## Parties/Attorneys:

Plaintiff	Pence Ranch LLC and Quantum	Bezek Behle & Curtis,
	Wines LLC	LLP
		Robert A. Curtis
		Aaron L. Arndt Foley
Defendant	Santa Barbara Westcoast Farms,	Cholakian & Associates
	LLC; Scott Rudolph	Kevin K. Cholakian
		Ronald Q. Tran
		Cappello & Noel LLP
		Lawrence J. Conlan
		Richard Lloyd

## TENTATIVE RULING

For the reasons stated below, the court is persuaded that the risk of inconsistent judgments supports the imposition of a stay on trying the matter or hearing dispositive motions. However, as the plaintiffs' individual claims are not otherwise impacted by the court's denial of class certification, the court sees no reason why discovery on those claims cannot proceed.

The parties are instructed to appear at the hearing for oral argument and be prepared to discuss the parameters of this approach. Appearance by Zoom Videoconference is optional and does not require the filing of Judicial Council form RA-010, Notice of Remote Appearance. (See Remote Appearance (Zoom) Information | Superior Court of California | County of Santa Barbara.)

Plaintiff Pence Ranch, LLC is a small vineyard located in the Santa Rita Hills AVA. Plaintiff Quantum Wines, LLC operates a tasting room that serves, among other things, the wines produced on Pence Ranch. It operates an indoor and outdoor tasting room. Santa Barbara Westcoast Farms, LLC (Westcoast) is a cannabis cultivator with a cannabis grow operation adjacent to plaintiffs' property. According to the complaint, plaintiffs' property routinely smells of a strong skunky odor emanating from defendants' cannabis operation, in addition to the malodors emanating from chemical deodorants defendants discharge as part of their operation. A residential neighborhood is located less than a mile from Westcoast. Plaintiffs' operative complaint includes causes of action for nuisance, trespass and violation of Bus. & Prof. Code, § 17200.

Plaintiffs sought class certification of a class consisting of both residential and commercial property owners who reside within a certain proximity of Westcoast. On July 2, 2025, the court denied the motion. Plaintiffs filed a Notice of Appeal on July 14, 2025. Pence Ranch now moves for a stay of these proceedings for the duration of the appeal. Opposition has been filed. No reply was filed and is now considered late.

For context, the court's order denying the motion to certify a class was appealed based on the death knell doctrine. Such an order is an appealable order under the "'death knell'" doctrine because it is legally equivalent to a dismissal of the action as to all members of the class other than the named plaintiff. (*In re Baycol Cases I & II* (2011) 51 Cal.4th 751, 757; *Daar v. Yellow Cab Co.* (1967) 67 Cal.2d 695, 699.) The rationale of permitting appeal of what would otherwise be an intermediate order is that absent immediate review, the plaintiff would have no financial incentive to pursue his or her case to final judgment just to preserve the ability to appeal the denial of the plaintiff's class certification motion. (*Baycol*, at p. 759 ["persistence of viable but perhaps de minimis individual plaintiff claims creates a risk no formal final judgment will ever be entered"].) Accordingly, denial of such a class certification motion is "'in legal effect a final judgment.'" (*Ibid*. [quoting *Daar*, at p. 699.)¹ What remains at the trial court are the individual claims of Quantum Wines and Pence Ranch.

The court takes judicial notice on its own motion of the case information related to this matter in the Second Appellate District. (<u>California Courts - Appellate Court Case Information</u>, last accessed 9/22/25.) A briefing schedule has not yet been issued.

## Legal Background

Code of Civil Procedure § 916 subdivision (a) provides that the perfecting of an appeal automatically stays proceedings in the trial court on the judgment or order appealed from or on matters embraced therein or affected thereby. (Code Civ. Proc., § 916.) However, the automatic stay does not apply to any other matters not affected by the order. (*Id.; Varian Medical Systems, Inc. v. Delfino* (2005) 35 Cal.4th 180, 191—"[A]n appeal does not stay proceedings on 'ancillary or collateral matters which do not affect the judgment [or order] on appeal.") Thus, even when the statute does not call for an automatic stay on appeal, the trial courts have the power to issue a discretionary stay. (*Daly v. San Bernardino County Bd. of Supervisors* (2021) 11 Cal.5th 1030, 1039; *Reed v. Superior Court* (2001) 92 Cal. App. 4th 448, 455.) Here, Pence Ranch asks the court for a discretionary stay of the trial court proceedings pending the resolution of the appeal.

<sup>&</sup>lt;sup>1</sup> Defendants argue that the instant appeal may not qualify, as plaintiffs' remaining claims are not insubstantial.

Courts consider several factors when deciding whether to exercise their inherent power to stay a proceeding. These factors vary depending on the context of the case, but they generally aim to balance fairness, judicial efficiency, and the interests of the parties involved. (See *Avant! Corp. v. Superior Court* (2000) 79 Cal.App.4th 876, 882 [discussing factors involving stay of civil proceeding pending resolution of related criminal proceeding]; *Daly v. San Bernardino County Bd. of Supervisors, supra,* 11 Cal.5th at 1053 [discussing factors that guide whether equities favor the stay of an injunctive order pending appeal]; *Corrigan v. Bjork Shiley Corp.* (1986) 182 Cal.App.3d 166, 173 [considering factors to stay an action based on inconvenient forum].)

In support of the motion for a stay, Pence Ranch argues that awaiting a determination whether the case will proceed as a class action favors judicial economy and that if a stay is not imposed, there is a risk of conflicting judgments if the case is allowed to proceed to conclusion against Pence Ranch on its individual claims now and, assuming the appeal is successful, later as to class plaintiffs.

In opposition, defendants argue that stays are disfavored; the action hinders its ability to sell the property, as prospective buyers lose interest when they learn of the litigation, and it likewise hinders its ability to raise additional capital; and the danger of prejudice resulting from the loss of witnesses to recall specific facts due to the delay.

On balance, the court is persuaded that the risk of inconsistent judgments supports the imposition of a stay on trying the matter or hearing dispositive motions. If the case was to proceed to trial and there was a defense verdict it would render plaintiff's appeal moot because there would be no class representative to represent the class of individuals in plaintiffs' proposed class action litigation.<sup>2</sup> These concerns outweigh those raised by defendants.

However, as the plaintiffs' individual claims are not otherwise impacted by the court's denial of class certification, the court sees no reason why discovery on those claims cannot proceed. It will not go to waste, as presumably plaintiffs intend to prosecute their action either with or without a class, and the court cannot conceive any reason why it would be inefficient to allow such discovery to proceed in the absence of other potential class members.

The parties are directed to be prepared to discuss the merits of this approach at the hearing.

<sup>&</sup>lt;sup>2</sup> This arguably brings the request within the automatic stay provisions of section 916, subdivision (a).