

Perry & Haas, L.L.P.
ATTORNEYS AT LAW

2100 Frost Bank Plaza, P.O. Box 1500, Corpus Christi, Texas 78403-1500
Telephone: 512/830-7500 Facsimile: 512/887-9507
Direct Dial: 512/880-7543

July 15, 1996

Mr. Paul Sheridan
22357 Columbia Street
Dearborn, Michigan 48124-3431

Via Fax: (313) 277-5095

Re: *Gonzalez v. Chrysler*

Dear Paul:

On Friday, July 12, we had a hearing to try to release 30,000 pages of Chrysler documents, all of the depositions taken (including yours), and other materials produced in the case. The Judge basically produced it all. Here is some press coverage that relates to the same. The deposition that you gave in the case is no longer under seal and has been quoted extensively in the Dallas Morning News article. After we won the hearing, I gave them a copy of the transcript. The transcript and the videotape are now considered public record.

You may want to let Courtney know about this, as it may affect what you all want to do in terms of the next step of your lawsuit.

I assume that the above pleases you.

Very truly yours,

PERRY & HAAS, L.L.P.



Mikal C. Watts

MCW/jlh

Attachments

MIKAL C. WATTS
Attorney at Law

Perry & Haas is a limited liability partnership that includes professional corporations

Dallas Morning News 7/13/96

Chrysler aware of fault 5 years ago, records say

Company says minivan rear door latches are safe

By Terry Box

Staff Writer of The Dallas Morning News

Chrysler Corp. knew at least five years ago that rear lift-gate latches on its popular minivans built before 1996 were "flimsy" and weaker than those on its competitors' vans, according to court documents released Friday.

The documents also contain allegations by a former Chrysler product planner that efforts to change the latch design were squelched in 1993 and that Chrysler went to some lengths to keep latch problems from being disclosed. The planner was later fired.

In addition, one of the documents indicates that between May and August 1994, hundreds and perhaps thousands of spontaneous lift-gate openings were recorded by Chrysler as brand-new minivans were being transported by trains and trucks to dealerships.

Chrysler maintains that the lift-gate latches are safe and says that it agreed to replace them mostly to reassure its minivan customers.

State District Judge John Calhoon ordered the documents unsealed during a hearing in Palestine in Anderson County. Several lawsuits on behalf of Texas residents injured in Chrysler minivan accidents. Please see Page 19A.

Documents: Chrysler knew of fault 5 years a

Continued from Page 1A.

dents are pending, including one in Judge Calhoun's court.

The cases are among a number of Chrysler minivan lawsuits nationally.

Last year, the National Highway Traffic Safety Administration closed an inquiry into Chrysler's minivans after the automaker responded to controversy about the latches with a repair program. Chrysler agreed to replace the latches on 4.37 million minivans produced between 1984 and 1995.

More than 35 deaths have been attributed to Chrysler minivan rear doors popping open in crashes and ejecting passengers, according to federal safety records.

Judge Calhoun unsealed as many as 30,000 pages of documents the plaintiffs lawyers obtained from Chrysler as they prepared their cases against the automaker. The order unsealing the documents was a result of a petition filed by the lawyers and some media organizations, including the *The Dallas Morning News*. The filing was made under a state law designed to assure public access to court records.

E. Todd Tracy, a Dallas lawyer representing an Anderson County teenager injured in a minivan accident, said he wanted the records released as a "public service."

"As consumers, we go in there and buy cars because we trust the manufacturer," Mr. Tracy said. "When people go to car lots tomorrow, they are going to kick the tires a little harder and ask a few more questions."

Chrysler spokesman Rick Deneau said the company had agreed before the hearing to disclose most of the documents, terming much of the information in them "old news."

When Chrysler developed the minivan in 1984, the vehicle helped the company from dire financial straits and went on to become

"Think about the court of public opinion. Once someone puts out an assertion, a number of people will believe it's true."

— Rick Deneau, Chrysler spokesman

Chrysler's "corporate crown jewel," Mr. Deneau said.

"Think about the court of public opinion," he said. "Once someone puts out an assertion, a number of people will believe it's true. The bottom line is you have to respond to it even when you know your product is safe."

At the hearing, Chrysler lawyers fought to keep some records confidential, particularly a 293-page sworn statement by the former product planner-turned-whistle-blower.

Paul Sheridan said in the deposition that by 1991, it was "common knowledge" at Chrysler that the minivan had safety problems related to the lift-gate latch.

"The group [of engineers and product planners] was generally aware of what we considered somewhat of a flimsy latch design vis-a-vis the competition," he said in his deposition. "Our latch was not as good as competitive latches."

In late 1991 or early 1992, he said, Chrysler engineers began considering differences in the rear doors of Chrysler minivans and competitive models, including the fact that the rival vehicles had handles and two-stage latches. By early 1993, the automaker was aware of "numerous lawsuits" concerning the latches.

Shortly after that, he said, Chrysler officials rejected a proposal to go to a two-stage latch. In April 1993,

Saturday, July 13, 1996 *Palestine Herald-Press (weekend)*

25 Cents

Judge releases Chrysler files

Plaintiffs include Elkhart teen's family

By CINDY POLK
Herald-Press Staff Writer

A state district judge's order and an agreement between attorneys resulted in the release of numerous documents to the public concerning Chrysler minivans' rear liftgates.

Judge Jerry Calhoon ordered that the transcript and videotape of the deposition of a former Chrysler employee be released to the public, and denied a motion by Chrysler for a stay to take the matter to an appellate court.

