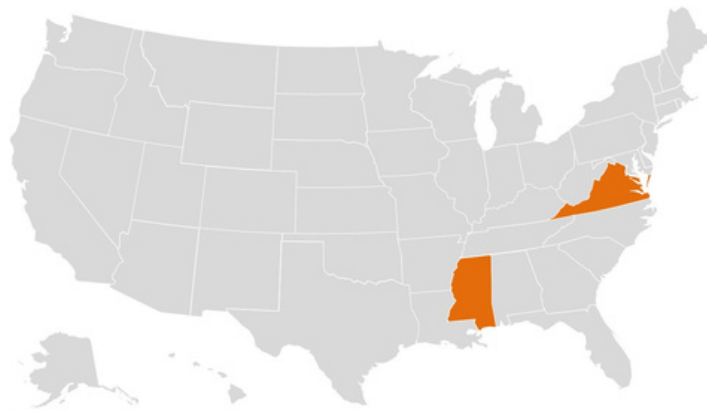




Class actions provide better access to justice

The Virginia General Assembly passes laws to properly regulate marketplaces and protect individuals but many times those laws are not effectively enforced because government agencies may lack the necessary resources.

Virginia and Mississippi are the only states in the country that do not allow class action lawsuits. Virginians are deprived of their right to use the courts to seek relief for a violation of their rights if the cost of litigation exceeds the potential benefit. Claims that are too small to cover the cost of litigation will not be pursued in court.



The class action device can create a market for private enforcement of the law. Increased enforcement, in turn, creates improved incentives for companies to comply with the law and take the appropriate degree of care

Class actions work by creating incentives for lawyers to bring private enforcement actions. Though individuals' damages are too small to make a lawsuit worthwhile, a class action can aggregate many claims so that there is a significant total amount at stake – enough to make litigation economically feasible.

Class actions are a way of leveling the playing field for poor or economically less powerful individuals who are seeking access to justice.

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The 2002 General Assembly passed legislation allowing payday lending in Virginia but prohibited payday lenders from getting people into a debt trap by renewing or rolling over their loans. All the payday lenders ignored this part of the law, many people came to legal aid programs across the state and numerous individual lawsuits were filed against the payday lenders. One of these cases made it to the Virginia Supreme Court who unanimously ruled that trapping an elderly Social Security recipient into 33 straight monthly loans was a violation of the law. This client got justice but millions of other loans were not affected because there was no mechanism to seek relief for all the other people trapped in the payday loan debt trap. We need this tool to get justice and deter law-breaking by payday lenders and others.

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