

NAFE MEMBER NEWS

National Association of Forensic Economics

NAFE Member News
Volume 18, Issue 1
February 2004

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Note from the President

Report from San Diego

The NAFE-sponsored sessions at the Allied Social Sciences Associations meetings in San Diego, California were very well attended. Robert Trout put together an excellent program, and Jerry Martin did an outstanding job of compiling the papers with local area information and restaurant guides. Based on past attendance, fifty-five books were prepared and they were all taken quickly, and we even needed a few more. (Papers are available from Nancy Eldredge in the NAFE office: UMKCNAFE@umkc.edu.)

There is a danger of forgetting an important contributor whenever one attempts to thank those who helped make these meetings a success, but I would be remiss if I did not try to hit the high points: Patrick Gaughan organized a very interesting session on commercial litigation that had application to PI/WD cases with entrepreneurs. As part of NAFE's continuing education program, Carroll Foster of UC San Diego gave a lively and useful presentation on time series analysis and its applications to forensic economics. He even did this without going way over our heads! Bob Male did a yeoman's job of organizing a presentation by Stephen Heffler, Deputy Director of the National Health Statistics Group with the Office of the Actuary at the Centers for Medicare & Medicaid Services. This was an eye-opening view into measuring and forecasting medical care price indices. The paper session on the use and misuse of worklife expectancy tables was extremely interesting and useful, with papers by Kurt Krueger, George McCollister and Chris Pflaum, and Jim Ciecka and Gary Skoog. This session demonstrated that even in areas where we might have thought a few years ago that there was little research of interest remaining to do, there is still room for important and exciting theoretical and statistical work to do. I was particularly interested in the research that rigorously shows the precise simi-

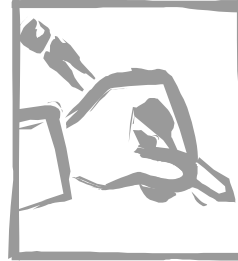
larities and differences between the various types of worklife statistics. You may not want to calculate worklife tables yourself, but every practitioner ought to understand the tables used by your peers.

The NAFE Board of Directors held their winter meeting at a long working lunch in San Diego. The draft minutes for that meeting are included elsewhere in this newsletter.

The Annual Meeting of the NAFE Membership was attended by about 45 members. There was a very vigorous discussion of the proposal to make the NAFE Statement of Ethical Principles and Tenets of Practice (SEPTP) a pledge of the members. This change was unanimously endorsed by the NAFE Board of Directors late last year. The Board believes that it is important that NAFE take a strong stand on the importance of ethical practice in our profession. The Board believes that an "optional" ethics statement does not send the kind of message the Board believes is essential. Several NAFE members who oppose this change proposed a motion to require the NAFE Board to include "pro" and "con" statements with the ballots. This motion was narrowly defeated. Although the defeat of this motion allows the Board to send out the ballots without such statements, the NAFE Board will consider at an electronic meeting to be held in the next few weeks whether to provide such statements with the ballots.

One of the more pleasurable aspects of the Membership Meeting was that NAFE Past President's announced their award for outstanding service to NAFE to Bob Male. Bob has made tremendous behind-the-scenes contributions to your organization over a long period of time. In addition to serving a three-year term on the NAFE Board, Bob has served on many a NAFE committee and helped to organize many a meeting. Fortunately for NAFE, Bob Male may hesitate, but he doesn't usually say "no." Congratulations and many thanks to Bob Male on receiving the Past Presidents' Award for Outstanding Service!

