

Jury: City Paper owes \$350K for defamation

BY BRENDAN KEARNEY

Brendan.Kearney@TheDailyRecord.com

Misidentifying a Miami restaurateur as a federal fugitive of the same name cost the Baltimore City Paper a \$350,000 jury verdict Thursday.

After a four-day trial in U.S. District Court and only two and a half hours' deliberation, the jury found the paper and its senior staff writer defamed Ioannis Kafouros in August 2008 by publishing two articles suggesting he was "Crazy John" Kafouros, the Baltimore restaurant and nightclub owner who was convicted of trafficking in stolen goods and sentenced in absentia in 1999.

The jury, six women and two men, found City Paper and reporter Van Smith had not acted with malice, just negligence, eliminating the possibility of punitive damages.

Plaintiff attorney Joel S. Magolnick said the verdict "means vindication of their name" for Ioannis Kafouros, his wife Maria and son Alexios.

He said the litigation might have been avoided had City Paper more fully admitted fault sooner; but with the verdict, "that's all she wrote."

"I don't see any grounds for an appeal. There were not a whole lot of objections, and the rulings were pretty fair both ways," Magolnick said of the proceeding before Judge J. Frederick Motz.

City Paper Publisher Donald Farley, who testified in the case and sat in court Thursday, did not return a call for comment after the verdict. The paper's trial lawyer, Peter F. Axelrad, of Council, Baradel, Kosmerl &

Nolan P.A., also did not return messages. Smith had declined to comment earlier in the day.

In closing arguments Thursday, Magolnick, a Miami lawyer, asked for \$300,000 in compensatory damages and unspecified amount of punitive damages for his client's fear and embarrassment resulting from the association with "Crazy John."

Magolnick said Smith reported the improbable whereabouts of "Crazy John" "based on nothing more than a Google search and a five-minute conversation" over the phone with Alexios Kafouros because he cared more about breaking big news than about the consequences for a man he'd never met.

Smith, a 20-year veteran of the free alternative weekly paper, had called the plaintiff's Mykonos Greek Restaurant in Miami after learning that one Ioannis Kafouros, who Smith believed to be "Crazy John," owned one of the properties raided by federal law enforcement as part of their investigation of Milton Tillman Jr., an ex-con who has been called a violent drug dealer and now faces tax charges.

Federal prosecutors have said they believe "Crazy John" Kafouros fled to Greece, where he was born.

"They, Mr. Smith, wanted to have found 'Crazy John' Kafouros, the federal fugitive," Magolnick told the jury. "Van Smith heard what he wanted to hear and did nothing to confirm or deny it because he had found a federal fugitive."

Axelrad conceded it was a "mistake" that led to the blog and print articles two years ago but said it was the

result of a simple misunderstanding, not "evil."

"The most likely scenario was it was ships passing in the night," Axelrad said of the brief conversation between Smith and Alexios.

The trial, which began Monday, has featured testimony from Smith, as well as City Paper's editors and publisher, and the plaintiff, his wife Maria, his son, and his cousin Jimmy Stavrakis, who owns the Blue Hill Tavern in East Baltimore.

Magolnick and local co-counsel Joshua R. Treem highlighted Smith's and the newspaper's due diligence failings whereas Axelrad and his associate, Michael S. Steadman Jr., emphasized the honest nature of the newspaper's mistake and the two corrections it ran in the following weeks.

"City Paper violated its own policies and procedures because there was no fact-checking done," Magolnick said, referring to the days that went by between the Aug. 21 phone conversation, the Aug. 22 blog publication and the Aug. 27 print publication.

He said Smith doubted the story when he first reported it, as evidenced by the way it was written and his quick call for a correction after speaking

with Alexios in early September.

During his hour-long closing argument, Axelrad tried to convince the jury that City Paper had no reason "on earth" to want to hurt the Florida Ioannis Kafouros and that Smith's conduct was nothing like that of Jayson Blair, the former New York Times reporter who fabricated and plagiarized dozens of articles before he was exposed.

"No good deed goes unpunished," he said of the corrections.

Axelrad also questioned Kafouros' alleged anxiety.

"Evaluate the fear," he told the jury, arguing "99 percent" of people never saw the story and if anyone who was after "Crazy John" had, they already would have come after the plaintiff.

He also suggested a jury award wouldn't do much for Kafouros, whose restaurant has won awards and whose family lives in a nice house with a boat.

"What is the financial going to solve?" asked Axelrad.

After the verdict, Magolnick said he did not know the defendants' insurance status.

"We intend to go forward with collection," he said.

Lenders buy Philly papers at auction for \$105 million

BY MARYCLAIRE DALE
Associated Press

room layoffs for at least one year.

The scrupulous 10-month bank