

# The Alabama Jury Verdict Reporter

The Most Current and Complete Summary of Alabama Jury Verdicts

May, 2007

Statewide Jury Verdict Coverage - Published Monthly

7 A.J.V.R. 5

*Unbiased and Independently Researched Jury Verdict Results*

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## Civil Jury Verdicts

Complete and timely coverage of civil jury verdicts in Alabama including circuit, presiding judge, parties, case number, attorneys and results.

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**Breach of Contract - A former state trooper who was personally hired by Richard Scrushy to serve as Director of Corporate Security for HealthSouth thought he had been given a promise of lifetime employment; the trooper cried foul when he was fired following Scrushy's fall from power**

*Goodreau v. HealthSouth Corp.*, 04-3619

Plaintiff: Mavanee R. Bear, *Law Office of Mavanee R. Bear*, Birmingham

Defense: David G. Hymer, Anne R. Yuengert, N. Christian Glenos, and Jennifer J. McGahey, *Bradley Arant*

*Rose & White, LLP.*, Birmingham

Verdict: \$1,890,000 for plaintiff

Circuit: **Jefferson**, 10-23-06

Judge: G. William Noble

In the early months of 1995, James Goodreau was having difficulty making ends meet. Between his child support payments and his other monthly

expenses, Goodreau's salary as an Alabama State Trooper (Narcotics Division) simply didn't go far enough. For that reason, he had begun the apparently lengthy process of applying to become a DEA agent, hopefully at a higher pay scale.

While Goodreau was still in the process of completing his DEA application, his career plans took a dramatic and unexpected turn. Through a mutual friend, Goodreau made the acquaintance of none other than Richard Scrushy, the Chairman, CEO, and President of HealthSouth Corporation.

As it happened, Scrushy was apparently something of an amateur musician and had assembled a band called "Dallas County Line." Scrushy was assisted in assembling the band by the lead guitarist of another band who happened to be a friend of Goodreau's.

In virtue of his friendship with the

lead guitarist of the other band, Goodreau was allowed to sit in on and observe Dallas County Line's practice sessions and performances. Before long, Goodreau came to Scrusby's attention. When Scrusby learned Goodreau was a state trooper, he asked Goodreau to provide security services for Dallas County Line on an unpaid, volunteer basis.

Goodreau was delighted to help, and the two men apparently hit it off. The relationship became sufficiently cozy that in either September or October of 1995, Scrusby offered Goodreau a paid consulting job.

Scrusby explained that HealthSouth was constructing a new corporate headquarters on Hwy 280 in Birmingham, and Scrusby wanted the facility to be equipped with a "state of the art" security system. He asked Goodreau if he would be willing to oversee the project in exchange for a consulting fee.

Goodreau accepted the offer provided he would be able to get the permission of the state police department to engage in outside work. When the permission granted, Goodreau went to work. He consulted on the project for approximately six months before Scrusby upped the ante yet again.

In March of 1996, Scrusby offered Goodreau a full-time job as Director of Corporate Security with HealthSouth. During the conversation, Scrusby allegedly told Goodreau, "I'll take care of you, and you won't ever have to work anywhere else. You'll be here forever; you won't ever have to look for another job."

This sounded good to Goodreau, and he accepted the offer. In doing so he gave up his existing job as a state trooper, as well as his ongoing efforts to become a DEA agent. Goodreau began his new career with HealthSouth in September of 1996 at a starting salary of \$65,000 per year, plus a bonus plan and stock options.

Over the next several years, Goodreau built a crack security team at HealthSouth with as many as twenty-four people working under him. During that period Goodreau's income grew to the point where he was earning a base salary of \$103,000. With various benefits figured in, his total compensation package reached

\$170,000.

Although Goodreau was nominally the Director of Corporate Security, he seems to have delegated most of his day-to-day responsibilities to his Deputy Director. This freed up Goodreau himself to spend most of his time personally guarding Scrusby and Scrusby's family. As part of that duty, Goodreau traveled with Scrusby wherever he went.

The seemingly close relationship between Goodreau and Scrusby also paid off in other ways. In particular, in 1999, Goodreau needed some extra money to buy some land. Under Scrusby's direction, HealthSouth came through and loaned Goodreau \$15,500, for which Goodreau signed a promissory note on 9-7-99.

