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Gas leak case will pay Girardi Keese creditors, trustee says

The Porter Ranch gas leak litigation settled last week for \$1.8 billion. Together with the Frantz Law Firm, Girardi Keese represented approximately 23% of the claimants against SoCalGas.

With attorney fees from the massive Porter Ranch gas leak settlement, the defunct Girardi Keese is well on its way to repaying its secured creditors, according to a motion filed in bankruptcy court.

In the third cash collateral motion filed Sept. 29 to help fund efforts to increase the value of the Girardi Keese estate, bankruptcy trustee Elissa D. Miller of SulmeyerKupetz wrote that the estate has \$4.2 million in cash on hand.

"This figure will rise as the trustee continues to work to enhance the property of the estate, efforts that are funded by the cash collateral," stated the motion. The money in the estate goes to repay creditors who have filed claims totaling more than \$101 million.

Girardi Keese was one of the most highly regarded law firms in the nation before the downfall of Thomas V. Girardi. Many of the cases the firm handled were worth hundreds of millions of dollars. One of those cases, the Porter Ranch gas leak litigation, settled last week for \$1.8 billion. Together with the Frantz Law Firm, Girardi Keese represented approximately 23% of the claimants against SoCalGas.

"Although the settlement remains subject to certain conditions, including approval by the trial court, the settlement will eventually result in a significant recovery for the estate," the motion stated. *In re: Girardi Keese*, 20-BK12022 (C.D. Cal Bankruptcy Ct, filed Dec. 18, 2020).

According to court documents filed this year, Frantz and Girardi Keese would split the attorney fees. Some 55% would go to Frantz Law Firm and the remaining 45% to Girardi Keese.

U.S. Bankruptcy Judge [Barry Russell](#) has approved other fee-sharing arrangements expected to bring significant money to the estate. Girardi was involved in cases stemming from the 2017 Las Vegas mass shooting, which settled for a reported \$800 million. He also represented plaintiffs in allegations that Johnson & Johnson's talc products cause cancer and people who said they were sickened from toxic emissions in the city of Paramount.

Miller has distributed \$26 million to creditors since April. While Girardi Keese's total debt is approximately \$101 million, six secured creditors claim that they are owed approximately \$49 million in total.

The debts include \$7.8 million to KCC Class Action Services LLC and \$11.3 million to Virage SPV 1.

Girardi Keese also owes \$6.5 million to California Attorney Lending II. According to the motion, the firm's estate and Girardi's personal bankruptcy estate have issued checks totaling \$4.8 million, or around 74% of the total claim, nine months after an order for relief.

Hundreds of unsecured creditors have also filed claims totaling \$51 million against the defunct law firm.

#364505

Henrik Nilsson

Federal Courts (Southern California)
henrik_nilsson@dailyjournal.com

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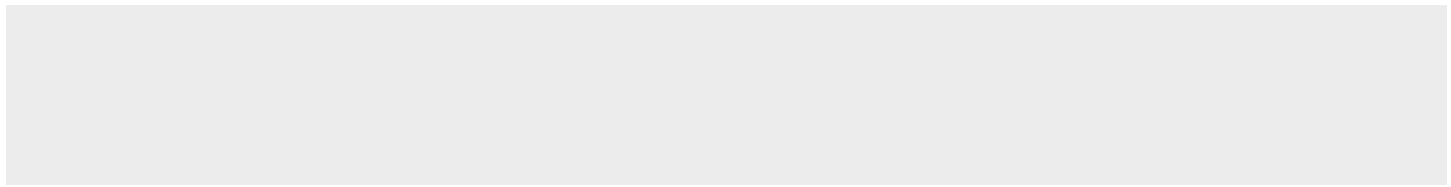
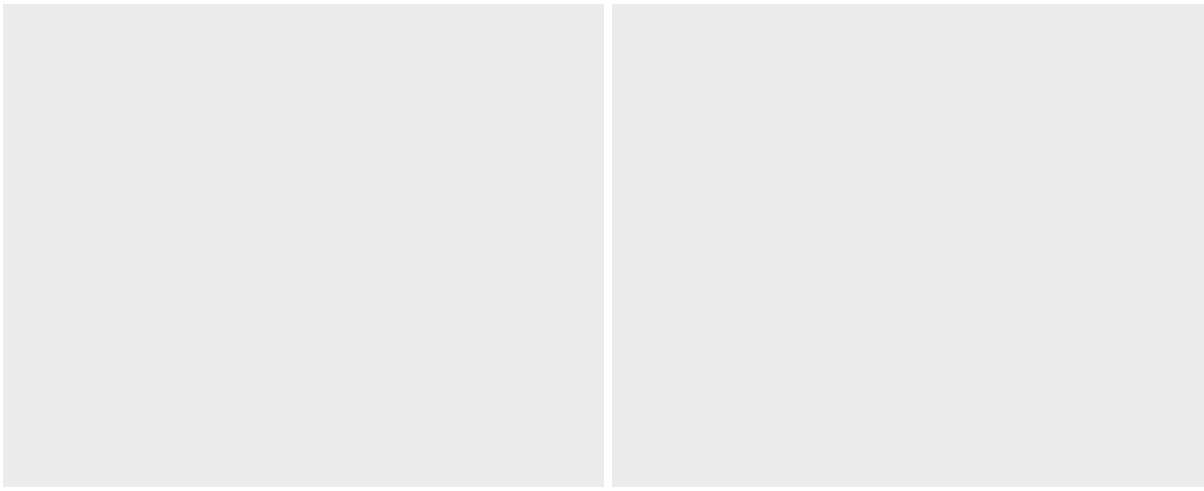
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