Stephen M. Horner



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International 2004—Edinburgh, Scotland

NATIONAL ASSOCIATION OF FORENSIC ECONOMICS INTERNATIONAL CONFERENCE EDINBURGH, SCOTLAND—MAY 27-MAY 30, 2004 Organizer: John O. Ward

Still Accepting Participants

We can accommodate additional participants. If you wish to participate follow the procedures listed below. Jack Ward

The conference will be held on May 28 and May 29 in Edinburgh, Scotland at the George Intercontinental Hotel (<http://edinburgh.intercontinental.com/>). We have a block of 20 rooms reserved for the period May 27 to May 30, along with a conference facility. May 27th would be an arrival day, with the meetings to start May 28th at 8:15 AM. Programs will include both formal papers and informal discussion. The program format will be as follows:

May 28

8:15–8:30 a.m.: Welcome, introductions and program outline

Session 1, 8:30 a.m. to 10:30 a.m.

Establishing Damages in Personal Injury Litigation: Comparing the British and American Systems

Chair—Matthias Kelly, QC and a

panel of participants divided between U.S./Canadian participants and UK participants

(Mr. Kelly is Chair of the United Kingdom Bar Council and was a member of the committee that drafted the Ogden Tables for UK Courts, www.barcouncil.org.uk/document.asp)

Coffee/tea/refreshment break

Session 2, 11:00 a.m. to 12:15 p.m.

**Generalized Models for Establishing Economic Damages:
The 9/11 Victim's Compensation Fund model and the Ogden Tables**

Chair—Frank Tinari, Seton Hall University and Panelists

Buffet Lunch – All program participants and guests

May 29

Session 1, 8:30 a.m. – 10:00 a.m.

Topic in Defining Economic Damages:

Earnings, Earnings Capacity, Home Services, Value of Time, Value of Life and Life Care Needs

Chair—James D. Rodgers, Pennsylvania State University and all participants

10:00- 10:30 a.m. Coffee/Tea Refreshment Break

Session 2, 10:30 a.m.- 12:15 p.m.

Commercial Damages Models: Selected Papers and Panel Discussants
Chair—Jack Ward, University of Missouri-Kansas City and all participants

We would like to hold the conference to 20 participants, with representation from Great Britain. The Hotel George Intercontinental is a Four Star hotel, and you can extend your time to days before and after the conference at our favorable rate. The room rates offered are excellent and Edinburgh is a fascinating city to visit. The Hotel George Intercontinental has a fairly liberal cancellation policy. There will be a registration fee of \$100/participant to cover the costs of the conference facility, coffee breaks and the luncheon for all participants and guests on the first day. Perspective presenters and participants should respond by e-mail or writing to:

John Ward Economics
8340 Mission Road, Ste. 8340
Prairie Village Kansas, 6620
Wardjo@umkc.edu

Since the program already has limited space, (15 participants) please send your registration fee of \$100 to John Ward Economics as soon as possible. I will attempt to expand the number of rooms if we go over our block, but the size will not exceed 20 participants. For hotel reservations at the Hotel George Intercontinental, call reservations at 011 44 1312 251251. Tell the reservation clerk that you are with the NAFE group. Rates will be 95 BP (approx. \$152) for a single and 145BP (\$232) for a double. Rates are for May 27-May 30, and can be expanded to days before and after the conference. Rates include all taxes and a full Scottish breakfast. You can access the hotel information at

<http://edinburgh.intercontinental.com/>

West 2004—Vancouver, BC

**WESTERN ECONOMIC ASSOCIATION INTERNATIONAL
VANCOUVER, BC—JUNE 29-JULY 3, 2004**

Organizer: Tyler W. Bowles, Vice-President, Western Region

CALL FOR PAPERS & PROGRAMS DEADLINE: MARCH 15, 2004

In 2004, the 79th Annual Conference of the Western Economic Association International will be held in Vancouver, British Columbia, June 29-July 3 at the Sheraton Wall Centre. NAFE sessions are scheduled for July 1 and 2.

