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UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

Individually and
on behalf of all others similarly
situated,

Plaintiff,

v.

EDISON INTERNATIONAL, PEDRO
J. PIZARRO, and MARIA RIGATTI,

Defendants.

No.

**CLASS ACTION COMPLAINT
FOR VIOLATIONS OF THE
FEDERAL SECURITIES LAWS**

CLASS ACTION

JURY TRIAL DEMANDED

1 Plaintiff alleges the following upon personal
2 knowledge as to allegations specifically pertaining to Plaintiff and, as to all other
3 matters, upon the investigation of counsel, which included: (a) review and
4 analysis of public filings with the United States Securities and Exchange
5 Commission (“SEC”) made by Edison International (“Edison” or the
6 “Company”) and related parties; (b) review and analysis of press releases and
7 other publications disseminated by Edison and related parties; (c) review and
8 analysis of shareholder communications, conference calls and postings on
9 Edison’s website concerning the Company’s public statements; (d) review and
10 analysis of news articles concerning Edison and related parties; and (e) review of
11 other publicly available information concerning Edison, related parties, and/or the
12 Individual Defendants (as defined below).

13 NATURE OF THE ACTION

14 1. This is a federal securities class action brought on behalf of all
15 persons or entities that purchased or otherwise acquired Edison publicly traded
16 securities from February 25, 2021 through February 6, 2025, inclusive (the “Class
17 Period”), seeking to pursue remedies under the Securities Exchange Act of 1934
18 (the “Exchange Act”). Plaintiff alleges that Defendants violated the Exchange
19 Act by publishing false and misleading statements to artificially inflate the
20 Company’s stock price.

21 2. Edison International is the parent holding company of Southern
22 California Edison Company (“SCE”) and Edison Energy Group, Inc. (“Edison
23 Energy Group”). SCE is an investor-owned public utility primarily engaged in the
24 business of supplying and delivering electricity to an
25 approximately 50,000 square mile area of southern California. Edison Energy
26 Group is a holding company for Edison Energy, LLC which is engaged in the
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1 competitive business of providing energy services to commercial and industrial
2 customers.

3 3. Throughout the class period, Edison claimed that SCE uses its Public
4 Safety Power Shutoffs ("PSPS") program to "proactively de-energize power lines
5 to mitigate the risk of catastrophic wildfires during extreme weather events."

6 4. On January 7, 2025, a fire began in the area of Eaton Canyon (the
7 "Eaton Canyon Fire") in the unincorporated census designated place in Los
8 Angeles County, California, called Altadena, within a half mile from the
9 intersection of North Altadena Drive and Midwick Drive in Pasadena, CA 91107
10 ("General Area of Origin").

11 5. The transmission circuit in Eaton Canyon, as well as related
12 hardware fixtures, devices, structures, components, property, easements, and
13 rights of way were part of an electrical transmission system ("ETS") owned,
14 designed, constructed, installed, inspected, maintained and/or controlled by
15 Defendant Edison or its subsidiary SCE.

16 6. Following the outbreak of the Eaton Canyon Fire, on January 8,
17 2025, Edison stated in a press release that its "distribution lines immediately to
18 the west of Eaton Canyon were de-energized well before the reported start time of
19 the fire, as part of SCE's Public Safety Power Shutoff (PSPS) program."

20 7. However, on January 12, 2025, Edison admitted that there were "no
21 interruptions or operational/electrical anomalies in the 12 hours prior to the fire's
22 reported start time until more than one hour after the reported start time of the
23 fire."
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25 8. On January 13, 2025, a complaint was filed in the Superior Court of
26 the State of California for the County of Los Angeles alleging that the fires
27 originated from Edison's power lines. The complaint included eye-witness
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1 accounts and photographs that showed the fire was started by Edison’s electrical
2 equipment.

3 9. On this news, Edison share prices dropped by \$7.73, or
4 approximately 11.89%, on January 13, 2025.

