

IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA

IN AND FOR THE COUNTY OF SAN MATEO

COORDINATION PROCEEDING SPECIAL TITLE )

(Rule 3.550): )Case No. JCCP4648

)  
PG&E "SAN BRUNO FIRE" CASES. )

REPORTER'S TRANSCRIPT OF PROCEEDINGS

BEFORE THE HONORABLE STEVEN L. DYLINA, JUDGE

DEPARTMENT 7

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SEPTEMBER 12, 2013

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A P P E A R A N C E S:

For Plaintiffs Basalski, et al.:

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JANELLE ALLEN, Esq.

For Defendants PG&E Company and PG&E Corporation:

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By: GAYLE L. GOUGH, Esq.

Reported by: Megan Zalmai, CSR 10925, CRR, RPR

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7 For Defendants PG&E Company and PG&E Corporation

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11 By: JOHN LYONS, Esq.

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17 For Plaintiffs Locon, et al.:

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21 By: DON DOWLING, Esq.

22 For Plaintiffs Chow, et al.:

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26 By: ROBERT W. THOMPSON, Esq.  
(Appeared telephonically)

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31 (Appearances Continued on Next Page:)

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26 (Appearances Continued on Next Page:)

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25 (Appearances Continued on Next Page:)

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6 For Defendants in the Wollman action:  
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By: KERRY KUMABE, Esq.  
(Appeared telephonically)

9

10 Also present: H. Parks, PG&E representative  
S. Schirle, PG&E representative

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1 P R O C E E D I N G S

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2 REDWOOD CITY, CALIFORNIA - SEPTEMBER 12, 2013

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3 BEFORE THE HONORABLE STEVEN L. DYLINE, JUDGE, DEPT. 7

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4 -- Afternoon Session --

5 THE COURT: Ladies and gentlemen, thank you very  
6 much for returning. We're going to have everyone check in  
7 at this point in time.

8 And if I could have those parties who are  
9 appearing here by Court Call to please state their  
10 appearance for the record.

11 MR. PETERS: Tom Peters appearing for Fred Tobar.

12 THE COURT: Mr. Peters, good afternoon.

13 MR. PETERS: Good afternoon.

14 MR. CORBETT: Good afternoon, Your Honor.

15 Conrad Corbett appearing for plaintiff, Torres and Wharton.

16 THE COURT: And, Mr. Corbett, welcome back.

17 MR. CORBETT: Thank you.

18 MR. HARRIS: Lee Harris on behalf of plaintiff,  
19 Sharon Baum.

20 THE COURT: Thank you, Mr. Harris.

21 MR. KING: Your Honor, David King on behalf of  
22 the Karkazis family, the O'Neil family and Gayle Masunu.

23 THE COURT: And, Mr. King, welcome back. It's  
24 good to talk to you again.

25 MR. KING: Thank you, Your Honor.

26 MS. CHAMPION: Good afternoon, Your Honor.

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1 Laurel Champion on behalf of plaintiff, John and Joseph  
2 Malaspina.

3 THE COURT: Ms. Champion, thank you. We welcome  
4 your return.

5 MS. CHAMPION: Thank you.

6 MR. FONG: Mark Fong for the Leong family,

7 Your Honor.

8 THE COURT: Mr. Fong, thank you very much.

9 MR. THOMPSON: Robert Thompson for David Chow.

10 THE COURT: Mr. Thompson.

11 MR. WARD: Philip Ward for the Badillo family.

12 THE COURT: And, Mr. Ward, thank you.

13 MR. KILPATRICK: Terry Kilpatrick for the Arce

14 family.

15 THE COURT: And, Mr. Kilpatrick, welcome. Thank

16 you.

17 MS. ASLAMI: Sophia Aslami for various

18 plaintiffs, Your Honor.

19 THE COURT: Sophia, welcome back. We just saw

20 each other.

21 MS. ASLAMI: Thank you, Your Honor. It's good to

22 be back.

23 MR. BORKON: Peter Borkon on behalf of

24 Saul Wollman, who is appearing derivatively on behalf of

25 the plaintiffs.

26 THE COURT: And, Mr. Borkon, thank you very much

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1 for your appearance here today. Certainly, the derivative

2 action or actions are something the Court will address

3 eventually. So thank you.

4 MR. BORKON: Thank you, Your Honor.

5 MS. KUMABE: Kerry Kumabe for defendants

6 David Andrews, Lewis Chew and Lee Cox in the derivative

7 action.

