

EMPLOYEE NEWS DAILY

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Top Story

Chrysler is seeking \$82 million from former employee Paul Sheridan, who was dismissed by the company for releasing confidential engineering information to the news media. Sheridan has testified against Chrysler in lawsuits involving the liftgate latch design on older-model Chrysler minivans. The \$82 million represents the estimated loss in sales and potential advertising costs that resulted from an October 1995 interview with Sheridan that aired on the television program "20/20," during which he criticized Chrysler products.

Chrysler News

Bill O'Brien, Chrysler Vice President, General Counsel and Secretary, was honored last night in Chicago with the Minority Corporate Counsel Association's (MCCA) Diversity 2000 Award for his exemplary efforts in promoting diversity within Chrysler's legal department and with firms that supply legal services to Chrysler. The MCCA is a national, nonprofit organization created to promote the advancement of minority attorneys in corporate law departments.

The Jeep® Wrangler is the best value for a sport-utility vehicle under \$25,000, according to the research firm IntelliChoice. The firm tracks the average cost of owning a new vehicle and says that these costs may be down for the first time in a decade. A 1998 car costs an average of \$37,322 to own over five years, according to IntelliChoice. That cost includes depreciation, fuel, financing, maintenance, repairs, fuel and state fees. The estimate, while even with last year, was based on gas at \$1.22 per gallon. Fuel prices since have fallen to less than \$1 per gallon in many states. IntelliChoice President Peter Levy credits higher-quality cars for the drop in costs. "Repairs continue to be a smaller and smaller portion of expected costs," he said.
(Associated Press)

Chrysler today celebrates its 1-millionth Neon produced at Belvidere (Ill.) Assembly Plant. Company and city officials will present owners of the Neon with keys and gifts from the plant. The plant produces Dodge and Plymouth Neon models and Chrysler Neon models for international markets.

In Today's Chrysler Times

The Times interviews Tom Pappert, the Vice President who guided Chrysler sales and service for many years. Pappert, who is retiring March 31,

Chrysler seeks \$82 million from ex-employee

By David Lawder

DETROIT, March 19 (Reuters) - Chrysler Corp. <C.N> is seeking \$82 million from a fired employee-turned-whistle blower who testified about the controversial rear-door latches in the company's older model minivans, lawyers involved in the lawsuit said Thursday.

The estimate of damages in the 3-year-old case in Oakland County Circuit Court surfaced this week in a just-settled Los Angeles case involving the minivan latches.

Chrysler alleges that an October 1995 interview of ex-product planner Paul Sheridan on ABC-TV's "20/20" news program cost the company an undetermined amount of damages.

On the broadcast, Sheridan said the company knew the latches on its 1984-95 minivans were not strong enough to keep the rear door from popping open in slow-speed, rear-end crashes, allowing unbelted passengers to be thrown out.

In a deposition last year, a Chrysler official estimated that Sheridan's statements cost the company \$82 million -- including lost sales of minivans and an estimate of costs for a never-aired television advertising campaign refuting Sheridan's allegations.

The automaker in March 1995 agreed to replace latches on some 4.5 million 1984-1995 model minivans, but has steadfastly maintained the old latches contained no defects. The 1996 vans used a different latch design.

Chrysler attorney Steven Hantler said the company's main objective in the lawsuit is for Sheridan to abide by agreements he signed as a Chrysler employee not to disclose confidential and proprietary information.

"We have not come to rest on what we'll ask a jury for, maybe more or maybe less," Hantler said.

Chrysler continues to battle latch-related lawsuits, some of which include testimony from Sheridan.

The No. 3 Detroit automaker is appealing a \$262.5 million South Carolina jury verdict in a latch case involving the death of a 6-year-old boy who was thrown from a minivan in a crash. The award is the largest jury verdict ever against an automaker in a product liability case.

The \$82 million lawsuit is the latest in a continuing series of legal squabbles between Chrysler and Sheridan, who was fired in December 1994 for allegedly leaking confidential crash test data on the company's then-forthcoming 1996 minivan to an outside party.

The data, which claimed the vans had failed a government crash test, was later given to industry trade journal Automotive News, which published it.

Sheridan sued Chrysler in 1994, claiming the automaker owed him an undetermined amount of damages for wrongfully firing him, defaming him and damaging his reputation.

In that case, which is expected to go to trial this summer, Sheridan also claimed Chrysler rejected his proposals that the company use a stronger latch design and stronger seat frames in the new minivan design.

Sheridan's attorney, Courtney Morgan, said the latest lawsuit is aimed at intimidating the company's employees into keeping quiet about potential safety problems.

"It's clearly designed to have a chilling effect," Morgan said. "They're doing this as publicly as they can to make the message real clear to employees that this is what happens to people like Paul Sheridan."

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