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Contact: Angela Burke
Phone: 312/988-5237
E-Mail: <mailto:angelaburke@staff.abanet.org>
Online: <http://www.abanet.org/media>

ABA ESTABLISHES TASK FORCE TO STUDY CLASS ACTION LAWSUIT LEGISLATION

CHICAGO, Jan. 25, 2002 - The American Bar Association has established a task force to study and make recommendations on one of the most controversial areas of the law - class actions.

Created by ABA President Robert E. Hirshon, the ABA Task Force on Class Action Legislation will consider issues arising from proposed legislation that includes expanding federal court jurisdiction over class action lawsuits. The legislation, which enjoys support from the business community, is a response to claims of class action abuses in some state courts.

The chair of the Task Force is Edward F. Sherman, law professor and former dean of Tulane Law School in New Orleans. The Task Force is composed of 15 lawyers experienced in class action practice who represent a diverse range of law practice.

“The creation of this Task Force,” Prof. Sherman said, “is an indication of the importance President Hirshon and the ABA place on ensuring that this issue not be politicized and be carefully considered by the bench, bar, and general public.”

The proponents of the proposed legislation claim that large class actions of national importance should not be filed in state courts, which they say lack the resources and experience for handling complex litigation. Proponents of the legislation also allege

that class actions are often filed in a small number of “target venue” state courts considered to be sympathetic to plaintiffs - allowing a few courts to make law affecting the rest of the country.

Critics of the legislation maintain that state courts are capable of handling complex class actions, and that most class actions are based on state law - which state courts are best equipped to handle. They see the proposed legislation as an attempt to deny citizens their right to a convenient state forum and to permit business defendants to “forum shop” in federal courts. Some critics also express concern about overloading the already burdened federal courts with an additional load of new class action cases.

“Our mission is to study the issues from both the plaintiff and defense sides in the hope of finding common ground,” said Sherman. The Task Force will seek out the expertise of judicial rule-making committees, associations of state and federal judges, and organizations with diverse views on class action issues.

The Task Force will also consider proposals for changes in class action practice that affect which court system large class actions belong in. These include overlapping class actions resulting from suits on the same matter being filed in different courts at the same time. They will also consider “best practices” for how class actions should be handled by both state and federal courts.

The task force will develop recommendations for consideration by the ABA’s policymaking House of Delegates.

The Task Force is composed of two ABA members-at-large, including Sherman and William Conroy of Wayne, Pa. In addition two representatives have been appointed from ABA sections, including Leo Jordan and Thomas Minton representing the Tort and

Insurance Practice Section; Rich Wallis and Jeff LeVee representing the Section of Antitrust Law; David Cathcart and Richard Seymour representing the Section of Labor and Employment Law; Elizabeth Stong, a liaison from the Commission on Women in the Profession, and with Tom Allman, representing the Section of Business Law; Robert Clayton and John Beisner representing the Health Law Section; and Dinita James and Jeffrey Greenbaum representing the Section of Litigation. In addition, Lawrence Baca will serve as a liaison from the Commission on Racial and Ethnic Diversity in the Profession, and there will be liaisons from the Section of Individual Rights and Responsibilities and the Judicial Division.

The American Bar Association is the largest voluntary professional membership association in the world. With more than 400,000 members, the ABA provides law school accreditation, continuing legal education, information about the law, programs to assist lawyers and judges in their work, and initiatives to improve the legal system for the public.