LAWSUIT AGAINST RULE**

15 30. On April 28, 2023, seven residents of the Ojai Valley – led by attorney
16 Sabrina Venskus (Mayor Stix’s “friend”) – filed a lawsuit (“the Lawsuit”) against
17 Rule (and her attorney Jon Drucker, who had served her *pro bono* from January
18 through April) for Declaratory Relief, alleging that Rule had violated the Brown
19 Act when she disclosed – in a public Council Meeting and letters relating thereto –
20 information from the three closed sessions of December 2022 and January 2023.

21 **RULE REQUESTS THE CITY DEFEND HER IN THE LAWSUIT**

22 31. In May 2024, Plaintiff Rule filed a written request and motion (the
23 “Motion”) for the City to provide her with a defense to the Lawsuit.

24 32. In mid-June, the City Council considered Rule’s Motion – and denied
25 it. Rule recused herself – while Stix and Whitman – the people whose improprieties
26 were exposed by Rule – voted NO. With only four City council members voting,
27 Rule’s Motion could not receive a majority of votes. It was defeated.

1 33. Mayor Stix admitted voting not to provide Rule with the defense to
2 which she was statutorily entitled because she considered Rule a political enemy,
3 stating that Rule had “violated the law” and citing support of her followers, saying,
4 “I don't feel comfortable using taxpayer money to pay her [Rule’s] legal fees.”

5 34. Councilman Whitman justified his vote by falsely claiming Rule’s
6 statements about the illegal meetings were made “maliciously.”

7 35. City Attorney Summers neglected to advise Stix and Whitman that
8 their feelings of hurt were irrelevant to the legal issue at hand. Neither did he
9 inform Whitman that “actual malice” has a specific legal definition hinging on the
10 “knowing falsity” of facts in the relevant statements. And no one has ever argued
11 that Rule’s statements were *false* (only that she should not have made them).

12 **RULE INCURS ATTORNEY FEES IN THE LAWSUIT**

13 36. Rule was thus forced to proceed with her own defense of the Lawsuit
14 brought by Sabrina Venskus and her seven plaintiffs. Rule retained the Law Office
15 of Drucker and the Law Office of Stephen Johnson, to defend her.

16 37. The Lawsuit was entitled *David Byrne, et. al v. Leslie Rule, et. al.*,
17 Ventura Superior Court Case No. 2023CUMC008352.

18 38. Councilman Whitman joined in the Lawsuit, filing a declaration *in*
19 *support of the plaintiffs against Rule*. In his declaration, he insinuated Rule made
20 her disclosures to curry favor with the developer – and damaged the ability of the
21 Council to effectively operate in closed session. And he misstated (under oath) the
22 nature of the District Attorney’s actions, for which the Court reprimanded him.
23 Additionally, Whitman’s declaration was so outlandish that, of its **22** paragraphs,
24 the Court struck **21** of them.

25 39. Rule successfully brought an anti-SLAPP motion and prevailed at the
26 trial-court level. SLAPP is an acronym used to describe “Strategic Litigation
27 Against Public Participation.” Thus, the Hon. Ben Coats found Rule was sued
28 solely to interfere with Rule’s right and duty of public participation.

1 40. Judge Coats awarded fees and costs to Rule but the award was
2 calculated to cover only those fees specifically related to the anti-SLAPP motion
3 and not Rule’s entire defense.

4 41. The plaintiffs then appealed from both anti-SLAPP ruling and the fee
5 award. The City has not paid Rule for any of the expenses she has incurred for
6 actions she took solely in her official capacity to decry illegal closed sessions, which
7 both the Ventura County District Attorney and Ventura Superior Court Judge
8 Coats **confirmed** to be illegal – *and the City has been forced to renounce*.

9 **RULE INCURS ATTORNEY FEES IN THE APPEAL**

10 42. Rule continues to incur attorney fees on appeal. The City has
11 persisted in refusing to indemnify her. The City has also refused to defend the
12 Court conclusion that Rule acted in full compliance with her rights and duties.

13 43. The Lawsuit and the Appeal are referred to here as “the Litigation.”

14 44. In the course of the Litigation, Rule has incurred attorney fees in the
15 sum of \$352,042.85 – to date, with fees continuing to accrue as the Appeal continues.

