

PHILIP MORRIS

MANAGEMENT CORP.

120 PARK AVENUE • NEW YORK, NY 10017-5592 • (917) 663-5000

JOHN J. MULDERIG
ASSOCIATE GENERAL COUNSEL

(917) 663-3056
FAX: (917) 663-5796

July 21, 1999

Honorable Arlin M. Adams
Schnader, Harrison, Segal & Lewis, LLP
1600 Market Street, Suite 3600
Philadelphia, PA 19103

Dear Judge Adams:

Thanks for your July 8th letter and the copy of Inter Medical Supplies v. EBI Medical Systems. I read the opinion with interest and circulated it among our group. While both the majority and dissent vehemently disagree on the outcome and application of the standard of review, both highlight the difficulties of reviewing a punitive damage award. Yet, the recent Phase I verdict in Engle puts us on the doorstep of another punitive damage award.

Thanks so very much for sending this opinion along. Chuck and I hope that all is well with you.

Best wishes.

Sincerely,



JJM/krr

2075293856