5 10. On February 6, 2025, The Wall Street Journal reported that SCE
6 “submitted two letters to the California Public Utilities Commission with updates
7 on its analysis of the Eaton and Hurst wildfires, saying it believes its equipment
8 may be associated with the start of the Hurst fire.”

9 11. On this news, Edison share prices dropped by \$1.28, or
10 approximately 2.4%, on February 6, 2025.

11 12. Plaintiff and the other Class members have suffered significant
12 damages due to Defendants’ false and misleading statements and omissions.

13 **JURISDICTION AND VENUE**

14 13. The claims asserted herein arise under and pursuant to Sections
15 10(b) and 20(a) of the Exchange Act (15 U.S.C. §§ 78j(b) and 78t(a)) and Rule
16 10b-5 promulgated thereunder by the SEC (17 C.F.R. § 240.10b-5).

17 14. This Court has jurisdiction over the subject matter of this action
18 pursuant to 28 U.S.C. § 1331, and Section 27 of the Exchange Act (15 U.S.C.
19 §78aa).

20 15. Venue is proper in this judicial district pursuant to 28 U.S.C. §
21 1391(b) and Section 27 of the Exchange Act (15 U.S.C. § 78aa(c)) as the alleged
22 misstatements entered, the subsequent damages took place in, and the Company
23 maintains locations in this judicial district.

24 16. In connection with the acts, conduct and other wrongs alleged in this
25 complaint, defendants, directly or indirectly, used the means and instrumentalities
26 of interstate commerce, including but not limited to, the United States mails,
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1 interstate telephone communications and the facilities of the national securities
2 exchange.

3 **PARTIES**

4 17. Plaintiff, as set forth in the accompanying Certification, purchased
5 the Company's securities at artificially inflated prices during the Class Period and
6 was damaged upon the revelation of the alleged corrective disclosure.

7 18. Defendant Edison is incorporated in the state of California, and the
8 Company's principal executive offices are located at 2244 Walnut Grove Ave.,
9 P.O. Box 976, Rosemead, CA, 91770. Edison securities trade on the New York
10 Stock Exchange ("NYSE") under the symbol "EIX."

11 19. Defendant Pedro J. Pizarro ("Pizarro") was the Company's Chief
12 Executive Officer ("CEO") at all relevant times.

13 20. Defendant Maria Rigatti ("Rigatti") was the Company's Chief
14 Financial Officer ("CFO") at all relevant times.

15 21. Defendants Pizarro and Rigatti are collectively referred to herein as
16 the "Individual Defendants."

17 22. Each of the Individual Defendants:

- 18 (a) directly participated in the management of the Company;
19 (b) was directly involved in the day-to-day operations of the
20 Company at the highest levels;
21 (c) was privy to confidential proprietary information concerning
22 the Company and its business and operations;
23 (d) was directly or indirectly involved in drafting, producing,
24 reviewing and/or disseminating the false and misleading
25 statements and information alleged herein;
26

- 1 (e) was directly or indirectly involved in the oversight or
2 implementation of the Company’s internal controls;
3 (f) was aware of or recklessly disregarded the fact that the false
4 and misleading statements were being issued concerning the
5 Company; and/or
6 (g) approved or ratified these statements in violation of the federal
7 securities laws.

8 23. The Company is liable for the acts of the Individual Defendants and
9 its employees under the doctrine of *respondeat superior* and common law
10 principles of agency because all of the wrongful acts complained of herein were
11 carried out within the scope of their employment.

12 24. The scienter of the Individual Defendants and other employees and
13 agents of the Company is similarly imputed to the Company under *respondeat*
14 *superior* and agency principles.

15 25. The Company and the Individual Defendants are referred to herein,
16 collectively, as the “Defendants.”

17 **SUBSTANTIVE ALLEGATIONS**

18 **Materially False and Misleading**
19 **Statements Issued During the Class Period**

20 26. On February 25, 2021, Edison filed a Form 10-K for the fiscal year
21 ended December 31, 2020 (the “2020 10-K”). The 2020 10-K stated, in pertinent
22 part, “SCE also uses its PSPS program to proactively de-energize power lines to
23 mitigate the risk of catastrophic wildfires during extreme weather events.”

