

## The trial of Ray Loewen

Funeral-home mogul Ray Loewen built an industry giant by expanding almost effortlessly into the U.S. Then he was blindsided by a legal and cultural gap he never even knew existed. Believe it or not, it could happen to you

By **Ian Portsmouth**

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It's pretty much gospel. Whenever Canadians exhaust themselves searching east and west for new business opportunities, they inevitably look south of the border. "It's just like Canada," they say, licking their chops. "Bigger — but just like home."

So Ray Loewen thought. For 20 years the Burnaby, B.C.- based funeral-home operator toyed with Canadian ventures before zeroing in on the U.S. motherlode: 20,000 independent funeral homes, ripe for consolidation. In 1990 his Loewen Group Inc. launched an aggressive U.S. acquisition campaign that has made it the second-largest funeral chain in North America. God bless America!

Well, maybe. By 1995, 90% of Loewen Group's US\$550 million in revenues was generated stateside. But Ray Loewen was ill-prepared for the cultural and legal quicksand that awaits any firm that takes foreign markets for granted. Last fall Loewen found itself waist-deep in the Deep South, on the wrong side of a breach-of-contract suit filed by a minor-league funeral rival. That led to a US\$500-million damage award, the largest of its kind. Executives with the Mississippi plaintiff's firm gloated about picking over Loewen Group assets and moving Ray Loewen's boat to Biloxi Bay.

When Loewen tried to appeal, Mississippi's Supreme Court made that next to impossible.

In late January it gave Loewen just seven days to post a US\$625-million bond. Loewen tried desperately to raise the funds, and even took a hard look at bankruptcy protection. But in the end it had no choice. Loewen opted for a last-minute settlement, agreeing to pay its Mississippi antagonist US\$175-million. Ray Loewen had been ambushed in a country he thought he knew. His trial was a complex case with a simple message: Get starry-eyed about the Stars and Stripes, and it could happen to you.

Look up Jackson, Mississippi in a history book, and you'll be struck by the city's Canadian link: it grew up on the site of a trading post set up by French-Canadian explorer Louis LeFleur. But come to visit and you'll quickly discover how far from Canada Jackson can be. You may find yourself on a narrow inner-city street lined with boarded-up stores, or among the tall oaks and broad magnolias on the front lawn of the state capitol. Buying a new car? One Jackson dealer will throw in a shotgun. Need a wife? Dial the number pasted to a telephone pole. Nearby, the lovingly preserved Civil War battlefields of Vicksburg attest to the region's passion and fierce pride.

Overall, these are good times for greater Jackson's 400,000 residents: unemployment is just 5%, thanks to thriving telecom and medical-research communities. Downtown, you'll find tall office towers and the governor's mansion. A stone's throw south, you'll find a city block occupied by the Hinds County Courthouse, an immaculate five-storey building guarded by the American and Mississippi flags, and sheltering Judge James Graves' Circuit Court No. 3.

Last Nov. 1, Ray Loewen, Canada's 17th-richest man as rated by The Financial Post, found himself in that room, confidently awaiting a happy ending to what had begun as a simple breach-of-contract suit. He was, and remains, convinced the facts were on his side. After a seven-week trial, the jury spent 11 hours producing a verdict: Guilty. "The color must have drained out of our faces," says Loewen. "We were absolutely stunned."

By an 11-1 vote, the jury found Loewen Group liable for malicious breach of contract, common-law fraud, bad-faith dealing, engaging in predatory trade practices, and attempted monopolization. It awarded plaintiff Jerry O'Keefe US\$100 million in compensation and US\$160 million in punitive damages.

But worse was to come. The jury had erred in awarding punitive damages before it determined Loewen Group's net worth. The next day, after hearing Loewen claim it was worth US\$700 million, the jury voted 10-2 to up the punitive damages, to US\$400 million. The total was now \$500 million — US\$29 million greater than Loewen's 1994 sales, and 13 times its profits. Ray Loewen was outraged: "It's an issue of how the lower court, a local businessman, and the plaintiff's lawyers orchestrated something for their own selfish goals," he says. "I call it sophisticated extortion. They know how to use and manipulate the system."

