

NEWS LETTER

Robert W. Johnson & Associates

FORENSIC ECONOMISTS

2nd Quarter 2002

Featured Case:

ECONOMIST TESTIMONY ASSISTS JURY IN \$13.7 MILLION VERDICT AGAINST OEA

Vallejo, California: Robert W. Johnson & Associates was retained to provide economic testimony quantifying (a) the present cash value of lost wages and benefits, as well as future medical costs to the plaintiff and (b) OEA's financial wealth, health and ability to pay punitive damages. The \$13.7 million verdict is one of the highest in Solano County.

Citation: Shugart v. OEA; Solano County, California Superior Court, No. L-11697; Plaintiff Attorneys Paul Kranz, Law Offices of Paul Kranz, Berkeley, CA; William Veen and Cynthia Bernet-McGuinn, Law Offices of William L. Veen, San Francisco, CA.

Case Synopsis: On December 18, 1995, a week before Christmas, Ms. Patricia Shugart was completing a 10-hour shift employed as an assembler of explosive devices by a company which was a wholly-owned subsidiary of the

defendant OEA, the parent corporation of the plaintiff's employer. While transporting 200 small explosive cartridges, a chain reaction was caused due to static electricity resulting in an explosion, nearly killing Ms. Shugart and injuring eight of her co-workers. The detonation of the explosives caused her to suffer the loss of

an eye. The company kept millions in profit and avoided spending money on improving safety procedures on handling explosive devices.

Expert Consultation: Mr. Johnson first testified to plaintiff's diminished

earnings capacity and future medical expenses. The total present value of the plaintiff's lost wages, benefits and future medical expenses was over \$800,000. Secondly, Mr. Johnson was prepared to testify to the financial health, wealth and economic ability of OEA to pay punitive damages. Mr. Johnson reviewed annual and quarterly statements filed by OEA with the SEC.

Result: The jury awarded \$3.7 million in compensatory damages. In the punitive damages phase of the case, the jury awarded \$10 million.

We look forward to seeing you at the following conventions:

- **ATLA 2002 Annual Convention & Exposition in Atlanta July 20-24, 2002, Booth #404**

- **CAALA 20th Annual Convention in Las Vegas August 23-25, 2002, Booth #26**

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LIFE ACTIVITY CALENDAR® CASE VERDICT OF \$3.2 MILLION

Jury awards \$3.2 million for 38-year-old secretary's soft tissue injury (Myofascial Pain Syndrome); loss of enjoyment of life testimony validated LIFE ACTIVITY CALENDAR®.

Los Angeles, California – Robert W. Johnson & Associates was retained to prepare a **LIFE ACTIVITY CALENDAR®**, admitted through the lay testimony of the plaintiff that would graphically illustrate her shattered lifestyle. The **LIFE ACTIVITY CALENDAR®** was admitted into evidence.

Citation: McCracken v. City of Los Angeles, California Superior Court No. C658708, Attorneys Berglund & Johnson, by David W. Berglund, Granada Hills, California.

Case Synopsis: Ms. Karen McCracken, a 38-year-old married secretary, was injured in a head-on collision with a city vehicle. The defendant admitted liability. Neither vehicle suffered extensive damage. The plaintiff suffered from Myofascial Pain Syndrome in her neck and back, whose symptoms were muscle spasms and severe pain. All of the diagnostic tests including the EMG, Milligram, CT Scan and MRI, yielded negative results. The plaintiff, unable to return to work, had special damages of approximately \$500,000.



The defense argued the injury was really a psychological problem based on pre-existing conditions.

Expert Testimony: Robert W. Johnson & Associates prepared a color-coded **LIFE ACTIVITY CALENDAR®**, showing the before and after effects of the injury on the plaintiff's lifestyle.

Results: The defense made indications, pre-trial, that they would be willing to settle as high as \$300,000. The jury returned a verdict of \$3,200,000, which included special damages and pain and suffering/loss of enjoyment of life.

Attorney Comments: 'The color-coded **LIFE ACTIVITY CALENDAR®**, which was admitted through Ms. McCracken, was ideal for this type of case. It demonstrated graphically to the jury all of the activities she was able to do "before" the collision and showed by a virtually blank "after-injury" activities calendar the impact of the injury to her life.'

Let us prepare a LIFE ACTIVITY CALENDAR® for your next case. Please call (800) 541-7435 Ext 200.

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STRUCTURED ATTORNEYS' FEES ACCELERATES YOUR WEALTH BUILDING

The affirmation of structuring attorneys' fees by the Tax Court [Childs v. Commissioner, 103 T.C. 634 (1994)], has allowed the combined power of 100% tax deferral and compound growth rates to work for the benefit of attorneys.

Lower Your Taxes & Increase Your Income

The 100% deferral of taxes on Structured Attorneys' Fees means your money grows and compounds faster to achieve greater pre-tax future income. See Payout Chart below.

