1 2	MILAM BUILDING ASSOCIATES, INC., a ) Texas corporation, STELLA JEANETTE ) ELDRIDGE, VERNON W. ELDRIDGE,
3	Cross-Claimants,
4	vs.
5	PIC-N-RUN, INC., an Arizona corporation, THE NAVAJO NATION, SERVICE
6	STATION EQUIPMENT & SALES CO., INC., an Arizona corporation,
7	UNDERGROUND ANALYTICAL ) SERVICES, INC., an Arizona corporation,
8	PETROLEUM SYSTEMS INCORPORATED, ) an Arizona corporation, SPENCER RIEDEL,
9	the ESTATE OF SYBIL BALDWIN,
10	Cross-Defendants.
11	ESTATE OF SYBIL BALDWIN,
12	Counter-Claimant,
13	vs.
14	) DANIEL FELIX and DOROTHY FELIX, )
15	Counter-Defendants.
16	
17	ESTATE OF BALDWIN,
18	Cross-Claimant,
19	VS.
20	PIC-N-RUN, INC., an Arizona corporation; ) MILAM BUILDING ASSOCIATES, INC.,
21	a Texas corporation; STELLA JEANÉTTE ) ELDRIDGE; VERNON W. ELDRIDGE; )
22	SERVICE STATION EQUIPMENT & ) SALES CO., INC., an Arizona )
23	corporation; PETROLEUM ) SYSTEMS INCORPORATED, an )
24	Arizona corporation; and SPENCER ) RIEDEL,
25	Cross-Defendants.
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1	PIC-N-RUN, INC., an Arizona ) corporation, )
2	)
3	Counter-Claimant,
4	VS.
5	DANIEL FELIX and DOROTHY FELIX,
6	Counter-Defendants. )
7	PIC-N-RUN, INC., an Arizona ) corporation, )
8	) ·
9	Cross-Claimant, )
10	vs.
11	MILAM BUILDING ASSOCIATES, INC., a Texas corporation; STELLA
12	JEANETTÉ ELDRIDGE; VERNON W. ) ELDRIDGE; THE NAVAJO NATION; )
13	SERVICE STATION EQUIPMENT & ) SALES CO., INC., an Arizona corporation; )
14	UNDERGROUND ANALYTICAL ) SERVICES, INC., an Arizona corporation;
15	SPENCER RIEDEL; and ESTATE ) OF SYBIL BALDWIN,
16	Cross-Defendants.
17	SERVICE STATION EQUIPMENT &
18	SALES CO., INC., an Arizona corporation,
19	Counter-Claimant,
20	vs.
21	DANIEL FELIX and DOROTHY FELIX,
22	Counter-Defendants.
23	CEDVICE STATION FOLIDMENT &
24	SERVICE STATION EQUIPMENT & ) SALES CO., INC., an Arizona corporation,
25	Cross-Claimant,
26	vs.
27	PIC-N-RUN, INC., an Arizona corporation;
28	MILAM BUILDING ASSOCIATES, INC., a Texas corporation; STELLA JEANETTE

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/s/ Dean R. Cox Dean R. Cox 107 N. Cortez, Suite 201 Prescott, Arizona 86301

27 28 Attorney for Defendants Eldridge and Milam Building Associates, Inc.

### MEMORANDUM OF POINTS AND AUTHORITIES

### I. <u>FACTUAL BACKGROUND</u>

This matter arises out of an incident which occurred on March 21, 2005, wherein an employee of Shiprock Construction Company drove a stake into an underground gasoline supply line at the property located at the southeast corner of the intersection of Navajo Route 7 and C Street in Chinle, Arizona, causing a gasoline leak.

### II. PROCEDURAL HISTORY

Plaintiff's First Amended Complaint was filed on May 6, 2009. Plaintiff's First Amended Complaint against Defendants Milam alleged declaratory relief under U.S.C. § 6972(a), RCRA, negligence, negligence per se, unjust enrichment and indemnity. In addition, cross-claims from the other parties remain which include claims regarding breach of contract, indemnity, and contribution, among other things. On May 4, 2010, this Court dismissed all federal claims leaving only common law causes of action. Since that time, until discovery cutoff which occurred on December 3, 2010, the parties have conducted no discovery with the only exception of filing disclosure statements and meeting the expert disclosure deadline. No other depositions, interrogatories, requests for admissions or requests for production have been conducted and/or propounded.

