



Judicial Watch™

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Dear Friend:

The American legal system is dangerously corrupt.

It's picking the pockets of hard-working Americans, putting literally billions of dollars into the pockets of greedy lawyers, turning neighbor against neighbor and threatening to derail the rule of law.

Furthermore, legal corruption and abuse is not somebody else's problem. It's not just Big Business and the tobacco, chemical and insurance industries that pay the cost of legal abuse and runaway litigation. More and more every day, legal corruption and greedy lawyerism negatively impact the daily lives of YOU, me and every American:

- The huge costs of our legal system create an average "litigation tax" of 2.5 percent on every product we buy. The tab for our out of control legal system comes to about \$1,200 per person per year.
- This figure is much higher for some products, such as step-ladders (30 percent) and vaccines (95 percent) that tend to attract lawsuits.
- The cost of litigation doubles the price of a football helmet, will add \$500 to the sticker of your next new car, and pumps up the cost of a heart pacemaker by \$3,000.
- Why has it taken so long for the government to respond to the terrorist threats of biological warfare – including production of anthrax and small pox vaccines? Because of excessive litigation, between 1965 and 1985, the number of U.S. vaccine manufacturers shrank by more than half; so by 1986, we had to rely on a single supplier for vaccines against polio, rubella, measles, mumps, and rabies.
- The Senate Commerce Committee reported that two of the three companies making the diphtheria-tetanus-pertussis, or "DPT", vaccine stopped production because of excessive litigation. They could not afford all the suits arising from the now clearly discredited theory that the vaccine might in very rare instances cause brain damage.
- According to a Gallup survey, one out of every five small businesses decides not to introduce a new product or improve an existing one because of fear of litigation.
- According to a survey of 500 CEO's lawsuits caused 36 percent of their companies to

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discontinue products, 15 percent to lay off workers, and 8 percent to close plants.

- Potentially worse than actual lawsuits is the fear of litigation. Have you ever wondered why there are not more jungle gyms, skating rinks or diving boards at your local swimming pool? These traditional pieces of American culture – healthy activities for children and teenagers -- have virtually disappeared for fear of litigation.

Here's the worst of all. The U.S. has been transformed from a nation of friends and neighbors into one of actual and potential litigants – plaintiffs and defendants. Greedy, unprincipled lawyers have made Americans willing to ask courts to resolve everything. These are just some of the extreme examples of the more than 250,000 lawsuits filed in American courts each year:

- A New York actress and her doctor husband pay a New Year's Eve call on his parents. Outside the in-laws' door, the actress slips on ice and breaks her ankle. Her response? She sues her husband's parents, knowing the money will come from their insurance company.
- The husband of another actress, Sharon Stone, sues the Los Angeles zoo because its Komodo dragon bit him on the toe. (Never mind that he chose to step into the reptile's cage!)
- In March of 2000, a drunk in Florida broke into and climbed a transformer, receiving 13,000 volts of electricity. He sued the 6 bars that served him and the electric company.
- In California, a thief who is stabbed in a bar during a holdup dies. His family sues the business for operating an unsafe establishment.
- In Ohio, a baseball coach is sued by the parents of a high school player who claimed they were humiliated because their son spent too much time on the bench.
- A lawsuit was filed in Georgia against Ford Motor Co. in 1999, after a 3 year old boy died in a van that he had been left for several hours in 95 degree weather. The family claimed that Ford should have installed a safety device that would cool down parked cars.
- And we all remember the lady who spilled hot coffee on herself. She sued McDonald's, Wal-Mart, a cup manufacturer and her mother. The coffee was from McDonald's, it fell out of a Wal-Mart cup holder in her mother's car.

Shall I go on? There's simply no end to the absurdity our legal system has become.

Before I continue I want to make clear that I am not writing this letter to you to whine and complain about an already hopeless problem with no clear solution. Something CAN be done and IS being done about runaway litigation and greedy, corrupt lawyers and judges.

I'm writing this letter to let you know that Judicial Watch is already taking action – and to enlist your support so we can do even more to call attention to -- and eliminate -- the spreading cancer of legal corruption.

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Our staff attorneys here at Judicial Watch have already filed suit in over 100 of the worst cases of legal corruption in the country today. These cases are not even the tip of the iceberg **but they are an important beginning**.

I invite you today to become an important **"Friend of the Court"** in these legal actions and the ones we will be initiating in the future. I invite you today to go on record as an American fed up with legal abuse and willing to put your name to a course of action designed to stop greedy and corrupt lawyers and judges.