24 27. On February 24, 2022, the Company filed a Form 10-K for the fiscal
25 year ended December 31, 2021 (the “2021 10-K”). The 2021 10-K stated, in
26 relevant part, “SCE also uses its PSPS program to proactively de-energize power
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1 lines as a last resort to mitigate the risk of catastrophic wildfires during extreme
2 weather events.”

3 28. On February 23, 2023, the Company filed a Form 10-K for the fiscal
4 year ended December 31, 2022 (the “2022 10-K”). The 2022 10-K stated, in
5 pertinent part, “SCE also uses its PSPS program to proactively de-energize power
6 lines as a last resort to mitigate the risk of significant wildfires during extreme
7 weather events.”

8 29. On February 22, 2024, the Company filed a Form 10-K for the fiscal
9 year ended December 31, 2023 (the “2023 10-K”). The 2023 10-K stated, in
10 relevant part, “SCE also uses its PSPS program to proactively de-energize power
11 lines as a last resort to mitigate the risk of significant wildfires during extreme
12 weather events.”

13 30. On Friday, January 3, 2025, at 3:17 p.m., the National Weather
14 Service Los Angeles (“NWS-Los Angeles”) issued a Fire Weather Watch
15 effective from Tuesday, January 7th, through Friday, January 10th in Los Angeles
16 and Ventura Counties. NWS-Los Angeles noted Critical Fire Conditions would be
17 present and that “any fire starts may grow rapidly in size with extreme fire
18 behavior.”¹

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27 ¹ @NWSLosAngeles, X.COM, NATIONAL WEATHER SERVICE LOS ANGELES, (Jan. 3,
28 2025 at 3:17 PM) <https://x.com/NWSLosAngeles/status/1875320550094147720> (last accessed
Jan. 17, 2025).

31. On January 5th, Los Angeles County and NWS-Los Angeles issued a Red Flag Warning and High Wind Warning for most of Los Angeles County.² In its alert, NWS-Los Angeles specifically stated, “Widespread damaging wind gusts 50-80 mph, Isolated 80-100 mph for mountains/foothills.” Eaton Canyon, being in the mountains of Los Angeles County, was at risk of 80-100 mph wind gusts and yet SCE decided to keep many parts of its distribution circuit in and near Eaton Canyon energized.

² @NWSLosAngeles, X.COM, NATIONAL WEATHER SERVICE LOS ANGELES, (Jan. 5, 2025 at 3:34 PM) <https://x.com/ReadyLACounty/status/1876049706494972360> (last accessed Jan. 17, 2025).

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32. On January 6th at 6:47 p.m., NWS-Los Angeles Issued another alert stating: “HEADS UP!!! A LIFE-THREATENING, DESTRUCTIVE, Widespread Windstorm is expected Tue afternoon-Weds morning across much of Ventura/LA Co. Areas not typically windy will be impacted. See graphic for areas of greatest concern. Stay indoors, away from windows, expect power outages.”³ Specifically, NWS-Los Angeles stated that its Locations of Greatest Concern included the San Gabriel Valley, Pasadena, and Altadena from the afternoon of Tuesday January 7th to the morning of Wednesday January 8th.

³ @NWSLosAngeles, X.COM, NATIONAL WEATHER SERVICE LOS ANGELES, (Jan. 6, 2025 at 11:00 AM) <https://x.com/NWSLosAngeles/status/1876343016526598292> (last accessed Jan. 17, 2025).

LIFE-THREATENING & DESTRUCTIVE WINDSTORM !!!

