

Quake lawsuits drag on

Earthquake 1989 - City of Santa Cruz

By MAY WONG
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SANTA CRUZ — Walls collapsed. Foundations cracked. Horses spooked.

And people died.

In most cases, there was no doubt the 15-second earthquake in 1989 was to blame.

But other questions rose from the rubble: Who could have prevented the damage? Who was going to pay for the losses?

Those questions triggered lawsuits. Hundreds of them.

Homeowners sued their insurance companies and contractors. Families sued the owners of buildings or the keepers of horses that crushed their loved ones to death. An entire neighborhood sued the county. Merchants sued the city.

Most of the cases have been resolved, attorneys say. A small fraction are still languishing in the courts.

For example, the case of DeBenedetti vs. the city of Santa Cruz awaits an appellate decision. The city seeks to overturn a 1992 decision ordering it to pay \$1.6 million to the family of Dale DeBenedetti, 27, who died the night of the quake when a pack of frightened horses bolted from their corral at Pogonip onto Highway 1 and collided with his pickup truck.

Dan Cooper, a Boulder Creek attorney, handled nearly 100 homeowners' cases in the county. The majority of them were disputes over money allegedly owed under homeowners' insurance policies.

Cooper has a shed filled with their files. Each contains a story of frustration and anger, hashed out in legal jargon.

● **The Cabigas.** Half of the Scotts Valley couple's home was leveled after a steep, rocky cliff fell apart. They had earthquake coverage, but their insurance company said — and a federal judge agreed — a heavy rain was to blame instead of the quake. The case is currently on appeal.

Others agreed to settle out of court, Cooper said.

"By the time they get there, they're furious with the company and they just want to take the money and bury it," he said. "The



Bill Lovejoy/Sentinel file

Some lawsuits involved devastation hitting the Pacific Garden Mall.

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sky finally opened up for people only after they got their (rebuilding) plans nailed down and their settlements. Only then did the healing process begin."

Ron Bilski, a 25-year resident of Boulder Creek, is still struggling to put the earthquake behind him. A new roof and other repairs for his quake-damaged home are awaiting a final outcome of a court fight against State Farm Insurance.

It's been a long battle, Bilski said, to get the money he thinks he should receive under his homeowner and earthquake policies.

"We had to fight and fight to get an inch of anything," he said. "It's been so long. I just want to get enough to finish the place off."

The vast majority of quake-related cases, however, were settled. They include:

● A suit filed against downtown businesses and landowners on behalf of Shawn McCormick, 21, who was killed when a brick wall of Bookshop Santa Cruz collapsed through the roof of the Coffee Roasting Co., and Brittany Manri-

quez, a Coffee Roasting Co. employee who was seriously injured after being pinned in the debris. A settlement, including terms that it remain confidential, was reached a year after the earthquake.

● Cases against Plaza Books and owner Hal Morris brought by relatives of Kay Trieman, 75, who died after the building's wall fell into Ford's department store, and by Edith Dominguez, who was injured inside Ford's. Both cases also reached a settlement sealed from public review.

● Ford's Department Store vs. Plaza Books. Ford's alleged the bookstore and its owner, Hal Morris, knew his Pacific Avenue building — built in 1908 — would collapse during an earthquake. After a four-week trial, a jury recommended that Ford receive a \$1.15 million award. The parties later settled for an amount less than the verdict, said Daniel Crawford, who represented Plaza Books and the Morris family. Crawford refused to disclose the specific amount.

Like virtually all the other

quake settlements, it was confidential.

"Most companies are worried that someone who is considering a settlement might want to compare their own cases to others because every case is different. It makes it more difficult to settle a case if they say I want what Jones got," said Clark Holland, a San Francisco attorney with Thornton, Taylor, Downs. The law firm represented five insurance companies, including State Farm, in the Loma Prieta earthquake.

The lawsuits, as well as all the claims, have cost the companies millions of dollars, he said.

As of June, State Farm, which handled an estimated third of all insurance claims filed in Northern California after the earthquake, paid out more than \$141 million for nearly 31,000 claims, said spokesman Bob Bauer. The earthquake is the 11th costliest disaster for the company, he said. Hurricane Andrew tops the list at \$3.5 billion, followed by the Northridge quake at \$2 billion.