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HISTORIC \$205 MILLION SETTLEMENT FINALIZED IN MOUNTAIRE GROUNDWATER CONTAMINATION CASE

Settlement will compensate Millsboro, Delaware residents impacted by pollution from poultry processing facility, force company to remediate environment and upgrade facilities

MILLSBORO, DE (April 12, 2021) – A landmark \$205 million settlement finalized today in a Delaware court will force chicken processing giant Mountaire Farms to upgrade its wastewater treatment facility, remediate groundwater contamination, and compensate impacted residents whose drinking water was affected by its disposal practices. The settlement is believed to be the largest nitrate groundwater contamination settlement in history.

The lawsuit was filed in June of 2018 on behalf of Millsboro, Delaware residents by law firms **Baird Mandalas Brockstedt, LLC, of Delaware**, and **Schochor, Federico and Staton, P.A., of Maryland**. The lawsuit alleged groundwater contamination and air pollution as a result of Mountaire’s wastewater disposal practices. This included the spraying of inadequately treated wastewater and field application of sludge containing excessively high levels of nitrogen well beyond the legal limits. Residents of the Millsboro area suffered serious health issues from nitrate exposure including cancer, miscarriages, and stomach ailments, as well as significant losses in property values. The settlement will create a \$65 million fund for those residents whose groundwater and air were contaminated by Mountaire. The settlement was approved by Delaware Superior Court Judge Craig A. Karsnitz on April 12, 2021.

In a related action in Delaware federal district court, the efforts of Baird Mandalas Brockstedt, LLC and Schochor, Federico and Staton, P.A. resulted in Mountaire agreeing to spend an additional \$140 million for long-overdue upgrades and maintenance at Mountaire’s facilities which will make the plant environmentally compliant. In that case, Mountaire and the Delaware Department of Natural Resources and Environmental Control (DNREC) attempted to quietly enter into an agreement that would have failed to fully address the pollution and contamination that has disrupted Millsboro. The two law firms successfully intervened and were ultimately able to secure a dramatically improved and comprehensive agreement that fully addressed the past and present pollution.

“We are grateful that we were able to reach a resolution for the people of Millsboro who for almost 20 years have been exposed to poultry processing waste by Mountaire,” said Chase Brockstedt, co-counsel for the plaintiffs in this case. “While this litigation was hard fought, Mountaire took responsibility for its actions and did the right thing for Millsboro by agreeing to upgrade its facilities and compensate affected residents. It is my hope that Millsboro residents can begin to heal and move forward with their lives.”

“This lawsuit and settlement send a strong signal to polluters everywhere that communities will not stand by and watch their way of life destroyed by environmental contamination,” said Philip C. Federico, co-counsel for the plaintiffs in this case. “This case is about truth, transparency, and accountability. The safeguards we have secured through this settlement will ensure that Mountaire’s facilities are upgraded, improved, and maintained to operate at a high environmental standard for years to come.”

Millsboro couple Gary and Anna-Marie Cuppels initiated the lawsuit in 2018. They unexpectedly received cases of bottled water from Mountaire with no explanation and realized their water was not safe. Baird Mandalas Brockstedt, LLC, and Schochor, Federico and Staton, P.A., undertook an extensive investigation of Mountaire’s waste management practices at its Millsboro facilities, hiring over two dozen consultants and experts to help take on the company, including a hydrogeologist, wastewater management expert, economist, and environmental engineer.

Poultry processing plants are required by state and federal laws to adequately treat all wastewater generated prior to any discharge from the plant. Inadequately treated or bypassed poultry plant wastewater contains excessive and unsafe amounts of nitrates, fecal coliform and other contaminants. The health implications of nitrates in drinking water can include birth defects, blood disorders, cancer, diabetes, thyroid disease, hypertension, immunological disease, and genetic toxicity. Mountaire’s wastewater treatment practices had contaminated the area groundwater, contaminating drinking water, causing serious health problems, and diminishing property values.

“In researching the case, we were stunned by the level of contamination going back for decades,” said Brockstedt. “Beginning in May 2000, Mountaire disposed of billions of gallons of highly contaminated wastewater and liquified sludge on land near their neighbors’ homes – often as much as millions of gallons of wastes every day. Mountaire was supposed to treat its wastewater and spray irrigate it onto fields, in accordance with permits and regulations. Instead, Mountaire sprayed inadequately treated wastewater containing high levels of nitrates on area fields, polluting the residents’ well water.”

Federico added, “Mountaire’s actions resulted in dangerously high levels of nitrates in drinking water. Additionally, the Mountaire Millsboro facility generated odors that smelled like rotten eggs, keeping people trapped in their homes.”

Mountaire has a long history of violations and inadequate enforcement actions by the U.S. Environmental Protection Agency and the Delaware Department of Natural Resources and

Environmental Control (DNREC) dating back 20 years. In 2017, DNREC issued a notice of violation to Mountaire after routine inspections found excess nitrate contamination in groundwater wells. From January to October 2017, DNREC found more than 110 environmental violations at the Millsboro facility.

In the related federal case, Mountaire agreed to remediation activities to prevent future harm to groundwater, reduce air pollution and provide residents an avenue to report and receive follow-up on air emission complaints in the form of a consent decree between Mountaire and the DNREC. Additional remediation efforts and maintenance activities include, for example, continuing to provide bottled water to certain residents, installing at least 60 acres of phytoremediation, and establishing a process to respond to odor complaints.

About Baird Mandalas Brockstedt, LLC

Baird Mandalas Brockstedt LLC is a Delaware based law firm founded by Kevin Baird, Glenn Mandalas, and Chase Brockstedt. The firm is dedicated to providing expert legal service to clients across various practice areas, including mass torts, personal injury law, estate planning, land use, real estate, business and corporate law, employment law, and civil litigation. The firm has numerous award-winning lawyers, practicing out of offices in Wilmington, Dover, Lewes, and Georgetown, DE.

About Schochor, Federico and Staton, P.A.

Schochor, Federico, and Staton, P.A. was founded in 1984 by Jonathan Schochor, Philip Federico, and Kerry Staton with the goal of offering exemplary representation to individuals, public entities and groups who are the victim of negligence and wrongful acts. The firm has successfully handled a variety of class-action and mass tort cases involving environmental contamination, sexual abuse, defective products, healthcare and medical malpractice. The firm has offices in Baltimore and Washington D.C., with its attorneys involved in cases throughout the country.

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