



DEPARTMENT OF THE ATTORNEY GENERAL

News Release

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HAWAII COMMUNITY DEVELOPMENT AUTHORITY SUES CONTRACTOR, MANUFACTURER, AND DISTRIBUTORS

HONOLULU- On May 20, 2004, Hawaii Community Development Authority ("HCDA") filed a lawsuit against G. W. Murphy, Construction Company, Inc., Osmose Wood Preserving, Inc. ("Osmose"), OM, Group, Inc.

("OMG"), PermaPost Products Company, Rinell Wood Systems, Inc., and others over the noxious chemical odors and fumes emanating from the American Brewery Building on Queen Street after it was renovated by G. W. Murphy. The suit alleges that a wood treatment product named PermaClear 65 was improperly used to treat wood installed in the interior of the building and that the chemical odor and fumes have made the building difficult to lease.

In 1994 G.W. Murphy was awarded the construction contract to renovate the American Brewery Building, a five-story structure built in 1900 and located at 547 Queen Street. The American Brewery Building was the original home of Primo and Royal beers under its official name, the Honolulu Brewing and Malting Co.

Believed to be the oldest brewery in Hawaii, the Queen Street building with its three-story brick arches is listed on the State and National Registers of Historic Buildings. It operated into the late 1960s.

After its renovation, HCDA noticed a strong chemical odor lingering within the building. Tenants in the building complained of headaches and dizziness related to the chemical odor. Various defendants verified that the chemical odor was caused by the PermaClear 65 treatment applied to the flooring, floor decking and beams. PermaClear 65 is an oil-borne preservative that contains zinc naphthenate and permethrin and was formulated and licensed by Osmose and/or OMG. The HCDA lawsuit alleges that the defendants knew or should have known that the chemicals used to formulate PermaClear 65 would cause noxious odors and fumes.

Due to the noxious chemical odor HCDA has found it difficult to lease the building. The lawsuit seeks compensation and reimbursement for amounts already expended and amounts required in the future by HCDA to repair and remedy the odors in the Brewery Building. The building currently has no office tenants.

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