Tues afternoon-Weds morning

EXTREME RISK – Take Immediate Action

LOCATIONS OF GREATEST CONCERN

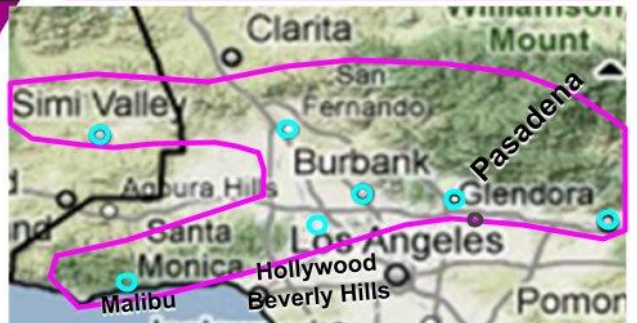
Areas within the magenta-outlined area, including...
Highways 118/210 corridors, San Gabriel / Santa Susana / Santa Monica Mountains & Foothills;
San Gabriel and San Fernando Valleys

*Stay indoors & away from windows

*Expect power outages



Pasadena, Burbank, San Fernando, Hollywood, Beverly Hills, Simi Valley, Sylmar, Porter Ranch, Altadena, La Crescenta, Malibu



*** Important: Damaging winds also expected outside of magenta-outlined areas ***



weather.gov/LosAngeles

Weather Forecast Office - Los Angeles/Oxnard, CA

Updated: Monday January 6, 2025 at 10:30 am

Follow: nwslosangeles

Listen: NOAA Weather Radio for Latest Warnings and Forecasts

33. On January 6th at 6:47 p.m., NWS-Los Angeles declared the Red Flag warning to be a “Particularly Dangerous Situation” warning of “widespread damaging wind gusts 50-80 mph, Isolated 80-100 mph for mountains/foothills. Downed Trees and power outages. Use extreme caution with any potential ignition sources.”⁴

34. NWS-Los Angeles warnings proved highly accurate: on January 7th it recorded wind gusts as high as 99 miles per hour in Altadena.⁵

35. In its California Fire Weather Annual Operating Plan, the California Wildfire Coordinating Group defined a “Red Flag Warning Particularly Dangerous Situation” classification to “highlight exceptional fire weather

⁴ @NWSLosAngeles, X.COM, NATIONAL WEATHER SERVICE LOS ANGELES, (Jan. 6, 2025 at 6:47 PM) <https://x.com/NWSLosAngeles/status/1876460729848782871> (last accessed Jan. 17, 2025).

⁵ Renee Straker, Senior Centers Frantically Evacuated As Eaton Wildfire Closed In On Altadena, California, WEATHER.COM, (Jan. 8, 2025) <https://weather.com/news/news/2025-01-08-senior-centers-evacuated-amid-eaton-wildfire-altadena-california> (last accessed Jan. 10, 2025).

1 conditions (combination of meteorological and fuels) considered rare and/or
 2 especially impactful to the public and firefighting community.”⁶ These risks are so
 3 exceptional that they represent the *most severe hazard* the National Weather
 4 Service can designate according to its own Red Flag Weather Matrix.

Red Flag Weather Matrix		Sustained Winds				
		<6 mph	6-11 mph	12-20 mph	21-29 mph	30+ mph
H u m i d i t y	Daytime Min <29-42% and/or Night Max 60-80%					RFW
	Daytime Min <19-28% and/or Night Max 46-60%				RFW	RFW
	Daytime Min <9-18% and/or Night Max 31-45%			RFW	RFW	RFW
	Daytime Min <9% and/or Night Max <31%		RFW	RFW	RFW	PDS RFW

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 14 36. Defendant SCE states that it de-energized its distribution lines to the
 15 west of Eaton Canyon through a Public Safety Power Shutoff (“PSPS”) on
 16 January 7, 2025, recognizing the NWS-LA’s severe PDS Red Flag Warning on
 17 January 6, 2025.

