

C L P  
CENTER FOR LEGAL POLICY  
AT THE MANHATTAN INSTITUTE

# TRIAL LAWYERS INC.

*California*

**A REPORT ON THE  
LAWSUIT INDUSTRY IN  
CALIFORNIA 2005**

# LAWSUIT CENTRAL

Trial Lawyers, Inc. takes it to  
“the Bank” in Los Angeles.

For each of the past three years, the American Tort Reform Association has published a report, *Judicial Hellholes*, which focuses on the worst venues in the nation for lawsuit abuse. In each of those years, the Los Angeles County Court’s Central Civil West Division—cynically nicknamed “the Bank” by area plaintiffs’ attorneys—has made the list.<sup>124</sup> And this year, corporate executives surveyed by the Harris Interactive polling group ranked Los Angeles the least fair litigation environment in the nation.<sup>125</sup>

It’s not hard to see why. Though California has a number of overly litigious jurisdictions—including San Francisco and Alameda Counties—Los Angeles stands out with an eye-popping list of verdicts.

For example, in 1998, a judge in the Central Civil West Division, Richard Hubbell, urged the jury to “send a notice out to the world,” to which they responded with a \$760 million punitive-damage award.<sup>126</sup> The case was brought by infamous “toxic tort” lawyer Thomas Girardi against five companies that had supplied allegedly harmful chemicals for Lockheed’s F-117 Stealth fighter factory, where the 28 plaintiffs had worked from the 1950s through the 1980s.<sup>127</sup> An appellate court reversed Judge Hubbell and overturned the punitive award in its entirety, determining that the facts of the case did not support a finding of “despicable conduct” but rather, at most, “a tragedy arising in an industry developing weapons whose purpose was to defend this country during the Cold War.”<sup>128</sup>

Perhaps no case in the district is more notorious than the 1999 products liability case in which Brian Panish scored a then-record \$4.2 billion verdict for six automobile passengers injured in an explosion.<sup>129</sup> Panish argued that the Chevy Malibu the plaintiffs were driving was defective and overly susceptible to explode in rear-end collisions. Incredibly, however, presiding judge Ernest Williams did not permit General Motors to introduce testimony on the Malibu’s low fire-accident rates—nor to enter evidence that the driver who had rear-ended the plaintiffs had been driving at 70 miles per hour, while drunk.<sup>130</sup> And when GM wanted to call high-ranking public officials to rebut the plaintiffs’ claim that the automaker had lobbied to limit regulations on fuel-tank safety, the judge denied that, too.<sup>131</sup>

L.A. attorney Michael Piuze broke Panish’s record in 2002, with an over-the-top \$28 billion verdict awarded to a 64-year-old lifelong smoker.<sup>132</sup> Piuze had earlier won a \$3 billion award in 2001 on behalf of a 56-year-old lifelong smoker.<sup>133</sup> Both awards were ultimately reduced to the tens of millions, in accordance with federal constitutional requirements.<sup>134</sup>

Just last year, a Los Angeles jury held a local store liable for \$4.1 million for selling a dietary supplement that had allegedly caused a plaintiff’s stroke.<sup>135</sup> In taking the extreme step of holding a retailer liable for its supplier’s product, jurors stated that they wanted to let retailers know that “if you are going to sell something that is dangerous, you better warn the consumer or take it off your shelf.”<sup>136</sup>

Fixing Los Angeles’s broken legal system is easier said than done, but one necessary change is making sure that jury service in the Central Civil West Division is more representative. The division’s clerk is noted for getting potential jurors off long trials for virtually any reason, so that those summoned who have jobs or other social responsibilities do not serve, and those left in the jury pool are hardly an adequate cross-section of the population.<sup>137</sup> Ultimately, however, it is the district’s trial-lawyer-backed judges who have made a mockery of justice with their wacky rulings; until they are replaced with jurists who take their oaths seriously, the Bank will be open for business.



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