

Lawsuits against Firestone could total \$50 billion

Attorneys fear tiremaker may file for bankruptcy

By Sara Nathan
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With a potential \$50 billion in damage claims piling up, lawyers suing Bridgestone/Firestone fear the company may file for bankruptcy.

The lawyers are attempting to add the company's Japanese parent, Bridgestone, to their lawsuits, hoping to protect their clients' ability to collect even if the U.S. subsidiary goes under.

The lawyers also say Bridgestone should be held responsible for Bridgestone/Firestone's Aug. 9 recall of 6.5 million tires.

"We took a look at the financial situation of Bridgestone/Firestone, the cost of the recall and the claims that are out there, and said there's a possibility they could have (financial) problems," says Kenneth Moll, one of the attorneys in nearly 180 cases consolidated in federal district court in Indianapolis.

Bridgestone/Firestone spokeswoman Karen Doyne declined to comment directly on the prospect of a bankruptcy filing but says the parent company should not be involved in the lawsuits.

"Lawsuits should be based on the facts of the case, not on assumptions about the wealth of the defendant," Doyne says. "The tires were designed in the U.S., manufactured in the U.S., tested in the U.S., and the incidents occurred

here. Bridgestone/Firestone U.S. has accepted responsibility for the tires."

Wednesday, lawyers will ask Judge Sarah Evans Barker, who is overseeing the consolidated federal cases, to establish a procedure for adding Bridgestone as a defendant.

Meanwhile, a number of lawyers suing Bridgestone/Firestone in state courts already has named Bridgestone as a defendant.

Lawyers fear a repeat of what happened to Dow Corning, the joint venture of Dow Chemical and Corning, which filed for bankruptcy after being overwhelmed by breast implant lawsuits.

If Bridgestone/Firestone declared bankruptcy, people winning judgments or settlements against the company would be treated as unsecured creditors and could have to stand in line behind other creditors, says Texas attorney Randall Roberts. He and other lawyers say that could delay payment to accident victims and their families for years.

Among signs of financial problems at Bridgestone/Firestone:

► Bridgestone says sales of Firestone tires directly to consumers fell 40% in September and October from a year earlier.

► The tiremaker has slashed production 20% at two plants and cut employment 25% in Decatur, Ill.

► Bridgestone/Firestone expected to have an exclusive deal to supply 2 million tires for 2002 Ford Explorers, but Ford now says customers will be able to decide whether they want Firestone tires.

► Lawyers suing the tiremaker say the damages sought in the lawsuits filed so far could add up to as much as \$50 billion.