

Judge OKs \$24M Chrysler wrongful death settlement

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NEW YORK — The bankruptcy court judge overseeing certain Chrysler assets has approved a \$24 million settlement in the death of a California longshoreman run over by a Dodge pickup.

The settlement comes more than two years after a Los Angeles Superior Court jury awarded damages of more than \$55 million to the family of Richard Mraz. The family argued the automaker had failed to fix and adequately warn consumers about a transmission defect that made it appear trucks were in park position, when they actually were between gears.

An appeal of the jury verdict by the former DaimlerChrysler was delayed by Chrysler's Chapter 11 bankruptcy filing in April, leading to negotiations that resulted in a settlement, attorneys for the Mraz family said Thursday.

U.S. Judge Arthur Gonzalez in Manhattan approved the settlement, said attorneys from the firm Lief Cabraser Heimann & Bernstein.

Mraz, 38, suffered fatal head injuries when he was run over by a 1992 Dodge Dakota at the Port of Los Angeles on April 13, 2004. Both sides in the lawsuit said he had left the truck running without setting the parking brake, but they differed on who was to blame for the accident.

Attorneys for the Mraz family argued that the truck slipped into reverse after Mraz got out. Those attorneys said DaimlerChrysler had received more than 1,000 "park-to-reverse" complaints involving 1988 through 2003 model Dakotas. The company issued a recall in 2000 but it was for repairs that failed to fix the problem, the family's attorneys argued.

DaimlerChrysler denied there was a defect and argued that Mraz failed to follow proper safety procedures.

Jurors found in March 2007 that DaimlerChrysler was negligent in the truck's design, and for failing to warn consumers or adequately recall the vehicle.

Charles Naylor, an attorney for the family, said his demand that Chrysler post bond while the case was under appeal proved crucial when the bankruptcy case threw the status of the jury's damages award into doubt. The bankruptcy case halted the appeal, but the stay order was lifted over the summer.

Naylor said that led to negotiations with the appeal bond issuer, Safeco Insurance Co., that focused in part on how compensation to the family would affect Chrysler's creditors based on how the appeal bond was structured.

Safeco posted an \$81 million bond to guarantee payment of the judgment and interest after the judgment, Naylor said.

"Ultimately, the \$24 million settlement offered a substantial return to Chrysler's creditors while providing fair compensation to the Mraz family, our ultimate goal," said Naylor.

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