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Parents of convicted murderer ordered to stand trial for conspiracy

LELAND, Mich. (AP) — A judge has ordered the parents of a Lake Leelanau man sentenced to life in prison without parole for killing two men in a drug dispute to stand trial on charges of conspiracy to commit perjury. Faye Robyn O'Non, 51, and Nicholas O'Non, 57, also were bound over for trial by 86th District Court Judge Thomas Phillips on Friday on charges including conspiracy to obstruct justice before their son's trial. Authorities say the couple conspired with others to create a self-defense theory for their son and tried to sway testimony. Matthew O'Non, 23, was sentenced last year in the May 2004 deaths of Raul Ramirez and Manuel Longoria. Prosecutors said he shot the men, both Texas residents, when they came to his family's Bass Lake cottage.

Mike Wallace gives notes to University of Michigan library

ANN ARBOR, (AP) — Veteran television newsman Mike Wallace has given papers from his 40-year career at CBS News to University of Michigan, his alma mater. The papers include notes, transcripts, photographs, correspondence, interviews and research and fill about 50 file cabinet drawers. The Detroit News reported. Wallace, 87, helped launch the TV news magazine "60 Minutes." "Researchers will find these papers an archival treasure trove," Francis X. Blouin, director of the university's Bentley Library, said in a statement. "These papers reconstruct the thinking that lay behind groundbreaking television journalism. Wallace's well-crafted interviews explored the gamut of major issues of our time." Wallace graduated from Michigan in 1939 and worked for the school's low-power radio station. He earlier gave the Bentley Library his papers from the 1950s, when he wrote a newspaper column and hosted an interview program on ABC. "My 40 years with CBS News have been a fascinating voyage of discovery," Wallace said in a statement. "Thirty-seven years with '60 Minutes' have given me the chance to travel the globe, meet and report on world issues, and broadcast what I've learned to an audience at home that had long trusted CBS News reporters like Walter Cronkite and Eric Sevareid."

South Dakota governor signs bill exempting bikes, horses from DUI laws

PIERRE, S.D. (AP) — South Dakota bar owners may want to install hitching posts and bike racks out front. Gov. Mike Rounds recently announced that he has signed a bill into law exempting horses and bikes from drunken driving laws. It goes into effect July 1. Legislators offered the so-called "beer-for-your-horses" bill as part of an effort to update the criminal code. "If I'm going down the road with my family, I'd much prefer to have a drunk on a Schwinn coming at me than a drunk in a Chevy," said Sen. Lee Schoenbeck, R-Water-town. Charging intoxicated horse and bike riders with drunken driving makes a joke of drunken driving laws, he said. People still could be charged with being a public safety hazard, a misdemeanor. Sen. John Koskan, R-Wood, though, objected to the change. He said horses on highways can be dangerous, adding that prosecutors oppose the bill. "Just because it's a horse doesn't mean it's safe to be out on the road," Koskan said.



LUMEN LEGAL hosted an evening of networking and new ideas on February 9, at the Detroit Athletic Club. Taking part in the festivities are (seated, left to right) David Galbenski, Lumen Legal president and CEO and Mark R. Adams, Lumen Legal vice president, and chief legal counsel; along with (standing, from left to right) Nelson Rosario, contract attorney currently working on assignment with Lumen Legal; Mark A. Grobbel, Lumen Legal director of Strategic National Accounts; Karen R. Maheu, Lumen Legal vice president of Global Resourcing; Jucilsa B. Deguzman, Lumen Legal accounting manager; Ram Vasudevan, CEO, QuisLex (Hyderabad, India), strategic partner of Lumen Legal for document review work; and Marc L. Blessing, Lumen Legal vice president and COO. Photo by John Meiu

