

Search GO

ABOUT MEMBERS EVENTS & MEETINGS
NEWS

DID YOU KNOW? Corporations VOTED to adopt this. Through ALEC, global companies work as "equals" in "unison" with politicians to write laws to govern your life. Big Business has "a VOICE and a VOTE," according to newly exposed documents. **DO YOU?**

Regulatory Class Action Reform Act

Summary

Regulatory class actions—in which plaintiff attorneys seek not only to win large monetary awards, but also to regulate the marketplace and manage relations between regulated firms and consumers—empower private attorneys with personal agendas to act as de facto regulators. Recognizing the threat to democratic principles and public accountability posed by regulatory class actions, the Texas legislature in 2003 enacted comprehensive class action reform legislation that contains a specific provision designed to ensure that regulatory authority statutorily invested in administrative agencies will not be usurped by courts through regulatory class actions.

The Regulatory Class Action Reform Act mimics this provision in the Texas law by providing that before deciding a motion to certify a class action, the court shall rule on all pending motions asserting lack of jurisdiction because an agency of the state has exclusive or primary jurisdiction over the action or a part of the action, or asserting that a party has failed to exhaust administrative remedies. It further provides that the ruling of the court shall be reflected in a written order. If a motion provided for in the Act is denied and a class is subsequently certified, a person may obtain immediate appellate review of the order denying the motion.

Model Legislation

{Title, enacting clause, etc.}

Section 1. {Title.} This act shall be known and may be cited as the Regulatory Class Action Reform Act.

Section 2. Before hearing or deciding a motion to certify a class action, a trial court must hear and rule on all pending pleas to the jurisdiction asserting that an agency of this state has exclusive or primary jurisdiction of the action or a part of the action, or asserting that a party has failed to exhaust administrative remedies. The court's ruling must be reflected in a written order.

Section 3. If a plea to the jurisdiction described by Subsection (a) is denied and a class is subsequently certified, a person may, as part of an appeal of the order certifying the class action, obtain immediate appellate review of the order denying the plea to the jurisdiction.

Section 4. This section does not alter or abrogate a person's right to appeal or pursue an original proceeding in an appellate court in regard to a trial court's order granting or denying a plea to the jurisdiction if the right exists under statutory or common law in effect at the time review is sought.

Section 5. {Effective date.}

Did you know that Victor Schwartz--a lawyer who represents companies in product litigation--was the corporate co-chair in 2011?

Adopted by ALEC's Civil Justice Task Force at the Spring Task Force Summit, April 21, 2006. Approved by the ALEC Board of Directors May, 2006.

ALEC EXPOSED

"ALEC" has long been a secretive collaboration between Big Business and "conservative" politicians. Behind closed doors, they ghostwrite "model" bills to be introduced in state capitols across the country. This agenda--underwritten by global corporations--includes major tax loopholes for big industries and the super rich, proposals to offshore U.S. jobs and gut minimum wage, and efforts to weaken public health, safety, and environmental protections. Although many of these bills have become law, until now, their origin has been largely unknown. With **ALEC EXPOSED**, the Center for Media and Democracy hopes more Americans will study the bills to understand the depth and breadth of how big corporations are changing the legal rules and undermining democracy across the nation.

ALEC's Corporate Board --in recent past or present

- AT&T Services, Inc.
 - centerpoint360
 - UPS
 - Bayer Corporation
 - GlaxoSmithKline
 - Energy Future Holdings
 - Johnson & Johnson
 - Coca-Cola Company
 - PhRMA
 - Kraft Foods, Inc.
 - Coca-Cola Co.
 - Pfizer Inc.
 - Reed Elsevier, Inc.
 - DIAGEO
 - Peabody Energy
 - Intuit, Inc.
 - Koch Industries, Inc.
 - ExxonMobil
 - Verizon
 - Reynolds American Inc.
 - Wal-Mart Stores, Inc.
 - Salt River Project
 - Altria Client Services, Inc.
 - American Bail Coalition
 - State Farm Insurance
- For more on these corporations, search at www.SourceWatch.org.

About Us and ALEC EXPOSED. The Center for Media and Democracy reports on corporate spin and government propaganda. We are located in Madison, Wisconsin, and publish www.PRWatch.org, www.SourceWatch.org, and now www.ALECExposed.org. For more information contact: editor@prwatch.org or 608-260-9713.

From CMD: This "model" bill, based on one corporations helped push through in Texas, tries to push nationwide a rule to pre-empt Americans injured by a corporation from filing a lawsuit to vindicate their rights if a government agency regulates the corporation, even if the agency has not been granted "exclusive" jurisdiction over claims. The provision does not require the agency to intervene in the case if it wishes to resolve the matter but allows the corporation to assert such claims. If a court rules against the corporation, the company would be granted a special right to appeal that decision to a higher court. It is also troubling because it is not unusual for corporations or industries to "capture" a regulatory agency and then water down safety regulations or enforcement, and it is thus unwise to pre-empt a citizen's right to sue if a corporation is believed to have injured that person, whether the corporation is "regulated" or not.