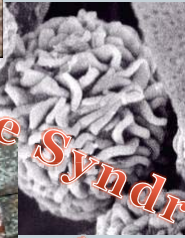
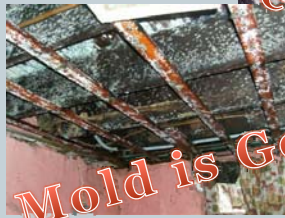


# OSU – Mold Seminar

FEB 10, 2011  
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WEYERHAEUSER

## What is Mold?



*Toxic Mold*  
*Sick House Syndrome*  
*Mold is Gold*

The public's perception of mold is anchored by images and catch-phrases



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## **Family wins record settlement over toxic mold**

**Lumber company, 16 other defendants to pay \$22.6 million**

The Associated Press  
Nov. 4, 2005

LOS ANGELES - A family who claims toxic mold in their home caused brain damage in their baby has reached a \$22.6 million settlement against a lumber company and 16 other defendants.

The parents of Kellen Gorman claimed that he became sick because of mold on framing studs that had been improperly stored by Crenshaw Lumber Co. Inc. of Gardena, which agreed to pay \$13 million of the settlement. The studs were used in the custom-built Manhattan Beach home the family lived in for about two years beginning in 1999.



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## **Ed McMahon Settles Suit Over Mold for \$7.2 Million**

**TV celebrity and his wife said contamination of their home made them ill, killed their dog.**

Los Angeles Times  
May 9, 2003

Insurers and others have agreed to pay Ed McMahon \$7.2 million to settle a lawsuit alleging that toxic mold spread through his Beverly Hills home, sickening the former "Tonight Show" sidekick and his wife and killing their dog, according to court records.

## The Result...

**Media coverage has formed the public's perception of mold in homes**

- Images
- Words
- Big \$ Litigation

**Mold is a risk people aren't willing to take.**

## Supply Chain Influencers

### **Home-buyers**

- Few spec homes being built. Buyers / owners inspect the house as it is being built.
- Concern for family health + ongoing costs / home equity.
- Greater expectation of quality – they make builders remove boards.

### **Do-it-Yourselfers**

- DIYer has the ability to select boards (*"pick through the pile"*). Boards with heavy mold aren't chosen.
- Boards with light mold are "dirty" and stain the vehicle, clothing, etc.
- Concern for health.

## Builders

- Responsibility for meeting 19% moisture content has fallen on the builder. Mold attracts inspection, slows job and increases cost.
- Reputational and liability concerns.

## Dealers / Retail

### **Dealers**

- Returns / claims from job-site are costly.
- Moldy boards don't attract and retain builders.
- Reputational and liability concerns.

### **Retail & Box Stores**

- Lumber is the lead-in for further purchases. A lost lumber sale = a lost project sale.
- Customers choose the lumber they are willing to buy. Revenue loss from reject boards.
- Reputational and some liability concerns.

## Summary

- **Public perception is anchored: “mold is a risk to (family) health”**
- **Mold can be very expensive.**
- **Mold on lumber brings reputational and liability risk for all in the supply chain.**

## Addressing Mold

**Code Changes** - OR and CA now require building materials be < 19% moisture content prior to interior sheetrock.

**Protection** – improved chemicals and application methods on green lumber

**Logistics** - reduced mill-to-market time; improved protection in transit; covered storage; customer education and improved storage / rotation practices