

NEWS FROM O'NEAL INDUSTRIES

RICO/Fraud Lawsuit Verdict
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For more information, contact
Jonathan Coe, VP Legal at 205-599-8084
or jcoe@onealind.com

O'Neal Steel and Leeco Steel Prevail in RICO/Fraud Lawsuit

BIRMINGHAM, AL — In January 2011, O'Neal Steel, Inc. and Leeco Steel, LLC, instituted a lawsuit to recover damages sustained as a result of having been sold steel on the basis of fraudulent representations of its quality. The defendants were David Chatkin, Lance Chatkin, Bruce Adelstein, Ryan Chatkin, Von Argyle, General Purpose Steel, Inc., and World Wide Steel Unlimited, Inc. Claims were made for violations of the Racketeering Influenced and Corrupt Organizations Act (RICO), conspiracy to violate RICO, and under Alabama law for fraud, wantonness and conspiracy to commit wantonness. After a two and a half week trial in Birmingham, Alabama, on June 25, 2014, a jury rendered verdicts in favor of O'Neal and Leeco for \$17,000,000 in RICO damages and \$100,000,000 in punitive damages.

According to Bill Jones, Vice-Chairman of O'Neal Industries, the parent company of O'Neal and Leeco, the jury verdict sends a clear message on behalf of the steel industry: "Manufacturers and distributors trust that the steel supplied to them is as represented, especially in critical structural applications, and consumers have to believe that the products they use will meet the required safety standards. This verdict shows

that fraud has no place in the steel service center industry. General Purpose and Worldwide are out of business, and several of the individual defendants have filed for bankruptcy. While we are not likely to recover all of the damages the jury has awarded to us, this case wasn't about money. It was about doing the right thing and holding accountable those who put property and lives at risk.”

The case was tried in the Northern District of Alabama before the Honorable Karon O. Bowdre. O'Neal and Leeco were represented by Crawford S. McGivaren, Jr., Annette Kinderman and Wesley Fain of the Birmingham law firm Cabaniss, Johnston, Gardner, Dumas & O'Neal.

O'Neal Steel and Leeco Steel are one of more than a dozen companies that comprise parent company O'Neal Industries, Inc. (onealind.com), the U.S.A.'s largest family-owned group of metals service centers. With sales of approximately \$2.3 billion in 2013, O'Neal Industries is based in Birmingham, Alabama, and has more than 90 specialized facilities throughout North America, South America, Europe, and Asia.