

Seeger Weiss Wins Again for Plaintiffs in Chinese Drywall Verdict, as Federal Judge Awards New Orleans Family \$164,000 in Damages

Louisiana court issues second major win for homeowners in less than a month; 25,000 homes nationwide contain defective Chinese wallboard that can emit toxic sulfur fumes, corroding plumbing, wiring; verdict covers full repair of home built after Hurricane Katrina; faulty drywall called “poltergeist” by trial attorney

NEW ORLEANS/NEW YORK (April 28, 2010) – For the second time in less than a month, a federal judge in Louisiana has found a Chinese drywall manufacturer liable for extensive damages associated with its installation in American homes, setting a strong bellwether precedent for thousands of similar suits pending in federal courts.

U.S. District **Judge Eldon Fallon** of the Eastern District of Louisiana has ordered **Knauf Plasterboard Tianjin Co. Ltd.** to pay **Tatum and Charlene Hernandez** more than \$164,000 to cover the costs of removing the faulty drywall from their home in Mandeville, LA, along with replacing corroded electrical wiring, damaged plumbing and making other fixes necessitated by the company’s defective drywall product. Knauf, a German-owned multinational supplier of building materials, operates a factory in China’s sixth largest city of Tianjun, some 75 miles north of Beijing.

Earlier in April, Judge Fallon ordered another Chinese drywall manufacturer, **Taishan Gypsum Company, Ltd.** to pay more than \$2.6 million to seven Virginia families facing remediation costs in removing that company’s plasterboard from their homes. It was the first decision in a Chinese drywall case. The two verdicts, coming so quickly on top of one another, establish a major precedent as the two trials were considered bellwether cases selected for early trial by Judge Fallon, who is overseeing numerous other drywall actions in multi-district litigation.

As with the Virginia homeowners, the Hernandez family is represented by **Christopher Seeger** and **Jeffrey Grand** of leading New York plaintiffs’ law firm **Seeger Weiss LLP**, along with **Steven Hermans** from the New Orleans firm **Herman, Herman, Katz & Collar LLP**, and additional trial attorneys **Gerald Meunier** and **Daniel Bryson**.

“These initial decisions in Louisiana are hugely important for thousands of homeowners who have been living with the poltergeist effects caused by this defective material in their midst – the high concentrations of sulfur, strontium, and other toxins released by this inferior drywall has permeated their residences, destroyed their property and in many instances, made families sick,” said Mr. Seeger.

“With additional trials set to begin this June, Judge Fallon has sent an unequivocal signal to drywall manufacturers, suppliers, builders and others in the construction industry that they will be held responsible for total repairs caused by this horrendously inferior product,” he added.

Mr. Seeger noted that the compensation awarded to the Hernandez family is especially welcome since like many other Gulf area residents, they had used the Chinese drywall to build a new home following the devastation of Hurricane Katrina. As a result of leeching fumes from the wallboard, the Hernandezes watched while their air conditioners and other electrical appliances were degraded and failed, the wires turning black. From the moment they moved into the house, the family was subject to a strong chemical odor – like burning matches – while the Hernandez’s two young children succumbed to frequent respiratory ailments.

“For families like the Hernandez’s, the bogus drywall was no less damaging than if a second storm had blown through their homes – only the damage this time around was much more insidious,” Mr. Seeger said. He noted that more than 7,000 homeowners in the Gulf, Florida and other regions have become plaintiffs in drywall litigation, with more than 25,000 families nationally residing in homes constructed with the Chinese-made gypsum.

Mr. Seeger was appointed by Judge Fallon to the Plaintiffs’ Steering Committee and also chairs the Trial Committee, which directs the trial teams handling all Chinese drywall cases.

In his 47-page decision, Judge Fallon was blunt in his assessment of the damage caused by the Chinese drywall: “No reputable contractor would accept the risk of keeping copper and/or silver metal in the home after these materials existed in a corrosive environment and demonstrate significant corrosion, and neither would a reputable environmental consultant approve a remediation of the Hernandez home if the potential of continuation for such a corrosion risk remains.”

The judge further scoffed at defense claims that the families could have simply scrubbed away the tainted effects of the corrosive drywall. “It is not possible or feasible to clean the wires to render them sufficiently free of corrosion as suggested by Defendant,” he wrote. “Although scrubbing the wires...may removed visible signs of black corrosion film, copper sulfide corrosion remains. Moreover, it is not feasible to scrub the insulated wires to remove the corrosion under the insulation. There does not exist an approved standard or method to clean copper sulfide corrosion from electrical wiring in a home.”

After thoroughly reviewing possible remedies, Judge Fallon decided that the Hernandez family was entitled to a complete overhaul of their home, or what he described as “the Court’s remediation protocol.” The family initially estimated repair costs of \$58,000. After reviewing the full extent of damage and clean-up costs to bring the house back to move-in condition, Judge Fallon ordered a total repair of \$164, 049.64. The award included payment of nearly \$137,000 in restoring the Hernandez’s home and an additional \$5,000 for replacing personal property.

The case caption is: *Hernandez v. Knauf Gips KG, et al.*, case no. 09-6050

The victory for the Hernandez family is the fifth consecutive high-profile win for Seeger Weiss in 2010, following the firm’s \$2.6 million drywall trial verdict on April 8. In February the firm

obtained a \$25 million damages verdict on behalf of a Florida man who suffered permanent intestinal damage attributed to powerful acne medication Accutane, made by Hoffman-LaRoche. Then in March a jury in Missouri awarded a group of Seeger Weiss clients \$11 million in damages stemming from noxious odors emanating from a nearby factory hog farm owned by Smithfield Foods – both cases represented the largest financial verdicts to date in Accutane and hog farm odor cases.

Also in March, Seeger Weiss won a \$2.25 million wrongful death verdict on behalf of survivors of a fatal bus crash involving members of a girls hockey team from Windsor, Ontario. The trial win in upstate New York was against both a bus and trucking company at fault in the crash.