Legal services company unveils new name: Lumen Legal

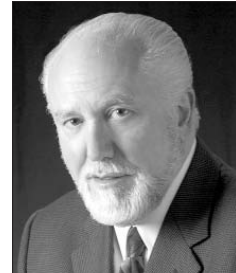
BY SARAH SCHOLZ
Legal News
Contract Counsel, a two-time member of the Inc. 500 (fastest growing private companies) became Lumen Legal on Thursday, February 9. To mark the occasion, CEO David Galbenski, along with Mark Adams, co-founder and general counsel, and Marc Blessing, COO, and other members of the Lumen Legal team, hosted an evening of networking and new ideas, in celebration of their launch, at the Detroit Athletic Club. Lumen Legal is a Royal Oak-based provider of direct hire, contingent staffing, and document review services for the legal services industry. Since the company was founded in 1993, it has pioneered both domestic and offshore outsourcing solutions for corporate clients and law firms, while developing a data-driven human resources system. Mark Adams was the first to speak at the event. "First we are here because of the very talented and committed Lumen Legal employees; there are too many to name, they are amazing. Most of them could have pursued careers at larger, more well known staffing companies but they chose to come and work for Lumen Legal and stay here," Adams said. "Taking on more risk and turmoil to help this company grow and prosper.

Thank you very much for doing that and letting me be a part of your management team." He went onto thank the company's outstanding clients, "who chose to do business with Lumen Legal over the years (Lumen being the smaller, more aggressive kid on the block), for a company of its size, Lumen Legal's client roster is truly preeminent." He also thanked those who gave guidance and legal advice as well as their lenders. "Next we are here because of all the spouses and significant others of the Lumen Legal team, especially Dave's wife, Lynn, who we dearly appreciate how she tolerated the significant commitment Dave has made to the company and the legitimate sacrifices your family had made to let Dave pursue his vision," he added. "The main reason we are here is because of our visionary leader. Thirteen years ago this enterprise was literally David and a personal computer that his grandmother donated to the company, sitting on a table in his parent's basement. I kid you not, I can't believe it, except that I was there to see it. Now Lumen Legal is rapidly growing, it is an international company with offices here in Michigan, Ohio, Indiana, and India with more growth to come and it is to be a very fast growth. "Dave, more than any factor, is the reason why we're here tonight. Over the years, Dave has effectively challenged obsta-

cles to success and silenced the naysayers or the skeptics. Time and time again, Dave has had the vision to know that there is a better way to deliver legal services to law firms and corporate legal departments. That is really what Lumen Legal is about," Adams said. "He has relentlessly pursued that vision with outstanding leadership. He has worked tirelessly while staff questioned short term benefits and even long term personal benefits to do the right thing for the company and to follow his vision. That type of behavior has many names, and people who were born long before me probably would have just called it American Spirit. "Nowadays, people who understand innovation and vision have begun to recognize Dave's talented hard work and he has won a number of awards including the Inc. 500 award twice, Crain's Detroit Business 40 under 40, Michigan Future 50 companies, and most recently, the very prestigious 2005 Ernst & Young Entrepreneur of the Year Award (for Staffing and IT Consulting Services, Central Great Lakes region)." Adams ended by saying to Galbenski, "Everyday, you have my deepest respect, admiration, and awe. I will always appreciate and never forget the many valuable things about commerce and ethics you've taught me over the years. You are the real deal and I am proud to be your business partner." (See LUMEN LEGAL, Page Two)

Structured settlements: 468-B funds, liquidity issues

BY JOSEPH HADUS
How do you respond when the defendant says "no" to a structured settlement? Who should control structured settlements, plaintiff or defendants and their liability insurance companies? As part of the Tax Reform Act of 1986, IRC Section 468-B was added to the Internal Revenue Code. This, along with Treasury Regulation Section 1.468B-1 and Revenue Procedure 93-34, provides that as long as there are two or more claimants in a case, you can provide your client with all the benefits of a traditional tax-free structured settlement while the defense gets a full cash release. Though prevalent in many other jurisdictions, the trial attorneys in Michigan have been slow to embrace this settlement tool, most likely because the defense traditionally controlled the process and the availability of 468-B Qualified Settlement Funds (QSF) would adversely impact their bargaining position. Simply stated, it was not in their best



interests to publicize this. This section of the IRS Code was originally enacted to deal with mass torts (i.e. asbestos cases, breast implants, Fenn-Fenn litigation, etc.), and is now being used in individual cases. The corporation or insurer pays the lump sum into the QSF. Individual settlements, including structures and for cash, are then negotiated off the trust. There is a little more paperwork involved than a traditional settlement, but this prevents against any possible abuse by the defense and the advantages are substantial. The defense attorney and/or adjuster needs to be made aware that there will be a cash settlement with the funds being paid into a trust and that they will get a full release. Working with the trust attorney, the Petition is prepared requesting the court's approval to create the Qualified Settlement Fund Trust and spelling out the monetary terms. Upon court approval, the trust is created and after paying the total settlement amount into the QSF, the defendant is released and dismissed with prejudice. The defendant insurer is able to take the full tax deduction immediately and remove the liability from their reserves. From this point on, the insurer has nothing