18 37. The statements contained in ¶¶ 26-29 were materially false and/or
 19 misleading because they misrepresented and failed to disclose the following
 20 adverse facts pertaining to the Company’s business, operations and prospects,
 21 which were known to Defendants or recklessly disregarded by them. Specifically,
 22 Defendants made false and/or misleading statements and/or failed to disclose that:
 23 (1) Edison’s claim that Southern California Edison Company (“SCE”) used its
 24 Public Safety Power Shutoffs (“PSPS”) program to “proactively de-energize
 25

26
 27 ⁶ California Fire Weather Annual Operating Plan 2024, CALIFORNIA WILDFIRE
 28 COORDINATING GROUP, (Apr. 30, 2024), available at

1 power lines to mitigate the risk of catastrophic wildfires during extreme weather
2 events”, was false; (2) this resulted in heightened fire risk in California and
3 heightened legal exposure to the Company; and (3) as a result, Defendants’
4 statements about Edison’s business, operations, and prospects, were materially
5 false and misleading and/or lacked a reasonable basis at all times.

6 **THE TRUTH BEGINS TO EMERGE**

7 38. At approximately 6:10 p.m. on January 7, 2025, Brendan Thorn, a
8 Pasadena resident living on Canyon Close Road adjacent to Eaton Canyon,
9 noticed his power flicker and a few minutes later a neighbor called him to say
10 there was a fire under the power lines in Eaton Canyon. Thorn stated, “Sure
11 enough, I walk outside and those towers right up there at the very base of it, right
12 around the bottom there was a fire maybe knee-high starting about there.”⁷

13 39. Harry Kertenian, who owns a home on Lindaloe Lane in the
14 Kinneloa Mesa neighborhood to the east of Eaton Canyon, told reporters that his
15 mother told him she saw the power lines sparking.⁸ Kertenian, who has lived in
16 the area for more than two decades, says he hikes the Eaton Canyon Valley all the
17 time and noticed that the whole Eaton Wash area has been full of dry debris and
18 dead brush.

19 40. At approximately 6:15 p.m. on January 7, 2025, Altadena residents
20 Jennifer Errico and Marcus Errico observed the ignition of the Eaton Fire
21 underneath an electrical tower across the canyon from their home on the 2500
22 block of Canyon View Drive in Pasadena, CA 91107. Before evacuating, Jennifer
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25 https://www.weather.gov/media/wrh/cafw/2024_CA_FIRE_AOP.pdf (last accessed Jan. 17,
2025).

26 ⁷ Rob Hayes, Cause of Eaton Fire may be downed power line, witness says, ABC 7, (Jan. 10,
2025) [https://abc7.com/post/california-wildfire-cause-eaton-fire-may-downed-power-line-
27 witness-says/15788334/](https://abc7.com/post/california-wildfire-cause-eaton-fire-may-downed-power-line-witness-says/15788334/) (last accessed Jan. 17, 2025).

28 ⁸ *Id.*

1 and Marcus took photographs of the fire underneath what they described as “giant,
2 giant towers” across from where Midwick Drive intersects with North Altadena
3 Drive.⁹ The images they took from their backyard are below.



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15 41. The truth of the fire’s source, however, was unknown to the investing
16 public at the time, as residents were busy evacuating. Indeed, news concerning the
17 source of the Eaton Canyon Fire’s source would not be known until days after the
18 fire started.

19 42. Meanwhile, Edison obfuscated the truth by making false and
20 misleading statements concerning its role in the fire. On January 8, 2025, Edison
21 issued a press release stating, in relevant part:

22 “Tuesday afternoon in SCE’s service area. SCE has transmission
23 facilities on the east side of Eaton Canyon. ***SCE’s distribution lines***
24 ***immediately to the west of Eaton Canyon were de-energized well***
25 ***before the reported start time of the fire, as part of SCE’s Public***
26 ***Safety Power Shutoff (PSPS) program.*** SCE is currently conducting

27 ⁹ James MacPherson, The Moment the Eaton Fire Ignited, PASADENA NOW, (Jan. 9, 2025)
28 <https://pasadenanow.com/main/the-moment-the-eaton-fire-ignited> (last accessed Jan. 17, 2025)

1 a review of the event. The Hurst Fire began late Tuesday evening.
2 While the reported ignition site is within the Los Angeles Department
3 of Water and Power’s service area, SCE has transmission facilities
4 near the reported ignition site, and the company is currently
conducting a review of the event.”

