



New Orleans Judge finds Chinese Drywall Manufacturer in contempt of court

Taishan and the Taishan-affiliated companies found in contempt of court criminally and civilly

In a court hearing on July 17, 2014 in connection with the collection of the Judgment involving the Plaintiffs in the *Germano, et al, v. Taishan Gypsum Co., Ltd. f/k/a Shandong Taihe Dongxin Co., Ltd., et al*, Case No 2009-cv-6687 (E.D. La.), the Honorable Judge Eldon E. Fallon found Taishan Gypsum Co. Ltd. and its affiliated companies in contempt of court, both criminally and civilly, as a result of its refusal to appear in open Court after having received notice of the proceeding. The China-based drywall company, which is believed to be controlled by the Chinese government and has numerous subsidiary and affiliated entities, is one of several defendants in ongoing litigation over tainted drywall that was installed in thousands of homes across the country between 2004-2008.

In Judge Fallon's ruling, the Court noted that Taishan "not only failed to appear but refused to appear," and that "such disobedience of the Court's Order harms both the many other parties in this case and the decorum of the Court." Taishan failed to appear after it has previously appeared before Judge Fallon on several occasions to contest jurisdiction, as well as having appeared before the United States Fifth Circuit Court of Appeals, who ruled against Taishan. As a result of the affront to the Court's dignity, the Court in its broad discretion assessed sanctions "to protect the sanctity of its decrees and the legal process."

As a punishment, the Court issued contempt sanctions by ruling that Taishan pay \$15,000 in attorney's fees to Plaintiffs' counsel, \$40,000 in penalties and that Taishan and any of its affiliates or subsidiaries is enjoined from conducting any business in the U.S. until or unless it participates in this process. If Taishan violates the injunction, it must pay a further penalty of 25% of the profits earned by the company or its affiliates who violate the Order for the year of the violation. Additionally, the Contempt Order was forwarded to the U.S. Secretary of Commerce, the Chair of the U.S. Committee on Commerce, Science and Transportation, and the U.S. Attorney General.

Arnold Levin, Lead Counsel, from Levin Fishbein Sedran & Berman (Philadelphia, PA), stated, "The Plaintiffs' Steering Committee will pursue all avenues against Taishan and its subsidiaries and affiliates to collect the Judgments obtained by Plaintiffs." Leonard Davis, from Plaintiffs' Liaison Counsel's office, Herman Herman & Katz (New Orleans, LA), stated, "The failure of Taishan to comply with Court Orders is a direct affront to the integrity of the U.S. legal system." Plaintiffs' Lead Counsel and Plaintiffs' Liaison Counsel's offices vowed to pursue the Chinese entities.

More information regarding this lawsuit is available by calling Lead Counsel, Arnold Levin, Levin Fishbein Sedran & Berman, 510 Walnut Street, Suite 500, Philadelphia, PA 19106, (215) 592-1500, alevin@lfsblaw.com; or Leonard Davis, Herman Herman & Katz, 820 O'Keefe Avenue, New Orleans, LA 70115, (504) 581-4892, ldavis@hhklawfirm.com. A copy of the order is included with this release.

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MDL 2047 - Chinese-Manufactured Drywall Products Liability Litigation

This multidistrict litigation consists of over 50 cases currently pending before this Court. A number of cases have also been filed in several state courts. In both the federal and state cases the plaintiffs have filed suit alleging certain actual and potential damage or risks associated with Chinese-manufactured drywall. The defendants, either manufactured, distributed or installed the drywall. The Judicial Panel on Multidistrict Litigation assigned this multidistrict proceeding to Judge Eldon E. Fallon of the United States District Court for the Eastern District of Louisiana to coordinate discovery and other pretrial matters in the pending cases. Subsequent cases filed in any federal court will ordinarily be transferred to this district court to become part of MDL No. 2047 as "Tag Along" cases. Upon the conclusion of discovery and other pretrial matters, the cases that constitute MDL 2047, unless otherwise resolved, will be transferred back to the federal district courts from which they originated for trial.