8 THE COURT: Thank you very much. Anybody else?

9 MR. CEDERBERG: Adam Cederberg here for the  
10 subrogating insurance carriers.

11 THE COURT: Mr. Cederberg, thank you.

12 MS. MIRANDA: Good afternoon, Your Honor.

13 Carmen Miranda appearing for the Ruigomez, Balagot and  
14 Yamamoto families.

15 THE COURT: My friend, Ms. Miranda, welcome back.

16 MS. MIRANDA: Good to hear from you, Your Honor.

17 THE COURT: Thank you.

18 MR. SIMON: And your friend, Mr. Simon, is  
19 present as well.

20 THE COURT: What would a day without Craig Simon  
21 be? A lesser day, indeed.

22 Mr. Simon, welcome back.

23 MR. SIMON: Thank you.

24 THE COURT: And, I'm sorry, sir. I heard most of  
25 what you said, but I didn't hear your appearance. There  
26 was somewhat of a garbled transmission, so I apologize.

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1 MR. GROTEFELD: Mark Grotefeld for several of the  
2 subrogation insurers. Also, I don't know what a day would  
3 be like without Mr. Simon either.

4 THE COURT: Well, Mr. Grotefeld, I don't know if  
5 you're talking through a portable phone or not, but for  
6 some reason, you sound like you're transmitting under  
7 water. So either get away from the coast line or get on a

8 land line, if you would be gracious enough.

9 MR. GROTEFELD: I'll just go on mute.

10 THE COURT: All right. Anyone else on Court Call  
11 that we need to talk to today? Apparently not.

12 So, Mr. Jabaghourian, why don't we start with  
13 you. If you would state your appearance.

14 MR. JABAGCHOURIAN: Good afternoon, Your Honor.  
15 Ara Jabaghourian on behalf of plaintiffs.

16 THE COURT: Thank you. Welcome back.

17 MR. DANKO: Good afternoon, Your Honor.  
18 Mike Danko for plaintiffs.

19 THE COURT: Mr. Danko, thank you. We had you on  
20 Court Call, but it's always nice to see you in person.

21 MR. DOWLING: Good afternoon, Your Honor.  
22 Don Dowling for plaintiffs.

23 THE COURT: Mr. Dowling, thank you. Welcome  
24 back.

25 MR. PITRE: It is a good afternoon, indeed,  
26 Your Honor. Frank Pitre on behalf of plaintiffs.

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1 THE COURT: And, Mr. Pitre, thank you.

2 MR. DEGHEITALDI: Good afternoon, Your Honor.  
3 Dario DeGhetaldi also on behalf of the plaintiffs.

4 THE COURT: Mr. DeGhetaldi, welcome back.

5 MS. DYER: Good afternoon, Your Honor. Kate Dyer  
6 on behalf of Pacific Gas & Electric Company.

7 THE COURT: Mary Katherine, welcome back.

8 MS. DYER: Thank you so much.

9 MR. LYONS: John Lyons on behalf of PG&E,

10 Your Honor.

11 THE COURT: John Francis, good to see you again.

12 MS. GOUGH: And Gayle Gough on behalf of PG&E.

13 THE COURT: And, Gayle, thank you very much.

14 Do we have other appearances from counsel here

15 today?

16 MS. MCGUIRE: Good afternoon, Your Honor.

17 Jennifer McGuire for plaintiffs.

18 THE COURT: Ms. McGuire, good afternoon.

19 MS. CAPACCIOLI VELASQUEZ: Good afternoon,

20 Your Honor. Clare Capaccioli Velasquez for plaintiffs.

21 THE COURT: Thank you very much. Good afternoon.

22 MS. ALLEN: Good afternoon, Your Honor.

23 Janelle Allen for plaintiffs.

24 THE COURT: Thank you, Ms. Allen.

25 Anybody else?

26 Let me just indicate we certainly appreciate the

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1 long road that we've been.

2 And, Ms. Gough, you always help me out. So what

3 I would like you to do is tell me where we're at. And I

4 would remind you we have this small, circular, virtually

5 worthless microphone. That's all we have in terms of our

6 conduit that goes on Court Call.

7 So if you would speak loudly into that, please.

8 MS. GOUGH: Good afternoon, Your Honor. Thank

9 you.

10 I think we should begin with this report: With  
11 acknowledging all of the judges who have participated in  
12 this process.

13 The Court has worked tirelessly to bring us to  
14 where we are today. As the Court will recall, the Chief  
15 Justice of the California Supreme Court coordinated these  
16 cases in this county, in this courthouse. And the  
17 presiding judge gave you the distinction, the honor of  
18 having us all here in your courtroom.

19 We had Judge Sabraw assist us with these cases.  
20 Five-hundred-and-one plaintiffs joined this litigation in  
21 the Judicial Council Coordination Proceeding. Judge  
22 Sabraw helped us with the discovery. He helped us with  
23 the motions. And we cannot forget Ms. Dear, and  
24 Mr. Carins and your staff, who have participated in all of  
25 this.

