



Sierra Pacific Industries

P.O. Box 496028 • Redding, CA 96049-6028 • (530) 378-8000

Moonlight Fire Lawsuit against Sierra Pacific Industries and Others Dismissed by Superior Court

For Immediate Release:
July 29, 2013

Contact: Mark Pawlicki
530-378-8000

Anderson, CA – Sierra Pacific Industries (SPI) announced today that Judge Leslie C. Nichols, sitting by appointment in the Plumas County Superior Court, dismissed a lawsuit brought by the California Department of Forestry and Fire Protection (Cal Fire) for monetary damages against Sierra Pacific Industries and other defendants. The state and several private plaintiffs had alleged that a logger employed by SPI had negligently started the Moonlight Fire on private land which spread to the Plumas National Forest and other private holdings on September 3, 2007.

This is a significant victory for SPI and the other defendants in the case” said company spokesman Mark Pawlicki. “We knew all along that the evidence did not support the state’s claim that our contractor started the fire” he added. Sierra Pacific alleged that the government’s fire investigators in this case conducted a faulty investigation and were not able to demonstrate what the true origin of the fire was. “Although Cal Fire employees are highly regarded for their professionalism and integrity, unfortunately the Moonlight investigations did not live up to that standard” noted Pawlicki. During recent depositions, Cal Fire's own expert on wild land fire investigations concluded that it was "more probable than not" that the Moonlight investigators engaged in acts of deception while testifying about a primary aspect of their investigation.

The government’s investigators in the Moonlight Fire had alleged that SPI’s logger started the fire by striking a rock with a bulldozer causing a spark to ignite woody material. Further, the state alleged that the logger failed to obey the law which requires a series of procedures to be followed during logging operations. Judge Nichols ruled that the state did not have evidence to support these claims.

The court had earlier ruled that Cal Fire could not succeed unless it shows that the defendants caused the fire. Then, after reviewing over 800 pages of legal briefing, voluminous deposition testimony, and hearing evidence on the case for

three days, Judge Nichols determined the government's claims should be dismissed and entered a judgment in favor of all defendants. He concluded that Cal Fire could not provide evidence adequate to justify submitting the matter to a jury. In contrast, a federal court had ruled in 2012 that SPI could be liable for damages in this case even if its operators did not start the fire. That decision led to a settlement with the federal government in which SPI paid \$55 million in damages, and will transfer 22,500 acres of timberland to the federal government.

Overall, the state spent several years, approximately \$10 million tax-payer dollars, and thousands of hours in its effort to collect \$8 million in fire suppression costs, only to have its case dismissed by the court. Early on, Sierra Pacific's counsel urged the Deputy Attorney General in charge of this matter to dismiss the case, arguing that the investigation was fatally flawed. Unfortunately, that request was refused. In the end, Judge Nichols dismissed it for them, concluding that "Cal Fire's reach exceeded its grasp."

Sierra Pacific Industries is a third-generation family-owned forest products company based in Anderson, California. The firm owns and manages nearly 1.9 million acres of timberland in California and Washington, and is the second largest lumber producer in the United States. Sierra Pacific Industries is committed to managing its lands in a responsible and sustainable manner to protect the environment while providing quality wood products and renewable power for consumers.

-XXX-