

NEWS LETTER

Robert W. Johnson & Associates

FORENSIC ECONOMISTS

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HOW CAN YOU BENEFIT FROM STRUCTURED ATTORNEY FEES?

Structured Attorney Fees provide a unique opportunity for Attorneys to accumulate wealth, with unmatched rates of return.

Structuring is the ideal vehicle to achieve greater wealth accumulation. You can *defer taxes, receive unmatchable rates of return* and, most importantly, be able to *pay yourself first*.

As an attorney, you already know that your fees can be unpredictable. You cannot be sure when cases will arrive or when they will conclude, which makes it challenging to manage cash flow. When your fees do arrive, taxes can take a huge bite from your income.

Structured Attorney Fees allows you to:

- Defer up to 100% of your pre-tax income
- Contribute as much income as you like
- Increase your guaranteed flow of income
- Even out your cash flow

Moreover, structuring your fees gives you a chance to plan for the “big things” in your life. For you, the “big thing” might be buying that next big house, or sending your child to Stanford, or buying out your partner when they retire. Whatever the “big thing” might be for you, the important point is that structuring your fees gives you the ability to achieve it – easily, painlessly, and with an unmatched rate of return.

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How do structured settlements compare to traditional investments?

Structured Attorney Fees have been around since the mid 1990's. Unfortunately, attorneys have been reluctant to structure their fees because they have not been able to accurately compare this investment with other vehicles. Robert W. Johnson & Associates has developed the Tax Equivalent Guaranteed Return (**T.E.G.R.SM**) methodology to simplify this comparison for you.

What is the **T.E.G.R.SM**? The **T.E.G.R.SM** is the guaranteed rate of return that any other investment needs in order to match the pre-tax payout of a structured settlement.

Pre-Tax Comparison

It is important to remember that with Structured Attorney Fees you are working

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CLARK COUNTY, NEVADA CASE SETTLES MINUTES BEFORE A \$42.4 MILLION JURY VERDICT IS RENDERED

Featured Case

Las Vegas, Nevada: Robert W. Johnson & Associates was retained to provide non-economic testimony in quantifying the loss of enjoyment of life.

Citation: *Mark Brown and Patricia Brown v. Cirque Du Soleil Nevada, Inc., et al.*, Clark County District Court Case No. A448850. Plaintiffs' attorney J.R. Crockett, Jr. of the Law Offices of Crockett & Myers, Las

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**ECONOMIST QUANTIFIES & LIFE
ACTIVITY CALENDAR[®]
SUPPORTS UNEMPLOYED
AMPUTEE'S DAMAGES – JURY
VERDICT: \$22,000,000**

Economist quantifies lost wages, benefits and future medical expenses for unemployed amputee. LIFE ACTIVITY CALENDAR[®] validates loss of enjoyment of life damages. Jury verdict \$22,000,000.



Los Angeles, California: Robert W. Johnson & Associates was retained to (a) present testimony that would assist the jury in quantifying the economic impact of the amputation of one leg and the degloving of the other leg and (b) prepare a **LIFE ACTIVITY CALENDAR[®]** that would graphically illustrate how the injury has changed the plaintiff's life.

Citation: *Pogosyan, et al., v. Southern California Rapid Transit Division, et al., Los Angeles County California Superior Court, No. BCO70359, Attorneys Brian J. Panish, Brown Greene (Greene, Broillet, Taylor & Wheeler - Santa Monica) and Robert S. Shtofman (Law Offices of Robert S. Shtofman - Los Angeles, California).*

Case Synopsis: Mrs. Lusik Pogosyan, a 45-year old mother, was getting into her car when she was struck by a vehicle involved in a police pursuit. The Plaintiff suffered a left leg amputation through the knee, a degloving of the right leg and crushing injuries to her pelvis and other areas. The life care plan estimated that Mrs. Pogosyan's future medical expenses would be approximately \$2,400,000.

However, her profound injuries prevented her from ever entering the labor force and drastically reduced her quality of life.

Attorney Comments: "Damages were difficult because the plaintiff was both unemployed at the time of the accident and was taking 'English as a Second Language' to qualify for a job. Your (Robert Johnson) presentation of her lost earnings capacity gave the jury a logical, rational and understandable way to quantify these difficult areas of damages. During cross examination, your answers were succinct, direct and complete.

The **LIFE ACTIVITY CALENDAR[®]** your office prepared powerfully validated the plaintiff's family testimony so well that the defense offered no rebuttal."

Results: Prior to trial the defense originally accepted plaintiff's demand of \$435,000, but later denied it. The jury returned a verdict of \$22,000,000 which included \$3,250,000 in economic (lost wages and medical expenses) damages and \$17,000,000 in general damages.

