

# NAFE MEMBER NEWS

*National Association of Forensic Economics*

*NAFE Member News*  
Volume 16, Issue 2  
May 2002

## **President**

*James D. Rodgers*  
Pennsylvania State University

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Economic Consulting

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Appalachian State University

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*Nancy L. Eldredge*

## Note from the President

The NAFE Board has approved the members of the Nominating Committee for 2002. The committee will consist of Michael Butler (Chair), Elizabeth Gunderson, Mark Kuga and Robert Tansky. By the time of the NAFE Board meeting July 27-28, 2002, this committee must submit for approval by the Board nominees for two expiring Vice-President positions—Mark Kuga (Western Vice-President) and Stan Smith (Mid-Western Vice-President). I am grateful to each of the members of this committee for their willingness to serve NAFE in this important task. Elsewhere in this newsletter is a call from the Nominating Committee for you to submit names of candidates for these positions.

The draft of the revised statement of ethical principles published in the February 2002 newsletter is undergoing some further revision, based on comments received from the membership. Also, a roundtable session on the NAFE statement is scheduled for the WEA meeting, discussed below.

I would call your attention to the upcoming meetings the rest of this and early next year, about which material is provided elsewhere in this newsletter. The meetings of the Western Economic Association will be in Seattle, June 30-July 3, 2002, and are being co-organized again this year by Mark Kuga and Bob Male. This year's program is full of papers and round-table

sessions on interesting topics; this meeting also offers other attractions, and, as usual, there will be a NAFE membership meeting and cocktail party.

The Southern Economic Association meetings in New Orleans are scheduled for November 24-26, 2001.

These meetings are being organized by NAFE Southern V.P. David Ciscel. Two paper sessions and a roundtable session are planned.

The ASSA meeting is scheduled for January 3-5, 2003, in Washington, D.C. This year's program is being co-organized by Ed Foster and Tyler Bowles, with additional assistance from Manny Smith and Special Programs Chair Allan McCausland. NAFE has four sessions planned for this meeting, as well as the general membership meeting and cocktail party. One of the round table sessions will be with the Chief Actuary for the Social Security Administration, Stephen Goss, along with J. Patrick Skirvin (economist for SSA) and Alice Wade (actuary for SSA). Allan is soliciting questions for the Social Security members of the roundtable.

Next year's NAFE winter meeting will be held January 31 and February 1, 2003. The venue is still being decided, but it will be somewhere in the Caribbean. Details will be provided as soon as a specific venue and hotel/resort are selected.

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# West 2002—Seattle

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**WESTERN ECONOMIC ASSOCIATION INTERNATIONAL**  
**77th Annual Conference in SEATTLE—JUNE 29-JULY 3, 2002**  
**NAFE Organizers: Dr. Mark Kuga, Vice-President, Western Region, Conference Chair**  
**Dr. Robert Male, Conference Co-Chair**

The Western Economic Association International will have its annual conference in Seattle, June 30 to July 2, 2002 at the Hyatt Regency Hotel, Seattle, WA. As in past years NAFE will sponsor a number of sessions at this outstanding conference.

On Monday, July 1, 2002 and Tuesday, July 2, 2002, NAFE will be sponsoring three sessions in addition to co-sponsoring three sessions with the American Academy of Economic Financial Experts (AAEFE) and the American Rehabilitation Economics Association (AREA). AAEFE and AREA will also be co-sponsoring two sessions, Sunday, June 30, 2002.

Other NAFE highlights include a Members Meeting and a Reception on Monday, July 1, 2002.

Questions? Contact Mark Kuga [kuga@sprintmail.com at (503) 639-0277] or Bob Male (bobmale@attbi.com at (503) 656-0680].

