

National Association of Forensic Economics

Minutes of the Board of Directors Electronic Meeting May 19, 2004

Participating: Stephen Horner, Jim Rodgers, Frank Tinari, Tyler Bowles, Rick Gaskins, Beth Gunderson, Jerry Martin, Gary Skoog, Kurt Krueger, Michael Piette, Jack Ward, Steve Shapiro, George Schieren

1. President Horner verified that all participants were on line and receiving the communications.
2. President Horner presented two possible small clarifying changes in language in the Statement of Ethical Principles and Principles of Professional Practice (SEPPPP) adopted during the March 29, 2004 meeting.
3. It was moved (Krueger) that the proposed SEPPPP be modified with wording change in the introductory sentence and principle #7. The motion was withdrawn before it was seconded.
4. Because of his anticipated absence for ten days and with no immediate agreement of any changes to the proposed SEPPPP, President Horner recessed the meeting until June 7, 2004.
5. On June 7, 2004, President Horner reconvened the meeting. At that time he presented a revised SEPPP and a ballot for the membership to express their opinion about the proposed SEPPPP.
6. It was moved and seconded (Martin, Gunderson) that the version of the SEPPP and the ballot presented by President Horner be supported by the NAFE Board and submitted to the membership for a vote. A one word typographical error was accepted as a correction to the SEPPPP. After considerable discussion, the motion failed 0 – yes, 4 – no, 3 – abstain.
7. After intense discussion concerning the precise wording in item #3 in the proposed SEPPPP, it was moved and seconded (Krueger, Martin) that the #3 Diligence, Objectivity and Accuracy tenet in the proposed SEPPP approved by the Board in the March 29, 2004 meeting be changed to

3. Diligence

Practitioners of forensic economics should employ generally accepted and/or theoretically sound economic methodologies based on reliable economic data. Practitioners of forensic economics should attempt to provide accurate, fair and reasonable expert opinions, recognizing that it is not the responsibility of the practitioner to verify the accuracy or completeness of the case-specific information that has been provided.

and that the Board approves the submission of this new SEPPPP to the membership on the ballot presented by President Horner on June 7, 2004. The motion passed: 7 – yes, 0 – no, 0 – abstain. The resulting proposed SEPPP and ballot are attached.

8. There being no further business, the meeting was adjourned June 14, 2004.

Respectfully submitted by

George A. Schieren
Executive Director
June 14, 2004

The ballot would have two boxes adjacent to the following text, as well as a comment area on the back.

Accept the below Statement of Ethical Principles and Principles of Professional Practice as a condition of membership to the National Association of Forensic Economics.

Reject the below Statement of Ethical Principles and Principles of Professional Practice as a condition of membership to the National Association of Forensic Economics.

Mark One Box and use the back of this form for any comments to the Board

Statement of Ethical Principles and Principles of Professional Practice

National Association of Forensic Economics (NAFE)

When providing expert opinion for use as evidence by the trier of fact, a NAFE member pledges, as a condition of membership, adherence to the following:

1. Employment

Practitioners of forensic economics should decline involvement in any litigation when they are asked to assume invalid representations of fact or alter their methodologies without foundation or compelling analytical reason.

2. Compensation

Practitioners of forensic economics should not accept contingency fee arrangements, or fee amounts associated with the size of a court award or out-of-court settlement.

3. Diligence

Practitioners of forensic economics should employ generally accepted and/or theoretically sound economic methodologies based on reliable economic data. Practitioners of forensic economics should attempt to provide accurate, fair and reasonable expert opinions, recognizing that it is not the responsibility of the practitioner to verify the accuracy or completeness of the case-specific information that has been provided.

4. Disclosure

Practitioners of forensic economics should stand ready to provide sufficient detail to allow replication of all numerical calculations, with reasonable effort, by other competent forensic economics experts, and be prepared to provide sufficient disclosure of sources of information and assumptions underpinning their opinions to make them understandable to others.

5. Consistency

While it is recognized that practitioners of forensic economics may be given a different assignment when working for the plaintiff than when working for the defense, for any given assignment, the basic assumptions, sources, and methods should not change regardless of the party who employs the expert to perform the assignment. There should be no change in methodology for purposes of favoring any party's claim. This requirement of consistency is not meant to preclude methodological changes as new knowledge evolves, nor is it meant to preclude performing requested calculations based upon a hypothetical--as long as its hypothetical nature is clearly disclosed in the expert's report and testimony.

6. Knowledge

Practitioners of forensic economics should strive to maintain a current knowledge base of their discipline.

7. Discourse

Open, uninhibited discussion is a desired educational feature of academic and professional forensic economic conferences. Therefore, to preserve and protect the educational environment, practitioners of forensic economics will refrain from the citation of oral remarks made in an educational environment, without permission.

8. Responsibility

Practitioners of forensic economics are encouraged to make known the existence of, and their adherence to, these principles to those retaining them to perform economic analyses and to other participants in litigation. In addition, it is appropriate for practitioners of forensic economics to offer criticisms of breaches of these principles.