

LEHMAN, LEE & XU

雷曼律师事务所



PRESS RELEASE

“A CLASS ACTION LAW SUIT OVER CONTAMINATED MILK?”

Beijing, China – 26 September, 2008 –

As the number of victims of the tainted milk supply scandal surpasses 50,000 infants, killing at least 4 children thus far, Beijing based law firm Lehman, Lee & Xu considers taking legal action against milk suppliers. “Children are amongst the most vulnerable of the population,” states Edward Lehman, Managing Director of Lehman, Lee & Xu, “it is inconceivable that companies would even consider risking the health and safety of the Chinese people.”

The Chinese government has already arrested 19 people suspected of consciously poisoning milk supplies with melamine, a chemical made from coal and used in the production of different plastics, leather, and fertilizers. Melamine is officially banned from food production in China, as it is poisonous when ingested. Officials believe that melamine may have been added to watered-down milk in an attempt to artificially inflate protein counts as a cost saving measure. Some of China’s top brands, such as Mengniu, Yili and Sanlu, were amongst the affected companies.

“This must never happen again” emphasized Edward Lehman. “Manufacturers need to know that if they endanger public health, someone is watching and will take action.” Mr. Lehman noted that legal action is a tangible deterrent to companies considering risking product safety for the sake of profits. Lehman, Lee & Xu’s lead litigation expert Junbo Hao states that “we have received numerous inquiries from over 150 victim’s families and we are considering a class action lawsuit on their behalf.” Victims are seeking action against milk companies including Sanyuan (600429.SS), a publicly traded company in the US. If a class action lawsuit is realized, Lehman promises just compensation for the victims of one of the worst food scandals to date.

While China does have a class action lawsuit statute, it is not the same as the US equivalent. Legal thought regarding this field of law is still under development in China. Regardless, many hope that the milk industry will proceed on the basis of joint and several liability. This concept requires that all parties are equally liable for the damages, regardless of their share of liability. As such, the victims can receive full compensation as quickly as possible while avoiding legal fees associated with extended litigation, as the offending companies are left to appropriate liability amongst themselves. This is significant when considering that only 20% of the industry is directly at fault.

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Lehman, Lee & Xu is a full service Chinese law firm managed by Edward Lehman, a long time China resident. With offices throughout China, it is one of the longest established firms in the country which has handled numerous class action lawsuits in the past.

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