Allied Chemical Settles Lawsuit Over Pesticide

By a WALL STREET JOURNAL *Staff Reporter*

RICHMOND, Va.—A federal judge here dismissed a 1976 lawsuit against Allied Chemical Corp. and others involved in producing the pesticide Kepone after more than 200 fishermen and fish and seafood businesses accepted an out-of-court settlement.

Allied declined to disclose the amount of the settlement, except to say it was a very small fraction of the $24.5 million originally claimed by some 450 James River watermen. The Associated Press reported that the total settlement was $500,000.

Besides Allied, defendants in the suit included Life Science Products Co., Hopewell, Va., the defunct company that manufactured Kepone for Allied; Hooker Chemicals & Plastics Corp., which supplied some of the materials used in making Kepone, and the city of Hopewell. Some of the original defendants have dropped out since the suit was filed.

Portions of the James River and Chesapeake Bay were closed to commercial fishing in 1975, and sales of fish and seafood from those waters were banned after Kepone dumped in the river was found in fish and shellfish samples. The highly toxic pesticide has been associated with nerve damage, sterility and other health problems among workers at the Life Science plant.

Allied previously settled several lawsuits brought by the workers, paid Virginia $5.3 million for cleanup costs and other expenses and paid a $5 million federal fine. The federal fine was reduced from $13.2 million after Allied donated $8 million to the Virginia Environmental Endowment. One major lawsuit remains, brought by fishermen, boat owners, tackle-shop and marina owners and other businesses.

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