

For Immediate Release

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SUPREME COURT URGED TO REVERSE \$290 MILLION PUNITIVE DAMAGES AWARD

(Ford Motor Company v. Romo)

The Washington Legal Foundation (WLF) filed a brief in the U.S. Supreme Court on behalf of itself and the Allied Educational Foundation urging it to review and reverse a California appellate court that let stand a \$290 million punitive damages award against Ford Motor Company. WLF argued in its brief that the huge award could not be justified under the Due Process Clause and relevant Supreme Court decisions, including the Court's recent opinion in *State Farm v. Campbell*.

In *Ford Motor Company v. Romo*, a family was riding in a used 1978 Ford Bronco when it was involved in an accident in 1993. The driver of the vehicle as well as the driver of another car were found to be partially at fault for the accident. The vehicle overturned several times, causing the roof to cave in and killing three of the six occupants. The plaintiffs sued Ford Motor Company claiming that the roof was improperly designed because it did not have steel reinforcement, even though the roof met government safety standards, and no complaints about the roof were made by the owners of the other 150,000 Broncos.

The jury awarded the survivors almost \$5 million in compensatory damages, and at the urging of the plaintiffs' attorney, awarded an unprecedented \$290 million in punitive damages against Ford. Even though the court admitted that this amount was a "huge windfall" to the plaintiffs, it upheld the award on the basis that the conduct by Ford was equivalent to criminal involuntary manslaughter, and that Ford was very wealthy and could pay the staggering amount. WLF argued that the wealth of the corporate defendant is entirely irrelevant to the proper level of punitive damages, particularly because innocent shareholders of the company would be unfairly punished. Unless overturned, all companies which are sued under product liability theories could face crippling damage awards.

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