Interested presenters, discussants and session chairs may contact:

Tyler J. Bowles
3530 Old Main Hill
Utah State University
Logan, Utah 84322-3530
435.797.2378 FAX 435.797.2701
tbowles@econ.usu.edu

South—New Orleans

**SOUTHERN ECONOMIC ASSOCIATION
NEW ORLEANS—NOVEMBER 21-23, 2004**

Organizer: Kurt V. Krueger, Vice-President, Southern Region

CALL FOR PAPERS DEADLINE: MAY 4, 2004

The annual meeting of the Southern Economic Association will be held in New Orleans, Louisiana at the Fairmont Hotel, November 21-23, 2004 (Sunday to Tuesday). Registration and schedule information can be found, as it becomes available, on the SEA website at:

<http://www.okstate.edu/economics/journal/south1.html>

If you would like to present a paper or be a discussant, please contact: Kurt Krueger at:

Krueger@JohnWardEconomics.com or 913-381-9420

National 2005—Philadelphia

ALLIED SOCIAL SCIENCE ASSOCIATIONS
PHILADELPHIA— JANUARY 7-9, 2005

Organizers: Frank Slesnick, Bellarmine University and Frank Tinari, President-Elect

CALL FOR PAPERS DEADLINE: JUNE 1, 2004

NAFE sessions are scheduled for the 2005 ASSA meetings in Philadelphia, PA. Interested presenters, discussants and session chairs may contact:

Frank Slesnick
Bellarmine University
Dept. of Economics
2001 Newburg Road
Louisville, KY 40205-0671
502-452-8244
fslesnick@bellarmine.edu

Frank Tinari
Tinari Economics, Inc.
220 S. Orange Ave., Ste. 203
Livingston, NJ 07039-5800
973-992-1800
tinarifr@shu.edu

Information on registration, reservations and the preliminary program (including all Associations) for the meeting will be available online approximately September 30, 2004 and can be found at:

<http://www.vanderbilt.edu/AEA/anmt.htm>

SPECIAL NOTICE

**NAFE now has a new,
improved website with a
fresh new look and
easy surfing!
Same familiar address
<http://nafe.net>**

A Members Directory form will soon be mailed to current NAFE members.

This form will provide an opportunity to revise your information for a new, up-dated Members Directory.

WHAT YOU MISSED

You may have missed some of the following meetings but, fortunately, many of the papers are available to NAFE members at a cost of \$10 each via email or \$15 each via U.S. mail. Please contact the NAFE office for availability at 816-235-2833 or umkcnafe@umkc.edu

SEA 2003—San Antonio—November 21-23

- Future Pension Losses are Treated as Losses: A Note on a Perverse Result under New York's Rule 50-A/50-B, Frank D. Tinari
- On Valuing the Price Effect of a Conspiracy in Price-Fixing Cases, John Jackson and Sarah J. Skinner
- Long Term Trends in Starting Salaries of College Graduates, 1970-2003, Kent Gilbreath
- Statistical Evidence on the Americans with Disabilities Act: Are the Disabled Better Off Than They Were Ten Years Ago. Thomas Carroll and Jen Skitich
- Deriving Realistic Damage ranges in Life Care Plans Analysis and Other Forensic Economic Applications, David Schap,
- Forensic Interpolation of Household Data: Using the 2001 PSID Data, David C. Sharp and David H. Ciscel
- Tools an Economist Can Apply to Financial Statements to Identify Errors, Omissions and Fraud in Business Valuations Tom Clevenger and Gary Baker

ASSA 2004—San Diego—January 3-5

- Markov Increment Decrement Worklife Tables in Forensic Economics: A Change of View, Kurt Krueger
- Predicting Reduced Worklife from Disabilities, George McCollister and Chris Pflaum
- Reconsidering and Extending the Conventional/Demographic and *LPE* Models: The *LPd* and *LPI* Restricted Markov Models, Gary Skoog, and James Cieccka
- Time-Series Modeling of Regression Residuals: Improving Model Fit and Forecast Accuracy, Carroll Foster
- National Health Spending Projections, Stephen Heffler
- Valuation and Damages for Franchised Businesses, Patrick Anderson
- The Economics of Punitive Damages, Patrick Gaughan
- The Valuation of Employee Stock Options Issued by Closely Held Firms, Matthew O'Connor, Sean Reid, and Steven Shapiro

