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Sal Army Suit Settles for \$227M, A Record Sum, Attorneys Say

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Of the Legal staff

Parties in the Salvation Army building collapse civil case have settled the matter for \$227 million, an amount plaintiffs attorneys say is the largest personal injury settlement out of a Pennsylvania state court.

The accord ended a ve-month trial in the Philadelphia Court of Common Pleas.

The accord comes about a week after the jury found the Salvation Army to bear the lion's share of the responsibility for the 2013 collapse that left seven dead and 12 injured.

According to attorneys representing the 19 plaintiffs in the case, the specific amounts of how much each defendant will contribute to the settlement is confidential. An arbitrator who helped secure the settlement will also apportion how much money each of the plaintiffs will be receiving from the global settlement.

Robert Mongeluzzi of Saltz Mongeluzzi Barrett & Bendesky, a lead plaintiffs attorney in the case, said the settlement was an "astonishing result."

"We believe this is the largest personal injury settlement in

Pennsylvania state history, but it cannot erase the tragedy and the horror of what happened," Mongeluzzi said at a press conference ranked by eight other plaintiffs attorneys who tried the case since it began in September.

According to a review of PaLaw Magazine's list of the top 50 verdicts and settlements, although there have been settlements in federal court for much larger amounts in whistleblower and antitrust cases, the largest reported personal injury settlement out of state court over the past 10 years was a nearly \$60 million accord to settle civil claims related to the sex abuse committed by convicted serial child molester Jerry Sandusky.

The liability verdict on Jan. 31 determined the Salvation Army was 75 percent liable for the incident in which a building that was being demolished collapsed onto a Salvation Army facility while shoppers and employees were in the building.

The jury further assessed 13 percent liability against STB Investments Corp., the company that owned the building that was being demolished, and 5 percent each against Richard Basicano, the principal owner of that company, and

Plato Marinakos, the architect overseeing the demolition project. The jury also found the demolition contractor, Grifn Campbell, and the excavator, Sean Benschop, each 1 percent liable.

According to several attorneys in the case, the liability award was a major factor in bringing about the accord, and testimony from Salvation Army officials, who allegedly failed to communicate clear warning signs that the demolition was being done dangerously, was a turning point in the case.

"When Charles Deitrick [a major in the Salvation Army upper command] took the stand, he said he prayed for the victims every night," Mongeluzzi said. "But, I asked him what were their names, and he couldn't remember."

Cohen, Placitella & Roth attorney Harry Roth, a lead attorney in the case, also said the jury clearly was not swayed by the tearful outbursts of 91-year-old Basicano, who told jurors that he had been "going through hell."

"The jury didn't accept Basicano's tears," Roth said. "Especially as they saw the families of the people who were killed and the people like Mariya Plekan who were severely injured."

Along with the size of the settlement, the case is also notable for

its length. According to Mongeluzzi it was the longest civil trial in Philadelphia history. He also said it included more than 100 days of depositions, more than 125 motions in limine and 43 motions for mistrial.

Speaking at the press conference, the attorneys all lauded Philadelphia Judge Teresa Sarmina, who, they said, worked nights and weekends as she presided over the contentious trial.

Steven Wigrizer of Wapner, Newman, Wigrizer, Brecher & Miller, who also represented several plaintiffs in the case, said it had been a “distinct privilege” to be a part of

the case, and that, regardless of the settlement amount, the liability verdict sent a clear message to the statewide business community that safety should be their first priority.

“If you forget it, and harm occurs, there will be accountability,” Wigrizer said.

Kline & Specter attorney Andy Stern, who did not take part in the press conference with Mongeluzzi, Wigrizer, Roth and others, but was also a lead attorney in the case, said his strategy of focusing exclusively on the Salvation Army—a nationally recognized charity—was risky, but it ultimately paid off.

“If the jurors don’t like that, you are the lawyer who gets attached to that theory of liability, and any time you’re in court, it’s not just the witnesses’ credibility that’s assessed, your credibility is critical,” Stern said. “But contrary to their motto of doing the most good, they did the most harm.”

Thomas Sprague of Sprague & Sprague, who represented Basciano and STB, said

that, from the outset of trial, his client acknowledged that the collapse was “a terrible tragedy.”

“I’m very happy for everyone that the litigation has now been resolved,” Sprague said.

Both Neil Clain Jr. of Powell, Trachtman, Logan, Carrle & Lombardo, who represented Marinakos, and Bryan P. Werley of Zarwin Baum DeVito Kaplan Schaer Toddy, who represented Campbell, did not return calls for comment.

The Salvation Army’s press office did not return a call for comment. The Salvation Army was represented by Jack Snyder of Rawle & Henderson, who also did not return a call for comment.