Hotel reservations for the 2002 conference can be made directly to the Westin Seattle (mention the conference). Phone: (888) 627-8513, Fax (206) 728-2259. Conference registration can be made directly through WEA International, 7400 Center Avenue, Suite 109, Huntington Beach, CA 92647-3039. Phone: 714-898-3222, Fax: 714-891-6715, & info@weainternational.org or visit their World Wide Web Site for further details: <http://www.weainternational.org>

## CONFERENCE SCHEDULE

**Sunday, June 30, 2002**

**AAEFE & AREA co-sponsored sessions**

**12:30 pm – 2:15 pm**

**Roundtable: *Ethics Symposium: A Discussion of the Proposed New Statement of Ethical Principles***

Chair: Manuel R. Smith

Panelists: Elizabeth AW Gunderson, Robert A. Male, Gary R. Skoog, Manuel R. Smith, Frank D. Tinari

**2:30 pm – 4:15 pm**

**Roundtable: *Writing and Reviewing Papers for Forensic Journals***

Chair: Robert J. Thornton

Panelists: Michael W. Butler, Thomas R. Ireland, Steven J. Shapiro, Robert J. Thornton, John O. Ward

**Monday, July 1, 2002**

**NAFE sponsored and co-sponsored sessions**

**8:15 am - 10:00 am**

**Special Topics in Forensic Economics I (Paper Presentations)**

Chair: Frank L. Slesnick

Stephen M. Horner

*Averaging Past Earnings: What is the Correct Index?*

Discussant: Robert A. Male

Gary R. Skoog

*State Aggregation in the Increment-Decrement Model: The General Conditions, With an Application to Disability*

Discussant: Thomas W. Hale

(continued)

**(WEA-continued)**

**10:15 am- 12 noon**

**Roundtable: *Issues in Disability and Worklife***

Chair: John O. Ward

Panelists: Thomas W. Hale, Thomas R. Ireland, James D. Rodgers, Gary R. Skoog (with AAEFE and AREA)

**12 noon – 2:00 pm NAFE Board Luncheon**

**2:00 pm - 2:30 pm NAFE Members Meeting**

President James D. Rodgers presiding

**2:30 pm - 4:15 pm**

**Roundtable: “*Determining the Economic Damages from Involuntary Employment Displacement.*”**

Chair: Robert A. Male

Panelists: Michael R. Hollis, Robert A. Male, David C. Toppino (with AAEFE and AREA)

**6:00 pm – 7:00 pm NAFE Reception**

**Tuesday, July 2, 2002**

**NAFE sponsored and co-sponsored sessions:**

**8:15 am - 10:00 am**

**Special Topics in Forensic Economics II (Paper Presentations)**

Chair: Elizabeth AW Gunderson

Tyler Bowles & W. Cris Lewis

*Income Tax Considerations in Applying the Discounted Future Returns Method to Valuing a Business*

Discussant: Barry Ben-Zion

Steven J. Shapiro, Matthew L. O’Connor & Edward A. Downe

*Market Assessment of Antitrust Litigation: The Microsoft Case*

Discussant: Beverly R. Fuller

Samuel E. Liebelt

*An Overview of Recent Case Law Involving Damages for Lost Profits*

Discussant: Kent Gilbreath

**10:15 am- 12 pm**

**Roundtable: *The Structure, Content, and Presentation of Reports***

Chair: Paul C. Taylor

Panelists: James D. Rodgers, Paul C. Taylor, Frank D. Tinari (with AAEFE and AREA)

**2:30 pm - 4:15 pm**

**Special Topics in Forensic Economics III (Paper Presentations)**

Chair: George A. Schieren

Stephen M. Horner & Frank L. Slesnick

*An Analysis of Earning Capacity – the Quantity Dimension*

Discussant: David C. Toppino

Barry Ben-Zion

*The Proper Valuation of Lost Future Pension Income*

Discussant: TBD

Tyler J. Bowles, W. Cris Lewis & Frank N. Caliendo

*The Personal Consumption Offset: Adjusting for Consumption in Retirement*

Discussant: Elizabeth AW Gunderson

## South 2002—New Orleans

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**SOUTHERN ECONOMIC ASSOCIATION  
NEW ORLEANS – NOVEMBER 24-26  
Organizer: David H. Ciscel, Vice-President, Southern Region**

NAFE will host three sessions (see schedule below) at the Southern Economics Association Meetings being held this year at the Hyatt Regency New Orleans Hotel, November 24-26. Registration and schedule information will be available at a later date on the SEA website at: <http://www2.bus.okstate.edu/ecls/sea>