According to Goodreau, Scrusby told him the note would either be forgiven or else would be paid back out of future bonuses. In either event, Scrusby assured Goodreau that he needn't worry about the matter.

This arrangement was repeated again approximately two years later when on 7-16-01 Goodreau executed another promissory note for a second loan, this time in the amount of \$40,000. He intended to use the money to pay off some debts, and Scrusby told him the deal would be handled in the same way as the previous promissory note had been. Again, Scrusby instructed Goodreau not to worry about it.

Goodreau's dream of perpetual financial security began to unravel on 3-18-03 when the FBI raided HealthSouth headquarters. Scrusby was soon out the door, and an interim management team met in emergency session to consider what steps they could take to save the company.

After lengthy meetings and discussions, the new management decided it would be necessary to reduce the company's workforce. The carnage came in three rounds of lay-offs that resulted in a total of some four hundred employees losing their jobs.

Goodreau was initially spared the pain of unemployment, and he even assisted the management team with their personal security during the downsizing process. Eventually, however, management decided it was no longer necessary to employ security measures as elaborate and expensive as those Goodreau had instituted.

In particular, it was not necessary for senior management to have the luxury of what amounted to personal bodyguards. Yet this was exactly what Goodreau had spent much of his time over the past several years doing for Scrusby. Now that Scrusby was gone, Goodreau was no longer needed.

Goodreau apparently saw the writing on the wall. He did not come into work on 5-9-03, and the next day he received via UPS a letter informing him of the termination of his employment. There was still, however, the matter of the two unpaid promissory notes.

HealthSouth filed suit against Goodreau for his failure to pay back the two loans. In addition to the combined principal of \$55,500, HealthSouth also claimed entitlement to \$14,651 in interest. That brought the total claim to \$70,151.

Goodreau admitted he never paid back the loans, but he argued he should not be required to pay them back in virtue of Scrusby's promise that they would be either forgiven or deducted from future bonuses. In addition to defending against HealthSouth's claim against him relating to the two loans, Goodreau also struck back with a claim of his own.

In a counterclaim, Goodreau argued that Scrusby's statements during Goodreau's initial hiring amounted to a promise of lifetime employment. HealthSouth's termination of Goodreau's employment thus constituted a breach of contract. Alternatively, when Scrusby made the statements about Goodreau never having to look for another job, if Scrusby knew those statements to be false, then that would constitute a fraud.

HealthSouth defended against these claims and pointed out that Goodreau never had a written employment contract, and Scrusby had never spoken to anyone in HealthSouth about the terms of Goodreau's employment. As an interesting aside, HealthSouth also pointed out that Goodreau apparently landed on his feet following his departure from the company.

Specifically, after Goodreau left HealthSouth, he formed his own security and investigation consulting firm called "Probity Group." HealthSouth went on to note that for some considerable time Probity Group's primary client was none other

home and cemetery itself and did not assume any of Jefferson Memorial's contractual obligations. Furthermore, the Huntingtons were never given a copy of any drawing relating to Parker's plots, and they knew nothing about any special landscaping.

Prattville Memory also argued that the cemetery is subject to certain rules and regulations. This is significant in that making the arrangements Parker wanted would have entailed making his plots three inches wider and a foot deeper than other surrounding plots.

Defendant claimed the changes Parker demanded would violate the rules and regulations governing the cemetery. Thus, through no fault of its own Prattville Memory was literally unable to comply with Parker's wishes.

Finally, Prattville Memory pointed out that in the years since Parker purchased his plots, he has not used any of them. Thus, defendant claimed Parker has suffered no damages. In any event, Prattville Memory still stands ready to respect Parker's interment rights to all sixteen plots, but the company is simply unable to provide the special landscaping and walkways.

The case was tried for three days in Prattville. The jury returned a complex verdict in which Parker was awarded \$30,000 on his breach of contract claim and another \$50,000 in compensatory damages on his claim for fraud. Finally, the jury awarded Parker \$1,000,000 in punitive damages on his fraud claim. That brought the total award to \$1,080,000. The court entered a judgment for that amount.