With no forewarning, shareholders suffered, too. Loewen shares fell to \$43.12 on the TSE, down \$10.75 on the week. Chairman, CEO and 20%-owner Loewen watched his \$428-million net worth drop a thudding \$88 million.

Although most observers agreed the amount was outrageous, Judge Graves upheld the

award. Loewen stock fell another \$3.87 and a New York shareholder launched a class-action suit claiming Loewen had willfully downplayed the trial's importance in shareholder reports.

Loewen vowed to appeal. To do so, however, Mississippi law required it post a supersedeas bond worth 125% of the award, or US\$625 million. Loewen looked for financing, but could only collateralize a US\$125- million bond. It posted that amount while arguing that the bond's size effectively denied Loewen its right to appeal. Ray Loewen was confident. "Once we get a permanent stay [reduction of the bond to US \$125 million]," he declared, "it will be very difficult for the plaintiff to get anything. Our counsel is confident this [verdict] will be overturned."

But on Jan. 21, the Supreme Court voted to lift the stay, giving Loewen just a week to put up the full bond. Company officials spent the next two days with financial institutions, trying to raise the funds. But lenders weren't comfortable with Loewen's debt level; meanwhile, Loewen lawyers were also looking at filing for Chapter 11.

Stymied, Loewen put out feelers to O'Keefe. In a 15- hour meeting in Atlanta that didn't end until 3 a.m. on Super Bowl Sunday, the two sides hammered out a deal. O'Keefe dropped its lawsuit in return for US\$50 million in cash, 1.5 million Loewen shares, and US\$4 million a year for the next 20 years. Total value of the deal: US\$175 million. Net cost to Loewen, after tax, about US\$85 million.

Loewen's shares, which had dropped to \$22 after the Supreme Court's bombshell, roared back to \$40. It looked like Loewen had gotten off cheap. But think again. At issue was a group of properties valued at only US\$8.5 million. Prior to the trial, the plaintiff was claiming damages of just US\$26 million. The ensuing inflation of rhetoric and emotion should concern any entrepreneur with business in the U.S., especially in the South. With juries interpreting contract law, damage awards spinning out of control and crippling bonds putting a high price on justice, any legal molehill can turn into a mountain. And it's not just Mississippi, notes U.S. litigation analyst Cal Crary: "Florida, Texas, Alabama, New Mexico, Louisiana: All the states down there are bad."

In truth, Loewen's warning bells should have been ringing off the hook. Not only was a civilian jury being asked to decipher a complicated contractual dispute, but Mississippi courts are notorious for awarding huge sums in trivial cases. Moreover, the trial judge had a reputation for upholding jury verdicts. And last May, O'Keefe laid played his ace on the table: he signed on Willie Gary, a larger-than-life consumer-rights lawyer from Florida who flies in on his private jet and either wins the case — or works for free. Loewen never thought it could happen to him: "I had a lot of lawyers giving me a lot of advice," he says. "I don't know why they didn't see it [coming]. I guess part of it is our own upbringing. Up here, we don't imagine anything like this happening."

It's been a strange and unsettling experience for a man so closely tied to the very staid and proper funeral business. Born in 1940 to owners of a funeral home in Steinbach, Man., 50 km southeast of Winnipeg, Ray Loewen has run funeral homes since 1961, when his father's heart attack forced the young theology student to take over the business. Loewen bought a funeral home in Fort Frances, Ont., in 1967, and then

another in New Westminster, B.C. By 1975, Loewen owned 14 homes.