26 Then, Your Honor appointed eight special

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1 masters, distinguished members of the bench, judges and  
2 justices of the California court system, retired justices  
3 familiar with this county and familiar with these cases  
4 and who know the citizens of San Bruno and referred us to  
5 them for discussions.

6 We were able to resolve 152 cases, plaintiffs'  
7 claims. So that was in our mandatory settlement  
8 conference and in our mediation conferences. As we were  
9 also in your courtroom conducting motions, we spent many  
10 days in Mr. Pitre's office, and other offices,

11 Mr. DeGhetaldi's office, with depositions at the same  
12 time.

13 We were prepared, and we were set for trial, and  
14 we started that trial with motions in limine when the  
15 parties came to Your Honor and said, we would like to set  
16 up a process to discuss resolution now for the 349  
17 plaintiffs who had not yet had the opportunity to sit down  
18 and discuss their claims.

19 The parties set up a system, a global resolution  
20 process. And Your Honor, put in charge of that process,  
21 Justice Panelli of the California Supreme Court, a retired  
22 jurist, and Justice Haning of the California Court of  
23 Appeal, a retired jurist with close connections to this  
24 county. Those justices worked very hard to listen to the  
25 claims of 349 plaintiffs. And many people came in and  
26 brought their documents. Mr. DeGhetaldi had some of his

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1 clients come in. Mr. Dowling was there. Mr. Danko was  
2 there, Mr. Jabaghourian. Everyone here, including those  
3 on the phone, came in, and they presented their case.

4 The justices met with us. And it was a very  
5 unique and interesting process where they, with all of  
6 their experience, analyzed all of that information and  
7 went to plaintiffs with a proposal.

8 And plaintiffs evaluated that proposal and  
9 responded to them. And then they came to us, and they  
10 said, here is our proposal for global resolution. PG&E,  
11 PG&E has, from day one, expressed its desire for

12 resolution of these matters and its desire to work with  
13 the citizens of San Bruno and the residents of the  
14 Crestmoor neighborhood. And we said, yes, we want to be a  
15 part of this process. We accept that proposal.

16 And so we have continued to work with plaintiffs  
17 as a part of that proposal and outside of that proposal,  
18 and we are very happy to report that we have settled  
19 substantially all. We are still working with Mr. Thompson  
20 and Mr. Golden. And while I cannot report today that we  
21 have resolved their claims, I am very optimistic that we  
22 will report resolution of those claims.

23 So I think that we should say to the judges and  
24 the justices in the California State Court, and I know  
25 we've heard of all the budget problems and everything, but  
26 we brought 501 people here, and the judges have guided

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1 these parties, protected their rights, guided them through  
2 the litigation and assisted them with the resolution of  
3 these claims.

4 That brings us to today. We have Mr. Thompson's  
5 client, Mr. Chow, and we would like to resolve Mr. Chow's  
6 case, and we will talk with him, with Mr. Thompson, and  
7 we're working on that. We would like to resolve  
8 Mr. Shannon's case. Mr. Shannon, for unrelated reasons,  
9 has not been available, but we have talked with his  
10 counsel, and so we're hopeful.

11 We have two new complaints that were filed  
12 on -- this past Monday. So we have two new complaints.

13 Ms. Mejia, Lucy Mejia, has filed a Complaint that involves  
14 ten households in the Crestmoor neighborhood. And  
15 Mr. Thompson has filed a Complaint that involves two  
16 households in the Crestmoor neighborhood.

17 And I hope that we can, on an expedited basis,  
18 be informed of the nature of those claims and on an  
19 expedited basis, enter into discussions with these  
20 plaintiffs so that they may follow in the -- in the  
21 footsteps, in the pattern, in what we have set up for the  
22 500 -- 499 plaintiffs who have resolved their cases.

23 THE COURT: Ms. Gough, tell me the truth. When  
24 you first saw me on May 26th, 2011, you didn't think we  
25 would be here at this time, did you?

26 MS. GOUGH: Your Honor, the truth, I have never  
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1 done this much work in my whole life. I have been -- I  
2 have had the pleasure of working with all of these  
3 wonderful attorneys and all of these people. And, in some  
4 way, I got to be the de facto administrative assistant, and  
5 it has been an incredible experience.

6 THE COURT: I have to share with you, Ms. Gough,  
7 I've never worked this hard in my entire life either.

8 There are many times, if I can just make a brief  
9 personal aside, that I felt like Justinian, the Byzantine  
10 emperor in the Sixth Century, who eventually built the  
11 Hagia Sophia, but who apparently, in his 57 years of  
12 reign, never slept. And I can't tell you how many  
13 revelations, some divine, some much less than divine, I

14 had at 3:00 o'clock in the morning. But I share that with  
15 you. It's been a remarkable, positive, exhilarating  
16 performance and ability. I cannot thank everybody here  
17 enough for their effort.