Will you take this step? Will you join with me and the hard working legal team here at Judicial Watch? I sincerely hope so.

As you can see from the top of this letter, I am myself a practicing attorney. Just a few years ago I was so disgusted with what has happened to my profession – once a vital part of our democracy – that I was on the verge of quitting the law.

Instead, in 1994 I founded Judicial Watch.

The idea behind Judicial Watch is to serve as an ethical and legal "watchdog" over our government, legal, and judicial systems to promote a return to ethics and morality in our nation's public life.

Judicial Watch is not the tool of any special interest group. As a non-partisan, non-profit foundation based in Washington, D.C., and with offices throughout the country, Judicial Watch relies on voluntary support, from people like yourself, to help us root out corruption in our government and to make sure offenders are brought to justice.

At Judicial Watch our motto is: **Because no one is above the law!**

To fulfill our mission, Judicial Watch undertakes strong court actions on a case-by-case basis to police ethical and legal transgressions by government officials, lawyers and judges – including scores of lawsuits aimed at the Clinton-Gore Administration for its corrupt practices.

Judicial Watch polices misconduct by all political parties and will not hesitate to bring lawsuits against anyone, Republican, Democrat, or Independent, who violates the public trust. Ethics and respect for the law are "core values," which all agree are crucial for our country to remain the world's leader.

Judicial Watch is currently involved in many court cases concerning corrupt politicians, government officials, lawyers and judges. Trials for many of these cases will begin this year and the normal pressures placed on Judicial Watch's limited staff will only intensify as events unfold. That is why we need your help today!

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What's behind the legal mess we're in today?

1. Lawyer greed. We've heard about mega-trial attorneys who have netted literally billion dollar fees in settlements in high profile cases involving tobacco and asbestos. But what about abuses in smaller cases. Even when the lawyer's time and work required is minimal; the lawyer takes a third of the settlement. This can result in an effective hourly rate rising up into the thousands or even tens of thousands of dollars.

On average, 50 cents out of each dollar awarded in a lawsuit goes not to injured parties, but to lawyers, experts, and other so-called expenses.

Lawyers who represented Nazi-era slave laborers, for example, split more than \$52 million in legal fees for work on a case that will bring Holocaust victims \$5,000 to \$7,500 each.

2. So-called "class action" lawsuits. The original idea behind "class action" lawsuits seemed logical. When many people have the same claim against the same defendant, litigating those claims together is more efficient.

But today class action lawsuits have become a means to enrich lawyers while helping no one but themselves. In the overwhelming majority of class actions today, the "clients" may have no complaint, and are probably not even aware a lawsuit has been filed. Essentially the lawyers are representing themselves.

One of the most extreme and ludicrous examples of class action lawsuit abuse is the asbestos industry. Having years ago bankrupted those firms that once produced asbestos, trial lawyers have been drumming up suits against companies that never produced the stuff. And they are doing so successfully on behalf of clients who show no signs of asbestos-related illnesses.

According to the National Center for Policy Analysis:

- Asbestos claims have more than doubled in the past five years -- and in 2001 alone, 70,000 new cases were brought.
- Eighty percent of the claims are on behalf of people who haven't been injured.
- Asbestos litigation has bankrupted nine major companies since January 2000 -- including U.S. Gypsum and Owens Corning.
- Lester Brickman of the Benjamin Cardozo Law School estimates that 30 million to 50 million people are eligible to make asbestos claims, and "maybe more."

Under the current rules, the exposure of corporate America to asbestos litigation is unbelievably vast. Experts report that half the industrial companies in America could face bankruptcy.

3. Activist judges. These are the growing numbers of judges who act as legislators in their court room. Not content to merely interpret the law, they are making the law right on the spot. These judges have suspended the traditional rules of what governed our courts for decades – allowing frivolous lawsuits and lawyer abuses that would never have been tolerated before.
4. Court shopping. These days, trial lawyers get to choose the court that hears their case. Under the current absurd rules, national lawsuits such as class actions can be filed in just about any court in the country. Not surprisingly, lawsuits are filed at a much higher rate in state courts with elected judges supported by lawyers' campaign donations...
5. The vicious money cycle. Trial attorneys contribute to politicians who make lawsuit-friendly laws, and hinder and oppose legal reform. Result: trial lawyers file more lawsuits, collect more fees, money goes back to the politicians. The trial bar also finances the campaigns of favored judges in states where judges are elected.

