

-----Original Message-----

From: Berlind, Mark
Sent: Friday, August 10, 2001 11:45 AM
To: Nicoli, David; Lindheim, Jim; Harris, Peter L. (PLH); Poole, Jay; Greenberg, David; Parrish, Steve
Subject: RE: Judge's Comments

More on this, with language from the full opinion that did not make it into the media reports:

While [the MSA] does prohibit much of the misconduct at issue here, it by no means guarantees that Philip Morris will now become the model corporate citizen which it now claims to be.

Effective deterrence involves more than just prohibiting conduct, and requires changing mindsets. Philip Morris has, in the past, demonstrated a willingness and ability to achieve its ends by creative means, and the Court cannot predict what those means might in the future be for a corporation with enormous resources profiting from the sale of a life threatening product. Philip Morris can, of course, continue to lawfully sell its product, but it must do so with a mindset far different from that evidenced by its corporate history to date. Such a sea change may have begun to occur at Philip Morris, but...the Court finds that deterrence in the form of substantial punitive damages is both necessary and proper to prevent Philip Morris' return to the old mindset or its crafting of ever-more ingenious ways to generate wealth through tortuous means.