18 In terms of adopting the global protocol that  
19 this court had adopted, I think I probably identified it  
20 at least a year and a half, if not two, years ago. But I  
21 certainly appreciate us getting through the very difficult  
22 cases at the beginning and getting to the position,  
23 particularly since January of this year, where we could  
24 meaningfully participate.

25 Can you just describe for me a little bit more  
26 so that I have a sense of the MOU protocol in terms of

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1 this global process. What happened there?

2 MS. GOUGH: We entered into an agreement among  
3 the parties that we would, in a very large scale,  
4 participate in confidential mediations with Justice Panelli  
5 and Justice Haning. As in any mediation process, the  
6 parties met, so each of the plaintiffs had an opportunity  
7 through their counsel to meet with the justices.

8 There were many days scheduled. And PG&E also  
9 had their opportunity to meet with the justices. And so I  
10 think we probably kept their calendar quite full. I know,  
11 Mr. DeGhetaldi, you may have been there a couple of days.  
12 Mr. Pitre was there. Each of the folks here went in with  
13 their plaintiffs, their cases, and talked to the justices.

14 The justices requested more information. I know

15 that they were doing their homework because, on occasion,  
16 I would get a request for whatever additional information  
17 we may have, and I know that plaintiffs were providing  
18 additional information.

19 So they actually, in my understanding, evaluated  
20 and considered and asked and met with and talked with  
21 respect to each of the plaintiffs' claims. They made a  
22 proposal, much as a mediator may make a proposal in  
23 mediation, to the plaintiffs. And they made a proposal to  
24 us. And I can speak as to what I know as to us, we  
25 appreciated all of their hard work, and PG&E accepted that  
26 proposal.

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1 But as in a mediation, the confidentiality was  
2 maintained, and we never were privy to those discussions,  
3 so that they could be fully candid and forthcoming as to  
4 discussions between plaintiffs and the mediators. And it  
5 allowed everyone to speak their mind freely as they would  
6 in a mediation.

7 THE COURT: Thank you very much. Well, it  
8 worked, correct?

9 So let me just ask -- Mr. Pitre, let me turn to  
10 you. This was my idea at the beginning of the case. I  
11 didn't share it with everyone because we had to get  
12 through some roadblocks before we got to this position.

13 Do you think this was a positive way to promptly  
14 resolve these cases from your standpoint?

15 MR. PITRE: Well, Your Honor, first of all,

16 without a doubt. And the reason I say that is when you  
17 look around this room, and you look at the quality of the  
18 lawyers who were involved on both plaintiffs' side and on  
19 the defense side, and you look at the fact that there were  
20 501 claimants whose claims were resolved within three years  
21 of the date of the event, now that's remarkable.

22         When you consider the fact that the first time  
23 we had a case management conference with you, Your Honor,  
24 was May of 2011, and the first time that discovery was  
25 lifted was 24 months ago, two years.

26         Now, when you look at that, and you look at the  
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1 fact that everybody around here resolved their cases, with  
2 the exception of a few that are still being worked on, I  
3 don't know how you can come away with any other conclusion  
4 but this was a phenomenal, monumental, extraordinary  
5 result.

6         And I want to echo the sentiments of Ms. Gough.  
7 This doesn't happen without everybody participating.

8         Now, when Ms. Gough said it was a pleasure, I  
9 can tell you that there were times when it wasn't a  
10 pleasure. I can tell you that the battles that took place  
11 were reminiscent of Ali versus Frazier. And not without  
12 saying who was who, but there were some very difficult  
13 battles along the way.

14         And the reason you get to this position is  
15 because those battles took place. The reason you get to  
16 this position is because this court stuck to a very

17 aggressive strategy in getting discovery done.

18           Now, I know from my clients, it was too long in  
19 their view. I know that. It's like, you know, when you  
20 go on vacation and your kids are in the back of the car,  
21 and you're going from here to Tahoe, and every half hour  
22 they are saying, are we there yet? And you say, well, we  
23 are almost there, but we hit traffic. And 20 minutes  
24 later they say, are we there yet? And you say, well, I  
25 didn't know there was going to be a roadblock up here.

26           It's very difficult from the parties'

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1 standpoint. But with people who have been through this  
2 process to know what needs to get done, the issues that  
3 need to get decided, the 200 depositions that get taken,  
4 the millions of pages of documents that have to be  
5 reviewed on both sides to make sure that the claims are  
6 being fairly presented, the evaluations that need to get  
7 done, the numerous motions that this court had to  
8 entertain and rule on so that people could get a fair  
9 understanding of what the playing field was like, it's  
10 only until you go through that process that you can  
11 actually sit down and say, what are fair values for these  
12 cases?

