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\$227 million settlement reached in deadly Center City collapse case

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The 17-week-long civil trial of lawsuits filed in the deadly 2013 Center City building collapse came to an abrupt close Wednesday with the announcement of a \$227 million settlement with the Salvation Army and New York real estate speculator Richard Basciano.

The civil trial was the longest in Philadelphia court history, Common Pleas Court Judge M. Teresa Sarmina told the jury in announcing the settlement.

Plaintiffs' attorney Robert J. Mongeluzzi called the settlement the largest personal injury settlement in Pennsylvania state court history.

The money will be divided among the families of the seven people who died and 12 who were injured as a result of the June 5, 2013, collapse of a Basciano building being demolished, which crushed the ad-

jacent Salvation Army thrift store at 22nd and Market Streets.

How the money will be apportioned among the 19 plaintiffs will be up to an arbitrator, whom Mongeluzzi said would evaluate the individual claims.

As with most civil trials involving death and personal injury, awards are based on such factors as lost earning potential, medical bills, and impact on victims' families.

The plaintiff almost certain to receive the largest portion of the settlement is Mariya Plekan, a Ukrainian immigrant and regular customer of the thrift store.

Plekan, then 52, was buried under the store's rubble for 13 hours. Her injuries were so severe she underwent a "guillotine amputation," the surgical removal of the lower half of her body at the hips.

Plekan's attorney, Andrew J. Stern, told the jury at the start of the trial's damages phase that Plekan has undergone 30 surgeries, survived kidney failure and

lung problems, and lost her ability to speak because of throat damage from months on a respirator.

Stern said Plekan will require round-the-clock nursing care for the rest of her life and estimated her future medical expenses at \$50 million.

At a post-settlement news conference at the Thomas R. Kline School of Law at Drexel University, Stern introduced reporters to Plekan and Battalion Chief John O'Neill, the Philadelphia firefighter who heard her fading call for help late on the night of the collapse.

"Before this happened, she was completely healthy," Stern said of Plekan, a widowed mother of two.

"To be happy is very difficult for her. She lost half her body," said Dariya Tareb, a close friend of Plekan's who sat next to her and spoke on her behalf.

One source knowledgeable about the settleme

nt, who asked not to be identified, said \$200 million of the settlement will come from the Salvation Army and \$27 million from the 91-year-old Basciano.

No money is being paid by defendants Plato A. Marinakos Jr., a Center City architect hired by Basciano to monitor the demolition of the vacant four-story Hoagie City building; North Philadelphia demolition contractor Griffin Campbell; and Campbell's excavator operator, Sean Benschop.

Marinakos, 50, whose federal court records show emerged from bankruptcy in 2012, the year before the collapse, is believed to have exhausted his liability insurance coverage.

Campbell, 52, and Benschop, 45, were the only two criminally convicted in the disaster. Both are serving long prison terms and are indigent.

The source said that the settlement was reached Tuesday and that the deciding factor was the fact that the Salvation Army's liability insurance was capped at \$100 million. That means the balance of its settlement would have to come from the religious charity's coffers.

According to the Salvation Army's 2015 annual report on its website, the national organization has \$14.8 billion in assets and took in \$2.9 billion in revenue.

At a post-settlement news conference with other plaintiffs' lawyers at his Center City law office, Mongeluzzi said he could not com-

ment on how the defendants contributed toward the settlement.

Mongeluzzi and plaintiffs' attorney Steven G. Wigrizzer said they believe the settlement had sent a message to the business community -- that if you cut corners and endanger the public, "you will be held accountable."

"From the beginning," added plaintiffs' lawyer Jeffrey P. Goodman, "these victims wanted answers and wanted accountability."

John J. Snyder, the Salvation Army's lead lawyer in the trial, declined to comment as he left City Hall.

"Not now, not today," Snyder said.

Phil Pagliaro, divisional director of communications for the Salvation Army of Eastern Pennsylvania and Delaware, issued a statement saying, "Our deepest sympathy remains with the victims and their families through this extremely difficult time. We pray for the healing of our community."

Although the Salvation Army's thrift store building was destroyed and two of its workers were killed, it was sued for ignoring warnings of an imminent collapse of the Hoagie City building from Basciano's top aide, Thomas Simmonds, and not telling workers and customers about the potential danger.

Salvation Army officers testified that they did not believe Simmonds' warnings because of his penchant for exaggeration. But the jury, in its liability verdict on Jan. 31, found

that the charity bore 75 percent of the responsibility for the harm caused to the shoppers killed and injured in the collapse.

The jury found that Basciano and his STB Investments Corp. were responsible for a total 18 percent of the harm to shoppers killed and injured in the collapse and 68 percent of the harm to thrift store workers killed and injured.

Trial testimony showed that Basciano and his top aide did not do due diligence research before hiring Marinakos, who had no major experience monitoring a large commercial demolition. The testimony also showed Basciano accepted without investigation, Marinakos' recommendation to hire Campbell, an inexperienced and unlicensed contractor, to handle the demolition project.

Attorney Thomas A. Sprague, who represented Basciano and STB with his legendary 91-year-old father, Richard A. Sprague, and other lawyers from the Sprague firm, said that "from the beginning of his trial, we indicated that this was a terrible event, a tragedy. I'm very happy for everyone."

Basciano, who broke down on the witness stand when he testified, saying he was "brokenhearted" by the loss of life and injuries in the collapse, was not in court for the settlement announcement. Neither was Marinakos. Among the defendants, only the Salvation Army had uniformed officers in court daily for the trial's duration.

The settlement's announcement came after three days of emotional, agonized testimony from several survivors and families of one of the dead. The jury was on the way to imposing damages compensating the victims for their injuries and losses.

Still to come, had the trial continued, would have been deliberations on punitive damages against Basciano and the Salvation Army.

When the parties and lawyers arrived in the courtroom about 12:30 p.m. Wednesday, it appeared obvious that a settlement was likely.

Former City Treasurer Nancy Winkler and husband Jay Bryan, whose 24-year-old daughter, Anne Bryan, was killed in the collapse, entered the courtroom. Winkler wore sunglasses.

Plekan, in her electronic wheelchair, reached toward Winkler and the two hugged each other, both wiping away tears.

Winkler and her husband have been instrumental in raising money for a memorial to the collapse victims, now under construction at 22nd and Market on land donated to the city by the Salvation Army. Neither commented after the settlement or attended their lawyer's news conference.

Shortly after 1 p.m., Sarmina entered the courtroom, and the jurors – selected before the trial started on Sept. 19, 2016, and whose names were not released – were led into box in the cavernous courtroom.

Sarmina thanked the jurors and praised their dedication. Since the trial started, just one of the original alternate jurors had left.

“The fact is that your findings in your liability verdict were pivotal in these claims being able to settle,” the judge said.

Sarmina also reminded the jurors of the loss of those who died and were injured in the collapse.

“I hope you accept what life has to offer you and to savor it,” Sarmina added.

Staff writer William Bender contributed to this article.