

Drywall firms offer to settle

Homeowners in a Homestead neighborhood who had sued a drywall supplier and drywall manufacturer were offered money and repairs this week.

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Drywall manufacturer Knauf Plasterboard Tianjin agreed this week to pay to repair dozens of houses in Homestead that were part of a class-action suit over Chinese drywall -- and cover their attorneys' fees and other expenses.

And the homeowners won't have to pay back the manufacturer if less than 95 percent of the drywall in their homes turns out to be KPT board, a sticking point in the past.

In another victory this week for the same group of homeowners -- just days before their case was slated for trial -- Miami drywall supplier Banner Supply offered a settlement to the 79 homeowners whose houses became unlivable because of the defective Chinese product the company provided.

The lead plaintiffs in the class-action suit are Jason and Melissa Harrell, who bought a two-story house in a Homestead neighborhood built by South Kendall Construction in 2008. They sued in 2009 after they found imported drywall to be the source of the smell and appliance breakdowns in their home. Their case became the first class-action suit in the country over Chinese drywall.

"The Harrells, they fought from the beginning, not only for themselves," said their attorney, Victor Diaz. "I know that they feel very personally satisfied, and I know I do, that we got them across the finish line."

Other companies sued in the class-action case had already offered cash settlements for their roles in the drywall chain. South Kendall Construction and an affiliate, Palm Isles Holdings, agreed to pay \$4 million. Keys Gate Realty settle for \$2.6 million. Atco, the installer, paid \$375,000. While attorneys did not disclose the exact amount Banner agreed to pay, they said the total contributed by all parties is about \$9 million, putting Banner's portion at about \$2 million.

The deal with KPT is part of a larger offer by the company to remediate hundreds of homes in Florida, Alabama, Louisiana and Mississippi. In many of these homes, appliances including air conditioners have broken down repeatedly because of sulfur-compounds emitted from the drywall and the homes developed an intense odor.

In addition to repairs and attorneys costs, the company will pay each homeowner \$8.50 per square foot of their home for expenses.

The homeowners can choose to have their homes repaired by KPT, ending litigation against that company, or they can take a cash settlement from the other defendants and continue their case against KPT.

KPT attorney Gregory Wallace issued statement saying the company "looks forward to working with homeowners impacted by its drywall." Attorneys for Banner could not be reached for comment.

Diaz said 49 of the homeowners, including the Harrells, qualify for KPT's offer, although a few have already paid for repairs on their own. Lawsuits against other Chinese manufacturers -- which have not responded to U.S. court proceedings -- will continue.

About 3,700 complaints from 40 states, the District of Columbia, American Samoa, and Puerto Rico have been filed with the Consumer Product Safety Commission, most of them from Florida.