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## Compliance Corner

"Mass action" cases could be next legal minefield

by *Gil Van Over*

A dealer in rural America is involved in mass action litigation. Nope—that's not a typo. In fact, "mass litigation" may be a trend that's more chilling than any class action the industry has seen. The two types of litigation bear some similarities—one lawsuit, multiple plaintiffs, plaintiffs' attorneys working in concert and the potential for big-dollar settlements, judgements and attorneys' fees.

But here's the crucial difference: In a mass action case, multiple plaintiffs allege individual claims under single umbrella, which then would require the courts to determine individual settlements. Imagine that one hundred consumers join in a mass action lawsuit. Further imagine the each consumer alleges three claims of deception or the Truth In Lending Act or the Equal Credit Opportunity Act.

Your insurance company or attorney must deal with each one of the 300 individual claims. Can you hear the billable hours' egg-timer ticking? This new wrinkle raises several key questions for you to consider:



- How easily can you clear your calendar to work with your attorney(s) on this distraction?
- How many hours, days and weeks will your managers be distracted from selling cars to help in the defense of this lawsuit?
- Will any of your employees turn whistle-blower on you?

(Editor's note: Gil Van Over is head of gvo3 & Associates, a firm that assists dealers with legal defense and compliance strategies. Most recently, the firm aligned with AFIP to offer F&I/compliance audits for dealers.)

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