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Plan for Future Financial Events

Structuring Attorneys' Fees allows you to plan

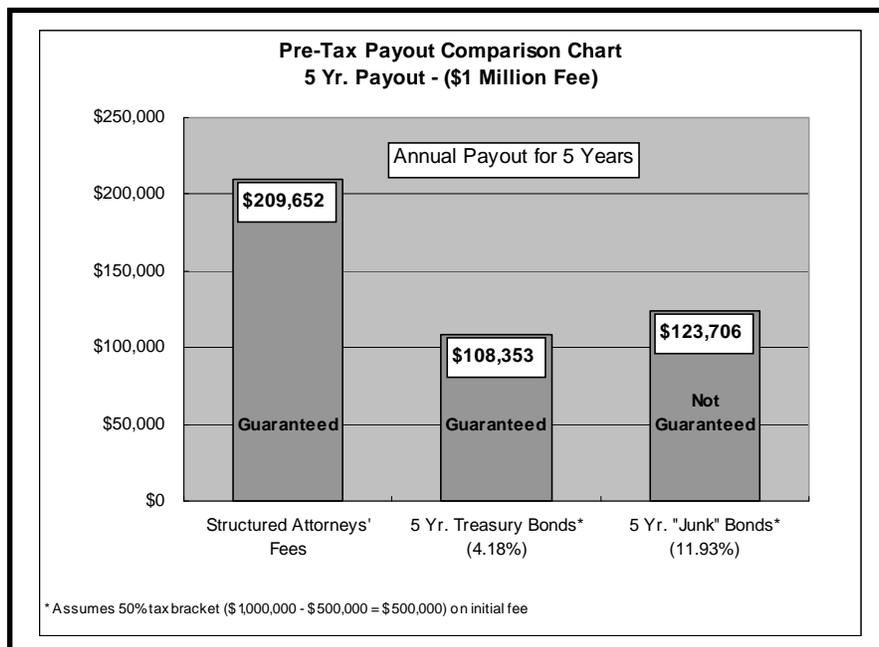
for future financial events such as financing your children's college tuition, funding your practice or buying-out a partner.

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Many times attorneys do not know when they will receive their fees from a settlement or a verdict. Structured Attorneys' Fees can provide the peace of mind that accompanies a guaranteed monthly income.

Guaranteed Income & Long-Term Security

There is no need to worry about fluctuations in the financial market. A structured settlement will provide guaranteed benefits at specific payment dates to assure you of financial security. Structured settlements are only placed into top rated insurance companies.



See chart for payout comparison of Structured Attorneys' Fees versus other investment vehicles.

For additional information on how to structure your fees, please contact us at Robert W. Johnson & Associates (800) 541-7435 Ext. 212

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Attorney Comments: ‘Mr. Johnson did an extraordinary job in overcoming the defendant’s contention that Ms. Shugart’s future lost earnings could be calculated based on standard work-life statistical tables and the actual average amount of time someone her age would “actually” would work. Instead, Mr. Johnson presented an analysis based on plaintiff’s work ethic derived from the particular work history of this plaintiff. When the defense cross-examined Mr. Johnson about the justification for his approach, Mr. Johnson emphasized the very positive qualities of plaintiff’s attitude towards work as evidenced by her work history. With

respect to punitive damages, Mr. Johnson was involved in the case early to analyze financial information pertinent to the relationship between plaintiff’s employer and the defendant, the employer’s parent corporation. During the pendency of the litigation, the defendant was purchased by another corporation and Mr. Johnson evaluated the terms of the purchase for determining the value of the parent corporation. At trial, defendant claimed that it was worth only 20% of its \$200 million purchase price. Mr. Johnson was essential in establishing that the full \$200 million was the proper value for purposes of punitive damages and this was the value which was used by the jury.’

2002 Year-to-Date Verdicts

Listed below are a few select cases for which RWJ & Associates provided support.

ATTORNEY(S)	CASE	CASE TYPE	VERDICT
Charles S. Tauman D. Lawrence Wobbrock	Estate of Michelle Schwarz v. Philip Morris, Inc., et al.	Wrongful Death – Tobacco	\$150,000,000
Simona Farrise	Peterson, et al. v. ACandS, Inc.	Personal Injury – Mesothelioma / Asbestosis	\$20,000,000
Paul Kranz William Veen Cynthia Bernet-McGuinn	Shugart v. OEA	Personal Injury – Loss of an Eye	\$13,700,000
Richard Devirian	Mason v. Lake Dolores Water Park	Personal Injury – Paraplegia	\$8,200,000
TOTALS			\$191,900,000

About Robert W. Johnson & Associates:

A nationally recognized full service consulting firm that specializes in illustrating and quantifying damages. Services include: Court-qualified expert witness testimony in quantifying the loss of enjoyment of life (pain and suffering) in personal injury cases and quantifying the loss of love, care,

comfort, society, consortium, etc. to the survivors in wrongful death cases. Other litigation support services include analyzing and placement of structured settlements, generating wage loss reports that include the present value of future medical expenses and illustrating the loss of quality of life with the LIFE ACTIVITY CALENDAR[®].