16 **THE COUNCIL MAKES FINDINGS ON RULE’S**
17 **REQUEST FOR INDEMNIFICATION**

18 45. In the Fall of 2024, after having incurred hundreds of thousands of
19 dollars in debt to her attorneys, Rule moved in the Council for **indemnification**.

20 46. At the City Manager’s urging, the Council retained an outside law
21 firm to advise it on the issue of indemnifying Rule.

22 47. On December 1, 2024, the Council met in closed session and made
23 three findings: 1) Rule had acted within the scope of her authority, 2) Rule did not
24 commit fraud, corruption or act with actual malice; but 3) Rule was “adverse” to
25 the City – and thus concluded that it was *optional* for the City to indemnify her.

26 48. Shocked by the Council’s bad faith finding of adverse interest, Rule
27 withdrew her Motion and the Council did not vote on the request itself.

28 ///

1 **RULE APPLIES TO THE NEW COUNCIL**

2 **FOR INDEMNIFICATION AND IS AGAIN REFUSED**

3 49. With a new mayor having been elected in November 2024, Rule
4 applied again to the Council for indemnification. The matter came on for hearing –
5 in closed session – on February 4, 2025.

6 50. The new Council proceeded on the *prior* Council’s *finding* that Rule
7 was “adverse” to the City, and did not agree to indemnify Rule.

8 **THE CITY ASSERTS A LEGAL POSITION DEVOID OF MERIT**

9 51. The City’s legal position is devoid of legal merit. In citing an alleged
10 “adverse interest,” it appears to base its position on Government Code § 995(a)(3),
11 which is the only place the word “adverse” is even mentioned in any of the statutes
12 dealing with defense or indemnification. Government Code § 995.2(a)(3) provides in
13 relevant part:

14 (a) A public entity ***may*** refuse to provide for the ***defense*** of
15 a civil action ... brought against an employee ... if the public
16 entity determines any of the following:

17 * * *

18 (3) The ***defense*** of the action ... by the public entity
19 would create a ***specific conflict of interest*** between the
20 public entity and the employee.... For the purposes of this
21 section, “***specific conflict of interest***” means a conflict of
22 ***interest or an adverse ... interest, as specified by***
23 ***statute or by a rule or regulation of the public entity.***

24 ***(Emphasis added)***

25 52. First, this statute (and its mention of “adverse interest”) is irrelevant:
26 This statute relates to decisions to ***defend*** an employee – not to ***indemnify*** one.
27 The City had already refused Rule’s ***defense*** – in June 2023.

28 53. At no time has the Council identified any “specific conflict of interest.”

54. The Ventura Superior Court has held that Rule did NOT violate the Brown Act; it is thus indisputable that Rule's actions never conflicted with the interests of the City of Ojai.

55. Finally, there is NO “statute, rule or regulation of the public entity” ***specifying*** any conflict of interest (or adverse interest) that conceivably exists.

56. For any – and all – of these four reasons, the City’s refusal to fully indemnify Rule is without merit and made in bad faith.

57. Meanwhile, Plaintiff Rule's legal expenses continue to accrue in the Litigation -- and in her dealings with the City.

FIRST CAUSE OF ACTION
for Indemnification Against Defendant City of Ojai
Under Government Code § 852.2

58. Plaintiff hereby realleges all the paragraphs above by this reference.

59. Defendant City is obligated to fully indemnify Plaintiff Rule against any and all liability for legal expenses and costs that she may incur in the Litigation, as well as in this action to secure her right to indemnification.

60. Government Code §§ 825.2 provides in relevant part:

(a) Subject to subdivision (b), if an employee...of a public entity pays¹ any claim...against him [or her], or any portion thereof, that the public entity is required to pay under Section 825, he [or she] is entitled to recover the amount of such payment from the public entity.

¹ The law holds that the employee need not actually “pay” to be entitled to indemnification. Being liable for payment suffices. “A literal interpretation of section 852.2, subdivision (a) would also lead to great injustice for potentially innocent employees, denied a defense by their public entity employer, who nonetheless become liable for a judgment arising out of the course and scope of their employment with the public entity. Such employees would be required to pay the judgment, in many cases bankrupting themselves, before triggering any duty on the part of the public entity employer to reimburse them for their losses.” *Rivas v. City of Kerman* (1992) 10 Cal.App.4th 1110, 1120-21.