After a five-year stint as a Social member of the B.C. legislature and a failed foray into high-rise development in Vancouver, Loewen rechanneled his energies into the business he knew best. In 1985, he formed the Loewen Group to acquire funeral homes across the continent. Fuelled by a public offering, Loewen bought funeral homes worth C\$24 million in 1967 to began its pursuit of Service Corp. International, the world's largest chain. At last count, Loewen Group had nearly 10,000 employees in 814 funeral homes and 179 cemeteries across North America.

Like other big operators, Loewen targets family-owned homes where control is about to transfer from one generation to the next. Happiness of both buyer and seller relies retaining the home's name and staff after the ownership change. In communities where it's important to be buried by the same people who buried your grandfather, an ongoing name and solid reputation mean continued success.

Care and respect are key to Loewen Group's sales pitch. "We recognized in our early years that owners have a lot of pride and have put a lot of themselves into their businesses and communities," says Loewen. He personally encourages sellers to investigate his company, and provides a list of vendors. Moreover, the group takes pride in retaining former owners and staff, and makes all employees part-owners with a gift of five shares.

Lee Breeland Jr., a Mississippi funeral-home operator since 1959, has resisted two Loewen offers, but gives the firm high marks: "They have done a better job, as far as I can tell, than the others. In this trade area they have retained a large number of the staff that live in the community and have served past generations." The other chains? "Some of them really don't care about people," he says. The good-guy image serves Loewen well: last year alone it acquired 250 new properties worth US\$450 million.

But the most important year in Loewen's history may have been 1990, when it completed acquisitions worth \$200 million and first entered Mississippi. The group made several acquisitions in the state, including six funeral homes and an insurance company from the Riemann family of Gulfport, Miss., and the two homes comprising Jackson-based Wright & Ferguson Funeral Directors. Both had a fierce rival in Jerry O'Keefe, 73, a Biloxi-based entrepreneur whose family had been in the business since the Civil War. O'Keefe headed a minor funeral empire: US\$4-million Gulf National Life Insurance Co., along with four funeral homes, two cemeteries, and a crematorium all valued at US\$12 million.

O'Keefe, a popular mayor of Biloxi in the mid-'70s, competed with the Riemanns in the Gulfport/Biloxi market. And he had long had an exclusive contract to supply Wright & Ferguson with funeral-expense insurance. That contract remained in force for 16 years until O'Keefe cried foul in April 1991.

Gulf National complained Wright & Ferguson had violated their 1974 agreement by selling another firm's insurance policies. Loewen's lawyers admitted Wright had sold other insurance products since 1986, but said the "pre-need" policies — payable in cash

— were different from Gulf National's burial policies, payable in funeral goods and services.

Loewen lawyer Jimmy Robertson, a former Mississippi Supreme Court justice, finds it odd O'Keefe waited four years to complain. In November 1990, negotiations had begun regarding a possible deal between Loewen and O'Keefe. Says Robertson, "We took it as nothing more than a negotiating ploy."

In an interview with PROFIT, O'Keefe insisted he wasn't looking for a fight. "It was never my intention to begin a lawsuit," he draws. "I made a trip to Vancouver to meet with Loewen in November 1990, six months before I filed the lawsuit. I tried to work it out without litigation, but that was the only recourse left to me."

Those meetings led to an August 1991 agreement incorporating four elements: 1) dismissal of the original lawsuit; 2) O'Keefe's sale to Loewen of two mid-state funeral homes; 3) Loewen's sale to O'Keefe of Family Guaranty Life Insurance Co., founded by the Riemanns; and 4) a "trust rollover" whereby US\$11 million held in a pre-need trust account for funerals to be serviced by Riemann would be converted into Family Guaranty policies.

The deal was critical to Gulf National. Hampered by bad investments, it was under close scrutiny from state insurance regulators and needed a boost. But then the deal fell through.

Robertson says the two sides reached an impasse. He says O'Keefe offered \$300,000 less for Family Guaranty than Loewen's US\$3.3-million price, and that they were \$1.2 million apart on the value of the policies to cover the trust fund. "This was an ordinary business transaction where two parties negotiate and one is not willing to pay what the other asks," he says. "You just walk away."

