



Legal Services Advertising

Quarter 1 | 2021

FINANCIALS

Introduction & Background

Trial lawyers and aggregators increasingly spend large sums of money on television, digital, and print advertising to recruit new clients for class action lawsuits. In the 1st Quarter of 2021 alone, it is estimated that more than \$232 million were spent on more than 3.8 million television ads for local legal services or soliciting legal claims across the United States. While there was a slight 2% decrease in the amount of money spent when compared with the 4th Quarter of 2020, the quantity of ads increased by more than 22%. Much of this advertising is conducted by aggregators: businesses that recruit potential plaintiffs and then sell their information to law firms.

Consumers see doomsday ads about the lethal effects of medications or even general medical injury and can consequently stop use of medicines prescribed by their health care providers. This is often done without consulting their doctor, resulting in health problems for patients and increasing litigation risk for product manufacturers.

These over-the-top advertisements from personal injury attorneys with catchy jingles and toll-free numbers pose a serious danger. These ads undermine the simple notion that physicians and health care providers – not personal injury lawyers or the “aggregators” who run the ads for the lawyer – should dispense medical advice.

Trial lawyers continue to pump significant money into these ad buys because, armed with more clients, they can boost settlements and payouts when they go after large corporations. This ultimately leads to larger contingency fees for the lawyers themselves.

The ads do more than help recruit clients, however. They can also influence the thinking of citizens who may serve on a jury in lawsuits. A survey conducted by Trial Partners, Inc. found that 90% of jurors would be somewhat or very concerned if they saw an advertisement claiming a company's product injured people. Additionally, 72% of jurors agreed somewhat or strongly that if there are lawsuits against a company claiming its products injured people, then there is probably truth to the claim – showing just how great an impact these ads can have.

