

995-02-01

**Auto vs. Auto: Head-on Collision**

**Settlement: \$12,000,000**

**Plaintiff Attorney:** Lawrence R. Booth & Richard B. Koskoff  
(Booth & Koskoff), Torrance (310) 515-1361

**Defendant Attorneys:**  
**for Fujita:** Edward W. Schmitt (714) 753-1229  
(Mower, Koeller, Nebeker, et al), Irvine  
Gerald M. Siegel (310) 451-4868  
(Law Offices of William G. Wells), Santa Monica  
Larry B. Carr (310) 643-2200  
(Early, Maslach & Price), El Segundo

**Court:** L.A. Central Judge: John Schidler, Jack Trotter (JAMS) Date: 8/94

**Insurance Co.:** State Farm, Lexington Insurance Co, ISLIC Insurance and Zurich Insurance for Fujita, Farmers for Lee

**Case:** Sylvia Lee, et al. vs. Fujita, Eun Lee YC 018 987

**Facts:** 4/8/93: Plaintiff, 6 year-old child, was a passenger in a minivan operated by an after-school teacher. There were two other kindergarten students in the van, one of whom sustained major injuries and the other sustained minor injuries and was not a Plaintiff. Defendant was driving a cadalac on Crenshaw Blvd. near Domingues in Torrance. Defendant was in the course and scope of his employment for Fujita. Defendant cross over a 9 foot wide painted median and first hit a motorcycle and then the minivan.

**Injuries:** Major brain injury involving loss of brain tissue resulting in partial right side paralysis, diminution of cognitive ability and neurological effect partially reducing vision.

**Medical Costs:** \$400,000 past, future unknown

**Loss of Earnings:** At least \$1,000,000

**Contentions:** Plaintiff claimed Defendant Fujita's employee drove onto the wrong side of the road causing a head-on collision with the van operated by the after-school teacher. Prior to striking the van the Defendant's employee struck a motorcycle operated by another Plaintiff who sustained major injuries. Denied any mechanical defect. The Plaintiff was in her seat belt and her head injuries were made worse by the fact she was wearing a seat belt. The parties elected 31 experts and settled the case on the eve of trial.

Defendant argued the vehicle had a sudden mechanical failure which caused it to go out of control and cross over to the wrong side of the road. The Plaintiff failed to wear her seat belt and blamed the injuries on the failure of the after-school teacher to make sure the child was in a seat belt. The Defendant was the American subsidiary of a Japanese corporation which in turn had several subsidiaries. The driver of the Defendant vehicle was employed by one of the subsidiaries and the vehicle was owned by another.

**Settlement:** 1st Offer: \$9,000,000 1st Demand: \$20,000,000

Settled for \$12,000,000 cash, including \$1,500,000 to the Plaintiff's mother who was also a Plaintiff and sued for her damages involved in having to support and take care of the child.

The principal Defendant, Fujita, carried a \$500,000 primary policy, a \$5,000,000 excess policy and a minor Defendant (Lee) had a \$50/100,000 policy.

**Note:** None of the settlement was paid out of the Defendant's own assets but was paid by a number of insurance companies who pooled their funds. The Defendant had substantial multi-million dollar coverage through its hotel subsidiary, but these carriers contended the operation of the vehicle had nothing to do with the hotel business. The Defendant also had substantial multi-million coverage through its business as a property owner but this required that the vehicle be a "non-owned vehicle." These carriers contended that it was an owned vehicle since it was owned by another subsidiary of the same company.

<b>Plaintiff Experts:</b>	Majovski, Lawrence	Neuropsychologist	Pasadena
	Reader, August	Neuro-ophthalmologist	Los Angeles
	Gabriel, Ronald	Pediatric Neurologist	Century City
	Koch, Myron	Orthopedic Surgeon	Woodland Hills

**Defense Experts:**

Barnes, Priscilla	Child & Family Counselor	Santa Monica
Rosen, Joel	Physicatrict	Northridge
Hurvitz, Carol	Pediatric Hematologist	Los Angeles
Formuzis, Peter	Economist	Santa Ana
Broadhead, Bill	Automotive Engineer	Santa Barbara
Blewett, Stephen A.	Automotive Engineer/Accident Reconstruction	Altadena
Paustian, Larry	CHP	Los Angeles
Syson, Stephen R.	Automotive Engineer	Goleta
Schneider, Sandra	Vocational Rehabilitation	Los Angeles
Schauwecker, Harry	Business Consultant	Torrance
Sayabalian, Sam	Automotive Mechanic	Los Angeles
Moyer, Barbara	Neuro-Psychiatrist	Long Beach
Lubens, Perry	Pediatric Neurologist	Long Beach
Graboff, Stephen	Orthopedic Surgeon	Huntington Beach
Weinert, Carl	Pediatric Orthopedist	Orange
Barras, Donna	Medical Costs	Buena Park
Vamhof, Daniel	Accident Reconstruction	La Mesa
Ward, Carley	Biomechanical Engineer	Pacific Palisades
Workman, Edward	Vocational Rehabilitation	San Clemente
Brady, James J.	Annuities	Newport Beach

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