These friendly judges make it easier for the trial lawyers to win cases AND to collect huge jury awards. These corrupt judges agree to hear cases with dubious merit, accept flimsy, pseudo-scientific evidence and instruct juries in terms favorable to the plaintiffs. They also strike down as unconstitutional legal reforms passed by their state legislatures.

Make no mistake. Contributions from attorneys assure friendly courts.

Consider the case of Ohio: Recently a 4-3 majority of the Ohio Supreme Court tossed out a 3-year-old tort reform package. Since 1992 the four justices ruling against tort reform received \$1,528,054 from personal injury attorneys. The three dissenting justices collected only \$70,704 from the trial bar.

In all, trial lawyers provided \$60 million to opponents of tort reform between 1988 and 1996. According to expert estimates, there have been more than 90 cases of pro-trial attorney judges overturning tort reforms in 26 states over the last 15 years.

Between 1990 and 1994, trial lawyers gave \$17.3 million to state candidates in Texas, California, and Alabama - more than the combined contributions of the Democratic National Committee, Republican National Committee, and labor and auto companies to federal candidates.

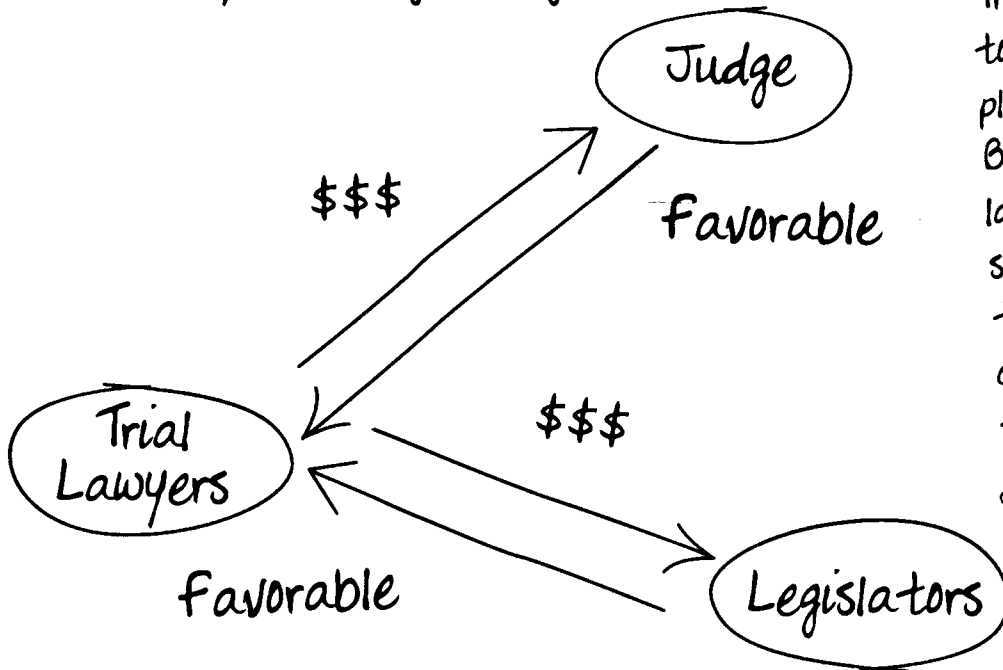
The trial lawyers are definitely not bi-partisan. Trial lawyers overwhelmingly favor the Democratic Party. And the Democratic Party is overwhelmingly favorable to trial lawyers and legislation that helps them milk the system. (Both Bill and Hillary Clinton are trial attorneys. And one of the great rising stars of the Democrats, Senator John Edwards, has been described as "the most successful trial lawyer in North Carolina.")

The bulk of The Association of Trial Lawyers of America's (ATLA's) contributions have gone to the Democratic Party. Trial lawyers gave \$4.4 million dollars to Democratic candidates and political candidates in the 2000 election.

The result: The United States' lawsuit-crazy legal system is wrecking our economy through excessive litigation. It's burdening the court system with thousands of frivolous lawsuits – denying justice to people who really need it.

- The cost of the U.S. legal system is growing at four times the rate of our economy.

The Lawyer - Judge - Legislator



Trial attorneys contribute to politicians who make plaintiff-friendly laws. Beneficiaries of the resulting lawsuits contribute to the same politicians. Then the trial bar finances the campaigns of plaintiff-friendly judges, whose judgments underwrite the next round of political contributions.

