

PG&E Bankruptcy FAQ's

Frequently Asked Questions Regarding PG&E's Bankruptcy

Q: Is PG&E at risk of going out of business?

A: No.

Q: Is PG&E broke?

A: No. PG&E says that its book value is \$62 billion. PG&E estimates its “enterprise value” could be even higher. Of course, that amount is not cash in the bank to pay claims to wildfire victims.

Q: Will PG&E get bailed out by the legislature?

A: Right now, it’s unclear that PG&E needs any bailout from anyone to pay its debts in full.

Q: If PG&E has money, then why is PG&E filing for bankruptcy?

A: The answer is not entirely clear. One of PG&E’s largest shareholders claims that PG&E is solvent and able to pay wildfire victims in full without going through the bankruptcy process, and that the bankruptcy is an unnecessary waste of everyone’s time and money. Other analysts suggest that PG&E is trying to use the bankruptcy laws to reduce interest charges it must pay to certain of its lenders over the course of the next few years. Regardless, it’s safe to say that PG&E thinks reorganizing in bankruptcy will in the long run be best for PG&E shareholders.

Q: By filing bankruptcy, does PG&E admit that it owes fire victims?

A: PG&E does not admit liability for any of the fires. Victims must still prove their case against PG&E in a court of law.

Q: Do the lawsuits that victims have already filed against PG&E get stopped?

A: The cases are temporarily halted while PG&E gets breathing room. But PG&E’s bankruptcy filing will not deprive fire victims of their right to trial against PG&E. It will, however, present the trial attorneys with additional challenges.

Q: Can PG&E avoid paying victims by filing bankruptcy?

A: No. PG&E can, however, require victims’ attorneys to jump through many more legal hoops than they would otherwise have to.



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Q: Will victims receive less from their lawsuits than if there had been no bankruptcy?

A: The answer is unclear. We will know more once we see all of PG&E's financial information.

Q: Will it take victims longer to get paid because of the bankruptcy?

A: Most likely, due to the additional legal process victims' lawyers must navigate.

Q: How long will the bankruptcy last?

A: PG&E is planning on two years.

Q: Do I need to do anything right away to preserve my claim?

A: You need do nothing immediately. However, the bankruptcy judge may require that victims start their claims sooner than the statute of limitations would otherwise allow. If you want to make a claim against PG&E, you should contact a lawyer soon.

Q: Do I need an attorney to make a claim against PG&E?

A: Just as you could represent yourself if there was no bankruptcy, you can represent yourself in bankruptcy. But it is not a good idea.

Q: I was told that the law of "inverse condemnation" requires PG&E to pay certain portions of my attorneys' fees and costs. What about now that there is a bankruptcy?

A: It's still the case that PG&E must add the victim's attorneys' fees and costs to any inverse condemnation settlement.

Q: Where will the bankruptcy be?

A: San Francisco.

Q: Do I need separate lawyers for the bankruptcy and for the lawsuit?

A: No. NorCal Fire Lawyers can represent you for both the lawsuit and the bankruptcy proceeding, under the same retainer agreement and without any additional charge for the work in bankruptcy court.



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