

AIG, Victims' Attorneys to Sift Nightclub Ashes Where 99 Died

West Warwick, Rhode Island, March 26 (Bloomberg) -- The Rhode Island nightclub site where 99 people died is becoming a legal battleground between victims and companies such as Anheuser-Busch Cos., the world's biggest brewer, and American International Group Inc., the largest insurer.

Today, investigators and attorneys for victims, defendants and their insurers get their first chance to photograph, measure and tag debris they hope to use in assigning or deflecting blame for the Feb. 20 fire, which injured more than 180.

Suits have been filed against the Station nightclub, AnheuserBusch, Clear Channel Communications Inc., the biggest U.S. radio company, and Luna Tech Inc., the maker of the fireworks that probably ignited the blaze. The list is certain to lengthen. Victims' lawyers estimate total claims could exceed \$1 billion, while the insurance policy carried by club owners Michael and Jeffrey Derderian covers a maximum \$1 million of liability.

"This is an atypical situation," said Anthony DeMarco, an attorney for the Derderians who was hired by Essex Insurance Co., a Markel Corp. unit that sells policies to high-risk clients such as homeless shelters, horse breeders, and kids camps. There are "so many potential defendants."

American International and other insurers are preparing for plaintiffs to expand their target list.

"The insurance companies are sure to be heavily involved as the trial lawyers will name every possible defendant in their suits," said Paul Smith, executive vice president of Willis Group Holdings Ltd., an insurance broker.

J. Renn Olenn, the Warwick defense attorney working for American International, appeared Friday before Rhode Island Superior Court Judge Alice Gibney, who granted civil attorneys and their experts their first access to the site. Olenn didn't identify the insurer's client in court and didn't return phone

calls seeking comment. Joe Norton, a spokesman for the insurer, wouldn't name his company's client.

The fire started when fireworks used by the 1980s heavy metal band Great White apparently set alight soundproofing material that lined the one-story club's walls and ceiling, filling it with smoke.

The first lawsuits also name band manager Manic Music Management Inc., American Foam Corp., a maker of soundproofing foam, the town of West Warwick, and West Warwick Fire Inspector Dennis Larocque as defendants.

Plaintiffs may also go after defendants including Foamex International Inc., which bought assets from a defunct company that may have sold foam to American Foam, and property owner Triton Realty Limited Partnership, said victims' attorneys Brian Cunha and Steven Minicucci, president of the Rhode Island Trial Lawyers Association.

According to a suit filed on behalf of Lisa Kelly, a 27-year-old concertgoer who perished, Anheuser-Busch and Clear Channel are liable because they sponsored and marketed the Great White concert. St. Louis-based Anheuser-Busch said McLaughlin & Moran Inc., its distributor in Rhode Island, is "an independent business that has the right to use our beer brand name in its advertising."

"Anheuser-Busch did not advertise, sponsor or promote the band that appeared at the Station that night and should not have been named in this lawsuit," the company said in a written statement from general counsel Stephen Lambright. Spokeswoman Kim Stettes declined to identify the company's insurers. McLaughlin & Moran, also named, "couldn't comment on pending litigation," said spokesman Chuck Borkoski.

Lisa Dollinger, a spokeswoman for San Antonio-based Clear Channel, owner of the Providence radio station WHJY-FM, said the company wasn't responsible for the fire. She declined to identify the company's insurers.

``Clear Channel was merely paid by the club owners to run advertising for the event," she said in a statement. The radio station did not sell tickets, fire off pyrotechnics or hire the band, the statement said.

Phone calls to Manic Music, based in Encino, California, and American Foam of Johnston, Rhode Island, weren't returned. Amanda McLean, chief executive of Luna Tech of Owens Cross Roads, Alabama, and Timothy Williamson, West Warwick's town solicitor, didn't return phone calls.

Dan McKiernan, an attorney hired by Triton, said victims don't have a case against Triton because the landlord didn't know about the flammable foam used at the Station.

Denise DesChenes, spokeswoman for Linwood, Pennsylvania-based Foamex, said the company has multiple insurers and wouldn't name them.

``There is no indication that Foamex manufactured any of the foam used in the nightclub," she said. ``The company does not believe that there is any reason to consider Foamex legally liable for that product."

American International's client isn't the only potential defendant remaining anonymous. The Providence law firm of Higgins, Cavanaugh & Cooney sought access to the fire site on behalf of ``the manufacturers and providers of certain products or services who are not yet, but may be, named as defendants."

James Ruggieri, a partner at Higgins, Cavanaugh, declined to say whether the firm was hired by or represented any insurers. Revealing the identity of his clients ``would provide information and create implicit assumptions concerning involvement and liability," his firm said in a court petition last week.

Some attorneys said suing sponsors or advertisers such as Anheuser-Busch is a stretch.

``I'm a plaintiff's attorney, but I also look at reality," said Cunha, who lists American Foam and Manic Music among

defendants in the lawsuit he filed for two victims. ``It's like suing McDonald's because you got fat."

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