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Scam Alert

Identity Theft Task Force follows thieves' electronic footprints to track them down. ▶ Story, B2

\$7 million ruling against Oates

His attorney calls the punishment excessive. A lawyer for the plaintiffs says justice was done.

By Ramon Coronado
BEE STAFF WRITER

Sacramento developer Marvin "Buzz" Oates was hit Monday with a \$7 million punitive damage award for defrauding business partners in a Southern California real estate deal.

"You don't get a kickback and expect to get away with it," said Christo Bardis, Oates' former business partner.

Lloyd Arnold, another former partner who worked with Oates for about 15

years before they had their falling-out, said the case has been an ordeal for him.

"I'm just glad this is all over with," Arnold said.

Oates, who sat in court with a toothpick in his mouth, showed no emotion as the verdict was read.

Jurors found Oates, regarded as the dean of Sacramento-area developers, liable for punitive damages Friday after they determined he acted out of "malice, oppression, or fraud" in the Orange County real estate venture.

The jury ruled on five separate claims of wrongdoing arising from the purchase of 298 acres of prime real estate that includes a golf course and the Los Alamitos Race Course.

The judgment holds Oates, 79, liable for \$5 million and \$2 million is to be paid by A&A Properties, Oates' company that was involved in the deal.

In a prepared statement released afterward, Oates' attorney Edward R. Brenner said his client is thinking of asking the judge to lower the award.

"We believe the punitive damages rendered by the jury are excessive," Brenner said. "Mr. Oates and the Oates companies suffered deeply as a result of this trial, but we are ready to accept just, reasonable damages."

"That wasn't the decision."

Edward Freidberg, who won the damages after a two-month trial in Sacramento Superior Court, said changing the jury's verdict would be wrong.

"This jury is the voice, the conscience
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Marvin 'Buzz' Oates

Oates: His lawyer sought lighter penalty

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of the community, and what they have done is to make an example out of him and to punish him," Freidberg said.

Oates, Frank C. Ramos, Bardis, Arnold and Arnold's wife, Nancy, partnered in 1989 to buy the land for \$71 million. Oates, who later became managing partner, was found liable for pocketing a real estate commission.

In the trial's penalty phase, Brenner pleaded with jurors to go lightly on the developer whose career goes back 57 years.

He said that "two or three times" the \$165,000 in actual damages suffered by the business partners was sufficient.

But Freidberg produced documents that showed Oates' net worth was \$367 million. The purpose of punitive damages is to punish, and Freidberg urged jurors to consider \$10 million in damages in order to deliver a sufficient "sting."

Jurors declined to discuss the case. A forewoman for the eight-woman, four-man jury said they wanted to put it behind them.

Lawrence Levine, a professor at McGeorge School of Law who teaches civil litigation, said that less than 5 percent of all monetary awards in California cases are for punitive

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Edward Freidberg

attorney who won the damages

damages.

"They are quite rare," said Levine, who believes juries often are better suited than judges to decide appropriate punitive damages. "Punitive damages are an expression of outrage. Who better than a jury to express that?"

"A judge needs a good reason to tinker with a jury's determination," Levine added.

John H. Sullivan, a spokesman for the Civil Justice Association of California, which supports reform of the state's civil litigation system, said more controls over jury awards of punitive damages are needed.

"The standard for punitive damages is crude. We would like to see more structure. We like to see judges set that amount, not juries. Judges are more trained and experienced," Sullivan said.

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