

CASE STUDY

Prevailing in Court and Settlement Negotiations

“Because plaintiffs bear the burden of proving breach, and because there is no evidence of breach, Chevron is entitled to summary judgment. In addition, even if plaintiffs could show a duty and breach, the nondisclosure claim fails for lack of causation.”

—U.S. District Court Order



Client:	Chevron U.S.A. Inc.
Industry:	Energy
Area of Law:	Environmental
Venue:	U.S. District Court for Northern District of California, Superior Court of California
Result:	Settled cases for fractional amounts (7.5% and 3%) of the claimed damages



Every company in the traditional energy sectors—especially those with vast operations and more than a century in the petroleum business—faces litigation involving claims of environmental contamination. To defend against such claims, Pillsbury offers a deep bench of environmental litigators with decades of experience litigating energy matters.

In one recent case involving Pillsbury’s longtime client Chevron U.S.A. Inc., a real estate developer sought more than \$12 million in damages for solid waste contamination from a property Chevron sold in the 1960s. The developer alleged that Chevron had leased the property for use as a landfill and failed to disclose that information when it sold the property. The plaintiff sued Chevron for nondisclosure, and also asserted claims under the federal Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) and the Resource Conservation and Recovery Act (RCRA), as well as filing trespass and nuisance claims against Chevron and the former landfill owners and operators.

The U.S. District Court granted summary judgment to Chevron on the nondisclosure claim in August 2009. Subsequently, the court approved a \$315,042 settlement for all other claims and barred all potential cross-claims for indemnity and contribution by other defendants.

In another case filed in California state court, a subsidiary of homebuilder D.R. Horton sought \$8.5 million in damages for increased costs due to alleged petroleum contamination on property that the plaintiff intended to develop. Claims were made for continuing nuisance and trespass, equitable and express indemnity, and breach of contract and declaratory relief. Pillsbury filed a motion for summary judgment for Chevron; one week before the summary judgment hearing, the plaintiff agreed to settle the case for \$640,000.