

NEWS RELEASE

Robert W. Johnson & Associates FORENSIC ECONOMIST
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ECONOMIST TESTIMONY ASSISTS JURY IN \$4.9 BILLION VERDICT AGAINST GENERAL MOTORS

Los Angeles, California: Robert W. Johnson & Associates were retained to provide economic testimony quantifying first, the present cash value of the lost wages and benefits, as well as the future medical care of the plaintiff and second, General Motors' financial wealth, health and ability to pay punitive damages. The \$4.9 billion verdict is the largest product liability verdict in the United States.

Citation: Anderson, et al., vs. General Motors Corporation, et al; Los Angeles County, California Superior Court, No. BC116926; Attorneys Brian Panish, Christine Spagnoli; Greene, Broillet, Taylor, Wheeler & Panish, Santa Monica, California.

Case Synopsis: On Christmas Eve, December 24, 1993, while returning from church services, Patricia Anderson's 1979 Chevy Malibu was rear-ended by a drunk driver. The gas tank ruptured and the car was engulfed in flames. In the car were Mrs. Anderson, her four children age's 14 months to eight years, and a family friend. While no one died, everyone suffered horrible burns. One child had her hand burned off and her ears were burned down to the bone. Vocational rehabilitation consultant Jan Roughan provided information regarding both the impaired earnings capacity suffered by each plaintiff and future medical expenses to be incurred by each plaintiff. The plaintiff attorneys proved that General Motors knew of the faulty placement of the fuel tank but, in order to save \$4 to \$12 per car, they chose not fix the car.

Expert Consultation: Mr. Johnson first testified regarding each plaintiff's lost wages and medical expenses. The total present cash value of all plaintiffs' lost wages, benefits, and future medical expenses was in excess of \$6,000,000. Mr. Johnson explained to the jury that these values were not only accurate but also conservative. The second area that Mr. Johnson testified to was the financial health, wealth and ability of General Motors to pay punitive damages. Mr. Johnson reviewed annual and quarterly financial

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statements filed by General Motors with the SEC. Among the many financial facts that Mr. Johnson communicated to the jury was (1) GM's daily revenue was over \$440 million; (2) GM's cash on hand was in excess of \$12 billion; (3) GM's short-term available credit (akin to the company credit card) was over \$13.7 billion; and (4) that GM spent over \$2.6 billion repurchasing its own stock and had an on-going \$4.0 billion stock repurchase program.

Results: The defendant's economist testified that total lost wages, benefits and future medical expenses were under \$1,000,000. The jury awarded \$107 million in compensatory damages, including all of the damages presented by the plaintiff's economist. In the punitive damages phase of the case, the jury awarded \$4.8 billion in punitive damages. The \$4.8 billion in punitive damages is less than two weeks revenue for GM. The total award was \$4.9 billion.

Attorney Comments: ^{an important} "Damages were ~~a critical~~ part of this case. Your precise, but common sense approach to presenting your foundation, calculations and conclusions, made the judge and jury very comfortable with the dollar value of your opinions. Both defense counsels were constantly frustrated by your ability to turn cross into re-direct. Your help in exposing the many errors in the defense economist's confusing and convoluted analysis caused an implosion and collapse of creditability from which he never recovered. During the punitive damage phase your discussion of various ways to measure GM's financial wealth and ability to pay really helped the jury find a way to do justice."

This case exemplifies the reason punitive and compensatory should not be capped. Juries are the only ones that can punish a corporation who puts a value on price tag on human life.

About Robert W. Johnson & Associates: A nationally recognized full service consulting firm that specializes in illustrating and quantifying non-economic damages. Consulting services include: quantifying the loss of enjoyment of life (pain and suffering) in a personal injury case; quantifying the loss of love, care, comfort, society, consortium, etc. to the survivors in a wrongful death case; illustrating the loss of quality of life with the LIFE ACTIVITY CALENDAR; analyzing structured settlements; and generating wage loss reports that include the present value of future medical expenses.

CALL (800)541-7435 or FAX (650)494-2454 for additional information.

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