

**For Immediate Release**

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## **COURT URGED TO CONSOLIDATE ASBESTOS CASES**

*(In re: Federal-Mogul Global, Inc.)*

The Washington Legal Foundation (WLF) filed a brief in the United States Court of Appeals for the Third Circuit, urging the court to reverse a lower court decision that refused to consolidate all related asbestos cases pending throughout the country in the bankruptcy court where manufacturers of asbestos have been forced to file for protection under chapter 11 of the Bankruptcy Code.

In the case of *In re: Federal-Mogul Global, Inc.*, plaintiffs' attorneys have filed thousands of asbestos lawsuits not only against the manufacturers of asbestos, but also against those companies that used asbestos in their products, or that sold items to consumers containing asbestos. In this case, automobile manufacturers, DaimlerChrysler Corporation, Ford Motor Company, and General Motors, argued that under tort law, these companies are entitled to assert contribution or indemnification claims against the manufacturers. Under the bankruptcy laws, cases that are "related to" the bankruptcy proceedings should be consolidated for a coordinated resolution of all claims.

In its supporting brief, WLF argued that the benefits of consolidation were overwhelming. Consolidation of the asbestos lawsuits would alleviate the federal and state judicial system from the weight of the multiple asbestos cases crowding their dockets. Consolidation also preserves the resources of defendant manufacturers by reducing the costs of litigating the same issues over and over again in thousands of cases throughout the United States. Indeed, it was those very costs that drove the asbestos companies to seek protection under chapter 11 of the Bankruptcy Code in the first place.

In the end, for those plaintiffs who are the true victims of asbestos-related injuries, consolidation, and the consequent reduction of litigation costs to defendants will lead to greater recovery on their claims. WLF also argued that by bringing to one forum all related claims of both the claimants and codefendants, all matters relating to the bankruptcy can be resolved in a single plan of reorganization.

WLF's brief was drafted with the *pro bono* assistance of Bruce R. Zirinsky, John H. Bae, and Edward A. Smith of Cadwalader, Wickersham & Taft of New York.

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