NAFE 2004 Winter Meeting—Hawaii—February 6-7

- Computing Economic Damages in Hawai'i for Wrongful Death Actions, An Outline, Thomas Loudat, and David Hammes.
- Net Discount Rates: A Global Perspective, Alan W. Frankle, Ingruwatte M. Premachandra, and Ashley Gardyne
- Stockbroker Negligence and the Valuation of Resulting Damages, Darryl Zengler and Daniel Allen
- Widow's Losses and Husband's Self Consumption During the Retirement Years, Bryan C. Conley

EEA 2004 Meeting—Washington, DC—February 20-21

- Saving, Wealth and Potential Estate Accumulations in Wrongful Death Actions, David D. Jones
- Evaluating the Penalty of Lump Sum versus Structured Settlements, Anthony H. Riccardi
- Estimating Earning Capacity: A Mathematical Approach, Frank Raymond and Frank Slesnick
- The Effect of a Parent's Death on a Child's Future Earnings, Rick R. Gaskins, James D. Rodgers, and Lawrence M. Spizman
- Pennsylvania Personal Damages Revisited, Creighton Frampton
- The Social Security and Medicare Related Economic Losses to the Estate in the Wrongful Death of a Social Security/Medicare Recipient, Gregory K. Faulk
- Treating Child-Related Tax Benefits as a Cost Offset in Child Support Cases, R. Mark Rogers
- The Economics of Personal Injury and Wrongful Death Litigation: The State of Maryland, Rick Gaskins

FYI etc.

Committee on the Participation of Women

The report was presented at the Summer Board Meeting and the addendum to the report was presented to the Board this fall. 16 recommendations were created by the committee and the Board discussed the following recommendations at the Winter Board Meeting: Board members and session organizers will make a better effort to greet and welcome unknown and nonparticipating members; a list of NAFE conference registrants will be created starting with the WEAI meetings in July, 2004 and sent out through the NAFE-I; describe sessions at conferences using more applied language for the non-academics; and a brochure will be created for new and potential members that outlines the benefits of a NAFE membership. It was the sense of the Board that meeting organizers should be encouraged to implement the recommendations of the committee regarding meetings. The committee thanks Nancy Eldredge for her help and for all the time given by those women who participated in our telephone surveys. Thanks also go to the committee members: Jennifer Polhemus, Mary Barros-Bailey, Rick Gaskins, Mary Young and Beth Gunderson (Chair).

Both the report and the addendum are available at our website (<http://nafe.net>) or one could request an email copy from Beth Gunderson (egunders@piper.hamline.edu).

Minutes (unapproved) of Board of Directors meeting National Association of Forensic Economics January 3, 2004 San Diego, California

Attending: Stephen Horner, Jim Rodgers, Frank Tinari, Rick Gaskins, Bob Male, Tyler Bowles, Jerry Martin, Beth Gunderson, Kurt Krueger, Jack Ward, Steve Shapiro, Bob Trout, Gary Skoog, George Schieren

Absent: David Ciscel

Stephen Horner welcomed everyone to San Diego and thanked them for their time and effort to attend. George Schieren announced plans for the summer Board meeting in Chicago on July 23 and 24, 2004. It was moved and seconded that the minutes of the electronic meeting of September 1, 2003 be approved.

Motion passed: 6 – yes, 0 – no.

It was moved and seconded that the minutes of the electronic meeting of September 25, 2003 be approved. Motion passed: 6 – yes, 0 – no.

It was moved and seconded that the minutes of the electronic meeting of October 16, 2003 be approved.

Motion passed: 6 – yes, 0 – no.

