

May 13, 2004

House Judiciary Committee
Baton Rouge, LA 70804

Dear Representative :

I am writing to you on behalf of HALT—An Organization of Americans for Legal Reform. HALT is a national advocacy organization dedicated to increasing accessibility and accountability in the civil justice system. On behalf of our 50,000 members, I ask that the House Judiciary Committee report favorably on Senate Bill 376.

SB 376 will ensure that the playing field is level for all consumers when they go before small claims court, not just those who can afford a lawyer. This bill will require that both parties to agree to move a case from small claims court to regular district court, thereby helping to ensure that consumers are able to resolve small claims without being forced to hire a lawyer. For the majority of Louisianans, a case worth less than \$3,000, the court's current jurisdictional limit, is too small to make it cost-effective to hire an attorney to represent them in a higher court. If the Committee reports favorably on this bill and helps pass it into law, more of consumers' everyday disputes will be resolved in their most appropriate venue.

Unfortunately, the current rule allows one party to pay a small fee to move the case to the regular district court without the other party's consent. For consumers facing a corporation or individual that has the means to hire a lawyer, regardless of the amount of the claim, this is a frightening prospect. For example, suppose a Baton Rouge teacher sells his car to a local mechanic, who then writes the teacher a check. When the teacher tries to deposit the money, the check bounces. After repeatedly contacting the mechanic to receive payment, the teacher files a claim for \$2,500 in small claims court. The mechanic, who happens to be married to a lawyer, has the claim moved up to district court. The teacher calls dozens of lawyers in the area, but none will take the case on a contingency basis because the amount of the claim is too small. Several lawyers offer to take the case on an hourly rate, but each state that their fees will likely be higher than any judgment the teacher could receive. So, the teacher decides to drop the claim, and the mechanic gets a car for free. Is this justice?

SB 376 will guarantee that consumers are given the opportunity to recover their money in small claims court—the true People's Court.

HALT—*An Organization of Americans for Legal Reform* is a national non-profit public interest group of 50,000 members dedicated to helping all Americans handle their legal affairs simply, affordably and equitably. Founded in 1978, HALT disseminates self-help legal resources, books, fact sheets and legal referrals to thousands of legal consumers each year, and pursues an aggressive education and advocacy program. HALT

challenges the legal establishment to make the civil justice system more accessible and accountable for all Americans.

HALT's *Small Claims Reform Project* is a national campaign to publicize the existence and advantages of small claims courts, to educate legal consumers about their rights, and to advocate for system reforms in the civil justice system. HALT recently released its 2004 Small Claims Court Report Card, grading all 50 states and the District of Columbia on their small claims courts. Unfortunately, Louisiana's score on the report card was the fourth worst in the country. I am including a copy of the Report Card with this letter. If you are interested in pursuing further reforms to improve Louisiana's small claims courts, HALT would be interested in working with you. I am available at your convenience to discuss small claims court legislative prospects, especially those that propose to increase the small claims court jurisdictional limit.

In summary, HALT believes that this SB 376 would greatly enhance the fairness of small claims court, which is the only forum where most Louisianans can seek a resolution of their everyday disputes. We urge you to report favorably on Senate Bill 376.

Sincerely,

Thomas M. Gordon
Senior Counsel
Director, Small Claims Reform Project