



March 3, 2023

In this month's post, I want to focus on the subject of minors' claims and how the Fire Victim Trust works to help children recover from physical and emotional injuries caused by the California fires. We interviewed The Honorable Ellen Sickles James (Ret.), who is the Special Master for Minor Compromises, to tell us about this critical part of the Fire Victim Trust relief effort.



When were you appointed as Special Master and why?

In compliance with the Federal Rules of Civil Procedure, I was appointed Special Master by the Honorable Haywood S. Gilliam (United States District Court, Northern District of California), on December 2, 2020. My role is to protect the interests of minors and incapacitated adults in adjudicating their claims filed with the Fire Victim Trust.

What is a Minor's Compromise?

A Minor's Compromise is when an adult signs on behalf of a child so the child can receive money. The law doesn't allow the child to sign for him or herself until s/he becomes an adult at the age of 18.

What are your duties?

I've handled over 1,000 claims for minors in the Fire Victim Trust, and the stories of what these children went through are harrowing. Physical injuries, loss of family and friendships, and destruction of treasured possessions and homes. It's a lot to handle when you're a child and the impact can be long lasting, disrupting many aspects of their lives. My job is to make sure these children feel supported and are fairly compensated for their suffering. It is also my job to make sure any funds awarded to them are protected and available only for their use upon reaching adulthood using, for example, structured settlements and blocked bank accounts.

What is the process for filing a minors' claim?

The amount of the award and whether the minor has legal representation or not determines the process. After accepting a Determination Notice, the Claimant must complete and submit a Petition to Approve Compromise and a Proposed Order, both of which are available on the Portal. For Claimants represented by an attorney, the Special Master will require a hearing via Zoom for all awards over \$50,000; the Special Master can review awards under \$50,000 on the papers but may require a hearing at her discretion. For *pro se* Claimants (those not represented by lawyers), the Special Master will always require a hearing, even when the award is less than \$50,000.

Why can't minors claims be incorporated into their parents' claims?

It's all about protecting awards for the use of the minor. While most parents only want the best for their children, there's a risk that some may not always act in their children's best interests. In the early 1900s, child actor Jackie Coogan, who had made millions working in Hollywood, discovered upon reaching adulthood that his parents had spent his entire fortune and he was left with nothing. In 1939, a law was passed in California that money earned and accumulated under a valid contract remains the sole legal property of the minor child. Similarly, FVT awards to minors are treated as their property and are separate from any awards made to their parents. This is not to say parents are not involved in the claims process. They can act as the minor's legal representative and must appear in court with the minor, but there cannot be any co-mingling of minors' and parents' claims and awards.

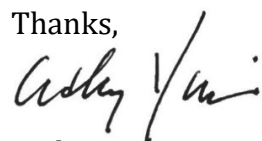
How are attorneys' fees approved in Minors Compromises?

When I became Special Master, one of my first tasks was to simplify the fee rate structure for minors' claims. I wanted to eliminate the range of fees being charged — some as high as 40% — and replace the highest fee rate at no more than 25%.

Trustee Update

As of February 28, 2023, the Trust had issued Determination Notices on 94% of submitted CQs and paid \$8.5 billion to Claimants. The percentage of accepted and finalized Determination Notice is above 81%. We continue working with law firms and *pro se* Claimants to increase notice acceptances.

Thanks,



Cathy Gianni