13           So all of that plowed work that this court did  
14 in having monthly case management conferences, in making  
15 sure that the cases were on track, that everybody was  
16 playing fair, that all leads up to setting benchmarks for  
17 those cases that got resolved with the initial trials.

18 And when Ms. Gough was talking about the  
19 process, the process was to use those datapoints of those  
20 prior resolved cases so that those datapoints could serve  
21 as the benchmarks in bringing in all the other cases who  
22 didn't have the chance to be part of that first group.  
23 And when you consider that those datapoints then have to  
24 be evaluated individually to make sure that nobody missed  
25 anything, both on PG&E's side and the plaintiffs' side,  
26 and to get it done within a period that, you know, it's

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1 always too long. But when you look at how many cases, 300  
2 cases in the last four months, that's unheard of,  
3 Your Honor. Because the goal always was, for both PG&E  
4 and the plaintiffs and all the lawyers here, is to leave  
5 no one behind, and to make sure that those cases that get  
6 resolved were within the same symmetry as everyone else so  
7 that everybody got the same respect, the same dignity, the  
8 same fairness and the same resolution.

9 So, yeah, there was a village. And that  
10 village, all the people that Ms. Gough explained all  
11 participated to make this work. And this court, by  
12 sticking to a schedule, and it's dogged efforts to make  
13 sure the cases got resolved in a manner that was fair and  
14 just, that was the key.

15 And I want to say one thing: All of the  
16 plaintiffs have had their battles with PG&E. PG&E had  
17 every right to present its case, to make sure it was being  
18 heard. They had every right to validate the claims. And

19 even though there were disputes and there were fights, I  
20 will tell you that I never came away thinking that the  
21 people who are on the other side here, Ms. Gough,  
22 Mr. Lyons and Ms. Dyer were anything other than  
23 professional. They were strong. They were strong for  
24 their client, PG&E, and they laid their case out, made the  
25 plaintiffs better lawyers for their clients. And,  
26 ultimately, this court made the tough decisions.

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1 But at the end of the day, after all was said  
2 and done, after all of the head banging, I will tell you  
3 that, in my opinion, having been involved in this case  
4 from the get-go, for the thousands of hours that I've been  
5 involved at every single stage of this litigation, from  
6 the time the Complaint was drafted up until a week ago, I  
7 can tell you that PG&E did step up. They did the right  
8 thing to make right in a way that was fair and just as  
9 judged by the benchmark cases. And they did as well as  
10 anybody could have hoped for had they went to trial and  
11 had to withstand the rigors of appeals and everything  
12 else.

13 Justice was done today by virtue of the  
14 San Bruno community. And I want to applaud everybody in  
15 this courtroom, as well as you, Your Honor, and all the  
16 other justices that were involved for getting us to this  
17 day so quickly.

18 So thank you, Your Honor.

19 THE COURT: Mr. Pitre, I really appreciate your

20 comments. You're very generous and kind with the comments  
21 you made. So we appreciate that very much.

22 Mr. DeGhetaldi, do you have anything you wish to  
23 supplement. Unfortunately my friend, Ms. Riddle, is not  
24 here today. And I wanted to tell everybody, liaison  
25 counsel, first and foremost, you took a laboring oar, and  
26 I was so pleased, both plaintiffs' liaison counsel, all of

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1 you, including Ms. Riddle, who I know is so technically  
2 oriented and so skilled at keeping everything on track,  
3 did a yeoman's job, an incredible job, to make sure that  
4 everybody stayed in this process, as I thank all of the  
5 defense attorneys here today.

6 So, Mr. DeGhetaldi?

7 MR. DEGHETALDI: Thank you, Your Honor.

8 You know, I went to my 45th high school reunion  
9 on Saturday, and I don't remember going to school with all  
10 of those old people. But the reason I say that is because  
11 I started out here in this court a long time ago, also.  
12 And I know the work that goes on behind those doors. And  
13 I appreciate -- I can appreciate the work that not only  
14 the Court, but the Court's staff, did in getting us to  
15 where we are today. And I want to just thank everyone  
16 personally for that.

17 The other thing that I want to say, I'm not  
18 going to be as eloquent as these two on each side of me,  
19 but the process, the Court asked about the process, and I  
20 don't think that the process was described the way that I

21 would. And what really happened was we set up a unique  
22 process, one that had never been attempted before that I  
23 know of, and it was sort of a -- I thought of it as a  
24 double blind mediation. Because neither side ever knew  
25 what the other side was doing or saying. Neither side  
26 knew where the other side was at any point.