**We are still in need of discussants, if you would like to be a discussant, please contact session organizer:**

David H. Ciscel  
Department of Economics  
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Memphis TN 38152  
901 678 5531  
[dhciscel@memphis.edu](mailto:dhciscel@memphis.edu)  
[ciscel@bellsouth.edu](mailto:ciscel@bellsouth.edu)

**Sunday, November 24, 2002** (not confirmed)

**NAFE Session I**

**Unique Problems Faced by of the Forensic Economist**

Chair: David C Sharp, The University of Southern Mississippi

“The Role of the Forensic Economist in Eminent Domain Litigation,” George A. Barrett, Michael L. Brookshire & Associates

“Handling Taxes in Wrongful Termination Cases,” James D. Rodgers, Pennsylvania State University

“Recent Developments in Structured Settlements,” Patrick Fitzgerald, Oklahoma City University

Discussant: David Rosenbaum, University of Nebraska

**NAFE Session II**

**Issues In Measuring Damages in Loss of Household/Family Services**

Chair: Thomas R. Ireland, University of Missouri at St. Louis

Panel Participants: David H. Ciscel, The University of Memphis and Allyn Needham, Shipp, Needham & Durham

**NAFE Session III**

**Estimation Problems in Forensic Reports**

Chair: David H. Ciscel, The University of Memphis

“Using a 40-year Sample to CPS Occupational Data to Forecast Earnings Capacity,”  
Thomas Carroll, The University of Nevada/Las Vegas

“Household Labor by Family Type and Gender: A PSID Update,” David C. Sharp, The University of Southern Mississippi  
David H. Ciscel, The University of Memphis

Discussants: Allyn Needham, Shipp, Needham & Durham and Patrick Fitzgerald, Oklahoma City University

## National 2003—Washington, DC

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### ALLIED SOCIAL SCIENCE ASSOCIATION

Washington, DC – JANUARY 2-5, 2003

Organizers: Ed Foster, University of Minnesota and Tyler J. Bowles, Utah State University

Four NAFE sessions: Friday Jan. 3 at 8:00 a.m., and three on Saturday, Jan. 4 at 8:00 a.m., 10:15 a.m., and 2:30 p.m.

One session will feature a panel discussion presented by the Social Security Actuary's Office. An additional panel discussion will be on Ethics and led by Manny Smith. The other two sessions most likely will be reserved for paper presentations.

We are still looking for sessions chairs and discussants.

Ed Foster  
4754 Fremont Ave. South  
University of Minnesota  
Minneapolis, MN 55409-2207  
foster@econ.umn.edu  
612-624-6567

Tyler J. Bowles  
3530 Old Main Hill  
Utah State University  
Logan, Utah 84322-3530  
Tbowles@econ.usu.edu  
435-797-2378

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### ASSA/NAFE SESSION WITH SSA

The Chief Actuary for the Social Security Administration, Stephen Goss, has agreed to do a program for with us in Washington, DC, in January 2003 at the ASSA Meetings. The Session will be held at midmorning on Saturday, January 4, 2003. He will try to have three people there: himself, J. Patrick Skirvin (economist for SSA) and Alice Wade (actuary for SSA). He wanted to name three in the event someone cannot make it. The format that Steve and I have tentatively agreed on is that we will have a panel of the three of them, two people from NAFE asking questions of them that will be submitted to them before hand, and I will be moderator. We want to allow a maximum of opportunity for audience questions and interactions within the structure of the program.

Steve and I discussed five areas of methodology/assumptions to discuss in the program:

- Discounting to Present Value
- Worklife Expectancy
- Life Expectancy
- Retirement Assumptions
- Productivity/Real Wage Increase Assumptions.

However, the program questions need not be restricted to these five areas. Mary Young and John Hanieski have agreed to be panelists/questioners at the Session. I am soliciting questions from the membership to ask the SSA people.

**I am hereby asking you folks for suggested questions.** All suggested questions should be sent to me at:

Email: mea248@aol.com or  
Fax: 603-746-3899 or  
Snail mail: PO BOX 248, 834 Main Street, Contocook, NH 03229-0248

I am then going to forward copies of them to Mary and John. Mary, John and I will then develop a set of questions for the SSA Panelists. Once we have done this we will then post the questions to Special Programs Committee for final comments and suggestions. The finalized questions will then be sent to the SSA Panelists so that they will have the questions well in advance of the session. Our plan is to allow a maximum of interaction between the Panelists and the Session attendees around the questions as well.

