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Families of Malaysia Airlines Flight 370 Victims Rush to File Claims

Families of the passengers on board the flight that went missing on its way to Beijing had two years from the March 2014 disappearance to file claims or sue the airline.

By GAURAV RAGHUVANSHI and JAKE MAXWELL WATTS in Singapore and CELINE FERNANDEZ in Kuala Lumpur

The families of the 227 passengers on board missing Malaysia Airlines Flight 370 rushed to file lawsuits in several countries against the airline Monday ahead of a two-year deadline under an international treaty.

The incident is a rarity in legal aviation history, because there is very little evidence to rely on other than satellite data indicating that the plane ended its flight thousands of miles off course in the southern Indian Ocean. The Boeing 777 disappeared in the early hours of March 8, 2014, during a flight between Kuala Lumpur and Beijing.

“The families are bound by law to file their claims now. They would much rather wait till they know what happened,” said Justin Green, a New York-based aviation attorney and former military pilot who is representing more than 20 victims’ families in various countries for his firm Kreindler & Kreindler LLP. “They don’t have the information others in such incidents normally get to know much faster.”

Flight 370 sent no distress signal and nothing was found of the plane by an international search that involved over 25 nations initially, but is currently being led by Australia with funding and infrastructure support from Malaysia and China. The main wreckage and location of the aircraft haven’t been found despite nearly two years of deep-ocean searches in the Indian Ocean. No black boxes, which could help investigators understand why the plane disappeared, nor bodies of any victims have been found.

The only confirmed debris has been part of a wing that washed up last year on Réunion Island, off the coast of Madagascar. Last week, an amateur sleuth discovered a piece of debris on a beach in Mozambique that will be subjected to analysis to see if it comes from the missing aircraft. Another piece of suspected debris was found on Réunion on Sunday.

“This is so far removed from what anyone has experienced that everyone has been left reeling,” said Joseph Wheeler, special counsel at Maurice Blackburn Lawyers in Australia, who is representing five Malaysian families and has filed cases against the airline in Malaysia. “We’ve never seen that before.”

Lawyers representing the families have advised their clients to bring claims against the carrier, which is liable to pay compensation in the event of loss of life under the Montreal Convention, the international treaty signed in 1999 that sets rules for compensating victims of air disasters. The treaty states that families are entitled to claim up to \$160,000 from the carrier, regardless of whether the airline has been found to be at fault or not. If families decide to claim more than that limit, as several countries allow, a lawsuit must be filed in court or a settlement may be struck between the families and the airline.

Malaysia Airlines said in a statement last month that it “remains committed to engaging” with the families to ensure they get fair and equitable compensation. It declined to comment Monday on how or whether it would defend itself in lawsuits, or to offer details on settlements it had reached, but said that families of 118 passengers had commenced legal proceedings. As of Feb. 24, the families of 42 victims had settled with the airline, according to the Malaysia Airlines, which hasn’t updated that figure.

Several families have sought separate compensation or information from Boeing Co., the aircraft manufacturer, as well as Malaysia’s Department of Civil Aviation and the Royal Malaysian Air Force for alleged negligence. Many of these cases aren’t subject to the two-year deadline. The case against the government entities in Malaysia contends that they failed in their duty to track the plane and put in place systems that could have prevented the disappearance.

Boeing declined to comment and directed queries to investigators based in Australia and Malaysia. The company says it “remains committed” to supporting the investigation. Malaysia’s Ministry of Transport said the attorney general’s office is handling all cases against the government related to Flight 370. Officials of the attorney general’s office and the Department of Civil Aviation didn’t respond to queries. A spokesman for the Air Force declined comment.

Some attorneys, such as Arunan Selvaraj, at Rusmah Arunan & Associates in Malaysia, have already settled claims for clients against Malaysia Airlines or said they were in last-minute negotiations with the carrier, without providing further details. Mr. Arunan, who represents 15 families from China and Malaysia, said that many of the families he represents refuse to accept that their loved ones are dead and thus left filing to the last moment.

Other family members say they were not happy with the terms offered by the airline. “The settlement offered by [the airline] required us to waive our rights to sue any other related party,” said Grace Nathan, whose mother, Anne Daisy Nathan, was flying to visit her husband in Beijing. “We were not ready to waive our rights given how little is known at this stage.”

Beijing-based Steven Wang, who lost his mother in the crash and said that he’d filed a suit against the airline with the help of Miami-based law firm Podhurst Orseck, said he’d declined offers of a settlement by the airline earlier this year, the details of which he declined to disclose. He said he hoped that a lawsuit might yield more evidence that would help offer a clearer idea of what happened to the plane.

“The amount of compensation is just one issue,” Mr. Wang said. “Right now we’re at an impasse -- we can’t find the plane, and all the previous estimates and searching hasn’t had much of a result. Through a lawsuit, maybe more clues will come out.”

—Te-Ping Chen, Laurie Burkitt and Yang Jie in Beijing contributed to this article.