

TO BUSINESS, SPORTS AND LEGAL AFFAIRS EDITORS:

Smith, Chapman & Campbell: Los Angeles Jury Awards Quadriplegic Man \$10
Million in Bad Faith Case

LOS ANGELES, Nov 20 -- The following was issued today by Smith, Chapman & Campbell.

A Los Angeles jury yesterday awarded a quadriplegic man \$9,821,719.00 in a bad faith case against Atlantic Mutual Insurance Company. The jury found that Atlantic Mutual acted despicably and with malice and oppression in wrongfully refusing to settle a personal injury case in 2002. Steven C. Smith & William D. Chapman, partners at Smith, Chapman & Campbell, represent Plaintiff, Leon Bostick. For details go to <http://www.smithchapman.com/attorneys/william-d-chapman-civil-litigation-attorney/10-million-jury-verdict-in-bad-faith-case/> or see below.

On January 4, 2001, Leon Bostick was working out on a "Smith" weightlifting machine at Gold's Gym in Venice Beach, California when he lost control of the weights, which broke his neck, rendering him a quadriplegic. This tragic accident could have been prevented if the manufacturer had included safety devices that would have cost \$75.

Bostick filed suit against Flex Equipment and Gold's Gym. By December 2001, Atlantic knew Bostick's medical bills were over \$600,000. Atlantic knew that if Flex was found liable, a jury would come back with an award of \$5m-\$10m. However, Atlantic heard "rumors" that the accident did not happen on the Flex machine and decided to defend on that basis.

After learning that Flex only had a \$1m insurance policy, on December 14, 2001, Bostick's lawyers offered to settle his claims against Flex for the \$1m insurance policy. Atlantic was given 30 days to respond, then was granted an extension of another 17 days.

Before the expiration of the policy limits demand, a lawyer retained by Atlantic to defend Flex and independent counsel of Flex both advised Atlantic to settle. On January 17, 2002, Atlantic concluded that "plaintiff was definitely using the insured's machine." However, the next day, Atlantic decided that it wanted to "reject" the policy limits demand.

On Friday, July 25, 2003, a Los Angeles jury rendered a verdict in the amount of \$16.2m in favor of Mr. Bostick. Flex assigned to Mr. Bostick its rights to sue Atlantic for bad faith refusal to settle within the policy. On Monday, January 29, 2007, the California Court of Appeal affirmed the judgment against Flex. On Tuesday, November 18, 2008, the jury in the bad faith case awarded \$10 million to Mr. Bostick.

SOURCE Smith, Chapman & Campbell

Date: 11/20/2008

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