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NATIONAL CONSUMER GROUP RELEASES NEW STUDY ABOUT THE IMPORTANCE OF CLASS ACTION LAWSUITS

More Than 150 Recent Cases Show How Class Actions Benefit the Injured, Defrauded and Violated

The Center for Justice & Democracy at New York Law School (CJ&D) released a new study today, titled “First Class Relief: How Class Actions Benefit Those Who Are Injured, Defrauded And Violated.” The study is a compilation of more than 150 class actions that have been litigated and settled since 2005.

Said study author, CJ&D Executive Director Joanne Doroshow, “We investigated a wide array of class actions that have settled over the last decade. We found overwhelming evidence that class actions have not only helped victims of corporate law-breaking but also led to changes in corporate behavior that protect us all from many types of illegal conduct, from employment and civil rights violations to price-fixing and consumer fraud to automotive defects to health care abuses.” Noted Doroshow, “When a company practices a pattern of discrimination or receives a large windfall through small injuries to large numbers of people, a class action lawsuit is the only realistic way that harmed individuals can legally challenge this wrongdoing.”

The study comes in the midst of a great deal of activity aimed at fighting back against the increasing use of forced arbitration clauses and class action bans in consumer and employment contracts. These clauses allow culpable companies to prevent harmed individuals from challenging companies in court, even where important federal rights and protections have been violated. The non-profit group Alliance for Justice has released a new film about this problem, entitled “Lost in the Fine Print,” narrated by former U.S. Secretary of Labor Robert Reich. <http://www.afj.org/multimedia/first-monday-films/films/lost-in-the-fine-print> And a new petition effort asking five Wall Street banks to stop using forced arbitration clauses has already gathered tens of thousands of signatures in its first week. http://action.citizen.org/p/dia/action3/common/public/?action_KEY=12599

Among the settlements examined by “First Class Relief” are those involving predatory and discriminatory lending, like illegal auto finance and mortgage loan mark-ups, payday loans, unlawful practices targeting Servicemembers, and Ponzi schemes. The study also highlights

many race and gender employment discrimination class actions. Nine antitrust class action settlements featured in the report distributed over \$1 billion to tens of thousands of consumers and small and medium-sized businesses from companies who participated in criminal price-fixing cartels.

Said Doroshow, “Car owners and buyers should be interested in this study, too. In addition to class actions involving illegal auto financing schemes, we found many cases involving automobile defects and illegal car repossessions.” Other topics include sports tickets, film and television residuals, tainted pet food, contaminated drinking water, home decks and furnace defects, nursing home deficiencies, and health insurer abuses.

Said Doroshow, “Class action lawsuits are among the most important tools that cheated and violated individuals and small businesses have to recover stolen money, hold large corporations and institutions accountable and deter future misconduct. This report shows clearly that class actions are one of the most powerful mechanisms used to secure justice in America.”

A full copy of the report and summary fact sheets can be found here:

<http://centerjd.org/content/first-class-relief-how-class-actions-benefit-those-who-are-injured-defrauded-and-violated>

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