

CIVIL JUSTICE ASSOCIATION OF CALIFORNIA



January 9, 2003

Assemblyman Lou Correa
Chair, Assembly Business and Professions Committee
State Capitol
Sacramento, CA 95814

Dear Assemblyman Correa:

We the undersigned commend your initiative in seeking a solution to abusive lawsuits filed by private attorneys using the state Unfair Competition Law (Business and Professions Code Sec. 17200).

Blanket claims and lawsuits lodged against California businesses by lawyers with no clients and no evidence of harm or deception have justifiably garnered public outrage.

We want to make it clear, for the legislative record, that private lawyer misuse of Business and Professions Code Sec. 17200 is not new, nor are its victims exclusively small businesses.

The California Law Revision Commission reported the problem to the Legislature in 1996, and legislation was proposed as a partial remedy. That effort and every other subsequent attempt at reasonable amendments to 17200 to stop exploitation by private attorneys has failed passage.

The Law Revision Commission report stated that: **“The survey of cases and practitioners involved in Unfair Competition Act litigation indicates that the statute’s dilemma is no longer theoretical, it is currently functioning in a number of cases to frustrate the just and expeditious resolution of disputes....”** If that critique were re-written today, after six years of failure to address the problem, it would have to say that the statute is currently functioning in an intolerable number of cases to perpetrate legal extortion on firms of all kinds and sizes attempting to do business in California.

No other state has a business practices law giving private attorneys such unbridled ability to sue and collect attorney fees.

Most individuals acknowledge that the sound budgets of state and local government are intertwined with a sound California business environment. No business can be sound when it is subject to the kind of unmerited, continuous legal and economic harassment facilitated by the current language of Business and Professions Code Sec. 17200.

We urge you to amend this law to the true benefit of all Californians.

21st Century Insurance
Agents & Brokers Legislative Council
American Electronics Association (AEA)
American Insurance Association (AIA)
Association of California Insurance Companies
Association of California Life and Health Insurance Companies (ACLHIC)
Automotive Repair Coalition
Automotive Trade Organizations of CA
Blue Cross of California
BP
California Apartment Association (CAA)
California Association of Health Facilities (CAHF)
California Automotive Wholesalers' Association (CAWA)
California Business Properties Association
California Dental Association (CDA)
California Financial Services Association
California Grocers Association (CGA)
California Manufacturers and Technology Association (CMTA)
California Newspaper Publishers Association
California Retailers Association
California Service Station and Automotive Repair Association
Caterpillar Inc.
Civil Justice Association of California
Clorox
Consulting Engineers and Land Surveyors of California (CELSOC)
Countrywide Home Loans
Enterprise Rent-a-Car
Fireman's Fund Ins. Co.
General Motors
Kaye, Rose & Maltzman, LLP
Liberty Mutual Group
Nationwide Insurance Enterprise
Personal Insurance Federation of California (PIFC)
Pharmaceutical Research and manufacturers of America (PhRMA)
Reed Smith Crosby Heafey LLP
Safeway
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