

# Congress of the United States

Washington, DC 20515

March 12, 2002

## *Vote No On the Republican Class Action Legislation*

Dear Colleague:

We are writing to urge you to vote against H.R. 2341, the so-called Class Action Fairness Act. Class actions are an excellent tool for protecting shareholders, pensioners and consumers from corporate wrongdoing. We hope you will oppose this legislation because it would make it more difficult for irresponsible businesses to be held legally accountable.

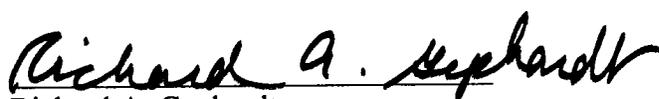
When daily headlines around the country are revealing corporate mismanagement and worse by companies such as Enron and Arthur Andersen, now is not the time to shield the conduct of bad actors. Now is the time for Congress to protect employees, pensioners and shareholders.

**H.R. 2341 would make it easier for wrongdoers to shred documents and dispose of evidence.** The bill creates federal appellate jurisdiction when defendants appeal a district court's grant of class certification. During this appeal, discovery and other document production is stopped, thus giving defendants the opportunity to shred or otherwise eliminate evidence that would help plaintiffs prove their cases. And as the allegations against Enron and Arthur Andersen mount, the urgency of preserving incriminating evidence for trial becomes clear.

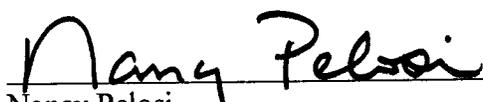
H.R. 2341 also poses risks for plaintiffs that do not exist in current law. Under this legislation, if the district court determines that the action does not satisfy the requirements of the Federal Rule of Civil Procedure 23, the court must dismiss the action. This has the effect of striking the class action claim and forcing all states to conform to federal class action standards. While the class action may be refiled, any such action may be removed again to federal court, creating a "merry-go-round" effect.

At a time when Americans are united in understanding the importance of holding irresponsible businesses legally accountable, reckless class action legislation sends the wrong message. The fraud and cover-up perpetuated by Enron and Arthur Andersen should be fully exposed, and their victims – employees and shareholders alike – should be able to hold them legally accountable. Oppose H.R. 2341, a bailout bill for corporate wrongdoers.

Sincerely,



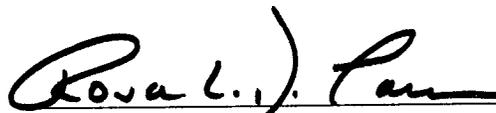
Richard A. Gephardt  
Democratic Leader



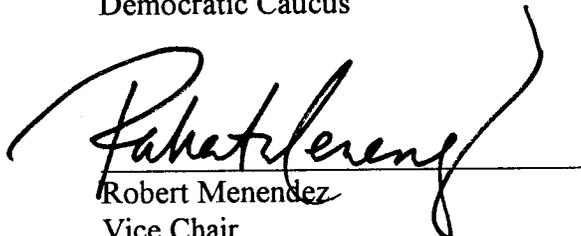
Nancy Pelosi  
Democratic Whip



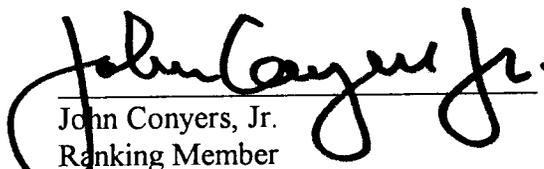
Martin Frost  
Chairman  
Democratic Caucus



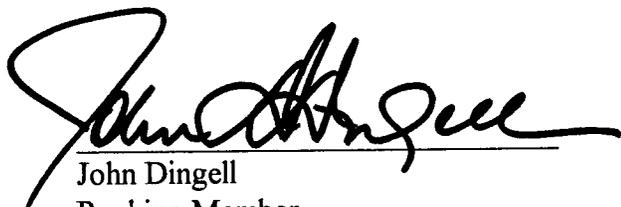
Rosa DeLauro  
Assistant to the  
Democratic Leader



Robert Menendez  
Vice Chair  
Democratic Caucus



John Conyers, Jr.  
Ranking Member  
Committee on the Judiciary



John Dingell  
Ranking Member  
Committee on Energy and Commerce



John J. LaFalce  
Ranking Member  
Committee on Financial Services