Not the way Gulf National saw it, says general counsel Mike Cavanaugh. "They lied to us, they committed big-time fraud," he says. "Basically, their method of doing business is very sleazy."

Gulf says Loewen failed to execute a binding agreement. Specifically, Cavanaugh says Loewen wouldn't use the proper formula for evaluating the properties it was to acquire. He says Loewen also refused to hand over Family Guaranty's policy-holder list. Third, he says, Loewen wouldn't accept the calculations of an independent actuary, though bound to do so. Finally, he says Loewen tried to get Mississippi insurance regulators to quash the deal.

Why would Loewen want out of a deal it had signed? Cavanaugh fingers the Riemann family. Although Bob Riemann no longer owned Family Guaranty, Riemann Insurance Co. or Riemann Funeral Homes, his son David was Loewen's regional partner and still president of the Riemann homes. They were upset that the deal would have given Riemann-founded Family Guaranty to their arch-rival, and turned Riemann homes into sales agents for O'Keefe's funeral policies.

O'Keefe says he made a verbal agreement guaranteeing the Riemanns would have no

say in the deal. In fact, in a letter to Loewen four days after the agreement was signed, David Riemann protested being removed as president of Riemann Funeral Homes, taken off bank signature cards, and even told to stay out of the funeral homes by Tim Hogenkamp, Loewen's current president.

At any rate, the deal never closed. Citing Gulf's "questionable" investments and "hazardous financial condition," the Mississippi Insurance Department placed it under administrative supervision — the industry equivalent of Chapter 11. But at the same time, in May 1992, Jerry O'Keefe sued Loewen again. The charges: the group had breached implied covenants of good faith, participated in predatory, anti-competitive acts to gain monopoly power, and negotiated fraudulently to obtain confidential information on O'Keefe's businesses. "It was a simple matter at first," explains O'Keefe. "It just became larger because they entered into a contract they had no intention of concluding."

As the case snowballed, Loewen recruited former Supreme Court judge Robertson, Mississippi senator Robert Johnson and state representative Ed Blackmon for his legal team. Feeling outgunned, O'Keefe hired Willie Gary. By the time jury selection began last September, both sides had produced thousands of pages of evidence. On Sept. 13, the eight-woman, four-man jury examined the first of 358 exhibits and heard from the first of more than 40 witnesses.

From the start, O'Keefe's team relied on the charismatic Gary. The son of impoverished migrant farm workers, Gary is known for his ability to convince juries to award huge damages. Taking a hefty share of such awards has made Gary a multi-millionaire, as attested by a profile on TV's *Lifestyles of the Rich and Famous*, and his private jet, "Wings of Justice".

Gary's job was to plead the emotional side of the case. "Mississippi juries can be crazy," says Robert Ingram, senior vice-president of the Jackson Chamber of Commerce. "If they feel like they're being bullied, they'll come out swinging pretty hard." So while Loewen's lawyers stuck to the fine points of contract law, Gary concentrated on side issues calculated to offend the jurors' consumer sensibilities. He switched the jury's focus from a contract dispute to what Peter Hyndman, Loewen's vice-president, law, calls a general attack "on allegedly big, rich, foreign corporations that come in and oppress the poor, underprivileged people of Mississippi."

Based on PROFIT's interviews with three jury members, Gary's strategy worked. For instance, he made an issue of Loewen's habit of raising prices when it takes over funeral homes — a practice Robertson attributes to historic underpricing in those businesses. The jurors were upset by such actions: "They make it too expensive for the poor people to get buried, and I'm one of the poor people," says juror Rosie May Clincy, 62, a retired widow residing in a weather-beaten bungalow in northwest Jackson. "That really disturbed me."

