

“Oregonians to Preserve Class Action Damages” Submits Initiative to End Abusive Class-Action Legal Fees in Oregon

March 3, 2015

“Oregonians to Preserve Class Action Damages” today filed a 2016 initiative petition with the Oregon Secretary of State’s Office to limit abusive attorneys’ fees in class-action lawsuits. The group has become aware of legal fees in recent class-action cases in Oregon courts that have exceeded \$11,000 per hour. This is shocking, but such outlandish fees are not out of the norm. “Not only do such grotesque fees bring embarrassment to the legal profession and undermine the public confidence in our legal system, they also siphon money away from the very people who have suffered the harm in the class- action lawsuits,” said Fawn Barrie, Executive Director of the Oregon Liability Reform Coalition, an organization involved in the effort.

Submitted on behalf Oregonians to Preserve Class Action Damages, the measure would narrow attorneys’ fees for representing parties in a class action to reasonable fees. Under the measure, fees would be calculated on an hourly basis and not an abusive percentage basis, awarded to attorneys in the community of similar experience representing parties in civil actions other than class actions.

The measure would not eliminate or restrict class-action lawsuits in Oregon. The initiative would ensure the people harmed in these class-action cases are not victimized a second time when the lawyers in these cases submit their fees.

The Oregon Legislature is currently fast tracking a bill that would drastically change the class action system in Oregon. HB 2700 will drastically change how class members are identified and will likely get less money to those actually harmed in class action cases. At the same time, the bill will force defendants to pay out money to organizations that have not actually been harmed. “If the Legislature is going to change the rules on class action cases for plaintiffs and defendants, we feel it’s the right time to modify how attorneys are compensated in these cases as well,” said Barrie.

Class action cases are important ways to obtain redress for harms suffered by large groups of people, where individual legal actions are not practicable due to the small amount claimed by each individual member of the class. Lawyers shouldn’t exploit these cases – and the members of the class – by seeking fees that are way beyond reasonable. This measure preserves class action awards for Oregonians.

The measure would apply only to class actions in which a final judgment has not been entered before the effective date of the act, similar to the construct of HB 2700.

Signature collection on the first 1000 signatures needed to start the ballot title process will begin soon.

From the Desk of
Senator Ted Ferrioli

Preserve Class Action Damages for Oregonians

Whereas, class action cases are important ways to obtain redress for harms suffered by large groups of people, where individual legal actions are not practicable due to the small amount claimed by each individual member of the class; and

Whereas, it is vital to ensure that damages awarded in class action cases are disbursed to the persons who have suffered the harm, and not diminished by huge awards of fees for attorneys far beyond a reasonable hourly rate.

Whereas, grotesquely disproportionate legal fees in class action settlements bring disrepute on all lawyers and undermine faith in Oregon's legal process

Whereas, legal fees in recent class action cases in Oregon courts have exceeded \$11,000 per hour shock the public and bring shame on the legal profession in Oregon.

Section 1. Sections 2 and 3 of this Act are added to and made part of ORS 9.500 to 9.520.

Section 2. No attorney shall seek, and no court shall award, attorney fees for representing parties in a class action that are in excess of the reasonable fees, calculated on an hourly and not a percentage basis, awarded to attorneys in the community of similar experience representing parties in civil actions other than class actions.

Section 3. (1) This Act applies only to class actions in which a final judgment has not been entered before the effective date of this Act.

(2) As used in this section, "final judgment" means a judgment for which the time to appeal has expired without any party filing an appeal or that is not subject to further appeal or review.