

Practice Group News Plaintiff's Consumer

The PC Group will have its mid-year meeting in San Francisco on April 19-20, 2006. It will kick off with a dinner on the 19th with a full-day program following. Educational topics to be covered include mediation and alternative dispute resolution and case cost financing. A third session will focus on marketing. CLE credit will be available per state guidelines.

Plaintiff and Consumer Group Mid-Year Conference

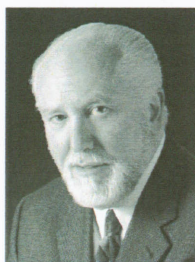
This year's conference for the Plaintiff and Consumer group addresses the topics most important to good plaintiff's firms: marketing, case financing, advanced practice technique and, a special treat, Rodney Jew on effective communication with juries.

For those not familiar with Rodney, he has pioneered ground breaking communication and strategic case planning techniques that have yielded phenomenal results for lawyers using them.

In addition to an information packed substantive session the meeting will be held in San Francisco so that attendees can not only enjoy the program but the destination as well.

For those attending, the program begins on April 19th with an informal dinner at Moose's, a popular North Beach restaurant. April 20th is reserved for the substantive portion of the event and the 21st is set aside for optional activities which include walking tours of Nob Hill, wine country tours, and for the golfers, Guy Körnblum will host a small contingent on the Olympic Course.

Best Practices



Using Structured Settlements in Taxable Damages Cases

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An area sometimes overlooked for the use of structured settlements is that of non-physical torts, especially in the employment area. According to the EEOC, these cases represent the fastest growing form of litigation in this country.

In the past, structuring was not a viable alternative because the defendant employer was unable to assign their future liability for the periodic payments. Along with owning the policy, they were obligated to be contingently liable, and a full release at time of settlement was not possible. Additionally, the cost of the settlement could only be deducted as the payments were made. Not surprisingly, few of these cases were resolved with structured settlements.

Now, however, there are annuity companies who will accept an assignment and these cases can be structured out resulting in significant advantages to all parties. The employee/plaintiff can choose to receive future payments designed around specific needs and defer the taxes until the payments are received. Many times this is a preferred alternative to being taxed on a large lump sum today. Early retirement, for instance, when the employee is in a lower tax bracket, can be an attractive settlement incentive. Along with the advantage of obtaining a larger total payout than with a single lump

sum, the employee has the security of the payments being guaranteed by an A+ rated multi-billion dollar life insurance company.

Meanwhile, the defendant/employer would receive a complete release at the time of settlement, since the liability to the insurance company assignee via the assignment agreement. Not insignificantly, the employer can take the tax deduction for the full cost immediately. Types of damages appropriate to these cases would be age and sex discrimination, emotional distress, humiliation and harassment issues.

The employment buyout area is another arena where non-traditional structured settlements can be useful, particularly in this day of downsizing and reductions in management staffing. Highly compensated senior executives who may not want additional income today can benefit by deferring the payments until a future date. The tax savings can be substantial depending upon the plan design.

In cases of this nature, the periodic payments cannot be subject to withholding and the recipient receives an IRS form-I099 from the life insurance company in the year payments are received. These non-physical tort cases provide many of the same advantages as traditional physical injury/physical sickness cases except that the payments are taxed as received.

“Matrices” continued
pg. 7

New Member Profiles

the referral source definitely has the contacts; a 2 if it is a maybe, for example, a referral source on the way up; and a 1 if it is doubtful, for example the source has turned to technology consulting rather than tax work. The right-hand scale describes the strength of the current tie with the prospective referral source—the propensity to help. Again the scale descends from a 3, (“Definitely, since we represented him personally, he thinks the world of our firm”); to a 2 (“I’m not sure, we’re cordial, but haven’t really talked about what we do”); to a 1 (doubtful).

Add the two scores of each source, (e.g.: Source A equals 6; Source B equals 4). Contact those with combined scores (i.e., priority) of 6, then 5, then 4, etc. With limited time and a desire to focus on high potential, willing referral sources, those on the list receiving 6’s would be contacted first, followed by those receiving 5’s, possibly followed by those receiving 4’s.

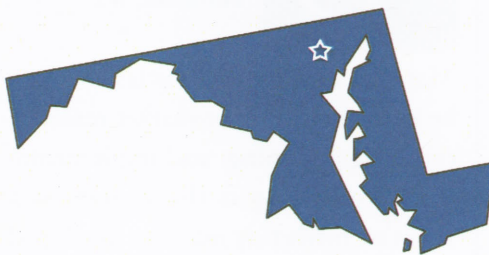
The matrix provides a simple method to evaluate and prioritize referral sources. This kind of systematic approach can take individual entrepreneurial efforts to the next level — with a strategic, firm-wide program.

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This is the fourth in a series of articles on using matrices to enhance marketing efforts. If you missed the earlier articles on the Client Service Matrix, the Key Client Matrix and the Client/Office Matrix, feel free to contact us for copies at info@altmanweil.com.

Dugan, Babij & Tolley, LLC

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Guy Kornblum & Associates

(San Francisco, California) was founded for the express purpose of providing clients with a unique and forceful team of attorneys to represent them in the trial and appellate courts. The firm’s practice focuses on representing plaintiffs, claimants, policyholders and victims of tortious and contractual wrongs in insurance bad faith (life, health and disability, uninsured and underinsured motorist claims, and property and casualty claims), medical and legal malpractice, personal injury, wrongful death, commercial and real estate litigation and actions involving punitive damages claims. The firm is client and result oriented and has an experienced team of four attorneys.