18

1 To this day, PG&E does not know what amounts any  
2 particular plaintiff accepted. And, to my mind, the only  
3 way that this process could have worked was because of  
4 what Frank talked about, what led up to it and what  
5 resulted from everything leading up to January when we  
6 started this. What resulted, I think, was a real sense of  
7 trust on both sides, that we could trust each other and  
8 that we could get to this day. It wasn't -- it wasn't  
9 easy. We had to trust the judges. We had to trust each  
10 other because we never saw what PG&E gave to the justices.  
11 They never saw what we gave to them.

12 It was all very closed off and remains so to  
13 this day.

14 And so I want to thank the lawyers, especially  
15 on the other side, because you guys are great, and we  
16 couldn't have done it without you.

17 THE COURT: Thank you, Mr. DeGhetaldi. We  
18 appreciate your comments.

19 I wanted to thank certainly all of the special  
20 masters who were involved in the case, all eight of the  
21 special masters that the attorneys selected. The Court

22 didn't select the special masters. But my special  
23 gratitude to my dear friend, Justice Haning and  
24 Justice Panelli, who worked so hard in essentially  
25 finishing this protocol and essentially meeting and  
26 conferring with both sides to get this global process of

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1 resolution completed.

2 I can't tell you how many hundreds of hours, if  
3 not thousands of hours, that I know Justice Haning has  
4 given to this because he lives in San Mateo County and has  
5 a deep love and affection for our county and for the  
6 community of San Bruno. So his work is extraordinary.

7 And certainly when we had Judge Sabraw as our  
8 special master, he was terrific in terms of dealing with  
9 the discovery disputes as they arose. My dear friend,  
10 Maureen Dear, regrettably is in Paris right now, not  
11 regrettably for her but regrettably for me. So I can  
12 simply say I have developed a very close friendship.  
13 She's a brilliant research attorney, and I'm very  
14 fortunate to have worked with her on this case, this  
15 portion of the case. And if we go forward to Phases 2 and  
16 3, I hope to retain Maureen working with me.

17 So I really appreciate that. I can't thank  
18 everybody enough on this case.

19 Mr. Park is here.

20 Mr. Park, welcome. It's such a pleasure to see  
21 you back again.

22 MR. PARK: Thank you, Your Honor.

23 THE COURT: And I wanted to thank all of the  
24 counsel here. You've worked hard. And there was a degree  
25 of trust that has really been deeply established. I'm  
26 really fortunate because, throughout this case, I've seen

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1 some of the best attorneys that I will ever see in my  
2 lifetime. And in November, I'm 67, so I think I have  
3 probably three years left. I don't think I'll see your  
4 equal in the three years that I have remaining.

5 But the defense team, Mr. Park, I want you and  
6 the officers of the operating company, the board of  
7 directors, to know you could not have been better  
8 represented by the attorneys in this room.

9 And I don't want to omit my friend, Mr. Schirle.

10 Mr. Schirle, we wouldn't be here without your  
11 help, cooperation and effort in the resolution process.  
12 And so, personally, I want to tell you how much I  
13 appreciate your effort.

14 MR. SCHIRLE: Thank you very much, Your Honor.  
15 And I want to extend my personal thanks to you for the  
16 words that counsel so aptly said. It was you leading us  
17 with not only your energy, but your ideas on the journey  
18 that we have finished in large measure today. So I wanted  
19 to extend my thanks to you, Your Honor.

20 THE COURT: Thank you, Mr. Schirle. I appreciate  
21 that.

22 Mr. Park, if you decide to retire at any point  
23 in time, I will write a letter of recommendation for my

24 friend, Mr. Schirle, to assume your position.

25           And I did want to say on behalf of -- to the  
26 board of directors and to Mr. Johns, chief operating

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1 officer of the operating company, at the very beginning of  
2 this journey, PG&E accepted responsibility for what  
3 happened. That was a critical first step.

4           Also, the decision was made to essentially pay  
5 the City of San Bruno \$70 million without any legal  
6 obligation to do so. That was an incredible gesture to  
7 essentially heal the rift that had been caused by the  
8 events of September 9, 2010.

9           And I wanted everybody to know -- and if this  
10 goes to the Public Utilities Commission, so much the  
11 better -- we have had nothing but cooperation. We've  
12 accomplished something that's never happened before, which  
13 is a resolution of these very significant cases without  
14 the necessity of anything proceeding to trial. I'm  
15 amazed. I'm pleased. I have enjoyed this journey so  
16 much, and I wanted to thank you all. It was my pleasure  
17 and my honor to be involved in this case from the very  
18 beginning. So I really appreciate that very much. And  
19 it's been just a great pleasure working with all of you.

20           And now I think we just need to move on for our  
21 remaining cases.

22           I thought what we should do is just keep it on  
23 track, Gayle, like we always have, to get everybody back  
24 here again, and we can chart out how we proceed next.

