

NEWS RELEASE

Robert W. Johnson & Associates

FORENSIC ECONOMIST

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Date: November 2000

***ECONOMIST QUANTIFIES DAMAGES
TO HOMEMAKER
IN
TOBACCO CASE
JURY VERDICT \$21,700,000***

San Francisco, California: Robert W. Johnson & Associates were retained to provide economic testimony quantifying both the present cash value of the household services and a framework for determining punitive damages.

Citation: Leslie Whiteley, et al., vs. R.J. Reynolds Tobacco Company and Philip Morris; San Francisco County, California Superior Court, No.303184; Attorneys Madelyn Chaber, Robert Brown and Harry Wartnick, San Francisco, California.

Case Synopsis: Leslie Whiteley, a 40-year-old married mother of four, began smoking when she was 13 years old. This was after warning labels were placed on packages of cigarettes. Mrs. Whiteley was diagnosed with lung cancer in 1998. The lung cancer had also spread to her brain and liver. The defense strategy focused on her past smoking of marijuana and illicit drug use, including the fact that she did not stop smoking after she became pregnant.

Expert Consultation: Mr. Johnson testified at deposition that Mrs. Whiteley household services could be approximated by a U.S. government study on the value of household services. The study placed the value of a homemaker's services at over \$21,000 per year. The present value of the lost household services was over \$750,000. At the trial, when Mr. Johnson was scheduled to testify, the defense stipulated to Mr. Johnson's numbers.

During the punitive portion of the trial Mr. Johnson testified to both Philip Morris and R.J. Reynolds Tobacco Company financial health, wealth and economic status. Using exclusively the financial documents that each defendant filed with the SEC, Mr. Johnson detailed how each firm's profits had increased since the \$225 billion settlement with the states. In addition he was able to document their vast cash reserves, available lines of credit and net worth to the jury.

Results: In the compensatory phase of the case, the jury awarded Mrs. Whiteley and her family \$1,700,000 for her lost household services, pain and suffering, loss of consortium. In the punitive damages phase of the trial, the jury awarded \$20,000,000 (\$10 million from each defendant) to Mrs. Whiteley. Mrs. Whiteley passed away two months after the verdict.

Attorney Comments: “We suspected that the defendants were worried about your strong ability to communicate numbers to the jury, but we were surprised when they offered to stipulate to the compensatory damages. Their concerns were validated during the punitive damage phase. Your ability to focus the jury on each defendants' “true” net worth, and other financial statistics were the backbone of this phase of the case. Your precise, but common sense approach to presenting your foundation, calculations and conclusions, also made the judge very comfortable with your opinions. Both defense counsels were constantly frustrated by your ability to turn cross into re-direct. Your help in assisting us in exposing the “smoke and mirrors” in the defendants convoluted analysis caused a collapse of creditability that was never recovered from. I think it culminated when one of the company’s most senior officers, (with a multi-million dollar salary) “could not remember which company she worked for”.

questions.



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.

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