

NEWS LETTER

Robert W. Johnson & Associates

FORENSIC ECONOMISTS

4th Qtr 2002-1st Qtr 2003

Featured Case:

ECONOMIST'S TESTIMONY ASSISTS JURY IN \$12.1 MILLION VERDICT AGAINST HYUNDAI MOTOR COMPANY

Portland, Oregon: Robert W. Johnson & Associates was retained to provide economic testimony on a) the present cash value of lost wages, benefits and economic support that Mr. Groth would have provided to his family and b) a framework for punitive damages based on Hyundai Motor Company's financial wealth, health and economic status.

Citation: *Connie Groth, et al., v. Hyundai Precision & Ind. Co., et al.; Circuit Court of the State of Oregon for the County of Multnomah, No. 00-09-09219; Plaintiff Attorney Jan Baisch, Baisch & Coletti Trial Lawyers, P.C.*

Case Synopsis: On March 5, 2000, Scott Groth, a 30 year-old husband and father of two young children, went to his regular job as a machinist. While operating a lathe distributed by Hyundai, the defendant, a piece of the lathe broke loose, flew out of the machine and struck Mr. Groth in the chest. He was killed almost instantly. In addition to his regular employment, Mr. Groth was a partner in a six-figure home building company. In fact, in the month of his death, Mr. Groth was putting the final touches on a new home for his family.

Expert Consultation: First, Mr. Johnson testified to the decedent's lost earnings capacity. The total present value of the plaintiff's lost wages and fringe benefits (as a machinist), and profit from the home building business was over \$4,800,000. In addition, Mr. Johnson quantified the present value of the cost of counseling and respite services for the surviving Groth family.

Second, he testified regarding the subsidiary-parent relationship among the various subsidiaries of Hyundai Motor Company and to the financial wealth, health and economic status of the parent company, Hyundai Motor Company. Mr. Johnson, using the defendants own documents, testified to the ownership links between Hyundai Precision & Ind. Co., Ltd., and Hyundai Machine Tools America, Inc. and the parent company, Hyundai Motor Company. The defense attempted to deny the relationship between the parent and subsidiaries, but Mr. Johnson was able to clearly validate the connection. In regards to financial wealth, health and economic status,

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"How much did you defer in income taxes by Structuring your Attorney Fees?"

See Page 3

\$1,000,000 Jury Verdict for Shortened Life-Expectancy of 80-Year Old

LIFE ACTIVITY CALENDAR® impacts \$1,000,000 jury verdict for 80-year old retired shipyard worker whose asbestosis is a result of asbestos exposure.

San Francisco, California --Robert W. Johnson & Associates was retained to prepare a **LIFE ACTIVITY CALENDAR**® that, admitted through lay testimony, would graphically illustrate how the asbestosis cancer was literally strangling the "color" out of the plaintiff's life-style.

Citation: *Phillips v. Abex, San Francisco, California, Superior Court No.927408, Brayton, Gisvold & Harley, by Attorney Philip A. Harley, Novato, California.*

Case Synopsis: Mr. Edward Phillips, an 80-year old married and retired shipyard worker, suffered from end stage asbestosis as a result of asbestos exposure. In the year prior to his cancer's manifestations, according to the testimony of his wife, Mr. Phillips was a very active husband and grandfather. He would take long walks every day, dine out at least twice a week, go fishing almost once a month, and never missed a San Francisco 49ers home football game. His greatest joy was the time spent with his grandchildren and great-grandchildren, which was at least once a month. However, as a result of the asbestosis, he is totally bed-ridden and on oxygen. Through the use of the **LIFE ACTIVITY CALENDAR**® Checklist, Mrs. Phillips was



able to clearly catalog the activities of Mr. Phillips. At trial, the **LIFE ACTIVITY CALENDAR**® was admitted into evidence and became an integral part of Mrs. Phillips' testimony. There was no cross-examination of Mrs. Phillips' testimony.

Attorney Comments: "The **LIFE ACTIVITY CALENDAR**® made a critical difference and had a significant impact on the jury. It held the jury's attention and dispelled the myth that 80-year old retirees only watch television, take "geritol" and can barely generate enough energy to change the channel. The jury could literally see how the asbestosis was strangling the life out of Mr. Phillips."

Results: The defense offered less than \$10,000 pre-trial and asked the jury for a defense verdict. The jury reached a verdict of \$1,000,000. This is the largest verdict for the shortened life expectancy of a plaintiff over 70 years old in San Francisco.

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

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STRUCTURING ATTORNEY FEES ACCELERATES YOUR WEALTH BUILDING

The Structuring (deferral) of Attorney Fees has been affirmed by the U.S. Tax Court in the case of Childs v. Commissioner of Internal Revenue, 103 T.C. 634 (1994). Structuring Attorney Fees has the benefit of 100% tax deferral, which means your money grows and compounds faster to achieve greater pre-tax future income.

