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California Small Claims Courts Receive High Marks in National Report Card

State's Low Dollar Limit on Small Claims Holding it Back from Being Best in the Nation

HALT—*An Organization of Americans for Legal Reform* released its 2004 Small Claims Report Card today, grading all 50 states and the District of Columbia on their small claims courts. The legal consumer advocacy group publicizes the value of small claims courts, the only place in the civil justice system where people can resolve common disputes without an attorney. While HALT's 2004 Small Claims Report Card illustrates that California's small claims courts provide a strong alternative to traditional litigation, more reforms are still needed.

On HALT's previous small claims report card, California was the only state to earn a "B" or better. In this year's report card, California has fallen to second place, and is one of four states with a "B" grade. A proposal to raise the dollar limit for California small claims court from \$5,000 to \$10,000 is languishing in the California Law Revision Commission (a nonpartisan commission assigned by the state legislature to review potential changes to the law) due to strong special-interest opposition. Raising the dollar limit to \$10,000 would allow more Californians to have meaningful access to the courts. It would also raise the state's report card grade to an "A" grade.

"Lawyer groups that oppose increasing the small claims dollar limit often act out of a fear of losing business as a result of people being able to handle their legal affairs without a lawyer. Acting in such a self-interested manner is unfair to the people of California," said HALT Senior Counsel Tom Gordon. "It's also a rather unenlightened self-interest, since lawyers typically don't receive any business from clients with \$10,000 cases."

The report card also reveals the necessity of implementing reforms to make these courts more consumer-friendly and accessible—true people's courts. California does not assist plaintiffs who win a case with collecting their judgment from the defendant. Small claims courts should be required to make losing defendants reveal what and where their assets are. They should also be required to inform people about the options available to them in enforcing a court judgment. In other aspects, the user-friendliness of California's small claims court system is a model for the rest of the country. All of its courts have small claims advisors, offer evening hours, and ban representation by lawyers.

HALT's 2004 Small Claims Report Card graded states in six categories: dollar limit, self-help, convenience, mediation, expedited collection and injunctive relief. No state received an "A" grade. California, top-ranked Georgia and two other states received a "B" grade.

Small claims courts have tremendous promise as a means of empowering ordinary people to take charge of their own routine legal needs. By reforming these courts to fulfill this promise, California lawmakers can show a commitment to opening up the legal system to all Californians.

A more extensive summary of HALT's 2004 Small Claims Report Card, along with the national and state report cards, can be found on HALT's Web site at www.halt.org. Founded in 1978, HALT—*An Organization of Americans for Legal Reform* is a nonpartisan, nonprofit public interest organization. HALT pursues an aggressive education and advocacy program that challenges the legal establishment to improve access and accountability and reduce costs in the civil justice system.