

Appeals Could Stall Pet Food Recall Settlement

Two appeals filed in December 2008 will postpone payment of claims.

Posted: January 9, 2009, 5 a.m. EST

Compensation payments for pet owners affected by 2007's pet food recall may be delayed due to appeals filed against a \$24 million settlement agreed upon by companies that manufactured and dealt the contaminated food.

More than 23,000 pet owners in the United States have asked to receive compensation in the settlement, and those with approved claims were to start receiving checks in 2009. However, two appeals were filed in December 2008. According to the case's claims administrator website, that means the payment of claims will be postponed.

"No payments may be made on eligible claims until all appeals are resolved," the website states. "It is uncertain how long these appeals will take to resolve, and the timing of resolving the appeals is not within the control of the parties or their counsel. It is not uncommon for appeals to take several months or even years to resolve."

The case began in March 2007 when Menu Foods, of Ontario, Canada, recalled more than 50 brands of dog food and more than 40 brands of cat food after a number of pets became sick. Several other companies soon followed suit. The recall eventually covered approximately 180 brands of pet food and treats produced by 12 different manufacturers and distributed, marketed, and sold to dozens of retailers.

Wheat gluten and rice-protein concentrate imported from China were found to have been contaminated with melamine, an industrial chemical used to make plastic, and cyanuric acid — the combination of which can lead to acute renal failure in small animals.

Menu Foods and other companies involved in the pet food recall agreed to pay up to \$24 million in a settlement, which was approved by a federal judge in October 2008. Canadian courts approved the settlement in November.

The settlement agreement creates a settlement fund that will allow a potential recovery of up to 100 percent of economic damages incurred by pet owners. Pet owners can receive up to \$900 for undocumented claims.

One of the appeals to the settlement concerns alleged mislabeling of pet food as "Made in the USA." The other regards the fairness and adequacy of the settlement, among other arguments. Details were not immediately available.

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