



MANHATTAN INSTITUTE FOR POLICY RESEARCH

PRESS RELEASE

Contact: Mackenzie Chambers
Press Officer
212-599-7000, EXT. 313
mchambers@manhattan-institute.org

TRIAL LAWYERS, INC. CALIFORNIA

NEW! Report on California's Litigation Industry

San Francisco, CA—April 14, 2005: Today the Manhattan Institute's Center for Legal Policy released *Trial Lawyers, Inc. California*, a new report on the litigation industry from a state perspective. Following up on the success of *Trial Lawyers, Inc.: A Report on the Lawsuit Industry in America*, released in September 2003, *Trial Lawyers, Inc. California* is the Center for Legal Policy's first look at how the litigation industry operates on the state level.

Last year, surveyed business executives ranked California's legal climate 45th out of the 50 states and Los Angeles and San Francisco were viewed as the worst and third-worst jurisdictions in the country, respectively.

Trial Lawyers, Inc. is tightening its grip on California and holding the state back.

Did you know? :

- *Trial Lawyers, Inc.* contributes millions of dollars into California politics
 - In 2002, Milberg Weiss gave \$250,000 to the California Democratic party
 - State Treasurer Phil Angelides received 8% of his campaign contributions from the plaintiffs' bar when he was elected in 1998, for a total of over \$296,000. For his reelection in 2002, those contributions increased to over \$375,000
 - Roughly \$10 million was given to state legislative and statewide campaigns in the most recent political cycles
- The average jury award in large California counties increased 144 percent to \$1.5 million, between 1996 and 2001
- California has more lawyers than any industrialized nation other than the US as a whole
- Suits over alleged construction defects have kept housing starts below the level needed to sustain the state's growing population
 - Construction of new condos plummeted from 18,691 units in 1994 to 2,945 in 1999
 - Last year, the Construction Industry Research Board predicted that there may be a 3% decrease in the number of new one-family homes built in California

- Employment lawsuits make the state one of riskiest places for companies to hire new workers
 - Nearly 40% of companies surveyed plan on moving jobs out of California and 50% have policies to stop employment growth in California
- Securities class action lawsuits aggressively target the state's core high-technology businesses
 - Between 1996 and 2003, 50% of the securities lawsuits brought in federal district court in California were against technology companies
- California courts allow attorneys to collect fees even in losing cases

Trial Lawyers, Inc. California aims to:

- Debunk the myth that the trial lawyers “help the little guy”
- Show that regulation through litigation does not benefit the consumer
- Expose how making law through litigation subverts the democratic process

While there have been positive developments in California, including the recent passage of Proposition 64 which prevents lawyers from bringing claims without showing actual harm to their clients and Governor Schwarzenegger's overhaul of the state worker's compensation program, the state is still in need of major tort reform. For example, California must get a handle on its asbestos litigation problem, and the state should follow the example of most of the rest of the world and institute a “loser pays” rule.

For a copy of the report please visit: www.triallawyersinc.com

The Manhattan Institute, a 501 (c)(3), is a think tank whose mission is to develop and disseminate new ideas that foster greater economic choice and individual responsibility.

www.manhattan-institute.org

#