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

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Vegas, Nevada. The judge who presided over the trial was the Honorable Michelle Leavitt.

Case Synopsis: On January 30, 2002, Mr. Brown was working as an electrician at the Bellagio Hotel in Las Vegas, Nevada. Mr. Brown had been with the Bellagio Hotel for four years, and had been a journeyman electrician since 1976. He was installing electrical circuitry on the Cirque Du Soleil's "O" performance stage. He was working underneath a 1,000 pound prop when its anchor point broke and the prop fell on him.

Mr. Brown was taken to University Medical Center where he remained in the intensive care unit for two weeks. He sustained near fatal injuries, including a depressed skull fracture, brain injury and an L-1 spinal cord injury, which resulted in incomplete paralysis of his lower extremities.

Mr. Brown lost 25% of his skull. He sustained a right orbital fracture that has necessitated extensive reconstruction to the right side of his skull and face. He encounters excruciating pain in his legs that occurs 30-40 times a day and lasts a few seconds up to a few minutes.

Expert Testimony: In this case, Mr. Johnson was retained to testify to an accepted econometric methodology that would assist the jury in quantifying the loss of enjoyment of life part of the pain and suffering that Mr. Brown had suffered. Mr. Johnson testified that: (1) death (the 100% loss of the intangible value of life) is the equivalent of the 100% loss of the enjoyment of life; (2) that using the latest generally accepted Willingness-To-Pay studies (accepted by both academic and government economists), that 100% loss of enjoyment of life ranges from a low of \$2.9 Million to an average of \$9.9

Million (the ceiling value was for the jury to determine); (3) the jury was then left to decide what permanent percentage deficit Mr. Brown will suffer for the rest of his life; (4) then the jury needed to determine where within the whole intangible value of life range (mentioned above) Mr. Brown would have lived his life had he not been injured; and (5) the jury was to then multiply the percentage deficit (as determined in step 2) by the whole intangible value of life (as determined in step 4) to yield the total loss of enjoyment of life suffered by Mr. Brown.

Result: The defense offered \$6 Million pre-trial and asked for a defense verdict. The jury reached a verdict while the parties were finalizing a settlement. The jury verdict was for \$42.4 Million. The verdict consisted of \$9.5 Million in economic damages and \$32.9 Million in general damages.

Attorney's Comments: "The loss of enjoyment of life testimony was critical to the damages portion of our case. Your ability to clearly and credibly explain the loss of enjoyment of life concept gave the jury a logical, rational and understandable way to quantify the difficult area of damages. In addition, on cross-examination, every time the defense attorney (who thought he was an economist) tried to discredit your opinion, you either pointed-out an error in his math, an error in his reading the data or an error in his logic. You made the jury feel secure and comfortable with your analysis."

Visit us at our booth at the
CAOC 44th Convention
November 10-13, 2005
San Francisco, California
The Fairmont Hotel

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with 100% of your money because you invest on a pre-tax basis. It is also important to understand that the results are **guaranteed**. In contrast with a traditional investment you are typically working with 60% - 65% of your money after-taxes, and the results usually are **not guaranteed**.

Unmatchable Rates of Return

Structuring your fees gives you an unmatchable rate of return, with annual **Tax Equivalent Guaranteed Returns** that can reach:

- 20+% for a 5-year investment
- 15+% for a 10-year investment
- 10+% for a 20-year investment

A Long-Term Scenario: Funding Retirement

An attorney planning to retire has just settled a case with \$500,000 in fees. The attorney has the option to either (a) structure their \$500,000 fee, or (b) pay the tax and invest the balance.

- (a) If the attorney structures their fee, the \$500,000 will pay out \$38,544 annually before tax, over 20 years, **guaranteed**.
- (b) On the other hand, if the attorney pays the 40% tax (\$200,000) and

invests the \$300,000 balance, the investment would need to generate a **T.E.G.R.SM of 11.35%** to match the structure's **guaranteed** total payout.

Clearly, few investments are likely to yield a steady return of 11.35% over 20 years, whereas the structure is **guaranteed**, no matter what happens. The structured approach is the obvious choice to maximize the return on the initial fee.

The benefits are clear. Consider:

- Unbeatable, guaranteed returns
- Increased cash flow and lower taxes
- 100% tax deferral
- Unlimited contribution allowance

You can use the structure as a vehicle to meet almost any financial goal.

Structured Attorney Fees beat every other guaranteed vehicle for investing and maximizing the benefit from your hard-earned fees. It not only makes more money, but it is unhindered by down-turns in the economy and the stock market.

You provide the vision and we'll provide the vehicle.

All you need to do is call us at (800) 541-7435 and we'll help you get started.

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, 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[®].