

Expert Witness Matter  
October 15, 2009

Class Action, v. Royal Bank of Pennsylvania re:  
Continental Business Center

Case Synopsis: On May 15, 2001 the Continental Business Center (CBC) in Bridgeport, Pennsylvania burned to the ground. Thereafter, High Swartz LLP, in tandem with the Philadelphia law firm of Kline & Specter, filed a lawsuit against the CBC's owner, Bushar Corporation, on behalf of all persons damaged by the catastrophic fire. Judge O'Neill certified the Class Action. State and local officials have estimated that the fire caused in excess of \$100 million in damages.

Class Action Plaintiffs alleged that Royal Bank of Pennsylvania had liability for the fire, because it used an engineer for disbursement of its construction loan. Plaintiffs alleged that the Bank's engineer should have discovered faulty electrical work. The bank was represented by Post and Schell.

Expert Analysis: Lee Tabas testified for the bank that the engineer did not supervise construction, but only vouched for the percentage of completion so that the bank could disburse its loan. He explained the construction loan disbursement procedures. With the small amount of time spent and modest billing from the bank's engineer, and with the engineer's reports distributed only to the bank, it did not make sense that the building owner relied on the engineer's reports.

Result: While some aspects of the case may be ongoing, the bank and its carrier settled with the Plaintiffs before trial.