Post-trial, Parker filed a motion to tax costs of \$1,708. Also, Prattville Memory filed a motion for a new trial or to alter, vacate, or amend the judgment. At the same time, Prattville Memory also filed a motion for remittitur regarding the punitive damages award.

The basis for Prattville Memory's motions was that both the compensatory and punitive damages awards were excessive. In particular, defendant argued the punitive damages award greatly exceeded the generally accepted 3-to-1 ratio.

Furthermore, by statute an award of punitive damages should not exceed 10% of defendant's net worth. Prattville Memory went on to state that its net worth as of 12-31-04 was only

\$603,424. Thus, a punitive damages award of \$1,000,000 would be far beyond the 10% limit. At the time the AJVR reviewed the record, the court had not yet ruled on the post-trial motions.

**Auto Negligence - In a chain-reaction rear-end crash case, plaintiff dismissed the driver who hit her and instead targeted the driver who initiated the accident**

*McCray v. Bowie*, 05-4974

Plaintiff: Cecil G. Duffee, III and James E. Mitchell, Jr., *The Duffee Firm, LLC.*, Birmingham

Defense: Lynn Hare Phillips, *Hare Clement & Duck, P.C.*, Birmingham

Verdict: Defense verdict

Circuit: **Jefferson**, 10-18-06

Judge: Tennant M. Smallwood

On 8-20-03, Maxine McCray, then age 55, was driving a 2001 Toyota Camry near the intersection of First Avenue North and 12th Street North in Birmingham. Behind her was a vehicle being driven by Leonard Harrison, and behind Harrison was Alesa Bowie.

McCray stopped for a red light at the intersection, and Harrison followed suit. Bowie, however, failed to stop, and she rear-ended Harrison. The impact pushed Harrison, in turn, into the rear of McCray's vehicle.

McCray suffered soft-tissue injuries due to the crash and incurred medical expenses of \$9,493. She filed suit against both Harrison and Bowie. However, McCray later dismissed Harrison from the case. The litigation then proceeded solely on the claim against Bowie. She defended and minimized the claimed damages.

A jury in Birmingham heard the case. The verdict came back for Bowie, and the court entered a consistent defense judgment.

**Underinsured Motorist - Defendant's accelerator became stuck and caused him to rear-end plaintiff who had stopped for a traffic light; after defendant's insurer paid its policy limits, plaintiff sought further compensation from her own insurer**

*Gentry v. Allstate Insurance Company*, 06-22

Plaintiff: R. Lyle Harmon, *Harmon & Berrentine, LLC.*, Pell City

Defense: Edward Blair, *Varner & Associates*, Birmingham

Verdict: \$30,000 for plaintiff

Circuit: **St. Clair**, 1-10-07

Judge: Charles E. Robinson

On 6-25-03, Martha Gentry, then age 48 and an employee of Wal-Mart, was behind the wheel of a 1993 Chevrolet Lumina and traveling near the intersection of Martin Street and Hazelwood Drive in Pell City. Behind her was a 1986 Ford Crown Victoria being driven by John Hannah, age 67 and an employee of Darby Tire.

Upon reaching the intersection, Gentry stopped in traffic for a red light. Hannah tried to stop, but he would later claim his accelerator was stuck. He was unable to stop, and a second later he rear-ended Gentry in a minor collision. The record does not reveal the nature of Gentry's injuries or the amount of her medical expenses.

Hannah was insured by State Farm under a policy that carried liability limits of \$25,000. State Farm paid Gentry the policy limits, and she then made an underinsured motorist claim with her own insurer, Allstate Insurance. When Allstate refused to pay, Gentry filed suit.

Allstate defended the case and minimized the claimed injuries. The company pointed out that the collision was so minor that it resulted in only minimal damage to Gentry's vehicle and no damage at all to Hannah's vehicle.

At the conclusion of a two-day trial in Pell City, the jury returned a verdict for Gentry in the amount of \$30,000. Post-trial, Allstate filed a motion for an off-set in the amount of \$25,000 based on the payment Gentry previously received from Hannah's insurer.

The court granted the motion and entered a reduced judgment for Gentry in the amount of \$5,000. The judgment