25 Mr. Pitre, I would ask you and Mr. DeGhetaldi to  
26 be involved to this extent: I don't know with the new

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1 cases, particularly we have a new attorney, Ms. Mejia, if  
2 she's complied with our requirements in terms of our  
3 protocol to join the JCCP coordinated proceeding. I want  
4 to make sure that's done by all counsel and that we have  
5 that accomplished fairly quickly.

6 So, obviously, there will be a notice of  
7 adoption of the Master Complaint. We'll need to have a  
8 claims form that would be filed by the respective parties  
9 under penalty of perjury. And then we'll set up a  
10 conference and see how we're going.

11 I'm looking at maybe four to six weeks. Would  
12 that be satisfactory to everybody?

13 And, Mr. Pitre, I don't know after you've done  
14 this, if you feel that liaison counsel need to continue to  
15 serve?

16 MR. PITRE: Your Honor, the one thing that I do  
17 think we need to do, and we're going to have a discussion  
18 with PG&E, is come back in four to six weeks with a  
19 timetable on when we should get releases so that we get  
20 these cases dismissed. And we need to have a discussion  
21 with PG&E to figure out how long it's going to take to  
22 physically get the money into the people's hands, to get  
23 the releases that need to get released, to make sure that  
24 those people who have minor's compromises can set things up  
25 with the Court.

26 So I think it makes good sense for us to have a  
23

1 conversation with PG&E, which we planned, get some ideas  
2 and reach out to the Court on when we should set up a case  
3 status conference for all of the cases that resolved to  
4 make sure that everything that needs to get done gets done  
5 promptly.

6 THE COURT: We could do that. We could certainly  
7 defer -- and your suggestion that we not set a date at this  
8 point until you have a chance to meet and confer, we can do  
9 that.

10 MR. PITRE: Is six weeks enough, Gayle, to come  
11 back?

12 MS. GOUGH: I'm hoping to be done sooner. I have  
13 some other things on my calendar, so let's move very  
14 quickly, efficiently. I think we can do it -- the burden  
15 is mostly on plaintiffs' counsel, because plaintiffs'  
16 counsel will need to work with their clients.

17 So truly the burden is on you, Mr. Pitre.

18 MR. PITRE: Four weeks, Your Honor.

19 THE COURT: All right. Why don't you pick a  
20 respective date, and that will be the date that we'll  
21 calendar for further case management conference. But I do  
22 want notice to those attorneys who haven't appeared and,  
23 obviously, for the new cases that have been filed, to get  
24 them on so that we can get the process moving forward.

25 MS. GOUGH: Your Honor, if we could set a date  
26 now, perhaps we have Mr. Thompson on the phone I will be

1 working with Mr. Thompson. I will also reach out to

2 Ms. Mejia to make sure that she has the forms.

3 MR. THOMPSON: Good afternoon, Your Honor. This

4 is Mr. Thompson. I'm sorry. I couldn't hear Gayle speak

5 previously.

6 THE COURT: That's fine. Mr. Thompson, you bear

7 with us. I'll let Gayle repeat what she said.

8 MS. GOUGH: My suggestion was that we go ahead

9 and set a date now so everyone has notice of that date, as

10 we are all here today.

11 The burden will be on plaintiffs to assist us in

12 the prompt resolution, and on this court with the minor's

13 compromises.

14 And, Mr. Thompson, I was simply suggesting that

15 I would be reaching out to you and Ms. Mejia about any

16 forms and process we need to bring you into the

17 coordination proceeding on your new Complaint as we have

18 done on the old one and, of course, to continue our

19 settlement discussions.

20 THE COURT: Okay. Why don't we pick a date then

21 about 30 days out, if we can.

22 MR. PITRE: We can even do it sooner, Your Honor.

23 I'm getting -- I'm getting signals that people would like

24 to do it sooner rather than later, and I was wondering if

25 October 7, which is a Monday --

26 THE COURT: If we could do it in the afternoon,

1 we could do that.

2 MR. PITRE: Does that work for PG&E?

3 THE COURT: 2:00 p.m., October 7?

4 MR. PITRE: Yes.

5 MS. GOUGH: Yes.

6 THE COURT: All right. And, Mr. Pitre, you'll  
7 assist me, you and/or Ms. Riddle and Mr. DeGhetaldi will  
8 assist me, in making sure that Ms. Mejia and Mr. Thompson  
9 come forward at that time, and we could identify how we  
10 need to proceed with their cases.

11 MR. PITRE: Will do, Your Honor.

12 THE COURT: Well is there anything else in terms  
13 of this matter -- well, there was one thing. We have  
14 Mr. Borken here as well on behalf of Wollman case, the  
15 derivative action case. We have substantially completed  
16 this first process.