5 (Emphasis added.)

6 43. On January 9, 2025, the Pasadena Now article titled, “The Moment
7 the Eaton Fire Ignited” was published, reporting from eyewitnesses that the Eaton
8 Canyon Fire originated near electrical towers, although the article did not name
9 Edison or SCE as the entities responsible for operating said towers.

10 44. On this news, Edison share prices dropped \$4.50, or approximately
11 6.47%, from closing at \$69.50 on January 8, 2025 to close at \$65.00 on January
12 10, 2025, the next trading day.

13 45. On January 12, 2025, a Sunday, Edison issued a press release, stating
14 in relevant part:

15 “SCE filed two Electric Safety Incident Reports (ESIR) related to
16 current wildfires, one for the Eaton Fire and another for the Hurst
17 Fire. ESIRs are filed with the California Public Utilities Commission
18 (CPUC) for incidents that meet certain criteria, such as significant
19 media attention or a governmental investigation. These brief reports
20 contain preliminary information and are provided within two to four
21 hours after a triggering event. To comply with CPUC requirements,
22 these reports are often submitted before SCE can determine whether
its electric facilities are associated with an ignition.

23 Eaton Fire

24 On Jan. 9, SCE filed an ESIR related to the Eaton Fire, as the
25 incident may have met the reporting requirement, such as significant
26 media attention and property damage exceeding \$200,000.
27 Additionally, SCE received evidence preservation notices from
28 counsel representing insurance companies in connection with the fire.
SCE conducted preliminary analysis of electrical circuit

1 *information for the four energized transmission lines in the Eaton*
2 *Canyon area. That analysis shows no interruptions or*
3 *operational/electrical anomalies in the 12 hours prior to the fire’s*
4 *reported start time until more than one hour after the reported start*
5 *time of the fire.* Aside from the preservation notices suggesting
SCE’s potential involvement and media attention surrounding the
fire, SCE would not have filed an ESIR.”

6 (Emphasis added)

7
8 46. While the market was still digesting the news that Edison had, in
9 fact, *not* de-energized its power lines in the Eaton Canyon area, a lawsuit was
10 filed on Monday, January 13, 2025, alleging that Edison was responsible for the
11 Eaton Canyon Fire. The lawsuit was filed in the Superior Court of the State of
12 California for the County of Los Angeles and alleged that the fires originated
13 from Edison’s power lines. The complaint included eye-witness accounts and
14 photographs that showed the fire was started by Edison’s electrical equipment.

15 47. On this news, Edison share prices dropped by \$7.73, or
16 approximately 11.89%, from closing at \$65.00 on January 10, 2025, to close at
17 \$57.27 on January 13, 2025, the next trading day.

18 48. On February 6, 2025, The Wall Street Journal published an article
19 titled, “Edison Unit Says Its Equipment May Have Been Involved in SoCal
20 Fires.” The article reported that, on that day, SCE “submitted two letters to the
21 California Public Utilities Commission with updates on its analysis of the Eaton
22 and Hurst wildfires, saying it believes its equipment may be associated with the
23 start of the Hurst fire.”

24 49. On this news, Edison share prices dropped by \$1.28, or
25 approximately 2.4%, to close at \$51.16 on February 6, 2025.

26 50. As a result of Defendants’ wrongful acts and omissions, and the
27 precipitous decline in the market value of the Company’s securities, Plaintiff and
28

1 other Class members have suffered significant losses and damages.

2 **PLAINTIFF’S CLASS ACTION ALLEGATIONS**

3 51. Plaintiff brings this action as a class action pursuant to Federal Rule
4 of Civil Procedure 23(a) and (b)(3) on behalf of a class consisting of all persons
5 other than defendants who acquired Edison securities publicly traded on the
6 NYSE during the Class Period, and who were damaged thereby (the “Class”).
7 Excluded from the Class are Defendants, the officers and directors of Edison and
8 its subsidiaries, members of the Individual Defendants’ immediate families and
9 their legal representatives, heirs, successors or assigns and any entity in which
10 Defendants have or had a controlling interest.

