

Owner Of Burned Factory Gets Almost \$1 Million

Condition of building at issue in debate over damages

By CHRISTIAN NOLAN

Housatonic Wire Co. v. Jerry Grozik, et al.: The owner of an old factory building, much of which burned to the ground in 2010 and became an eyesore in Seymour, has been awarded more than \$936,000 after suing two men who negligently started the blaze.

The Housatonic Wire Company, which made various wire components, was founded in the late 1970s by Alex Budzinski and his father. The company eventually moved into an old, 65,000-square-foot building on more than three acres on River Street in the Naugatuck Valley town.

In 2008, Alex Budzinski sold the company to a competitor, which moved the manufacturing operations elsewhere. But even after the sale, Budzinski continued to own the factory building and property.

One of Budzinski's lawyers, Michael LeMoult, of Biller, Sachs, Raio & Zito in Hamden, said his client kept an office on the first floor, where he worked as a consultant and salesman. Portions of the rest of the building were used for storage. LeMoult also acknowledged that Budzinski let insurance coverage on the building run out.

LeMoult said Budzinski tried selling the building and had discussions with potential buyers about turning it into apartments or a shopping area, but nothing came to fruition.

In the meantime, Jerry and Steve Grozik, a father-and-son team, approached Budzinski in 2010 about removing old metals and piping from the building. A deal was struck and the two sides agreed to split the profits.

On September 11, 2010, a large fire started in the factory. Numerous fire departments from neighboring towns helped Seymour's firefighters extinguish the blaze. Smoke could be seen as far away as Milford. About half of the building was destroyed.

Investigators did not release an official cause of the fire because they could not safely access the portion of the building where it started. Still, officials believed the fire was caused by the Groziks, who were using propane blow torches on pieces of metal inside the building, said LeMoult. Nobody was inside the building when firefighters were called.

After the fire, the property became an eyesore for several years. Part of the building stood while the rest was reduced to a pile of rubble. Because Budzinski did not have the building insured at the time of the fire, he couldn't afford



Plaintiff's attorney Michael LeMoult argued that the fire that destroyed most of the Housatonic Wire Company building in Seymour was most likely caused by two men who were trying to remove scrap metal from the building. Above right, the Housatonic Wire Company building before the fire; right, after the fire.



to tear down the remaining structure. As pressure from town officials mounted, he was able to secure a state loan for \$200,000, which paid for the razing of the remnants of the building. LeMoult said the actual cost ended up being \$216,000.

Even after Budzinski went through the loan money and spent some of his own funds, the work still wasn't done, LeMoult said. The concrete slabs on which the building had been constructed remained. It

cost Budzinski an additional \$79,000 to remove them, LeMoult said.

Further, a more serious issue surfaced. The century old building contained asbestos. After the fire, state environmental officials found asbestos contamination in the surrounding soil. State officials removed most of the hazardous material, but trace amounts remained on the property. The additional work to remedy the contamination cost more than \$188,000.

LeMoult and Jon D. Biller, of the same

Hamden law firm, filed a negligence lawsuit on behalf of their client against the Groziks for causing the blaze that destroyed the property. Though the Groziks had insurance, their carrier offered little in the way of settlement talks, LeMoult said.

"There was no willingness on the insurance carrier's part to make any sort of payment prior to trial," said LeMoult. "I believe the highest offer was \$60,000, which would not even cover the loan expenses my client had taken out."

So the case proceeded to a four-day bench trial this past spring before Judge Paul Matasavage in Superior Court in Derby. Matasavage recently issued a written ruling.

"At trial, both of the defendants were put on the stand," explained LeMoult. "Neither contested that they may be the cause of the fire. Both the fire marshal and a state trooper were put on the stand and both agreed that the Groziks themselves were most likely the cause of the fire. Another welding and fire safety expert also testified that [the Groziks] acted negligently."

After the first day of testimony, Biller and LeMoult asked the judge for a directed verdict as to liability, which was granted. The remainder

of the trial was essentially a hearing on damages.

The plaintiff's lawyers put an appraiser witness on the stand, who claimed that Budzinski's losses from the fire were around \$673,000.

The defense lawyer, Stuart G. "Glenn" Blackburn, of Blackburn & O'Hara in Windsor Locks, presented an appraiser who said the factory building, at the time of the blaze, was essentially worthless. The rationale was that the building was outdated, needed renovations and hadn't been in use in several years.

Also, because other developers had considered tearing down the building before the fire ever occurred, the defense's appraiser said the property itself had zero value. LeMoult said the defense even contested the asbestos remediation costs by claiming that even without a fire, Budzinski would have had to eventually pay to remove the asbestos from the building.

Judge Matasavage disagreed with the defense lawyer's arguments. He awarded the plaintiff \$936,373 in total damages.

The defendants appealed the judge's ruling; meanwhile, the plaintiffs filed an additional bill of costs for more than \$152,000. The two sides then settled for \$964,000.

"Obviously we're disappointed that the judge did not find our valuation experts to be credible since we obviously felt that they were," said Blackburn. "But after taking an appeal, our client was able to come to a resolution of the claim."

LeMoult acknowledged that the case was the first trial of his legal career, and that much of the courtroom work was handled by attorney Biller. LeMoult said the judge's ruling should impact future cases involving a building's appraised value.

"Regardless of what a prospective use of a building is, its age or the fact that there's wear and tear, that does not mean there is a negligible property value," said LeMoult. "Even if unused in years, it still doesn't mean [the building] has no property value...Even if a potential purchaser intends to knock the building down, not until he does is [the building's value] negligible." ■

verdicts & settlements

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