1 (b) *If the public entity did not conduct his defense against the*
2 *action..., an employee ... of a public entity may recover from the public*
3 *entity under subdivision (a) only if he establishes that the act...upon*
4 *which the claim...is based occurred within the scope of his employment*
5 *as an employee of the public entity and the public entity fails to*
6 *establish that he [or she] acted or failed to act because of actual fraud,*
7 *corruption or actual malice....*

8 61. The act on which Rule's claim is based occurred within the scope of
9 her employment by the City – in and related to a public session of the Council.

10 62. Defendant City has already found that Plaintiff Rule's actions were
11 not attributable to fraud, corruption or actual malice. Defendant City is thus
12 estopped from asserting otherwise now.

13 63. Plaintiff Rule has been damaged and continues to be damaged by
14 Defendant City's refusal to indemnify her for her legal expenses, which are subject
15 to proof but are at \$352,042.85 to date.

16 64. Plaintiff Rule has also suffered irreparable damages stemming from
17 her inability to pay her bills, as well as the physical, mental, and emotional
18 injuries, pain, distress, suffering, anxiety, worry, shame, humiliation and
19 indignity, as well as damages to reputation, and other non-economic damages that
20 Defendant City has inflicted on her, in a sum to be ascertained according to proof.

21
22 **SECOND CAUSE OF ACTION**

23 **Declaratory Relief**

24 **Against Defendant City of Ojai**

25 65. Plaintiff hereby realleges all the paragraphs above by this reference.

26 66. Plaintiff Rule contends that Defendant City has violated state law by
27 denying her legal right to indemnification of her legal expenses in the Litigation.
28

1 67. Defendant City contends indemnifying Rule is optional and refuses to
2 indemnify her.

3 68. A judicial declaration is thus necessary and appropriate at this time
4 under the circumstances in order that Rule and the City may ascertain their rights
5 and duties concerning indemnification.

6 69. Additionally, Plaintiff Rule is entitled to a preliminary and permanent
7 injunction requiring Defendant City to comply with her reasonable and timely
8 requests for indemnification.

9 70. Plaintiff Rule does not have an adequate remedy at law, as her claim
10 for indemnification requires immediate remedial action to prevent further
11 irreparable damages stemming from her inability to pay her bills, as well as the
12 physical, mental, and emotional injuries, pain, distress, suffering, anxiety, worry,
13 shame, humiliation and indignity, as well as damages to reputation, and other non-
14 economic damages that Defendant City has inflicted on her, in a sum to be
15 ascertained according to proof.

16
17 **PRAYER FOR RELIEF**

18 WHEREFORE, Plaintiff Leslie Rule seeks judgment against Defendants and
19 each of them, on all causes of Action for:

20 1. An order declaring (a) that the Defendant City comply with Plaintiff's
21 reasonable requests for indemnification of her legal expenses as they come due,
22 and (b) that Defendant City be prevented from depriving Plaintiff Rule of her right
23 to indemnification from the City.

24 2. An order pursuant to Plaintiff Leslie Rule's standing as a City Council
25 member and employee, ordering:

26 A. Defendant City of Ojai to comply with the orders of this Court to
27 indemnify Plaintiff in accordance with Government Code § 825.2.
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B. All relief allowed by law and equity, including, but not limited to, money damages; and declaratory, preliminary and permanent injunctive relief.

3. Other economic damages in a sum subject to proof.

4. Other actual, consequential, and/or incidental damages in a sum to be ascertained according to proof.

5. Other damages for physical, mental and emotional injuries, distress, anxiety, worry, humiliation and indignity, as well as damages to reputation and other non-economic damages Defendant has inflicted, in a sum to be ascertained according to proof.

6. Pre-judgment interest;

7. Attorney fees and costs herein incurred;

8. Such other and further relief as the Court may deem just and proper.

Respectfully Submitted,
LAW OFFICES OF JON E. DRUCKER

DATED: February 17, 2025 By: _____/s/_____
Jon E. Drucker
Attorney for Plaintiff Leslie Rule