11 52. The members of the Class are so numerous that joinder of all
12 members is impracticable. Throughout the Class Period, Edison securities were
13 actively traded on the NYSE. While the exact number of Class members is
14 unknown to Plaintiff at this time and can be ascertained only through appropriate
15 discovery, Plaintiff believes that there are hundreds, if not thousands of members
16 in the proposed Class.

17 53. Plaintiff’s claims are typical of the claims of the members of the
18 Class as all members of the Class are similarly affected by defendants’ wrongful
19 conduct in violation of federal law that is complained of herein.

20 54. Plaintiff will fairly and adequately protect the interests of the
21 members of the Class and has retained counsel competent and experienced in
22 class and securities litigation. Plaintiff has no interests antagonistic to or in
23 conflict with those of the Class.

24 55. Common questions of law and fact exist as to all members of the
25 Class and predominate over any questions solely affecting individual members of
26 the Class. Among the questions of law and fact common to the Class are:
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- 1 • whether the Exchange Act was violated by Defendants' acts as
2 alleged herein;
- 3 • whether statements made by Defendants to the investing public
4 during the Class Period misrepresented material facts about the
5 financial condition and business of Edison;
- 6 • whether Defendants' public statements to the investing public during
7 the Class Period omitted material facts necessary to make the
8 statements made, in light of the circumstances under which they
9 were made, not misleading;
- 10 • whether the Defendants caused Edison to issue false and misleading
11 filings during the Class Period;
- 12 • whether Defendants acted knowingly or recklessly in issuing false
13 filings;
- 14 • whether the prices of Edison securities during the Class Period were
15 artificially inflated because of the Defendants' conduct complained
16 of herein; and
- 17 • whether the members of the Class have sustained damages and, if so,
18 what is the proper measure of damages.
19

20 56. A class action is superior to all other available methods for the fair
21 and efficient adjudication of this controversy since joinder of all members is
22 impracticable. Furthermore, as the damages suffered by individual Class
23 members may be relatively small, the expense and burden of individual litigation
24 make it impossible for members of the Class to individually redress the wrongs
25 done to them. There will be no difficulty in the management of this action as a
26 class action.

1 57. Plaintiff will rely, in part, upon the presumption of reliance
2 established by the fraud-on-the-market doctrine in that:

- 3 • Edison shares met the requirements for listing, and were listed and
4 actively traded on the NYSE, an efficient market;
- 5 • As a public issuer, Edison filed periodic public reports;
- 6 • Edison regularly communicated with public investors via established
7 market communication mechanisms, including through the regular
8 dissemination of press releases via major newswire services and
9 through other wide-ranging public disclosures, such as
10 communications with the financial press and other similar reporting
11 services;
- 12 • Edison's securities were liquid and traded with sufficient volume
13 during the Class Period; and
- 14 • Edison was followed by a number of securities analysts employed by
15 major brokerage firms who wrote reports that were widely
16 distributed and publicly available.

17
18 58. Based on the foregoing, the market for Edison securities promptly
19 digested current information regarding Edison from all publicly available sources
20 and reflected such information in the prices of the securities, and Plaintiff and the
21 members of the Class are entitled to a presumption of reliance upon the integrity
22 of the market.

23 59. Alternatively, Plaintiff and the members of the Class are entitled to
24 the presumption of reliance established by the Supreme Court in *Affiliated Ute*
25 *Citizens of the State of Utah v. United States*, 406 U.S. 128 (1972), as Defendants
26 omitted material information in their Class Period statements in violation of a
27 duty to disclose such information as detailed above.