Gary also discredited Loewen executives. Ray Loewen himself took the witness stand for only two hours, but Gary seems to have convinced the jury he was a liar. Gary brought up the subject of Loewen's 110-foot yacht, the "Alula Spirit", and then attacked Loewen

for referring to it as merely a "boat". He also criticized him for saying the firm had spent US\$400 million on acquisitions in 1995, when press releases said US\$630 million had been signed or closed. (Loewen argues "signed" is not "spent".)

Gary even convinced jury foreman Glenn Millen, 63, a retired engineer from Hamilton, Ont. "I wouldn't believe that guy [Loewen] for anything in the world," Millen told PROFIT. Clincy says Loewen's testimony was the most memorable event in the trial: "He got on the stand and he perjured himself. He got on the stand and he laughed at us. He didn't think it was any big deal." Although David Riemann is still Loewen's regional manager, his 1991 protest letter came back to haunt. "When we talked about Ray Loewen, and "regional partners", and "bottom-up" management and all that," says Cavanaugh, "we asked David Riemann, "is that what you call bottom-up management, removing you from the signature cards without telling you? Telling you to stay out of the funeral homes is bottom-up management?" It's just a fraud."

Juror Pamela Spann, a 36-year-old municipal clerk, says the Riemann affair dismayed the jury. "If [former Loewen executives] and Ray Loewen had got up there and really told the truth about what happened between him and the Riemanns — that was the basic thing right there. We felt that he got up there and he lied," says Spann. "That really made a lot of the jury angry."

The final blow to Loewen's credibility came from Rev. Edward Jones, representing the Tennessee-based National Baptist Congress, a coalition of eight million black churchgoers. Two weeks before the trial, the congress gave Loewen first crack at selling its members funeral urns and cemetery plots. Juror Millen figures Jones was called in to show the jury, two-thirds of whom were black, "what a good guy Loewen is for doing this." But it backfired. Millen says the black jurors were upset when Gary said the deal would be worth hundreds of millions of dollars a year to Loewen, and that Jones had negotiated it without legal counsel. "That didn't make Loewen look like a crystal-clear guy," he says.

Gary's aim was clear. "These people [Loewen] need to be taught a lesson," he told local reporters. "I can do it with a straighter face than anything I have done before in my life when they are gouging poor people." His apparent disdain for the facts was noted by analyst Calvert Crary of Auerbach, Pollak & Richardson Inc., in Stamford, Conn.: "[Gary] has a flamboyant, stream-of-consciousness approach to the jury that was well suited to this case. However, we were unable to find a coherent discussion of the facts or the issues in the plaintiff's closing statement".

Loewen's team was taken aback by the award. "Prior to this, the largest punitive award affirmed by the courts in Mississippi was just \$1.5 million, against a company whose net worth was \$8 billion," says Hyndman. "So the jury comes in and awards 275 times that, against a company less than one-eighth the size. That's an incredibly bizarre result."

But there was plenty to hint at that outcome. The case followed a Mississippi jury's award of \$38 million against a bank for charging an auto-loan client for unauthorized insurance. And an Alabama jury fined BMW US\$4 million for selling a car with a bad paint job.

"A big part of it was Willie Gary," maintains Ray Loewen. "He basically threw the facts out the window. All he did was manage the emotions of the jury. And he did it very well."

Gary works on a contingency-fee basis, a popular feature of the U.S. legal system that is tightly restricted in Canada. Contingency fees give financially-disadvantaged plaintiffs a chance to take on well-backed defendants, but the system invites abuse. Consider this recent ad in a San Francisco legal newspaper: "Millionaire personal injury attorney reveals secrets". Price of a three-day seminar: US\$30,000. Observers suggest Gary may have been in line for 40% of the original judgment, or US\$200 million. The settlement should cut his take to eight figures.

In Canada, juries rarely hear complex corporate cases. "For good reason," says Hyndman. "[You can't take] a normal layperson off the street and expect them to understand the intricacies of funeral insurance policies and insurance representation contracts." Joe Dove, business editor of the daily Jackson Clarion- Ledger, concurs: "A lot of juries don't reflect the guarantee in the constitution to be judged by a jury of your peers. Juries are often less-educated and poorer."