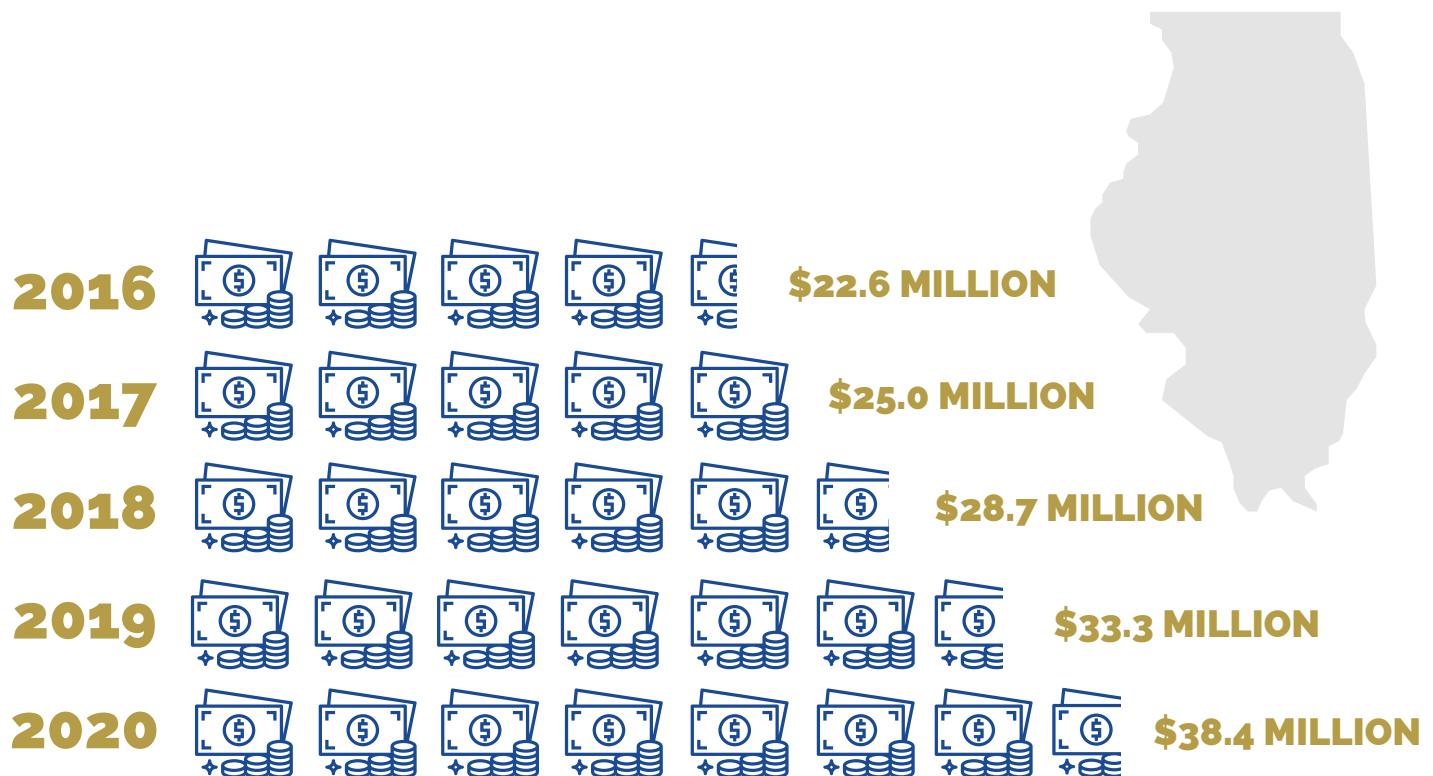
JUNE 2021

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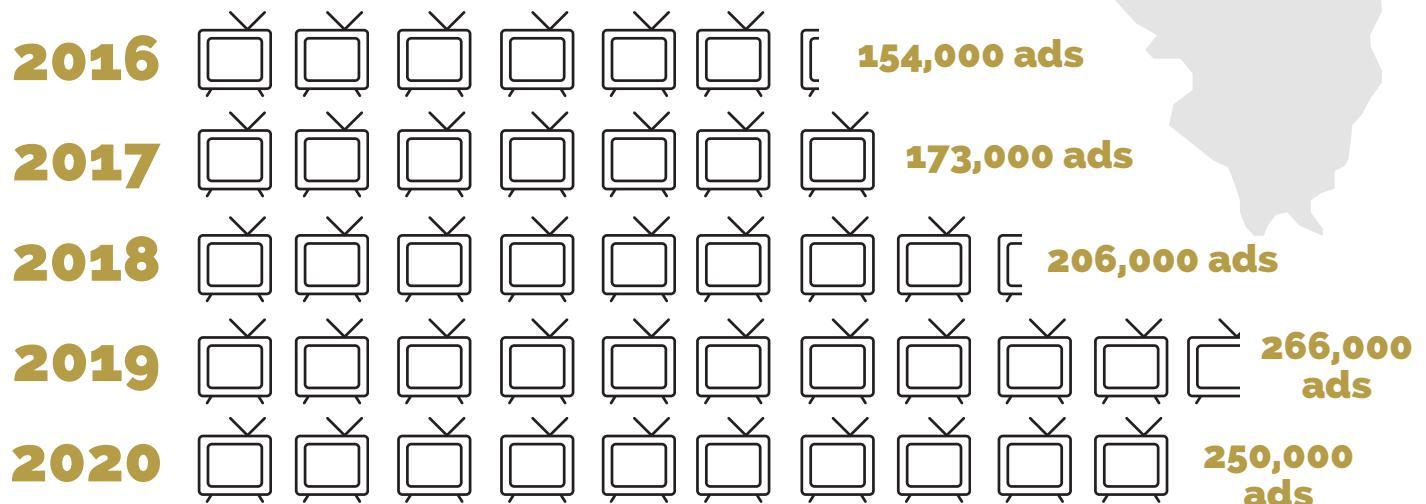
Increased Spending Over the Years

From 2016 to 2020, spending on local legal services television advertisements in Illinois has increased nearly 70%. Estimated total spending in 2016 was \$22,678,401. In 2020, that number jumped to \$38,445,344. The quantity of local legal services television advertisements aired in Illinois also has increased more than 61%. In 2016, it is estimated that 154,136 ads aired. In 2020, an estimated 249,447 ads aired.



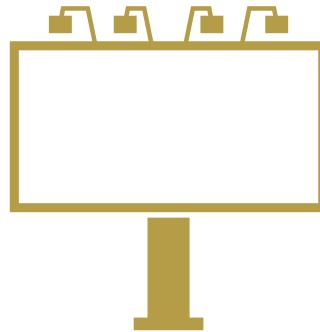
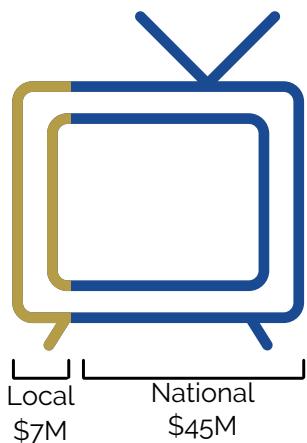
Increased Activity Over the Years

While 2020 showed a slight 6% decrease in the quantity of ads aired when compared with 2019, early data for 2021 indicate that that trend is unlikely to continue and that the quantity of ads airing in 2021 will increase. The dip in the number of ads aired in 2020 likely was due in part to higher ad costs and fewer available spots as a results of an increase in political ads related to the 2020 election cycle.