to do with the settlement. The settlement proceeds in the form of a check payable to the trustee and deposited with the court, which has continuing jurisdiction. Next, working with your broker, the final terms of the structured settlement are determined and the annuity rate locked-in. Following this, a second petition is filed with the court seeking approval for the distribution of the settlement funds. Also, a Settlement Agreement and Release along with Qualified Assignment Agreement is drafted. From here on in, the steps are similar to any other structured settlement except, since the defendant/defendant insurer have been released, the QSF Trustee steps into this role and executes both documents. Upon court approval, the closing documents are executed and the funds from the trust allocated to the appropriate parties. The trust is required to file a tax return for the short period of time in existence (a small amount of interest is generated) and this is also handled by the trust attorney. 468-B provides you with a viable alternative when the defendant insurer insists the annuity be placed through their life affiliate or so called "approved list" even though a better

rate with a stronger company can almost always be obtained in the competitive marketplace. Depending on the complexity of the case, the trust attorney's fee is usually in the \$3,000 — \$4,000 range, so the 468-B alternative is appropriate for larger cases. Qualified Settlement Funds are a valuable tool in controlling your settlement and overcoming obstacles posed by the defense, while providing your client with the most financially secure settlement plan consistent with their needs. Another problem facing practitioners is dealing with a client who wants a structured settlement, but is fearful that future unforeseen emergencies could require immediate liquidity. The Victims of Terrorism Tax Relief Act signed into law by President Bush on January 23, 2002, created section 5891 of the Code. This allows for plaintiffs to sell all or a portion of their remaining guaranteed structured payments back to the annuity company for a lump sum in the event of a court-approved hardship. This can include medical emergencies (unforeseen surgery, etc.), education requirements, change in living conditions, or in the case of attorney fees—even taxes. (See SETTLEMENTS, Page Two)

Michigan foreclosures double in two years, now 2 1/2 times U.S. rate

DETROIT (AP) — The number of homes undergoing foreclosure in Michigan doubled from February 2004 to February 2006 to a rate that is 2 1/2 times the nation's, according to a group that monitors foreclosures. Michigan had 8,240 homes in active foreclosure last Monday out of 96,019 nationwide, the Boca Raton, Fla.-based Web site www.foreclosure.com says. In February 2004, the state had 4,085 foreclosures in progress. Michigan's active foreclosures are 8.6 percent of the U.S. total, while the state's population of 10.1 million is only 3.4 percent of the nation's 296.4 million. The rise in Michigan foreclosures comes as the state's unemployment rate remains high and appears to be heading higher.

The state's seasonally adjusted jobless rate ended 2005 at 6.7 percent, compared with the national rate of 4.9 percent. Economists say they expect the state's annual unemployment rate to edge up this year and again in 2007. Lenders lose up to \$50,000 per foreclosed house as they sell them off at below-market prices. That can lower property values in neighborhoods, drive other residents away and hurt property tax collections for local governments. "Foreclosure depresses an area in a variety of ways," LaSalle Bank chief economist Carl Tannenbaum told The Detroit News. Wayne County alone had 3,342 houses in the foreclosure process last Monday, 41 percent of the state total despite the

fact that its about 2 million residents make up about a fifth of the state's population. Last Wednesday, Katherine Ben-Ami, a lawyer for the Wayne County sheriff's office, supervised the auction of 379 foreclosed homes in the county. "This is the worst I've ever seen," said Gary Meyers, a foreclosure specialist with Venturi Realty of Salt Lake City who was present for last Wednesday's sales. "I've been all over the U.S., and the most I've ever seen in a day is 30." Elsewhere in Michigan, Oakland County had 765 homes in foreclosure proceedings last Monday, Genesee 465, Macomb 448, Ingham 183, Muskegon 168, Kalamazoo 147, Saginaw 145, Jackson 127, St. Clair 107 and Calhoun County 102.

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