

NEWS

Lathrop Comments on CAFA Ruling

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Charlotte Litigation Member Tony Lathrop was quoted in *Law360*'s March 19 article "Class Action Lawyers React To Supreme Court's CAFA Ruling." The piece provides commentary from numerous class action attorneys on the significance of the U.S. Supreme Court's March 18 ruling in *Standard Fire Ins. Co. v. Knowles*. Lathrop stated: "At the heart of *Knowles* was a fight against the notion that class action plaintiffs have the power as 'masters of the complaint' to manipulate the amount in controversy to avoid federal jurisdiction under the Class Action Fairness Act of 2005. The Supreme Court's ruling that a plaintiff cannot legally bind proposed class members via a stipulation to limit damages before a class is certified is a significant victory for defendants who, in jurisdictions like the Eighth Circuit, would have been helpless against the very abuses by state courts that prompted the passage of CAFA. As the unanimous Supreme Court noted, if left to stand, the district court's ruling in *Knowles* would have permitted nonbinding stipulations to subdivide a large interstate class action of national importance into many smaller state actions just below CAFA's \$5 million threshold, which 'would squarely conflict with the statute's objective.'"