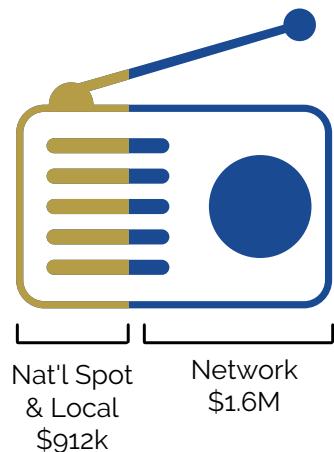


Illinois Spending by Medium

In the 1st Quarter of 2021, approximately \$55.4 million was spent on advertisements for legal services and/or soliciting legal claims in Illinois. A vast majority (94%) of that spending went toward TV ads, with \$45 million spent on national TV ads and an additional \$7 million on local spot television advertisements. \$2.5 million was spent on radio ads, with an additional \$723,000 spent on outdoor advertisements such as billboards.



Outdoor Advertising
\$724k

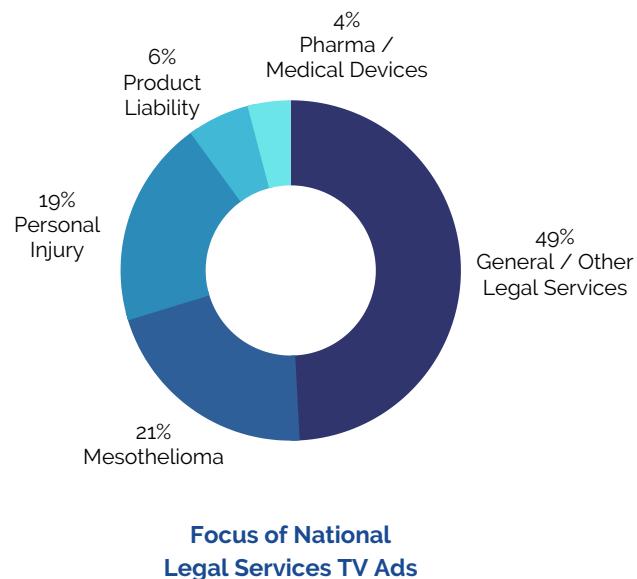


How Illinois Compares

Local Legal Services TV Advertising in Illinois Compared to
Local Legal Services TV Advertising Nationally

National TV Ads

In the 1st Quarter of 2021, 24,405 legal services advertisements aired on national cable and broadcast networks and during nationally syndicated television across the country at a cost of \$45 million.



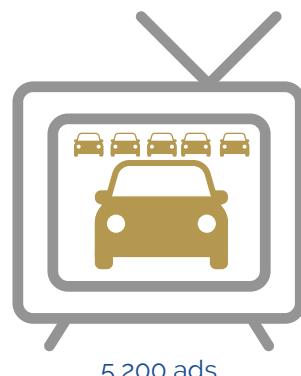
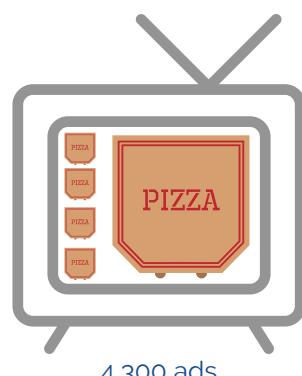
Of the legal services advertisements aired on national cable and broadcast networks and during nationally syndicated television across the country, nearly one-quarter specifically advertised legal services related to mesothelioma. According to KCIC's 2020 Industry Report, in 2020, Madison County and St. Clair County were the two most popular jurisdictions in the country for the plaintiffs' bar to bring asbestos claims. When compared with 2019, Madison County saw an .8% increase in asbestos claims in 2020 while St. Clair County saw a 12.5% increase.

Local TV Ads

In the 1st Quarter of 2021, \$232 million was spent on 3,853,813 advertisements for legal services and/or soliciting legal claims aired on local broadcast networks in the 210 local media markets across the United States. Illinois accounted for approximately 3% of all spending with more than \$7 million spent in the state. Illinois also accounted for more than 1.5% of all local legal services TV ads that aired in the country during that quarter with 60,927 ads.



Illinois residents saw **14 times more** legal services ads than **pizza delivery or restaurant** ads and nearly **12 times more** legal services ads than ads for **car dealerships**.



TV Ad Spending by City

Nearly 90% of all local legal services television advertisements aired and spending on those ads in Illinois occurred in Chicago in the 1st Quarter of 2021.