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COUNT I

**For Violations of Section 10(b) And Rule 10b-5 Promulgated Thereunder
Against All Defendants**

60. Plaintiff repeats and realleges each and every allegation contained above as if fully set forth herein.

61. This Count is asserted against Defendants is based upon Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5 promulgated thereunder by the SEC.

62. During the Class Period, Defendants, individually and in concert, directly or indirectly, disseminated or approved the false statements specified above, which they knew or deliberately disregarded were misleading in that they contained misrepresentations and failed to disclose material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.

63. Defendants violated §10(b) of the 1934 Act and Rule 10b-5 in that they:

- employed devices, schemes and artifices to defraud;
- made untrue statements of material facts or omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; or
- engaged in acts, practices and a course of business that operated as a fraud or deceit upon plaintiff and others similarly situated in connection with their purchases of Edison securities during the Class Period.

1 64. Defendants acted with scienter in that they knew that the public
2 documents and statements issued or disseminated in the name of Edison were
3 materially false and misleading; knew that such statements or documents would
4 be issued or disseminated to the investing public; and knowingly and
5 substantially participated, or acquiesced in the issuance or dissemination of such
6 statements or documents as primary violations of the securities laws. These
7 Defendants by virtue of their receipt of information reflecting the true facts of
8 Edison, their control over, and/or receipt and/or modification of Edison's
9 allegedly materially misleading statements, and/or their associations with the
10 Company which made them privy to confidential proprietary information
11 concerning Edison, participated in the fraudulent scheme alleged herein.

12 65. Individual Defendants, who are the senior officers and/or directors
13 of the Company, had actual knowledge of the material omissions and/or the
14 falsity of the material statements set forth above, and intended to deceive Plaintiff
15 and the other members of the Class, or, in the alternative, acted with reckless
16 disregard for the truth when they failed to ascertain and disclose the true facts in
17 the statements made by them or other Edison personnel to members of the
18 investing public, including Plaintiff and the Class.

19 66. As a result of the foregoing, the market price of Edison securities
20 was artificially inflated during the Class Period. In ignorance of the falsity of
21 Defendants' statements, Plaintiff and the other members of the Class relied on the
22 statements described above and/or the integrity of the market price of Edison
23 securities during the Class Period in purchasing Edison securities at prices that
24 were artificially inflated as a result of Defendants' false and misleading
25 statements.
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1 correct promptly any public statements issued by Edison which had become
2 materially false or misleading.

3 73. Because of their positions of control and authority as senior officers,
4 the Individual Defendants were able to, and did, control the contents of the
5 various reports, press releases and public filings which Edison disseminated in
6 the marketplace during the Class Period concerning Edison's results of
7 operations. Throughout the Class Period, the Individual Defendants exercised
8 their power and authority to cause Edison to engage in the wrongful acts
9 complained of herein. The Individual Defendants therefore, were "controlling
10 persons" of Edison within the meaning of Section 20(a) of the Exchange Act. In
11 this capacity, they participated in the unlawful conduct alleged which artificially
12 inflated the market price of Edison securities.

13 74. By reason of the above conduct, the Individual Defendants are liable
14 pursuant to Section 20(a) of the Exchange Act for the violations committed by
15 Edison.

16 **PRAYER FOR RELIEF**

17 **WHEREFORE**, Plaintiff, on behalf of himself and the Class, prays for
18 judgment and relief as follows:

19 (a) declaring this action to be a proper class action, designating plaintiff
20 as Lead Plaintiff and certifying plaintiff as a class representative under Rule 23 of
21 the Federal Rules of Civil Procedure and designating plaintiff's counsel as Lead
22 Counsel;

23 (b) awarding damages in favor of plaintiff and the other Class members
24 against all defendants, jointly and severally, together with interest thereon;

25 awarding plaintiff and the Class reasonable costs and expenses incurred in
26 this action, including counsel fees and expert fees; and
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1 (d) awarding plaintiff and other members of the Class such other and
2 further relief as the Court may deem just and proper.

3 **JURY TRIAL DEMANDED**

4 Plaintiff hereby demands a trial by jury.
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