- The U.S. tort system is the most expensive in the industrialized world. U.S. tort costs are 2.2% of Gross Domestic Product (GDP), substantially higher than that of other developed countries.
- Over \$163 billion is paid each year in damages and lawyers' fees related to tort lawsuits.
- In 1997 alone, there were over 15 million lawsuits filed in state courts—one every two seconds.
- Jury awards are skyrocketing. The top ten awards in 1999 totaled \$9 billion—a 1,200 percent increase over 1998.
- Once rare, so called, punitive damage awards in financial injury cases rose from \$3.4 million to \$7.6 million between 1985-1994.
- Class action filings increased by more than 1,000 percent in state courts over the past ten years. Federal class action filings over the past 10 years have increased by more than 300 percent.

The solution.

As bad as the problem of legal abuse is, it is far from hopeless.

Tort reform is one answer. Frivolous lawsuits should be prohibited. The courts and their bar association should punish attorneys who bring them. Attorney fees must be reined in. Court shopping must end. Parties who bring suit must have some standing in the court's area of jurisdiction. Campaign contributions from lawyers to judges and other forms of legal bribery must be eliminated. The rules governing so-called class action lawsuits must be strengthened with lawyers no longer able to represent themselves.

When states pass meaningful tort reform, productivity and employment increase. These increases range from 7 or 8% for productivity to 11 and 12% for employment.

~~Tort reform is pending in the US Congress and in states around the country.~~

Governors in several states including Alabama, Florida, and Texas have already passed significant and positive reforms. The reforms passed in Texas and signed into law by then Governor George W. Bush have allowed the creation of 200,000 new jobs, more than \$1,000 in annual savings for Texas consumers, and greater access to the courts.

But tort reform is only part of the answer. At Judicial Watch we believe we must strike directly at the heart of the problem — the corrupt lawyers and judges who have done so much to destroy our legal system.

That is why we have prepared a series of lawsuits aimed at recovering more than \$10 BILLION in legal fees that have been paid to corrupt lawyers and law firms.

We are also preparing a series of suits against state bar associations that have failed to police their own membership.

We are recruiting hundreds of monitors to sit in courtrooms across America to spot and report corrupt attorneys and judges. Our monitors are already having an impact in putting judges and lawyers on their best behavior.

We are investigating a Michigan judge for assigning cases to her boyfriend.

We are investigating a California judge who actually had sex with a defendant's wife in return for a lenient sentence.

We are investigating another California judge who has been absent from the bench more 440 days over a two year period – with no satisfactory explanation.

We are investigating New Hampshire judges for sending their own divorce cases to friends on the bench.

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In short, Judicial Watch is acting to clean up the legal profession. We are turning the tables on corrupt lawyers and corrupt judges. Our goal is to restore the American legal system as a bastion of our civil liberty and individual justice – rather than public enemy number one.

Each lawsuit we bring costs an average \$1.5 million dollars. Each month we must pay the salaries of 12 outstanding attorneys. Attorneys who could be making far more in private practice but share our dedication to reforming the American legal system.

In addition we must pay court costs, filing fees and other operating and overhead expenses to keep our offices open and our suits and investigations moving forward.

We can succeed. We ARE succeeding. But we are absolutely depending on the generous financial support of Americans like you.

As a newly appointed Judicial Watch Friend of the Court, could you please send us a \$50 contribution today? Perhaps circumstances allow you to send \$100 or more. Or perhaps only \$25. Whatever the amount, rest assured it will be much appreciated and put to immediate good use in our active campaign to clean up America's corrupt legal system.

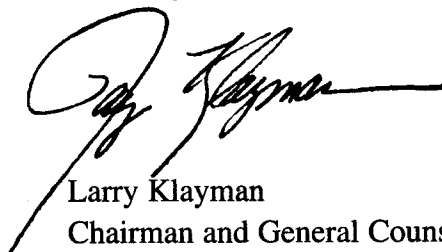
No one is doing what we are doing. We are bold, aggressive and unafraid. But we cannot succeed alone.

Please do not put this letter aside thinking one person can't make a difference. Your \$25, \$50, \$100 or more gift today will make a big difference. Your personal commitment to our crusade is just as important.

Time is short. Our expenses mount daily. Please mail your gift without delay.

Thank you for your time in reading this letter. Remember, **no one is above the law.**

Sincerely,



Larry Klayman
Chairman and General Counsel

P.S. In his day, Abraham Lincoln urged his fellow lawyers to "discourage litigation. Persuade your neighbors to compromise whenever you can. Point out to them how the nominal winner is often a real loser—in fees, expenses and waste of time." I sincerely believe we can restore our ailing legal system and return to Lincoln's ideals... **with your help.**
Thank you.