

HB22-1071 Damages in Class Actions CPA

Tuesday, February 8 2022

Judiciary

1:30 p.m. Room 0107

(2) in house calendar.

Testimony: Matthew Groves, on behalf of LAC

- Thanks to Chairman/Committee and Introduction
- Affiliation for Today's testimony

Major Points:

1. CCPA was designed to protect consumers and is currently serving that purpose well. Actions led by the Attorney General and District Attorneys are accountable to the public and responsive to those aggrieved. They prioritize ending and deterring any future anti-consumer behavior to large monetary verdicts.
2. Additionally, if there is a negative public impact, the Office of the Attorney General can take up the case and pursue monetary verdicts to ensure that public interest is protected.
 - a. I do not hear supporters arguing that the AG has been anything less than diligent in pursuing anti-consumer behaviors. The proposal does not augment the tools available to the AG, but rather floods the market with profit-driven competition to serve as the primary enforcer of the state's consumer interest.
3. Allowing financial penalties for individual litigants in a class action drives up reasonable attorneys' fees in a manner not benefitting consumers injured by the action in question, due to the consolidation of fact sensitive cases. It also overturns the Colorado Supreme Court's decision to recognize the common fund doctrine.
4. The threat of privately enforced state laws through class action lawsuits puts a substantial burden on business owners, typically victimized by threats of class actions for behaviors that private attorneys perceive as violating CCPA – which are often times different than the perceptions of the AG or District Attorneys.
 - a. This is done in the name of settlement negotiation, meaning whether a business owner agrees and settles at a higher rate, or declines and is subjected to an unsuccessful class action, they are burdened by the corresponding higher dollar amounts.