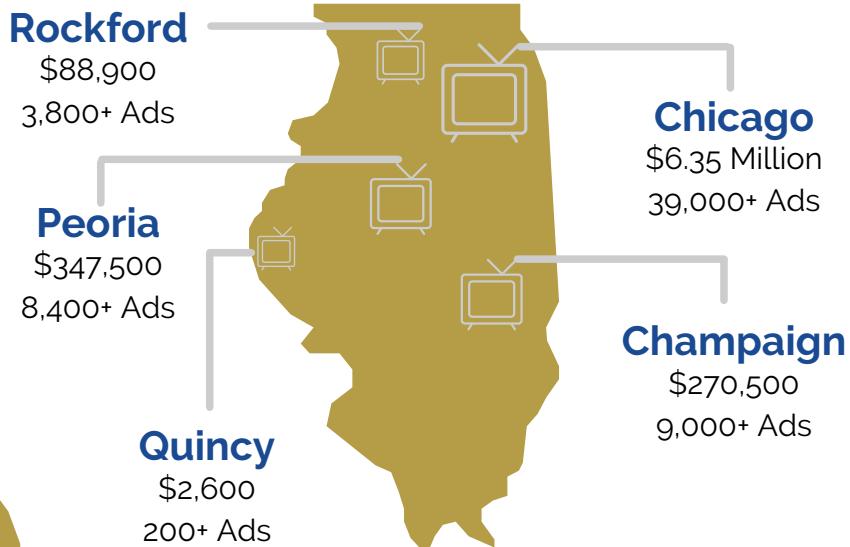
\$2.5 MILLION SPENT ON RADIO ADS IN ILLINOIS

US Network Ads Aired In Illinois
\$1.6 Million

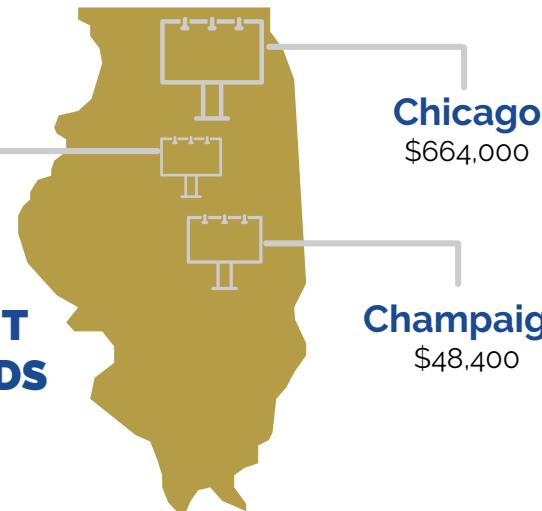


\$723,000 SPENT ON OUTDOOR ADS IN ILLINOIS

**\$7 MILLION BOUGHT
60,000 ILLINOIS TV ADS**



Outdoor & Radio Ad Spending by City



Similar to local television advertising, more than 90% of all outdoor advertising spending in Illinois occurred in Chicago in the 1st Quarter of 2021.

Law Firm Spending

TV Ad Spending by Top Law Firm Advertisers

Three law firms accounted for nearly half of all spending on local legal services television advertising in the 1st Quarter of 2021. They also accounted for nearly 40% of all local legal services television ads that aired during the time period, airing more than 22,000 television ads between the three law firms in the three-month span.

Nearly half of all local legal services TV ads and spending in Illinois can be attributed to just **three law firms**.



FIRM	\$ SPENT	# OF ADS
Lerner & Rowe Attorneys	\$802,082	8,905
Consumer Law Group	\$1,173,540	2,656
Malman Law	\$1,345,248	10,596



Lerner & Rowe Injury Attorneys spent approximately \$64,500 airing this ad in Illinois during Q1 2021.

Malman Law spent approximately \$353,000 airing this ad in Illinois during Q1 2021.



Conclusion

St., Clair, Madison, and Cook Counties are perennially named "Judicial Hellholes®" by the American Tort Reform Foundation in its annual report. The Illinois plaintiffs' bar is one of the most powerful in the country, donating millions to the campaigns of Illinois office seekers. Between 2001 and 2016, the Illinois Trial Lawyers Association's legislative political action committee contributed \$6 million to Illinois candidates, while the Top 25 largest Illinois plaintiffs' firms, their lawyers, friends and family contributed an additional \$29 million.

