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Ground Zero Deal Gives Plaintiffs \$712.5 Million

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Lawyers for the city and about 10,000 rescue and cleanup workers who say their health was damaged at ground zero announced Thursday that they had negotiated a new, \$712 million settlement to replace one that a [federal judge rejected](#) three months ago.

The new pact drew a vigorous endorsement from the judge, [Alvin K. Hellerstein](#) of United States District Court in Manhattan, who had said the previous one, amounting to \$657 million, was too small.

Heeding another complaint from the judge, lawyers for the workers agreed to reduce their fees to one-quarter of the total payout rather than the one-third called for in the lawyers' original agreement with their clients.

Judge Hellerstein, who has emerged as a passionate advocate for firefighters, police officers and other workers and volunteers who have suffered ailments they attribute to the toxic debris of the World Trade Center, had stunned and angered lawyers for both sides when he unilaterally rejected the first deal on March 19.

Addressing a crowd that hastily assembled in his courtroom Thursday morning, the judge said he was saddened that the new accord would do nothing to restore faded health or lost life but said it represented the best legal outcome possible. "It's not perfect, but it's very, very good," he said.

Though lawyers for both sides once again criticized Judge Hellerstein's activist role in the settlement process, they praised the new accord. [Michael A. Cardozo](#), the city's top lawyer, called it "very fair and reasonable" and Paul J. Napoli, a lawyer for the plaintiffs, summed it up "in three words: bigger and better."

The settlement must be approved by 95 percent of the plaintiffs in the case by Sept. 30 to take effect. If that target is reached, workers could begin receiving compensation within weeks, lawyers for both sides said.

If all of the plaintiffs accept the pact, the total payout by the city's insurer, the WTC Captive Insurance Company, could reach \$712 million, with a minimum payout of \$625 million.

The payments would range from \$3,250 for plaintiffs who have no qualifying injury but fear they may become sick to as much as \$2 million for survivors who can demonstrate a link between a worker's death and their presence at ground zero.

The agreement calls for a medical panel to advise on the validity of the claims and a claims administrator to decide the settlement amounts.

Most of the money would go to the minority of people with debilitating or terminal ailments — including [asthma](#) and respiratory illnesses — that have a provable connection to the dust and fumes of 9/11.

The agreement calls for a medical panel to advise on the legitimacy of the claims and a claims administrator to decide the settlement amounts. [Kenneth R. Feinberg](#), the former special master of the [federal compensation fund](#) that paid awards to families of 9/11 victims, was appointed Thursday to handle appeals from plaintiffs disputing their awards.

"I think it's a great thing," said Joe Greco, 41, who retired from the Police Department several years ago because of mounting respiratory problems that left him dependent on a dozen medicines and breathing machines. "I take my hat off to Judge Hellerstein for making the lawyers go back to the bargaining table and get a better deal."

Mr. Greco said he supported the last deal because he worried about dying before he received compensation, which would put financial pressure on his wife and children. "For guys like us, who are sick, really sick, this is a really great thing for us," he said. "We can't afford to keep this going for another year or two. "For me, it's peace of mind, it's a weight off my shoulder," he said.

The legal struggle began in the years after the trade center's destruction, as thousands of workers filed individual lawsuits against the city and its contractors over respiratory illnesses and other injuries that they said they incurred at the World Trade Center site, arguing that they were not given protective equipment or adequate supervision.

[A study of nearly 13,000 rescue workers](#) published in April found that exposure to the thick clouds of dust near ground zero, which contained pulverized glass and cement, insulation fibers, asbestos and toxic chemicals, contributed to a significant decline in lung function.

The decline was often accompanied by symptoms like coughing, [wheezing](#) or a [sore throat](#), and nearly 1,000 workers had more serious diagnoses, like asthma or [chronic bronchitis](#),

which qualified for “permanent respiratory disability,” said the study, published in The New England Journal of Medicine.

The first of the workers’ lawsuits was scheduled to go to trial last month, but was postponed by the quickening negotiations.

On March 12, lawyers for the city and the plaintiffs reported they had reached a settlement.

But Judge Hellerstein rejected it a week later. Describing the workers as “heroes,” he said they were getting too little money, that they poorly understood the terms, and that the lawyers were granted too big a cut.

The city appealed Judge Hellerstein’s authority to block the settlement, while continuing to work to reach a deal he would accept. That appeal will be dropped if the settlement is approved.

At the hearing on Thursday, the judge acknowledged that his intervention in the settlement was unusual, but said the gravity of the claims demanded it.

“It just begs for judicial supervision, and I have exercised it, and I will continue to exercise it,” he said. “The niceties of federal practice have to go second to the compelling needs of people to get a recovery that is almost, almost, almost within their grasp.”

He scheduled another hearing for June 23 for a discussion of the settlement terms at which plaintiffs can pose questions or raise concerns. But he urged the workers to accept the deal, which between the increase and the reduced fees, gives them \$125 million more. The judge also urged the other defendants to settle, saying, “It is time to end this lawsuit.”

Reggie Hilaire, a police officer who spent months searching the debris for human remains and later developed **cancer**, said he had been displeased by the lack of transparency in the first settlement. He said he would consult his wife and a union lawyer in making a decision on the new one but called the judge’s endorsement significant.

“If he said it’s good, that’s a step in the right direction,” he said. “But I really have to look at the fine print.”