Schieren presented the financial statements for 12/01/2002 – 12/01/2003. It was noted that 2003 seemed to be a typical year in terms of revenues and expenses with the exception of the interest income reflecting interest actually earned in previous years, but credited in 2003. There was discussion that the net income of approximately \$20,000 would likely be used up in 2004 with the changes in the NAFE office. It was moved and seconded that the financial statement be approved as presented with the notation that the interest income included some past years interest. Motion passed: 6 – yes, 0 – no.

Schieren announced that the results of the elections in the fall of 2003 were: President-elect – Frank Tinari; At-large Vice-President – Elizabeth Gunderson, Southern Vice-President – Kurt Krueger.

Horner thanked Bob Male and David Ciscel for their work as Vice-Presidents during the last three years.

Bob Trout announced that 55 binders had already been distributed at the San Diego meetings and there were additional people still asking for them.

(Continued from page 6)

Bob Male reported that the Special Programs Committee had organized the session in San Diego with Steven Heffler.

Tyler Bowles reported that the NAFE sessions at the Western Economic Association meeting in Vancouver would be on July 1 and 2. He will schedule the Board luncheon, membership meeting, and membership meeting. He still needs papers for the sessions.

Horner reported for Ciscel that the Southern Economic Association meeting in San Antonio went very well.

There were about 25 in attendance at each session, and the papers were good technical papers. He recommends that NAFE continue to participate in the SEA meetings.

Rick Gaskins reported that the demand for the Eastern Economic Association meetings is growing again. On February 20 and 21 NAFE will have four sessions with two for papers, one special program from the BLS and one panel discussion.

Jim Rodgers reported that the NAFE winter meeting will be in Hawaii February 6 and 7.

Jack Ward reported that the first ever NAFE meeting in Scotland will be May 27 and 28, with about 14 participants, including some from Great Britain.

Jack Ward informed the Board the *JFE* was ready to go to two issues a year after doing all the catching up on back issues that they could. The following was moved and seconded:

The Board approves the *JFE* editors' plan to begin publishing two issues per volume within the next year and a half. Motion passed: 6 – yes, 0 – no.

The Editors of the *JFE* will continue to appoint Associate Editors for a two-year renewable term.

Steve Shapiro reported that in the *LER* “research papers” have been reviewed by three peers, and “features” have not been peer reviewed, but have been edited by Gaughan or Shapiro.

Beth Gunderson summarized the final report from the Committee on the Participation of Women in NAFE.

The female percentage of NAFE has remained fairly stable over time, but the participation in meetings has declined. The Committee recommends the following:

Have designated greeters at conferences and meetings to make newcomers feel welcome and informed

Have the newsletter carry a summary and highlights of each conference

Make an effort to overcome the perception that papers presented at conferences are “too” technical and for “old-timers”

Need to have an effective brochure for public relations

Stephen Horner and his committee will continue to work on the future administrative structure and location of NAFE.

The Board agreed to consider comments about the proposed Statement of Ethical Principles and Tenets of Practice made at the general membership annual meeting and those comments submitted earlier, before submitting the Statement to the membership for approval.

Stephen Horner will announce the winner of the Past Presidents' Outstanding Service Award at the general membership annual meeting.

There being no further business, the meeting was adjourned.

Respectfully submitted,

George A. Schieren
Executive Director
February 13, 2004

Location, date and Call for Papers for the 2005 NAFE Winter Meeting and the 2005 Eastern Economic Association to be announced in May *News*.

Upcoming and Noteworthy

American Academy of Economic and Financial Experts Sixteenth Annual Meeting March 31-April 2, 2004 Las Vegas, Nevada

Registration Fee = \$100

To **pre-register** for the 2004 Meeting, send your \$100 check along with pertinent info. — like your current address, etc. to:

Dr. Gerald V. Boyles
Wall School of Business
Coastal Carolina University
P.O. Box 261954
Conway, SC 29528-6054
(843) 349-2653

On-site Registration will be in the Dynasty Room prior to and in-between sessions on March 31, 2004 (Wednesday).
The first session begins at 6:30 PM.