#### III. ARGUMENT

# A. This case should be dismissed as only pendant claims remain after dismissal of all federal claims

On May 4, 2010, this Court dismissed all the federal claims arising from RCRA, 42 U.S.C. § 6921, and along with that, all the potential federal issues. Determining that any allocation of apportionment under the federal RCRA laws would challenge or infringe on the authority of the EPA Order, this Court determined that it must dismiss the RCRA claims.

As a result of dismissing the RCRA claims, the only remaining pendent common law claims leave no federal issue before this Court. In <u>United Mine Workers v. Gibbs</u>, 383 U.S. 715, 726, 86 S. Ct. 1130, 1139, 16 L.Ed.2d 218, 228 (1966) the Court states that

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"if the federal claims are dismissed before trial. . . the state claims should be dismissed as well." This ruling is not meant to be an absolute in every situation, but instead, "[t]he statement simply recognizes that in the usual case in which federal-law claims are eliminated before trial, the balance of factors... will point toward declining to exercise jurisdiction over the remaining state law claims." Carnegie-Mellon Univ. v. Cohill, 484 U.S. 343, 350 n. 7, 108 S. Ct. 614, 619 n. 7, 98 L.Ed.2d 720, 730 n. 7 (1988).

While a district court has discretion in retaining a pendant claim (see Schultz v. Sundberg, 759 F.2d 714, 718 (9th Cir. 1985)), thought is given to the time, expense and judicial economy in a particular case. In the case at hand, no discovery has taken place, and therefore, there would be no duplication of effort in a lower court action.

#### В. The current claims in front of this Court are not ripe for decision.

The remaining pendant claims and cross-claims against Defendants Milam primarily consist of negligence, negligence per se, unjust enrichment, indemnity and contribution. The primary issue is the lack of damages with regard to these issues making this case not ripe for adjudication at this point.

"The basic rationale of the ripeness doctrine is to prevent the courts, through avoidance of premature adjudication, from entangling themselves in abstract disagreements over administrative policies, and also to protect the agencies from judicial interference until an administrative decision has been formalized and its effects felt in a concrete way by the parties." America West Airlines, Inc. V. National Mediation Board, 743 F.Supp. 693 (D. Ariz., 1990) citing Pac. Gas & Elec. V. St. Energy Resources Conserv., 461 U.S. 190, 103 S.Ct. 1713, 1720, 75 L.Ed.2d 752 (1983).

As this Court pointed out in its May 4, 2010, Order, under the federal RCRA claims, an "asserting party is seeking a declaration apportioning the liability of each offending party." In much the same way, any of the pendant claims will be seeking the same type of apportionment for payment. For the same reasons the RCRA claims had to be dismissed, the remaining pendant claims must be dismissed as well.

Further, such apportionment is in direct opposition to the EPA Order which finds

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1	that all parties are jointly liable. Ultimately, until the EPA determines the damages in this
2	case and the actual costs of clean-up are incurred, any other court will merely be
3	interfering with the administrative process, creating more confusion and resolving
4	nothing. A resolution in this Court will have absolutely no effect on what the parties may
5	or may not end up being responsible for when the actual clean up costs are incurred.
6	Until that time, no party actually understands what its damages are, leaving the possibility
7	of no avenue for redressing those damages when incurred. As such, the issues presented
8	in the remaining common law claims are not ripe.
9	CONCLUSION
10	For the foregoing reasons, Defendants Milam respectfully request that the claims
11	and cross-claims against them are dismissed without prejudice.
12	DATED this 7th day of January, 2011.
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14	/s/ Dean R. Cox Dean R. Cox
15	107 N. Cortez, Suite 201 Prescott, Arizona 86301
16	Attorney for Defendants Eldridge and Milam Building Associates, Inc.
17	ORIGINAL of the foregoing e-filed this 7th day of January, 2011; and
18	COPY TO:
The Honorable James A. Teilborg	The Honorable James A. Teilborg
20 21	United States District Judge 401 W. Washington, Suite 5523 Phoenix, Arizona 85003
22	E-COPY TO:
23	Tom Shorall
24	Asa Markel SHORALL McGOLDRICK BRINKMAN
25	1232 East Missouri Avenue Phoenix, Arizona 85014
26	Attorney for Plaintiffs
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	d.

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10	Station Equipment & Sales Co., Inc.
11	/s/ Connie Evers Connie Evers
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