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Mr. Chairman and members of the committee. My name is Keku Kamalani, UNLV intern for Senator Dina Titus.

Secret settlements are legal mechanisms used by corporations to hide information pertaining to faulty and hazardous products. In most cases involving secret settlements, a plaintiff will sue a corporation because that corporation's product caused some sort of significant loss or hardship, usually injury or death. During some stage of the trial the corporation will demand that all information concerning the defective product be kept secret. Usually the corporation will not compensate the victim until a confidentiality clause is signed. This puts pressure on the victim to take part in the secret settlement. Once both parties agree to the terms of the secret settlement, the public cannot be made aware of the dangers that are associated with that faulty product.

Evidence shows that a strong correlation exists between the number of injuries and deaths caused by defective products and the amount of years information pertaining to defects have been sealed by the courts. I now refer you to the chart provided to you. There have been many despicable examples of cover-ups that have resulted in fatalities. For instance, over a 10-year period 100 lawsuits were filed against Firestone for manufacturing unsafe tires for the Ford Explorer. According to the National Highway

Traffic Safety Administration, 148 deaths and 500 injuries were caused by tire tread separations. In another example of sealed information failing to warn the public, 750 people lost their lives due to exploding General Motors fuel tanks. It has been reported that the problem was kept secret for 15 years. In one final example of corporate cover-ups, 248 people died as a result of using defective Bjork-Shiley Heart Valves even though Bjork-Shiley settled many claims over a 6-year period.

At the federal level there has not been many attempts at creating anti-secrecy statutes. In 1993, Sen. Herbert Kohl sponsored a proposed Sunshine in Litigation Act. Unfortunately it did not make it out of Congress. After the Ford/Firestone debacle, Sen. John McCain helped pass an auto safety bill that established both civil and criminal penalties for the failure to recall faulty products and provide detailed records of problems relating to defective parts. Unfortunately the final version of the bill was stripped of many of these provisions.

Due to the inaction of the Federal Government, it has been left up to the states to craft Sunshine in Legislation laws. Currently there are 17 states with such statutes. I now refer you to the list that identifies all 17 states. Many corporations have resisted such laws claiming that Sunshine in Litigation will result in the loss of trade secrets, patents and other proprietary

information. This claim is apocryphal at best. All state Sunshine in Litigation Acts have clauses which state that trade secrets, patents and other proprietary information will not be opened to competitors. The public, however, would have access to information concerning dangerous products. Since 1991, Sen. Dina Titus has led the fight to create a Sunshine in Litigation Act for the State of Nevada. I now refer you to the editorials that were given to you. Such a law will allow the public to be warned of defective products while respecting valid privacy concerns and protect trade secrets and patents. With a Sunshine in Litigation law on the books, Nevadans will have a better chance protecting themselves from deadly products.

So I urge you to support SB 251. Thank you.