17 As you recall, the first thing this court did on  
18 May 26th, 2011, was to stay the derivative action because  
19 this court has always felt, and I believe everyone was  
20 really in agreement with the Court, that resolving the  
21 concerns and the cases concerning those people who were so  
22 directly effected by the events of September 9th, 2010,  
23 was of primary importance. So we are substantially there  
24 at this point in time. I would like to at least now say  
25 that we are in a position to move forward with our  
26 derivative action.

26

1 MR. LYONS: Your Honor, John Lyons. I don't

2 believe that counsel for the directors or counsel -- Latham  
3 is counsel for the company, but I don't believe they're  
4 here today. So perhaps we can give notice for the  
5 October 7th hearing, to pick that up.

6 THE COURT: John, that was my default position.

7 MR. LYONS: All right.

8 THE COURT: I'm with you.

9 MR. LYONS: You always are, Your Honor. I  
10 appreciate that.

11 THE COURT: All right. So we'll deal with that  
12 issue as well in terms of lifting the stay.

13 What I would like to do is at least have  
14 everyone send the message that if there are other  
15 derivative actions out there to be filed, they be filed  
16 forthwith, so we can get everybody here on October 7th.  
17 And we can talk to counsel on the derivative case and see  
18 how that matter should proceed.

19 Then, we have Mr. Simon and the subrogation  
20 actions next week, I recall.

21 Am I correct, Ms. Gough?

22 MS. GOUGH: September 23.

23 THE COURT: September 23. So, Craig --

24 MR. SIMON: Your Honor, this is Craig Simon, can  
25 I say one thing about your amazing job in connection with  
26 this JCCP?

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1 THE COURT: We have already started in a way that  
2 I would never discourage you from further comment.

3 MR. SIMON: Your Honor, I want to give some  
4 global perspective because, you know, PG&E might not have  
5 been through something like this. But insurance companies  
6 in general around the nation have seen large events around  
7 the nation, and as the national subrogation counsel for  
8 Farmers overseeing large events around the nation, I have  
9 seen how courts around the nation have dealt with various  
10 issues.

11 You did an amazing job, not on a local standard  
12 or a California standard, but on a national standard  
13 scale. And I can tell you that how you have positioned  
14 these cases and what you have done has been the subject of  
15 comments in court in other jurisdictions, including large  
16 events in Texas and other places. And I wanted to give  
17 the Court some recognition that this was amazing,  
18 balancing all of these interests and all of these people  
19 and all of these very tough issues.

20 So I add my thanks, and I just wanted to give  
21 you that national perspective.

22 THE COURT: Mr. Simon, thank you. Your words  
23 are -- I'm very embarrassed. Your words are very kind.  
24 I'm very gracious. Thank you.

25 MR. SIMON: And we are set for September 23rd.

26 THE COURT: So October 7th, then, will be our  
28

1 next case management conference on our coordinated  
2 proceeding, not on the subrogation cases, but on our  
3 coordinated proceeding. And we'll deal with the issue of

4 the Phase 3 that was stayed originally.

5 I certainly would like all actions filed, if  
6 there are other actions out there. Candidly, I just don't  
7 know. But the Wollman case, Mr. Borken is here on that  
8 case, and that has been stayed for three years, almost  
9 three years. So we would like to certainly indicate that  
10 we would be proceeding to move forward on that matter.

11 So, Mr. Borken, we expect you to return then, on  
12 October 7th, at 2:00 p.m. Okay?

13 MR. BORKON: Thank you, Your Honor. I will look  
14 forward to seeing you then, and I appreciate your handling  
15 of the case thus far.

16 THE COURT: Thank you.

17 Ladies and gentlemen, we'll be in adjournment at  
18 this point unless there's anything else anybody else wants  
19 to say. But I would like you all to remain for a minute  
20 because I want to personally thank you for all of your  
21 help. Once again, judges once in a lifetime get a case,  
22 not only of this magnitude, but of the quality of the  
23 attorneys that I've seen. Hopefully, I have become a  
24 better judge by osmosis, if through no other process, in  
25 working with you on this case.

26 So thank you all very much.

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1 We'll be in recess.

2 MS. DYER: Thank you, Your Honor.

3 (Proceedings Adjourned.)

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REPORTER'S CERTIFICATE

STATE OF CALIFORNIA )  
                                  ) ss.  
COUNTY OF SAN MATEO )

I, Megan Zalmai, Certified Shorthand

Reporter No. 10925, do hereby certify:

That on September 12, 2013, in the County of San Mateo, State of California, I took in stenotype a true and correct report of the oral proceedings had in the case of "The San Bruno Fires Cases", JCCP4648, and that the foregoing pages, 1-29, are a true and accurate transcription of my stenotype notes, taken as aforesaid, and is a whole transcription thereof.

DATED: San Mateo, California, September 17, 2013.

MEGAN ZALMAI, CSR NO. 10925