Did Loewen's citizenship influence the jury? Hyndman thinks so: "The issue of Canada being a foreign country and [Loewen being] a big foreign corporation here in Mississippi was used by them." During jury selection, he recalls, Gary asked, "How many of you would be prepared to award damages of \$1 billion against a rich, foreign corporation?"

But Cavanaugh denies using the foreign card: "No one cared." Still, consider his response when PROFIT asked about the impact of such a huge judgment: "Well, we hope it affects the way you do business in a positive sense. Just like we told them during the trial, it's wonderful that y'all want to come in and invest a bunch of money in the U. S. But just do it fairly and honestly."

Foreign ownership has clearly played a big role in Mississippi funeral marketing. Following Loewen's 1990 purchase, David Riemann wrote fellow operators to quell rumors he had sold to foreigners: "No, we haven't sold out: we just have a new partner, The Loewen Group." O'Keefe responded a week later, saying Loewen had taken control, price hikes were imminent, "and the profits go out of the U.S.A. and into Canada."

But the hottest salvo came in an O'Keefe direct-mail promotion coinciding with Pearl Harbor Day. Packaged along with business-reply cards for information on burial insurance was this letter signed by Bubba Lang III, director of Bradford-O'Keefe's Gulfport location: "The Japanese killed 3,451 Americans in their sneak attack on Pearl Harbor ... Millions of young Americans responded to our country's need, and Jerry O'Keefe was among those... To remain free and at liberty were among the strongest goals of our people; and this freedom allowed Riemann to sell their funeral homes and insurance company to a foreign firm. Riemann is now owned by a Canadian firm financed by over \$35 million from the Hong Kong Shanghai Bank. Freedom to sell to anyone is a right in our country, but this freedom also carries with it the responsibility to tell the truth to the public."



Patriotism, of course, is not confined to the South. A 1994 Gallup survey asked U.S. consumers which of two equally-priced products they would buy: a superior item from Japan, or its inferior American counterpart. Nearly 60% said U.S.A. all the way. A similar survey by Bradford-O'Keefe asked Jackson residents which they would be more likely to patronize: "a funeral home owned by Mississippians, or a foreign company from Canada, or would foreign or home ownership not make a difference to you?" A full 72% chose the Mississippi firm; no one chose the Canadian option.

Even without a foreign card, the jury's decision is making waves in the Magnolia State. "We cringe to think of the damage such an award will do for industrial development in Mississippi," wrote Jackson weekly *The Northside Sun*. The *Clarion-Ledger's* Dove says "people in the business community will definitely use this judgment as ammunition for an effort to reform some legal procedures. Mississippi court rules and procedures tend to favor the plaintiff. And the business community thinks that hurts the state's ability to attract foreign industry."

"We have always said we did not have a system that would encourage businesses to come here," adds Bob Pittman, president of the Mississippi Economic Council. "But the system is better today than it was six years ago." The state has reduced the statute of limitations for corporate liability from six years to three, and imposed penalties for frivolous lawsuits. "Still, this punitive award problem looms over us."

For Loewen, the supersedeas bond was the final obstacle. As Ray Loewen said a month before the settlement, it took "away our company's rights, and put us in a position where we're almost forced to settle." Even O'Keefe agrees the bond marked "the turning point in the settlement."

Crary says supersedes bonds, which aren't unique to Mississippi, are a hot topic. Although intended to discourage frivolous appeals, he says lawyers are concerned with the use of such bonds to "shake down corporate defendants." He says the Loewen case was no different. "The plaintiffs were able to utilize these supersedes bond requirements as a means to extort," says Crary. "I think this system ought to be shut down."

