

Name: \_\_\_\_\_

Date: \_\_\_\_\_

## **Compensatory and Punitive Damages**

We have all heard of lawsuits that involve hundreds of dollars, thousands of dollars, and millions of dollars. These types of lawsuits are **civil** lawsuits. Civil lawsuits are not about a crime. The government does not arrest or place a person in jail. In a civil lawsuit, one person, or party, makes a claim against another. A person in this case can be an actual person or a company. A party may file a civil lawsuit when somebody injures or harms them.

In the movie, “Erin Brockovich,” the main character, Erin Brockovich, helped over 600 people file a civil lawsuit against a company. The movie is based on a real story and was released in 2000. Julia Roberts played the role of Erin Brockovich. Erin Brockovich was a single mother of three children. She lived in a small town in the desert in southern California. Over time, Brockovich discovered that Pacific Gas and Electric (PG&E) was dumping poisonous chemicals around the town. The chemicals entered the town’s water supply and made hundreds of people sick. Brockovich collected more than 600 people to file a claim against PG&E.

The group of over 600 people asked for two types of damages: compensatory damages and punitive damages. The compensatory damages paid the people who were injured by the pollution. The money covered medical bills and money that they lost when they could not go to work. The compensatory damages also covered the sick peoples’ pain and suffering. The punitive damages were awarded to punish PG&E for improperly dumping poisonous chemicals. The punitive damages were awarded to discourage PG&E and others from improperly dumping poisonous chemicals in the future.

In the case in “Erin Brockovich,” *Anderson v. Pacific Gas & Electric*, a jury found that PG&E should pay \$333 million in compensatory and punitive damages to the people who had been injured. PG&E also had to clean up all of the poison and stop using the poison. PG&E learned an important lesson from this lawsuit: it



is not good to improperly use or dispose of a chemical in a manner that will make people sick.

**Review Questions**

1. What happens in a civil lawsuit?

---

---

2. Who can be a “party” in a civil lawsuit?

---

---

3. What was the movie “Erin Brockovich” about?

---

---

---

---

---

---

---

---

---

---



4. Why would a jury award “compensatory damages”?

---

---

---

---

5. Why would a jury award “punitive damages”?

---

---

---

---

6. When a person or company does something wrong, what else should they do besides pay money to the people that they hurt?

---

---

## You Be The Jury!

### 1. Lawsuit #1: Koffer v. Big Power

A big company has built a power plant on the edge of the city that causes much smoke. Several people who live near the plant have been injured and forced to go to the hospital for lung problems related to the smoke. The total cost of their medical bills is \$6,000. How much should they be awarded? Why?



---

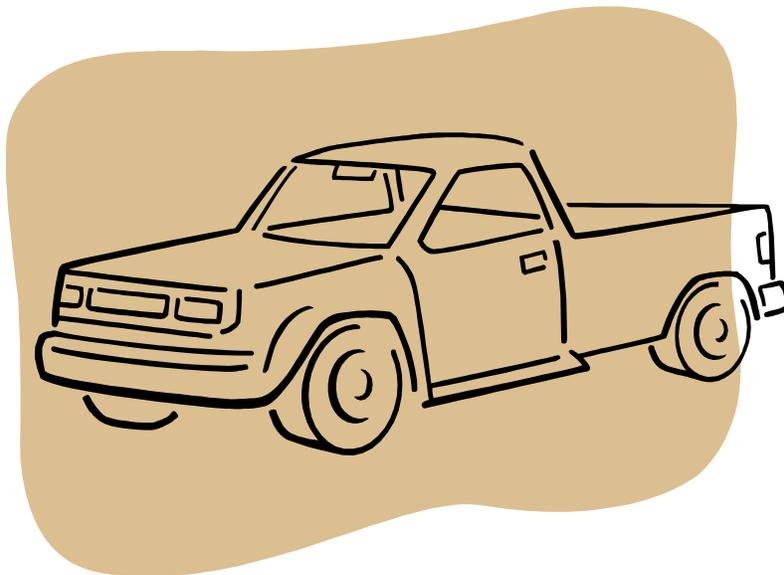
---

---

---

## 2. Lawsuit #2: Phender v. Bumper

Bumper was driving on the wrong side of the road. It was late at night and he was not thinking clearly. He crashed his car into Phender's truck, which was driving in the proper lane. Phender's truck is broken and cannot be fixed. The crash also broke Phender's arm. Phender works as a welder. He could not work for a month after the crash. How much should Phender be awarded? Why?



---

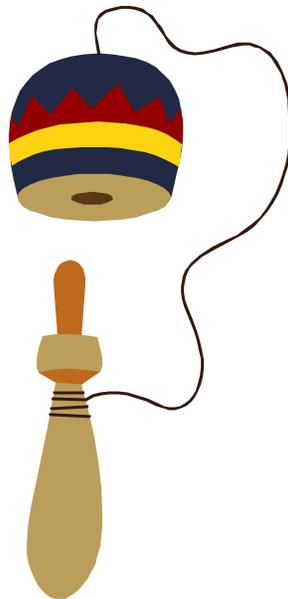
---

---

---

### 3. Lawsuit #3: Babee v. Toyco

Babee, who is 4 years old, was playing with his favorite toy. All of a sudden, the string on the toy failed and broke. The string broke because it was the wrong type of string and not strong enough for that purpose. The top of the toy knocked out Babee's front tooth. How much should Babee be awarded? Why?



---

---

---

---

#### 4. Lawsuit #4: Phaller v. Parker

Phaller was walking down a city sidewalk. Cars were parked on the street but along the sidewalk. Parker had a large luxury car with large mirrors and a large bumper. Parker had his vehicle stopped and parked in a proper parking space on the street beside the sidewalk. Phaller was looking in the store windows and not watching the sidewalk as he walked down the sidewalk. Suddenly, Phaller stepped off the sidewalk into the street and hit Parker's car on the mirror and then fell into the bumper and cut his head. Phaller was taken by ambulance to the hospital. Should Phaller receive money from Parker for his injury? Why or why not.



---

---

---

---

