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Amtrak Settles Derailment Litigation for \$265 Million

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Of the Legal Staff

Amtrak has agreed to pay \$265 million to settle claims stemming from the May 2015 train derailment that killed eight people and left hundreds injured in Philadelphia.

U.S. District Judge Legrome Davis of the Eastern District of Pennsylvania approved the \$265 settlement in the Amtrak multi-district litigation Thursday morning, which reflects the "present value" of the federally capped \$295 million damages limit Amtrak can be liable for.

Davis reasoned in his order Thursday that the settlement amount was the current equivalent of the cap "given the potential for years of protracted litigation before money can be distributed." The settlement was geared toward a quick disbursement of money and is structured so that people will be compensated by the summer.



KLINE



MONGELUZZI

Philadelphia litigators Thomas R. Kline and Robert Mongeluzzi represented most of the passengers and families who sued Amtrak. They were also at the helm of the litigation's plaintiff management committee.

"The settlement program is a fair, uniform, and efficient method to compensate those that lost loved ones as well as the more than 200 injured survivors, many seriously injured," Kline said in a statement Thursday.

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Amtrak

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He added that the settlement program is "the product of collaboration by members of the management committee appointed by Judge Davis, who supervised negotiations with Amtrak resulting in a program to compensate all the victims now, not later, for the fullest amount as could be expected under the law under the court-supervised process."

Amtrak's lawyer, Yuri Brunetti, declined to comment.

The \$265 million settlement encompasses all 125 claims filed for injuries and deaths associated with the crash. Each claim will be individually assessed under Pennsylvania law by two court-appointed masters who will determine damages.

In an interview Thursday with the lead attorneys for the passengers, Kline said each case will be treated "uniformly and equally," but that doesn't mean every passenger or family will be paid the same. Compensation for a claim for broken bones will not be as much as a payment for wrongful death.

In the end, if the total of all the payments exceeds the settlement agreement, the payments will be reduced. If payments come in below the settlement, they will be increased by an equal ratio.

By way of example, if the aggregate claims reach \$530 million, everyone gets 50 cents on the dollar. If only \$132 million in claims are granted, their damages are doubled.

Mongeluzzi, when asked about the lawyers' cut, did not give a specific percentage, but said each client entered into a fee

agreement with their respective attorney before filing suit.

Originally, Kline and Mongeluzzi sought punitive damages against Amtrak, but on Thursday, Mongeluzzi said those were not included in the settlement. "We believed there was no need to address the issue of punitives because we were getting the full value of the cap," he said.

The important thing, according to Mongeluzzi, is that the matter will be resolved quickly and that the passengers' and families' individual cases will not be held up in litigation for years.

Fred Eisenberg, who also represents Amtrak passengers, said the settlement was the culmination of a year of negotiating with Amtrak, which admitted liability for the derailment from the outset.

Lawyers for the passengers will have to declare whether their clients will opt

in to the settlement by Nov. 21. The cases of those who chose to opt out will be stayed until the settlement release is signed.

Amtrak Train 188 traveling from Washington, D.C., carried more than 200 people when it derailed in the Port Richmond section of Philadelphia on the night of May 12, 2015. At the time of the derailment, the train was traveling around a curve at roughly 100 mph—twice the speed limit for that section of rail.

The resulting lawsuits were filed by passengers from New York, Maryland, New Jersey and Washington, D.C., in addition to those from Pennsylvania.

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