

# Exhibit A: Minitab Balances the Scales of Justice

## A Minitab morality play in two acts

### *Prologue*

Most Minitab users know our software can save their company money when they use it to improve quality, but few realize it can be the best friend a homeowner has when confronted with a civil lawsuit.

Jay Bronec is one of them.

#### **This is the House That Jay Sold.**



How did it come to provoke a court room drama worthy of Judge Judy?

### **ACT I - No Good Deed Goes Unpunished**

*Readers Note: Anyone who has ever bought or sold a house knows that there are unseen forces that can drive the deal through the pearly gates or off a cliff. In indigenous cultures like urban America, these forces are known as the Gods of Real Estate.*

In May 2001, Jay Bronec and his wife, Katie, put their house near Chicago on the market. By mid-summer they found a buyer – a man whose conduct was so far removed from most buyers that for the purposes of this story he will henceforth be referred to as the Outlier.

Now, the Outlier was enthusiastic about the Bronec's property but he also was a seller's nightmare - a hard-nosed negotiator who easily found fault with everything. But the Bronecs were anxious to move their family into their new home before the school year began, so they persevered and tried to be as generous as possible in their negotiations. Eventually the two parties signed a sales agreement.

The ink was hardly dry, however, when the Gods of Real Estate decided to step in and toy with the Bronecs by sending them an offer from another buyer for \$11,000 more. Tempting though it was to accept it, the Bronecs resisted the sirens of profit, honored their contract with the Outlier, and closed the deal in early September.

That's when the Gods began to play hardball.

In late October, an irate Outlier called the Bronecs and told them that heavy rains had caused the basement of the house to flood, and that when a contractor had removed a portion of the wall he saw indications of

prior water damage. The Outlier hotly demanded that the Bronecs split the cost of the damage. He claimed that since the problem was present while the Bronecs owned the house they therefore must have known about it, and were thus responsible for a share of it.

Both Jay and Katie were stunned to learn the basement leaked. Even with a heavy rain during their final month in the house, they never experienced any problems, and no one involved in the sale, including the Outlier, his home inspector, and his real estate agent, noted any damage before closing.

Also, as they explained to the Outlier, they had no way of knowing there had been an existing problem because the wall that concealed the previous damage had been in place when they bought the house. And given that they had sold the house for \$11,000 less than they could have, they simply couldn't agree to pay for damages.

The Bronecs decision infuriated the Outlier, and in March 2002 he filed a notice to sue them. He wanted \$5,000 in damages, charging that they had prior knowledge of recurring leaking and/or flooding.

For the Bronecs, proving that they had no knowledge of previous damage was fairly simple. Jay was able to obtain from the owner who preceded him pictures of the basement wall which clearly showed that it was this owner, not Jay, who had covered the walls (see photo below).

Proving that they never experienced any leaking while they lived there, however, was more difficult, and after exhausting every angle they could think of, both the Bronecs and their attorney were wishing they had some hard evidence to strengthen their case.

And the Gods smiled slyly as the court date neared.

#### **A photo of Jay's basement before he bought the house.**



The walls were already covered so we know he wasn't hiding any damage, but who's to say he didn't experience leaking while he lived there? (Minitab, that's who!)

### **ACT II Just the Facts, M'am or Statistics Don't Lie**

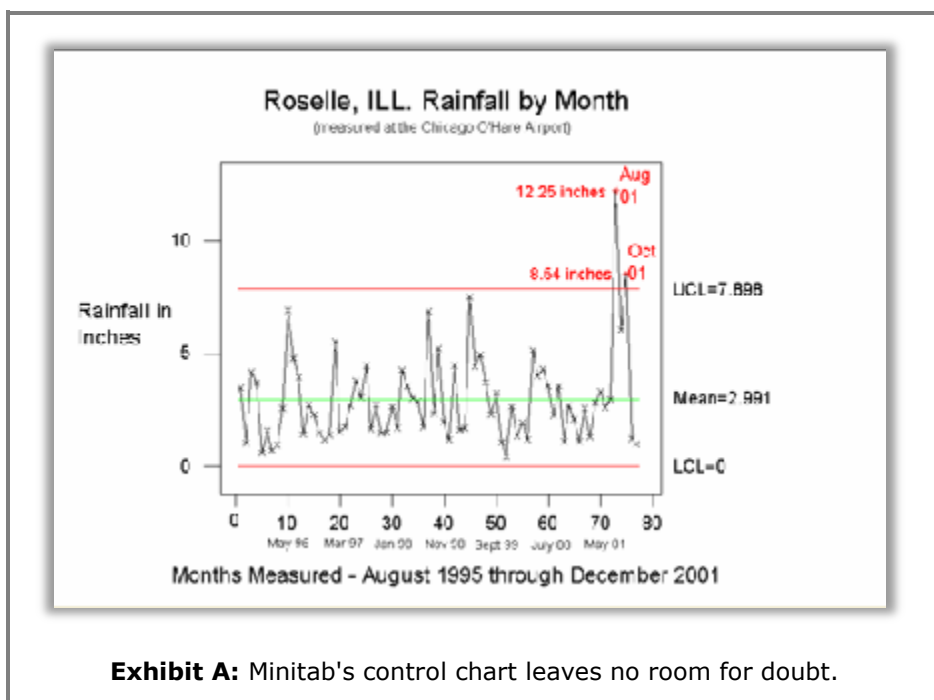
Enter Minitab.

As president of [QualiFine, Inc.](#), an authorized Minitab reseller, Bronec had always been a big fan of the statistical software and a friend and close associate of J.-P. Mulley, Minitab's Product Manager. Bronec mentioned his predicament to Mulley, who happened to know that the National Oceanic and Atmospheric Administration tracks data on precipitation and makes it available to the public for free.

Mulley suggested that Bronec collect data on the amount of rain that fell in the area during the entire time they lived in the house and enter it in Minitab, then run a control chart to determine if the amount that occurred around the time they were selling it was significantly greater than what they had experienced in the years preceding it.

If it was, they could show that they wouldn't have known about a problem with leaking or flooding because they would never have encountered it, and that the heavy rains that occurred after closing had probably caused an entirely new structural problem and the resulting damage.

Bronec took Mulley's advice and analyzed the monthly rainfall from August 1995 through December 2001 and sure enough, the data points for August and October 2001, the months immediately preceding and following the sale of their home, were out of control. Rainfall those months were 12.25 and 8.54 inches respectively, between three and four times the mean for the entire 65-month period they had owned the house (see Exhibit A below).



Clearly the Bronecs had no occasion to experience flooding in their basement for most of their stay in the house. And, if the heavy rains in August hadn't resulted in damage or flooding that was evident at closing, chances were good that a new structural problem occurred because of the rains in October after the house belonged to the Outlier.

This Minitab control chart quickly became the key to the Bronecs' defense, and on May 7, 2002, Judge John W. Demling of the DuPage County Small Claims Court ruled in the Bronecs' favor, dismissing the Outlier's claim that they had concealed prior knowledge of the problem. The Outlier was rebuked, the Bronecs saved \$5,000, and the Gods of Real Estate bowed to the truth of statistics.

## Epilogue

Minitab. Don't sell your home without it.

**Tony Coray**  
Senior Creative Services Specialist  
Minitab Inc.