Settlement Reached In Chinese Drywall Case

Kevin McGill, Associated Press

NEW ORLEANS (AP) — A settlement outlined Wednesday between a major manufacturer of Chinese-made drywall and homebuilders who used the tainted product in Florida, Texas, Louisiana and Mississippi could affect anywhere from 800 to 1,500 homes, attorneys said.

Lawyers called it a significant step toward resolving problems with some 10,000 buildings blamed on the drywall.

Plaintiffs' lawyer Bruce Steckler said the settlement with the Knauf Group manufacturer involves reimbursements to builders for homes that have been fixed or are being repaired now, and others that are in line to be remediated. He expects U.S. District Judge Eldon Fallon to approve the settlement.

Fallon presides over other cases involving more than 10,000 properties owned by people who blame damage to their homes, including corroding plumbing and electrical connections, on defective Chinese-made drywall.

Steckler acknowledged that there is a long way to go in settling the many cases but said the settlement was significant.

"We see now a collaborative and cooperative effort by homebuilders, the plaintiffs and Knauf to fix and repair homes," he said.

"It's a piece of the puzzle," said Russ Herman, head of a committee of attorneys representing plaintiffs in the case. The attorneys noted that more than a thousand other homes are included in an earlier court-approved pilot remediation program involving Knauf.

Herman said German-based Knauf was the maker of tainted drywall at plants in China that wound up in thousands of homes. Chinese-based businesses also provided significant amounts of the material that wound up in U.S. homes.

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