

Blast lawsuit seeking money from PG&E execs gets go-ahead

San Francisco Chronicle

08.05.2014

A San Mateo County judge lifted an order Tuesday that put roadblocks in the path of shareholders who have sued Pacific Gas and Electric Co. executives for alleged mismanagement leading up to the 2010 San Bruno gas explosion.

Superior Court Judge Steven Dylina said shareholders who began suing the company three years ago can now compel executives to testify under oath in depositions and collect evidence as they seek to prove that officials' mismanagement exposed stockholders to billions of dollars in penalties and costs to fix PG&E's natural-gas system.

The shareholders are seeking damages personally from executives including President Christopher Johns and former PG&E Corp. CEO Peter Darbee.

Dylina had stopped the case from going forward pending the outcome of wrongful death and injury lawsuits filed by San Bruno residents and victims' relatives, in which the company is paying out more than \$500 million.

After the last of those cases was settled this year, PG&E argued that the stay should remain in effect because the lawsuit could undermine the company's defense against a federal indictment in April accusing the company of violating pipeline safety laws in connection with the San Bruno blast.

An expanded indictment returned last week also accused the company of obstruction of justice, but did not name any individuals.

The shareholders countered that keeping the stay in place would frustrate their efforts to learn whether executives were responsible for misconduct leading up to the September 2010 pipeline explosion that

Attorneys

Frank M. Pitre

Practice Areas

Shareholder Rights / Corporate Governance

BLAST LAWSUIT SEEKING MONEY FROM PG&E EXECS GETS GO-AHEAD

killed eight people and destroyed 38 homes.

On Tuesday, Dylina agreed with the shareholders, saying "it appears it is in the best interests of PG&E" to have the lawsuit go forward, not be stalled.

If the company is "truly unaware of criminal conduct, it is in PG&E's best interest to discover the conduct and correct it immediately so that it is not further exposed to risk and liability," Dylina said.

The judge also rejected PG&E's argument that if its executives had to testify, they would face the choice of either asserting the Fifth Amendment right against self-incrimination - thus damaging the civil case - or submit to questioning and possibly damage the company's criminal defense.

Noting that no executives have been charged in the criminal case, Dylina rejected the argument as speculative... *(To read the entire article, please click [HERE](#))*