Please email, fax or snail mail me questions you may have for the Session.

Thanks.

Allan McCausland  
Chair, Special Programs Committee

## East 2003—New York City

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**EASTERN ECONOMIC ASSOCIATION  
NEW YORK CITY—FEBRUARY 21-23, 2003  
NAFE Organizer: Rick Gaskins, Vice-President, Eastern Region**

The Eastern Economic Association holds an annual conference, usually in late February or March, in various cities on the eastern seaboard of the United States. Our 2003 conference will be held in New York City at the Crowne Plaza Manhattan Hotel, February 21 - 23. The Crowne Plaza Manhattan Hotel is located at 1605 Broadway between 48th and 49th Streets. Interested presenters can contact:

Rick R. Gaskins  
Gaskins Associates, PC  
7183 Stillwater Court  
Frederick, MD 21702-2988  
301-698-9777  
rrgaskins@aol.com

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## Letter From the Editor

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### *Litigation Economics Review*

The latest issue of *Litigation Economics Review* is currently in the process of being printed and distributed to the NAFE membership. We continue to welcome submissions, particularly applied work including case studies and reviews of relevant law. Work in areas such as business litigation, antitrust, applications of finance to litigation and intellectual property, employment litigation are particularly welcome. Submissions should be addressed to Litigation Economics Review, P.O. Box 4021, Woodbridge, CT 06525. Electronic submissions can be directed to LitE-conRev@yahoo.com.

# FYI

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## UPCOMING NOMINATIONS

Dear Colleagues:

The NAFE Board unanimously voted for appointment of the following to be members of the 2002 NAFE Nominating Committee: Beth Gunderson (egunders@piper.hamline.edu), Mark Kuga (kuga@sprintmail.com), Bob Tansky (rtansky@arenet.net), and myself. I have been asked to serve as chairman. As stated in the NAFE bylaws, the Nominating Committee (NC) must “select nominees for two Vice President Directors every year and President-Elect every other year....The NC shall provide its nominee recommendations to the President at or before the summer Board of Directors meeting for approval....”

This year the NC needs to provide a slate of candidates for Mid-West Regional Vice-President (to fill Stan Smith’s expiring term) and for Western Regional Vice-President (to fill Mark Kuga’s expiring term). There will not be a nominee for President Elect this year. The NC invites NAFE members to submit names of possible nominees to the committee in light of the following bylaws criteria for Board service:

*The NC shall review candidates for ...Vice Presidents on the basis of their qualifications, including, but not limited to, the candidate’s educational qualifications, employment history, quality and quantity of publications, past participation in forensic economic sessions at professional meetings, experience of the candidate as a forensic consultant, past work on behalf of the organization, contribution and support for excellence and high professional standards in the field of forensic economics, and anticipated contributions to the efficient functioning of the corporation and to advancing its long-term goals.*

The NAFE board has seven voting members and three non-voting members. The Board is composed of an elected President (currently Jim Rogers), Past-President (currently Mike Piette), four regional Vice Presidents (currently Mark Kuga, Stan Smith, David Ciscel and Rick Gaskins) and two At Large Board Members (currently Gerald Martin and Bob Male). The Board appointed Executive Director, and Managing Editor of the JFE and the Editor of the LER are permanent non-voting Board members.

You may submit names to any of the members of the NC for its consideration. If you have any questions about the process, feel free to communicate with me via telephone, fax, e-mail or U.S. Mail. *We will need names of nominees prior to July 16, 2002.* Thanks for your help.

Mike Butler

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**FYI** (continued)**"BIRTH" ANNOUNCEMENT**

We are announcing a new electronic list-serve for forensic economists and accountants working in the areas of commercial damages and business valuation. The Business Damages List is hosted by Topica and is very easy to use. New subscribers need only send a blank e-mail message to [bd-l-subscribe@topica.com](mailto:bd-l-subscribe@topica.com) and we will sign you on. The list is intended to facilitate collaborative discussions among experts and the subject matter is confined to issues involving lost profits analysis and business appraisal. The list is open to any member of either NAFE or AAEFE. We encourage you to join one of these organizations if you are not a member already. Rick Gaskins assisted at the birth, but then relinquished his parental rights to the following List Managers. We welcome your participation.

