

Property Value Litigation Qualifications and Experience

Veritas Economic Consulting, LLC

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Veritas Economic Consulting is a privately held firm that specializes in natural resource economics. Its principal economists have more than 40 years of combined experience in applied environmental economics. Our experience includes statistical analyses of the impacts of environmental disamenities on property values, critiques of plaintiff methodologies to estimate alleged property value losses, natural resource damage assessments (NRDAs), survey design and administration, economic evaluations for compliance with Sections 316(a) and (b) of the Clean Water Act, exposure assessments, creel/angler surveys, and similar natural resource studies.

Veritas principals have served as consulting experts on more than a dozen class action or mass tort cases that involve claims of diminished property values, including stigma claims. In some of these cases, the plaintiffs have used a controversial survey technique called contingent valuation (CV) to estimate the alleged decrease on property values. Because CV was developed by natural resource economists, we are well versed on the limitations of the technique. Our experience includes work on more than a dozen CV surveys and critiques in both the natural resources and property value areas.

Veritas is also experienced in developing and critiquing statistical analyses that estimate the impact of environmental disamenities on property values. In these analyses, the specific features of the property account for its value. Just as the number of bedrooms, the lot size, and the presence of a garage determine the value of a property, so may the proximity to actual or alleged contamination. The statistical techniques allow us to isolate the effect, if any, of the contamination on property values. Our critiques of plaintiff statistical analyses have revealed errors in data entry, data compilation, statistical techniques, and flawed analyst assumptions, rendering the plaintiffs' claims unreliable.

As consulting experts, we provide litigation support to defense counsel by helping them navigate through and gain a basic understanding of the statistics and data of the methods, by developing questions and strategies for deposition of plaintiff experts, by attending depositions of plaintiff experts, and by contributing to legal briefs and motions that deal with economic issues.

The following list highlights some of our relevant experience:

- Developed a statistical model for a case where the plaintiffs claimed that solvents in groundwater reduced property values. The inclusion of pre-existing spatial features (interstate highway, airport noise contours, and railroad tracks) explained all of the alleged decrease in property values.
- Conducted a verbal protocol study to demonstrate the unreliability of the plaintiffs' CV questionnaire for measuring class-wide damages. Verbal protocols ask survey respondents to think aloud as they complete the questionnaire. The spontaneous responses revealed the inherent unreliability of the respondents' answers as the basis of damages.
- Prepared arguments on the inappropriateness of the plaintiffs' proposed methods for class-wide damages in four cases where plaintiffs sought class certification.
- Critiqued the plaintiffs' statistical model of commercial property values allegedly affected by leaking underground storage tanks. Demonstrated several errors and flaws that reduced alleged damages to zero.
- Assisted counsel in critiquing 10 surveys implemented by plaintiffs, including 8 CV surveys.
- Assisted counsel in cases in West Virginia, South Carolina, Alabama, Mississippi, Indiana, Illinois, Pennsylvania, Oklahoma, New Mexico, and California.
- Prepared a paper for the Appraisal Institute that proposes standards for the use of surveys in property value litigation.
- Veritas' staff have published 15 books and book chapters as well as more than 20 articles in top-tier, peer-reviewed economic and risk journals, including the *Journal of Forensic Economics*, *Land Economics*, the *American Journal of Agricultural Economics*, *The Review of Economics and Statistics*, *Risk Analysis*, and the *Journal of Toxicology and Environmental Health*.