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THE CITY & STATE

Manufacturer awarded \$78.5 million

■ **Jury finds three suppliers to water heater firm sold defective parts**

By **JAMES PINKERTON**
HOUSTON CHRONICLE

HARLINGEN — A Houston manufacturer of tankless electric water heaters was awarded \$78.5 million late Friday, after a state jury found three suppliers

made and sold defective component parts.

Attorneys for Houston-based Microtherm Inc. spent five weeks in a Brownsville state district court presenting evidence on the processes used by companies that supplied parts for water heaters made in 2000 and 2001. The Houston firm sells 10,000 of the tankless heaters nationwide and has been featured on home-improvement shows and lauded by the U.S. Department of Housing and Ur-

ban Development.

The inventor of the innovative water heating system, David Seitz, said the verdict vindicated his company.

"There is no way to express how I feel," the inventor said. "I've spent 16 years of my life, earned four U.S. patents and 15 foreign patents. It wasn't a failure of the technology, it was the failure of the parts sold to us.

"It was the unscrupulous acts of people who absolutely did not care."

The jury found that two firms, United Plastics Group of Chicago and Puget Plastics Corp. of Oregon, failed to mold a component called a chamber body at the proper temperature. The third defendant, Dana Corp., made a defective temperature sensor at its assembly operation in Matamoros.

Lead plaintiff's attorney Denman Heard said the temperature sensors malfunctioned because of a lack of quality control in the Matamoros plant.