Kevin Kirkendall	<a href="mailto:Kevin@KirkendallConsulting.net">Kevin@KirkendallConsulting.net</a>
Jubin Merati	<a href="mailto:jubinla@YAHOO.COM">jubinla@YAHOO.COM</a>
Ray Neveu	<a href="mailto:rneveu1@maine.rr.com">rneveu1@maine.rr.com</a>
Michael O'Hara	<a href="mailto:mohara@mail.unomaha.edu">mohara@mail.unomaha.edu</a>
Jennifer Polhemus	<a href="mailto:economs@precision-research.com">economs@precision-research.com</a>

**FORENSIC ECONOMISTS NEEDED TO ASSIST****ATTORNEYS WITH 9/11 VICTIMS' CASES**

Trial Lawyers Care, Inc. (TLC), a non-profit organization, was created to provide pro bono legal services to victims of the September 11<sup>th</sup> terrorist attacks who are eligible and choose to file claims with the Victim Compensation Fund, (VCF). To date, TLC has assigned over 1000 victims to volunteer attorneys and anticipates assigning as many as 2000 cases by the first of next year.

The VCF is a unique Federal entitlement program for the families of those who perished in the September 11th attacks and those who were physically injured at the time of the aircraft crashes or in the immediate aftermath. Those seeking compensation from the Fund waive their rights to bring civil suits against others who could be claimed responsible for the deaths or injuries. The compensation formula under the Fund results in an award for past and future economic and non-economic losses, with offsets for certain collateral source benefits. [More information on the Fund can be found at [www.doj.gov/victimcompensation](http://www.doj.gov/victimcompensation).]

To support the pro bono TLC attorneys and their clients, TLC is recruiting forensic economists who are willing to provide their expert services for free or at a substantially reduced fee. Experts will be asked to analyze and calculate economic losses – including income, employment benefits and replacement services losses – and to prepare a report to be included with the claim submission. Experts will not be required to testify at the hearings.

To help the victims and their volunteer attorneys, interested experts should complete the TLC Expert Application and Agreement that can be found on the TLC web-site at [www.911lawhelp.org.atlascripts/experts.asp](http://www.911lawhelp.org.atlascripts/experts.asp), and return the form to TLC, 80 Centre Street, Suite, 290, New York, NY 10013, attn: Meryl Braunstein, Esq. or fax it to (917) 464-0160.

NAFE Contacts: Manny Smith, Frank Tinari, Jim Rodgers, Mike Piette

## **FYI** (continued)

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### **NAFE OFFICE CLOSING**

The NAFE office will be closed beginning June 21  
and will reopen July 18, 2002

Please contact the office before June 21 for any  
renewals, orders, etc.

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## **Upcoming and Noteworthy in 2003**

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**AMERICAN ACADEMY OF ECONOMIC AND FINANCIAL EXPERTS  
FIFTEENTH ANNUAL MEETING  
APRIL 2-4, 2003 LAS VEGAS, NEVADA**

Updates as they become available on their website at

<http://www.aafe.org/>

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**AMERICAN REHABILITATION ECONOMICS ASSOCIATION ANNUAL CONFERENCE  
SHERATON HOTEL, FORT WORTH, TX, MAY 15-18, 2003**

Updates as they become available on their website at

<http://www.A-R-E-A.org/>

NATIONAL ASSOCIATION  
OF FORENSIC ECONOMICS

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*Litigation Economics Review*  
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**May 2002 NEWS**

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## MARK YOUR CALENDARS

WESTERN ECONOMIC ASSOCIATION  
SEATTLE – JUNE 29-JULY 3

SOUTHERN ECONOMIC ASSOCIATION  
TAMPA – NOVEMBER 24-26

2003

ALLIED SOCIAL SCIENCE ASSOCIATION  
WASHINGTON, DC–JANUARY 2-5

EASTERN ECONOMIC ASSOCIATION  
NEW YORK CITY–FEBRUARY 21-23