Crary thinks Loewen's failure to stay the bond "may have signalled to Loewen something they hadn't really considered before — the possibility that the Mississippi Supreme Court might not be all there. I don't know how to put it, but maybe this is a third- world court."

Under U.S. chapter 11 bankruptcy law, Loewen could have delayed coughing up the bond for six months, and maybe for the entire appeal. Loewen considered chapter 11, but it had drawbacks. "It's an option that no rational businessman would ever choose to visit on his company," says Crary. It would stall Loewen's acquisition program, and "that's the growth engine of this company — to capitalize on the rapid consolidation that's happening in the funeral industry. File for bankruptcy and you're going to miss out on it for a year or two."

Further court proceedings were equally risky. Had an expected two-year appeal failed

outright, Loewen would have owed the original award, plus a 15% appeal penalty (US \$75 million), plus 8%-a-year interest (US\$109,000 a day). Total penalty: C\$900 million.

But analysts seem confident the jury verdict would have been reversed. Crary cites the jury's awarding of multiple sums for the same injury, and errors in Judge Graves' handling of the trial and his instructions to the jury. Basically, he says, the judge told the jury: "Decide this case any way you want to. Forget about whether a contract was ever formed, or what the contract actually obligated Loewen to do."

Even after the settlement, Loewen denied wrongdoing: "We believe strongly in the merits of our case and in the injustice of the disproportionate award," said a company release. But Cavanaugh begs to differ: "[They paid] a lot of money for someone who says they didn't do anything wrong."

Meanwhile, O'Keefe offers no clues as to what he'll do with the settlement. "This is a nice financial boost to our company, and that's all I'll say."

Despite the hit, Loewen says it's business as usual. "Our core operations have essentially been unaffected," he says. Even after the trial, the firm raised US\$200 million for future acquisitions with an innovative preferred-share issue that placed the funds in trust to ensure they would be used to fund acquisitions — not legal obligations.

More remarkably, Loewen claims this whole debacle will actually enhance his company's reputation. He says the testimony of David Riemann and others who have sold to the group, "in terms of how we stood by them through all this, will speak volumes about our culture and how we do business." Loewen says 1996 will be the company's best growth year ever, pointing to signed deals for the first quarter worth US\$375 million.

But as New York analyst David Jarrett of Gerard Klauer Mattison notes, "they're still not out of the woods." He thinks the O'Keefe deal could force similar settlements in shareholder suits. And another breach of contract suit, in which a plaintiff is seeking \$56 million, is coming to trial this year in Pennsylvania.

Remarkably, Loewen says this experience doesn't change his view of doing business in the U.S. Canadians, he says, "are extremely fortunate to be neighbors to a very large, generous country that is a world leader economically and [gives us] the opportunity to do business with them. Yes, there are some weaknesses in some areas — but we all have them."

God bless America — after all he's been through? From a man who still does 90% of his business in the States, the meaning is plain: don't bite the hand that feeds you. Clearly, this is a market he won't take for granted again.

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"You can land a helicopter on it"

"You know, members of the jury, these people just lied, lied, lied, lied. They lied to Jerry, but you know, they lied to you. They lied to you. They lied to you. I mean, they

just lied. They even lied for no reason. They lie. What about the boat? Nothing wrong with a man having a yacht, but if you've got a yacht, say it. They were — they had come up here, Judge Graves made them raise their hand, and they took the oath to tell the truth, nothing but the truth so help you God, and they go over here and started lying out of both sides of their mouth. Well, Mr. Blackmon [one of Loewen's counsel] up here slipping and sliding, "Is if your boat, is it your boat?" Tell the man what it is. You can land a helicopter on it. Caught him red handed. Lying for no reason. That wasn't even called for. That has nothing to do with the case. I'm still trying to figure out why he told that lie."

*Excerpt from the closing argument of Gulf National lawyer Willie Gary questioning the honesty of Loewen executives, particularly Ray Loewen's, who had referred in trial to his 110-foot yacht as a "boat"*

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