

# Chinese drywall maker settles federal case

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Published: Friday, June 18, 2010 at 4:58 p.m.

The trial is off.

Monday morning, the next federal bellwether trial on **Chinese drywall** was set to begin in the New Orleans courtroom of U.S. District Court Judge Eldon E. Fallon.

But the Herald-Tribune has confirmed that a last-minute settlement has now been reached between Chinese drywall manufacturer Knauf Plasterboard Tianjin Co. Ltd. and plaintiffs' attorneys representing the two Louisiana cases set to go to trial next week.

The settlement, which has not been signed but could be finalized within a matter of hours, will involve a comprehensive remediation of the two Louisiana homes, similar to what Judge Fallon mandated in his prior rulings and what the U.S.

Consumer Product Safety Commission has recommended in its interim guidelines. It would involve ripping out all the drywall, along with entire electrical system and other components.

KPT attorney Kerry Miller told the Herald-Tribune that the Chinese manufacturer still believes the scope of remediation mandated by the judge and the federal government goes beyond what is needed, and Miller said the company plans to study the components removed from the two homes to try and prove that.

“This is going to be for testing purposes,” Miller said of the gutting of the homes, adding that KPT would remove all of the components, but then would “be able to see what impact if any there is” on parts of the house that did not contain Chinese wallboard.

Both sites — a single-family home and a duplex — were built with a mix of Chinese and domestic brands of drywall.

Consequently, the bellwether trial, which had been scheduled for two weeks in Fallon's courtroom, will be canceled.

“It'll be done by tonight or first thing in the morning,” Miller said of the settlement. “We've got a deal.”