The plaintiffs' bar flexed its muscle during Illinois's 2021 legislative session by introducing numerous pieces of legislation that would have significantly expanded liability. The bills that did not pass in 2021 are expected to come back in the next legislative session, but those that passed in 2021 include:

- S.B. 72 – Legislation that allows prejudgment interest in personal injury cases
- Judicial Redistricting – Democratic leaders in the legislature are attempting to redraw state Supreme Court districts for the first time in 50 years, likely in response to plaintiff-friendly Supreme Court Judge Thomas Kilbride's defeat in 2020 – redistricting attempts reflect the plaintiffs' bar's hopes to refill the seat with a plaintiff-friendly judge in 2022.

The plaintiffs' bar is aware of the plaintiff-friendly jurisdictions in Illinois and pours millions of dollars into advertising in these locales to drum up new business.

While this study by the American Tort Reform Association is focused on Illinois, trial lawyer advertising is not an issue isolated in one community or in one state. Rather, trial lawyers across the United States identify jurisdictions friendly to their work and relentlessly pursue new clients in search of the next large payout from a trial or settlement.

The Federal Trade Commission sent letters to various law firms and others, flagging their ads soliciting clients for personal injury lawsuits against drug manufacturers as potentially "unlawful" in September 2019.

A Public Opinion Strategies survey found that 72% of Americans saw ads by law firms about pharmaceutical lawsuits in 2016. Further, the survey states that one-in-four people who saw one of these ads concerning a medicine they take, say they would immediately stop taking the medicine without consulting their doctor.

Such ads have been associated directly with patients' deaths. A 2019 FDA study shows the real-life consequences of these ads. The report found 66 reports of adverse events following patients discontinuing their blood thinner medication (Pradaxa, Xarelto, Eliquis or Savaysa) after viewing a lawyer advertisement. The median patient age was 70 and 98% stopped medication use without consulting with their doctor. Thirty-three patients experienced a stroke, 24 experienced another serious injury, and seven people died. Dr. Ilana Kutinsky who has testified before Congress on the issue and was doctor for one of the deceased, stated: "Patients are dying because they are afraid to take the medications prescribed for them due to the fear brought on by these negative and one-sided campaigns."

While there are not enough bandages to cover the injuries trial lawyer advertising has caused, we can take steps to inform the general public. Through education we can shine a spotlight on the aggregators who mislead consumers and sell their information to law firms. By arming everyday Americans with this knowledge, we can help push back against trial lawyers and engage with our local leaders for potential solutions and policy changes.

Methodology

Analysis conducted by the American Tort Reform Association utilizing data provided by Kantar.

State and city TV advertising data cited in this report does not include legal services TV advertisements broadcast nationally on national cable and broadcast networks or during nationally syndicated programming nor does it include local cable television broadcasts.

Ad spending figures are estimates based on publicly-available ad rate information and industry surveys. Data are estimates and may vary over time due to revisions to account for duplicates or errors and the availability of updated ad rate information.

National TV advertising includes: Cable TV - ads airing nationally on any of the monitored cable networks (e.g. USA, AMC, CNN); Network TV - ads airing

nationally on any of the national broadcast networks (e.g. ABC, CBS, FOX, NBC); Spanish Lang Network - ads airing nationally on any of the Spanish-language national broadcast networks (e.g. Telemundo, Univision); and Syndication - ads airing nationally on syndicated programs wherever they are broadcast across the country. Local broadcast TV advertising or "Spot TV" includes ads airing on local broadcast networks (e.g. A TV ad that airs on WJLA during the 5PM evening news is seen only by viewers in the Washington, DC media market or designated market area (DMA)).

Data on Outdoor Advertising Service is provided by Kantar and reports billboard expenditures (poster and paint) in over 200 plant operator markets in the United States. Outdoor data collection reports include 8 sheets, 30 sheets, bulletins, painted walls, transit/bus shelters, in-store displays, convenience stores, shopping malls, airport, taxi displays and truck/mobile advertising. Brand expenditure data are provided by participating plant operators. The market-by-market dollar figures are not projected and represent actual gross sales volume for participating plant operators only. Markets are defined according to Standard Metropolitan Statistical Areas (SMSAs). Outdoor data are mapped to monitored TV markets where applicable, and to the All Other designation when appearing outside these markets.

Station-level occurrence detail for local radio advertising, provided to Kantar by Media Monitors. Media Monitors's local radio monitoring uses proprietary, patent-protected audio pattern matching technology to detect and identify radio advertisements. The software algorithm processes radio station recordings, detects known patterns and repeating unknown patterns. Known ads are automatically added to the database, while new ads discovered are then reviewed for classification. All Local Radio reporting will include detections that are 10 seconds or longer. Live spots are not monitored.