

[PRESS RELEASE]

By the plaintiffs' attorneys

Re: RCA Toxic Tort Decision by the Taiwan High Court

October 27, 2017

Today Taiwan High Court has given its verdict on the RCA case. Four defendant companies, Radio Corporation of America, Taiwan, Technicolor (of France), Thomson Consumer Electronics (Bermuda) Ltd., and General Electric Company (GE, of the United States), are found jointly and severally liable for workers' emotional distress arisen from health risk and damages caused by exposure to chlorinated organic solvents while working at RCA. The four defendant companies are ordered to pay a total sum of NT\$ 718,400,000 (approximately US\$ 23.7 million) in compensation to 486 among the 513 plaintiffs. Although we still have to wait for the court decision in its entirety on paper in order to know the detailed reasoning of the Court in reaching this decision, some crucial points are mentioned in the press release of the Taiwan High Court:

1. The Court finds that 31 hazardous chemicals including trichloroethylene (TCE) and tetrachloroethylene (PCE) have been used by RCA or were present at the workplace during its operation from 1970 to 1992. Some of these chemicals have been classified by the International Agency for Research on Cancer (IARC) as

Group 1, 2, or 3 human carcinogens. In violation of several laws and regulations at that time, RCA failed to provide adequate protection to workers. Exposure to those chemicals cause health damages, serious illnesses, and even death among RCA's employees. RCA is thus found responsible for such damages.

2. GE, Technicolor, and Thomson (Bermuda) have been found to exercise full control of RCA, Taiwan. During the time when the RCA's persistent pollution was disclosed, it remitted approximately US\$ 150 million abroad, sold its land and buildings to a third party, and subsequently remitted approximately US\$ 100 million to a French bank account. These constitute malicious evasion of debt and obligations by RCA and its parent companies. The principle of "piercing corporate veil" thus applies in this case, and GE, Technicolor, and Thomson (Bermuda) are jointly and severally responsible for the tort liability incurred by RCA on the workers.
3. The plaintiffs divided themselves into three groups. Group A are those who had died before the complaint was filed in 2004, Group B are those who had been diagnosed with serious illnesses such as cancer by then, and Group C consists of workers who had not been diagnosed with serious illnesses by then, but have been suffering from emotional distress due to elevated health risks. RCA argues that Group C should not be compensated for merely worry. Rejecting arguments of RCA, the Court finds that the Group C plaintiffs are suffering from bona fide

health damages due to exposure to toxic chemicals while working for RCA even though the damages have not yet express itself into perceptible symptoms. The reason for this finding lies with the mechanism of how carcinogens functions. Genotoxic carcinogens start to damage organs and tissues at the time of contact, even though its development into full-blown cancer takes various routs and various length of time. Thus the Court finds the Group C plaintiffs eligible for compensation from RCA.

4. The Court rejected RCA's statute of limitations defense. Because all information regarding workers' exposure to organic solvents at the workplace was in the hand of RCA. It is extremely difficult for workers to acquire direct evidences and establish causation between their suffering and wrongdoings of RCA which are strong enough for legal actions. The purpose for statute of limitations is to prevent persons from neglecting their cause of actions. Applying statute of limitation to this case will result in inequitably harsh burden on the plaintiffs.
5. The request of the plaintiffs to the Court for awarding a lump sum compensation to all plaintiffs as a collective is rejected. The Court finds documents submitted by the plaintiffs' association expressing each individual plaintiffs' consent for such compensation still fall short of legal requirements. Compensation is therefore still awarded to individual plaintiffs based on individual circumstances, as the District Court did.

While we applaud the correct and progressive legal opinions in the High Court decision, we do so with some qualms.

- 1) We call upon the defendant companies to pay the court-ordered compensation immediately and urge them not to delay this by appealing any further.**

This lawsuit started some ten years ago. By the time workers are prepared enough to file their civil complaint against RCA at Taipei District Court in 2004, 78 workers have already passed away, and 237 people were diagnosed with serious illnesses including cancers. Many have died or seen their health deteriorated and become bed-ridden since then. After the case was rejected on technical ground, it was once again submitted in 2006. The decision came some eight years later, in April 2015 after 58 court hearings. In preparation for the judicial proceedings, more than 250 meetings were held among members of the plaintiffs' organization, pro bono labor lawyers of the Legal Aid Foundation, and their supporters, including members of Taiwan Association for the Victims of Occupational Injuries, professors and student volunteers from various disciplines. This district-court decision was a partial victory for the plaintiffs, with a compensation of around 56 million ordered by the court.

Unfortunately, the defendant companies appealed the District Court decision.

During the appeal trial, RCA spent enormous sums of money to hire expert

witnesses from the US, China, Japan and France to testify at court and to submit written expert opinions. The lawsuit thus lasted another two years, with 33 court sessions.

After the Court finds the defendant companies responsible for the plaintiffs' pain and suffering once again today, there is no more excuse for them to delay compensation owed to the victims.

2) The plaintiffs' attorneys will discuss with the plaintiffs' association to decide whether to appeal today's verdict.

The plaintiffs requested a total of NT\$ 2.7 billion for those who already died, those currently suffering from serious illnesses such as cancers and those who suffer chronic psychological distress due to elevated health risk. In comparison with other cases in Taiwan and abroad, the plaintiff's request for compensation for their pain and suffering is totally justifiable. Considering the large number of victims, persistent violations of laws and regulations by RCA and other defendants, the dumping of organic solvents in the soil, the groundwater pollution yet to be remedied, and other damage to the environment and damages to the health of the employees, the NT\$ 718 million awarded by the Court in its decision today falls way short of justice.

The defendants are internationally renowned corporations with vast assets. The amount claimed by the plaintiffs as compensation is only a tiny fraction of the defendants' regular profits; the companies can easily afford it. Thus, after reading the

complete judgment, the plaintiffs' lawyers will discuss with the victims and decide whether we need to appeal this case further.