

# Shipyard Homeowners Win Court Approval of \$6.3 Million Dollar Settlement With Lennar and FivePoint, First Settlement for Homeowners

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The U.S. District Court granted approval this week to a \$6.3 million dollar settlement reached with Lennar and FivePoint on behalf of current and former homeowners in the San Francisco Shipyard. The suit brought by Cotchett, Pitre & McCarthy and co-counsel alleged that the development of the Hunters Point Naval Shipyard (HPNS) has been plagued by scandal due to the alleged fraudulent cleanup of toxins, including radioactive material by Tetra Tech. The settlement is with Lennar and FivePoint, as the developers of the community—and is the first step in helping residents of the community. It is the first of the settlements with the litigation to continue against the main defendant Tetra Tech. In an order dated March 28, 2022, the Court states:

The proposed allocation is fair and reasonable, and treats class members equitably relative to each other. The payouts will be substantial, ranging from hundreds of dollars, to tens of thousands.

The Order soundly rejected Tetra Tech's attacks on the settlement agreement. According to the Order, "The Tetra Tech defendants' objection is not well taken."

Linda Parker Pennington, plaintiff, community activist and entrepreneur, said:

*"Shipyard homeowners should take a moment to celebrate this victory, however, justice will not be done until all claims are resolved, including those of the surrounding community. In 2000, San Francisco voters approved Proposition P by wide margins demanding a full cleanup of the former Navy base to the most*

## Attorneys

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*protective standards, those for unrestricted residential release, with no barriers or land use restrictions. Twenty-two years later the clean-up is riddled with allegations of fraud, Tetra Tech supervisors have gone to prison, the site is not yet proven to be free from toxic waste, and those in power have pivoted to rely on barriers and restrictions – the very things that residents said were unacceptable. We must do better; our community needs the help of all residents to once again take a stand against corrupt practices."*

Theo Ellington, Director of Homeless Initiatives & Community Development at The Salvation Army, said:

*"I am a lifelong resident of District 10. My wife and I chose to be among the early purchasers in the SF Shipyard. We made this choice because we wanted to support our community. As we celebrate this victory, we are mindful that the fight for our community continues. We are grateful for the thousands of community members who are litigating in order to hold TetraTech and others responsible."*

Joe Cotchett, of Cotchett, Pitre & McCarthy adds:

*"The battle is just beginning – this case is part of the largest environmental fraud litigation in the Country's history. At their core, the cases are about environmental racism. Southeast San Francisco carries a tremendous environmental burden – it is the most polluted part of the City and has been for generations. There are two types of "coverups" at HPNS – first you have the political coverup and then you have the physical coverup. Politicians keep touting their latest grand design for the area (whether it is mega-housing or the ill-fated plan for a stadium) while engaging in a physical coverup of the contaminated soil, advocating for caps and barriers instead of actual cleanup of the pollution."*

Anne Marie Murphy, also of Cotchett, Pitre & McCarthy said:

*"We started this case in July 2018, the settlement with Lennar and FivePoint took over a year of negotiations. The TetraTech scandal, as described in our case and related cases brought by the Hunters Point residents, police officers and whistleblowers, really rocked the City – with this settlement done, we can be laser focused in proceeding with the case against TetraTech."*

Duffy Magilligan, also of Cotchett, Pitre & McCarthy said:

*"This early, partial, settlement for the residents of the Shipyards will get some real money in our clients' pockets, but the settlement does not make people whole. As alleged in the complaint, the most culpable party is TetraTech—TetraTech employees falsified the cleanup of soil, Tetra Tech is the one with supervising employees that have gone to prison. TetraTech did not want this settlement to happen – it ran to court to challenge the settlement – it lost."*

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Per the terms of the settlement, checks will automatically be issued to Class Members upon expiration of the appeals period.