Reservations

Imperial Palace
3535 Las Vegas Blvd., So.
Las Vegas, NV 89109-9969
(800) 634-6441 (mention AAEFE when you call)

If you have any problem making your reservation through the above number, try (800) 800-2981
Room Rate: \$82.00 + 8% tax (Single or Double) Reservation Cut-off Date: February 28, 2004
This rate applies for members from 4/1 (Tues.) to 4/6 (Sun.)

Call For Papers

Papers in all areas applicable to the work of Economic and Financial Experts are welcomed. Authors/presenters of accepted papers should bring 40 copies of the paper with them to the meeting. Authors of presented papers are encouraged to submit a finished version for review and possible publication in the *Journal of Legal Economics* (JLE). AAEFE is intended for professionals that work as academicians and/or consult as economic or financial experts. The focus of JLE is to publish papers that aid practitioners and advance the profession.

Meeting Papers

Send all proposals by **March 1, 2004** to:
Dr. Creighton Frampton
School of Business Administration
Philadelphia University
Schoolhouse Lane & Henry Ave.
Philadelphia, PA 19144-5497
(215) 951-2820

American Rehabilitation Economics Association (AREA) May 13th, 14th, 15th, 16th, Thursday through Sunday Silver Legacy Hotel Resort, Reno, Nevada

The pre-conference training is afternoon of May 13th and the morning of May 14th. This pre-conference training is hands-on with computer spreadsheet building for economic damages regarding Life Care Plans. Dr. Herb Burkman and Dr. Kevin Marshall are the scheduled presenters.

The regular conference is the afternoon of May 14th through noon May 16th. The featured speakers is a Who's Who of vocational, economic, and life care planning testimony experts from coast-to-coast and North-to-South. The lineup will be: Dr. Paul Taylor, Dr. Tom Ireland, Dr. Richard Bonfiglio, M.D., Dr. Lawrence Deneen and his brother Terry Deneen, M.S., CEA, Dr. Gene Trevino, Dr. Gary Skoog and Dr. James Cieka on the New Work Life Tables, and Anthony H. Riccardi on the topic of Annuities.

The topics that will be presented and discussed include: Railroad Economics and FELA, Work Life Tables, Legal Research in Forensic Economics, Life Care Planning and Testimony from the view of a nationally-recognized physician who is also a sought after keynote speaker, Ethics Applied, Mechanics of Annuities, and Life Care Plan Economics.

Visit the a-r-e-a.org website or call 800-317-2732 for information.

!!! SALE !!!

Available to NAFE Members

SOME ISSUES STILL AVAILABLE !!!

Back issues of the *Journal of Forensic Economics* and the *Litigation Economics Digest* (now the *Litigation Economics Review*) are available for NAFE members at prices that can't be beat:

\$3 each issue

\$1 each issue postage & handling

(\$5 minimum postage & handling)

Current Availability:

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3:2	6:2	9:2	12:2
3:3	6:3	9:3	12:3
4:1	7:1	10:1	
4:2	7:2	10:2	

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(now the *Litigation Economics Review*)

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Journal of Forensic Economics
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FEBRUARY 2004 NEWS

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MARK YOUR CALENDARS

NAFE 2004

NAFE INTERNATIONAL
EDINBURGH, SCOTLAND—MAY 27-30

WESTERN ECONOMIC ASSOCIATION
VANCOUVER—JUNE 29-JULY 3

SOUTHERN ECONOMIC ASSOCIATION
NEW ORLEANS—NOVEMBER 21-23

NAFE 2005

ALLIED SOCIAL SCIENCE ASSOCIATIONS
PHILADELPHIA—JANUARY 7-9

NAFE WINTER MEETING & EASTERN ECONOMIC ASSOCIATION
FEBRUARY