"The public will learn today for the first time that Chrysler has in fact been concealing a known hazard," said E. Todd Tracy, an attorney representing nine people in lawsuits against the company.

Attorney Mikal Watts, who is representing the family of 15-year-old Elkhart girl who was paralyzed after being eject-

ed from a Chrysler minivan in an accident, said the judge's ruling was a victory "for the owners of minivans across the country who have been badly deceived by Chrysler into thinking there may not be a problem."

A statement from Chrysler said it is reviewing its available options, including an appeal, and will continue to assert its right to protect confidential and competitively sensitive business information.

Chrysler spokesman Rick Deneau said the federal government never had a finding of a defect in the minivans. What is important is that Chrysler announced in 1995 a service action to replace the latches, he said.

Last year Chrysler asked more than 4 million owners of 1984-1995 Chrysler Town & Country, Dodge Caravan and

See CHRYSLER, Page 10

Page 10 Palestine Herald-Press, Saturday, July 13, 1996

Page 1 Continued

Chrysler

Continued from Page 1

Plymouth Voyager minivans to bring them in for installation of a free stronger liftgate latch.

Although Chrysler did not dispute the release of some documents Friday, its attorneys argued that former employee Paul Sheridan's deposition was to be sealed per agreement with plaintiffs' attorneys. They also objected to the release of information concerning pull tests on the 1996 model minivans, saying the information was not relevant to the case on trial.

Watts said nothing in Sheridan's deposition could be remotely considered a trade secret and therefore protected from dissemination. He also argued that plaintiffs' attorneys made it clear they would fight the agreement "signed under duress" to keep the deposition sealed.

In his deposition, Sheridan said it was "common knowledge" at Chrysler as early as 1991 that there was a safety problem with its minivan liftgate latches. He was first told in April 1993 that if they changed the latches "we will indict ourselves," he said.

In Chrysler's statement, the company said Sheridan was fired for breach of confidentiality, but while employed there he had no

responsibility for safety, engineering, design or manufacturing. His role was to identify new product features that might be considered for future models from a marketing standpoint, it said.

Watt's client, Stevi Weston, was rendered a paraplegic following a July 1995 accident in which the 1994 Dodge Caravan she was traveling overturned, ejecting her and three others.

The documents released Friday "very clearly show Chrysler's knowledge of the problems they had. It shows Stevi Weston is not the only one, there are hundreds like her across the country and Chrysler has tried to keep it secret," Watts said.

Among the documents released Friday that Tracy said supports their case:

- Some 2,100 incidents were recorded of liftgates opening during transport by rail and truck to dealerships. "The reason that is significant is that it illustrates that you don't even have to be in an accident for those things to come open," Tracy said.

- Three customers of a Florida car rental company reported the liftgates opening while they drove off the parking lot.

- Chrysler had received notice of 40 lawsuits concerning the liftgate latches by May

1994, when it reported to the federal government that it was aware of 18 lawsuits and four claims pending.

- Chrysler began destroying test data in October 1988, when it had three lawsuits pending against it. The company said it destroyed the data pursuant to its document retention policy, but Tracy said documents released Friday showed the company destroyed certain tests but not in chronological order.

- Pull test data show the Chrysler 1994 minivan had the weakest latch in comparison to Ford, Mercury, Toyota, Mazda and VW models. Also, Chrysler models were the only ones to have only a primary latch, as opposed to others that had primary and secondary latches.

Chrysler has maintained that fewer than 200 liftgates opened during rail shipments, which was not comparable to driving because the minivans were tied down and robbed of their own suspension.

Calhoon will review some documents outside court to determine if they should be made public. Tracy said those are mostly safety leadership team minutes relating to marketing.

Trial in the case is set for November.

Christi Called Times

Sunday, July 14, 1996/B5

Chrysler was aware of latch defects 5 years ago, court records indicate

Judge unseals documents in Anderson County lawsuit against automaker

• Several lawsuits on behalf of Texans injured in Chrysler minivans are pending.

• The cases involve lift-gate latches on the minivans.

Associated Press

DALLAS - Rear lift-gate latches on Chrysler Corp.'s popular minivans built before 1996 were "flimsy" and weaker than those on competitors' vans, with the company aware of the defect at least five years ago, documents released in a Northeast Texas court show.

The documents were ordered unsealed Friday by State District Judge John Calhoun during a hearing at Palestine.

Several lawsuits on behalf of Texans injured in minivan wrecks are pending, including one in the Anderson County court.

Accusations by a former Chrysler product planner that

efforts to change the latch design were squelched in 1993 and that the automaker tried to keep latch problems from being disclosed were included in the documents.

The planner was later fired.

One document also indicates that hundreds and perhaps thousands of spontaneous lift-gate openings were recorded by Chrysler between May and August 1994 as brand-new minivans were being transported by trains and trucks to dealerships.

The company contends that the lift-gate latches are safe and that it agreed to replace them mostly to reassure its minivan customers.

The National Highway Traffic Safety Administration closed an inquiry last year into Chrysler's minivans after the automaker responded to controversy about the latches with a repair program.

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produced between 1984 and 1995. Federal safety records show more than 35 deaths have been attributed to Chrysler minivan rear doors popping open in crashes and ejecting passengers.

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The order unsealing the documents was a result of a petition filed by the lawyers and some media organizations, including *The Dallas Morning News*. The filing was made under a state law designed to assure public access to court records.

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