

PG&E fire victims trust seeks damages from directors, officers

By Craig Anderson
Daily Journal Staff Writer

A trust representing thousands of victims of fires caused by PG&E Corp. equipment filed an amended complaint Wednesday seeking damages from former company directors and officers.

Represented by a host of law firms led by Cotchett, Pitre & McCarthy LLP, the complaints were originally filed as shareholder derivative complaints before PG&E filed for bankruptcy in 2019. The cases were stayed at that time.

The lawsuit claims the North Bay Fires in 2017 and the Camp Fire in 2018 were both the result of "separate and distinct wrongful acts and omissions by the defendants in breach of the defendants' fiduciary duties of care and loyalty to the company."

The trust already reached a settlement with PG&E valued at \$13.5 bil-

lion, with half in cash and the other half in company stock.

"PG&E assigned the company's rights to pursue officers and directors to the trust," said Frank M. Pitre, a partner with Cotchett, Pitre & McCarthy and lead counsel for the plaintiffs.

The amended complaint, filed in San Francisco County Superior Court, seeks money from insurance companies that represent the former company officers and directors. *John Trotter, Trustee of the PG&E Fire Victim Trust v. Chew et al.*, CGC-18-572326 (San Francisco Co. Sup. Ct, filed Dec. 24, 2018).

Pitre estimated the funds available from insurers if the trust prevails is between \$200 million and \$400 million.

"There are 70,000 plaintiffs in this fund," Pitre said, with claims ranging from wrongful death, destruction of property, and emotional distress by people who had to flee for

their lives during the blazes.

Attorneys representing the former utility officers and directors could not be reached for comment Wednesday.

Retired Justice John K. Trotter Jr. of the 4th District Court of Appeal, who is in charge of the trust, said in a prepared statement the lawsuit is necessary.

"It is our duty to hold accountable the prior officers and directors who grossly neglected to do their jobs in the lead-up to the North Bay Fires and the Camp Fire," Trotter wrote.

In a letter to fire victims last month, Trotter wrote the value of the settlement with PG&E is a billion less than its value at the time of the agreement due to a decline in the value of the company's stock.

"That may change, unfortunately either up or down," he wrote.

craig_anderson@dailyjournal.com