Lower Your Taxes & Increase Your Income

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

Unlimited Contributions & Flexible Payout

Structuring Attorney Fees does not have an upper limit on the amount of money an attorney can contribute in any year. The attorney can contribute up to 100% of fees earned in any given year. In addition, you have full **flexibility** in deciding when and how you receive your payout.

Plan for Future Financial Events

Structuring Attorney Fees allows you to plan for future financial events such as retirement,

financing your children's college tuition, funding your practice or buying-out a partner.

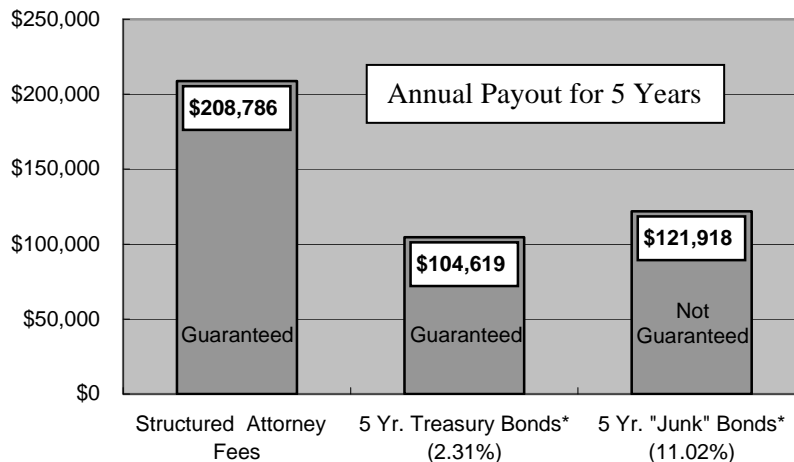
Smooth Sporadic Income Swings

Many times attorneys do not know when they will receive their fees from a settlement or a verdict. Structured Attorney 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. The Structured Attorney Fee will provide guaranteed benefits at specific payment dates to assure you of financial security. Structured Attorney Fees are only placed with top rated insurance companies.

**Pre-Tax Payout Comparison Chart
5 Yr. Payout - (\$1 Million Fee)**



* Assumes 50% tax bracket (\$1,000,000 - \$500,000 = \$500,000) on initial fee

See chart for payout comparison of Structured Attorney 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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Mr. Johnson testified that in 2001 Hyundai Motor Company had \$30.1 Billion in sales and \$869 Million in net income. The 2001 net worth of Hyundai was \$8.7 Billion and the company had \$1.7 Billion in cash on hand.

Result: The jury awarded \$3.8 Million in compensatory and non-economic damages to Mrs. Groth. In addition, the jury awarded \$8.3 Million in punitive damages against Hyundai Motor Company, for a total award of \$12.1 Million.

Attorney's Comments: Mr. Baisch had this to say, "In my case of the Scott Groth Estate v. Hyundai, Robert Johnson did a very good job analyzing the plaintiff's lost earnings capacity and economic losses and I would definitely recommend your firm to any attorney with an economic damage claim." Mr. Baisch also commented on the punitive damages phase of the trial, "In addition, Robert Johnson performed outstanding work in researching the true financial condition of the defendant, beyond the net worth of Hyundai Motor Company and putting it into understandable terms the jury could work with."

2002 Year End Verdicts

Listed below are a few select cases for which Robert W. Johnson & Associates provided support.

ATTORNEY(S)	CASE	CASE TYPE	VERDICT
Michael Piuze	Bullock v. Philip Morris, Inc.	Personal Injury - Tobacco	\$28,000,000,000
Charles Tauman / Lawrence Wobbrock	Estate of Michelle Schwarz v. Philip Morris, Inc.	Wrongful Death - Tobacco	\$150,000,000
Simona Farrise	Peterson, et al. v. ACandS, Inc., et al.	Personal Injury - Asbestos	\$20,000,000
Cynthia Bernet / William Veen / Paul Kranz	Shugart v. OEA	Personal Injury - Loss of an Eye	\$13,700,000
Jan Baisch	Estate of Groth v. Hyundai Precision, et al.	Wrongful Death - Product Liability	\$12,100,000
John C. Heubeck / Joseph D. Davis	Keith Bierlich v. Soco-Lynch Corporation, et al.	Personal Injury - Mesothelioma	\$7,000,000
Richard Devirian	Mason v. Lake Dolores Water Park	Personal Injury - Paraplegia	\$4,700,000
Gregory Gorman	Davis & Thomas v. Freis	Breach of Contract	\$2,100,000
Anthony S. Petru	Ashbee v. Burlington Northern Santa Fe Corporation	Personal Injury - Railroad	\$1,820,000
TOTAL			\$28,211,420,000

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[®].