

Congress of the United States

Washington, DC 20515

SUPPORT CLASS ACTION FAIRNESS & COMMON SENSE

Dear Colleague:

Please join us in cosponsoring **H.R. 2341, the Class Action Fairness Act of 2001**. This legislation will strengthen the ability of our court system to deal with class action lawsuits by allowing large interstate class actions to be heard in federal court – the appropriate forum for these lawsuits. In addition, our bill contains important protections for consumers against class action lawsuit abuses.

Current law provides that federal diversity jurisdiction for class actions does not exist unless *every* named plaintiff is a citizen of a different state than *every* defendant, and unless *every* named plaintiff is seeking damages in excess of \$75,000. Under this rule, it is usually impossible for national class actions to be heard in federal court because such suits involve plaintiff class members from every state. To move the largest and most complex interstate class actions to federal court, our bill would change the law to provide that federal jurisdiction exists in multistate cases involving citizens from different states, so long as the *aggregate* amount at issue exceeds \$2 million. At the same time, the bill contains exceptions ensuring that class actions involving purely local or intrastate matters will remain in state court.

Under the current system, potential class members may be unaware of their rights, and winning class plaintiffs often receive only nominal amounts in suits brought on their behalf. To remedy these occurrences, H.R. 2341 provides a number of new protections for consumers – known as the *Class Action Consumer Bill of Rights*. For example, it requires that class action notices be written in plain English, so that consumers will understand the purpose of the class action and their legal rights. Further, the bill requires special judicial scrutiny of coupon and other non-cash settlements. In addition, the bill precludes the payment of undeserved and disproportionate bounties to certain class members. Also, our bill would prohibit settlements in which class members actually lose money in order to pay the attorneys' fees in a successful class action suit.

Notably, our bill does not limit the ability of anyone to file a class action lawsuit and doesn't change anybody's rights to recovery. It simply allows the federal courts to hear large lawsuits involving truly interstate issues, while purely local controversies will remain in the state courts. This is exactly what the framers of the Constitution intended when they established federal diversity jurisdiction.

We ask that you join with us in cosponsoring this common sense, bipartisan legislation. Similar legislation passed the House during the 106th Congress. If you would like to co-sponsor, please contact Shelley Hanger (x55431) in Congressman Goodlatte's office or Johanna Mikes (x53861) in Congressman Boucher's office.

Sincerely,



Bob Goodlatte
Member of Congress



Rick Boucher
Member of Congress