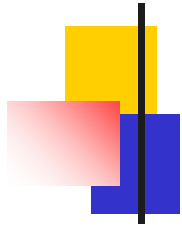


Why Plaintiff's Counsel Should not Discount Future Damages.

Tom Doehrman
Doehrman Chamberlain
1-800-269-3443

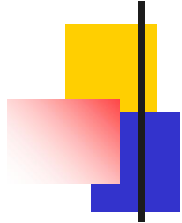


What Difference Does it Make?

\$3,646,562.00 total offset

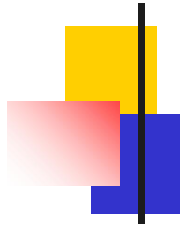
\$2,403,015.00 1% discount rate

\$1,619,599.00 2% discount rate



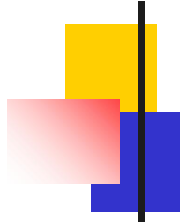
FMC Corp v. Brown
526 N.E.2d 719,731 Ind App 1988

Although evidence of present value may assist the jury in the determination of a reasonable award, it is not essential to an award of damages.



Griffin v. Acker, 659 N.E.2d 659
Ind Ann 1995

...the determination of the real interest and inflation rates, as well as the degree to which they combine to produce a particular market rate, are matters best left to the trier of fact.



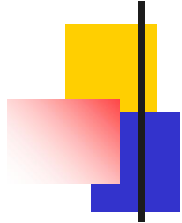
Present Value

How much needed today to provide services?

Two key variables:

Inflation (wages, health care)

Interest on risk-free investment

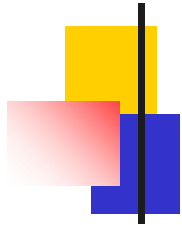


Discount Rate

If investment return is greater than inflationary factors then discount rate is a positive number

If inflationary factors are greater than investment return then discount rate is a negative number

Long-term past used to forecast long-term future



Jones & Laughlin Steel Corp v. Pfeifer 462 US 523 (1983)

Deals with impaired earning capacity

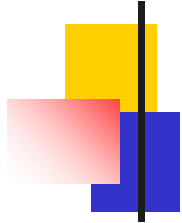
Future losses paid as lump sum

Total offset method is sound

Two key rates

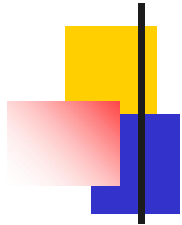
- Future wage increases

- Rate of return on "best and safest" investment



Trevino v. US th Cir. 1986)

“a negative net discount rate would be acceptable where supported by expert testimony”. Id. at 1519



What Difference Does it Make?

\$4,942,656 -0.7 discount rate

\$3,646,562 total offset

\$2,403,015 1% discount rate

\$1,619,599 2% discount rate