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Of Attorneys for Defendants

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF OREGON

PRISON LEGAL NEWS, a project of the
HUMAN RIGHTS DEFENSE CENTER,

Plaintiffs,

v.

COLUMBIA COUNTY; COLUMBIA
COUNTY SHERIFF'S OFFICE; JEFF
DICKERSON, individual and in his capacity
as Columbia County Sheriff,

Defendants.

No. 3:12-cv-0071-SI

DEFENDANTS' EXPERT WITNESS
STATEMENT

Defendants submit the following summary of expected expert witness testimony to be presented at trial.

1. **Serena Morones** Estimated Time for Direct: 45 minutes

Qualifications: Certified Public Accountant specializing in financial analysis and business valuation. Her analysis followed the general procedures and practices she uses in analyzing financial losses, or lack thereof, in business related matters, both involving litigated matters and in matters not in litigation. She will testify about her background and experience that qualify her to give her opinions in this matter. She will explain the concepts of business valuation and financial accounting.

Serena Morones will testify regarding her review of records relating to this matter. A copy of her report and CV was previously submitted to plaintiffs' counsel and she was deposed in this matter. Ms. Morones will testify consistent with her report and deposition testimony. The report she prepared in this matter and her CV containing her qualifications is attached. The following testimony will supplement her report and is consistent with her deposition testimony.

Ms. Morones will testify that plaintiff has not provided documentation that any financial resources were diverted, its mission frustrated, or that it lost revenue in the form of subscription renewals, book orders, or advertising. She reviewed plaintiff's disclosures, interrogatory answers, annual reports, tax forms, testimony from plaintiff's employees, W-2 statements, employees' resumes, and plaintiff's summaries of its mailings.

She will testify that in analyzing plaintiff's documents to determine if it sustained any damages for a diversion of resources, she looked for, among other things, documentation that plaintiff incurred extraordinary expenses or even a missed business opportunity as a result of having some of its mail rejected by the Columbia County Jail (CCJ) or pursuing this litigation. Using standard financial and accounting techniques, and after analyzing the business records provided by plaintiff, Ms. Morones is of the opinion the records do not support that plaintiff incurred any extraordinary expense or a missed opportunity to conduct its business. Ms. Morones will testify she is familiar with the concept of diversion of resources, she will testify how a diversion of resources is calculated, as explained in her deposition and expert report, and that she has calculated these types of losses for her clients, as well as in cases where she acted as an expert consultant.

Regarding plaintiff's claim for damages for "frustration of mission," Ms. Morones will testify plaintiff did not produce documentation any such damages were sustained. To form this

opinion, she looked for documentation that plaintiff suffered a quantifiable financial harm caused by CCJ's mail practices. The documents from plaintiff that she reviewed, including its website, literature, annual reports, and employees' testimony, show that plaintiff substantially promotes its litigation activities as part of its core mission. These litigation activities have substantially increased in recent years. Plaintiff's financial records, and the other documents provided to her, do not demonstrate that plaintiff's mission was diverted, reduced, impeded, or frustrated in any quantifiable way. Plaintiff did not provide documentation that revealed any reduction in subscriptions, book purchases, or advertising revenue as a result of any mail being rejected by CCJ. Plaintiff provided no documentation showing, or even suggesting, that it lost revenue.

Ms. Morones will testify that the hourly rates charged by plaintiff for its employees' time is not supported by the cost data provided by plaintiff, nor did plaintiff provide support for the excessive rates claimed. Further, plaintiff did not support with documentation or supporting testimony justifying Paul Wright's hours of purported "diverted" work.

Respectfully submitted this 7th day of January, 2013.

HART WAGNER LLP

By: /s/ Steven A. Kraemer

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