

OUTLINE

PREFACE	V
TABLE OF CASES	XXIX
Text of Federal Rule of Civil Procedure	
23. Class Actions.....	1
Chapter 1. Introduction 13	
Chapter 2. Evolution and Overview of	
Federal Court Class Actions	23
§ 2.1 Equity Rule 48	25
§ 2.2 Equity Rule 38	26
§ 2.3 The 1938 Version of Rule 23	26
§ 2.4 The 1966 Version of Rule 23	28
§ 2.5 Overview of Current Rule 23	30
§ 2.6 Class Action Fairness Act of 2005	34
A. Jurisdictional Provisions.....	35
B. Settlement Provisions	36
Chapter 3. Class Certification Requirements:	
Threshold Requirements and Rule 23(a)	37
§ 3.1 Threshold Requirements.....	37
§ 3.2 A Definable Class	38
A. Basic Requirements	38
B. Heightened Ascertainability	41
§ 3.3 A Representative Who Is a Member of the	
Class	43
§ 3.4 A Claim That Is Not Moot.....	45
A. General Principles	45
B. Pick-Offs of Class Representatives.....	46

§ 3.5	Standing	49
§ 3.6	Rule 23(a)	52
§ 3.7	Numerosity	54
	A. Overview	54
	B. Size of the Potential Class	55
	C. Possible Future Claimants.....	56
	D. Other Factors Bearing on Numerosity.....	56
	E. Applicability to Subclasses.....	58
	F. Re-Evaluation of Numerosity	58
	G. Recent Trends	58
§ 3.8	Commonality.....	61
	A. Overview	61
	B. The Landmark Opinion in <i>Dukes</i>	62
	C. Whether More than One Common Legal or Factual Issue Is Necessary....	65
	D. Law or Fact	66
§ 3.9	Typicality	67
	A. Lack of Consensus on Meaning	67
	B. General Approach by Courts Giving Separate Meaning to Typicality.....	68
	C. Unique Defenses	70
	D. Plaintiff Seeking Recovery Against Only One of Several Defendants.....	72
	E. Factual Disparities Defeating Typicality.....	73
§ 3.10	Adequacy of Representation	74
	A. Overview	74
	B. Counterintuitive Feature That Challenges to Adequacy Are Normally Raised by Defendants	75
	C. Adjudicating the Adequacy of Class Representatives	76

D.	Vigorous Prosecution	77
E.	Knowledge of the Case	78
F.	Honesty, Good Character, and Credibility	78
G.	Lack of Conflicts	79
H.	Unique Defenses	82
I.	Ability to Finance the Class Action	82
J.	Membership in the Class	83
K.	Adequacy of Class Counsel	83
L.	Additional Adequacy Concern Applicable to Both Class Representatives and Class Counsel: Failure to Bring Certain Claims in Order to Improve Likelihood of Class Certification	88
M.	Solutions to Inadequate Representation	90
N.	Collateral Attacks on Adequacy	91

Chapter 4. Class Certification

	Requirements: Rule 23(b)	93
§ 4.1	Rule 23(b)(1)(A) Classes	94
A.	The Purposes of Rule 23(b)(1)(A) Classes	95
B.	Requirements for Certification Under Rule 23(b)(1)(A)	97
C.	Certification Under Rule 23(b)(1)(A) in Cases Seeking Monetary Damages	98
D.	Certification of Medical Monitoring Classes Under Rule 23(b)(1)(A)	100
E.	Other Kinds of Cases Involving Rule 23(b)(1)(A)	101

§ 4.2	Rule 23(b)(1)(B) Classes	102
A.	Overview of Rule 23(b)(1)(B)	102
B.	<i>Stare Decisis</i> Effect Insufficient to Satisfy Rule 23(b)(1)(B)	103
C.	Requirements for “Limited Fund” Treatment	103
D.	Rule 23(b)(1)(B) and Punitive Damages	108
E.	Other Types of Rule 23(b)(1)(B) Cases	111
F.	Comparisons Between Rule 23(b)(1)(B) and Other Joinder Devices	112
G.	Preference Between Mandatory and Opt-Out Classes	113
H.	Opting out of a Rule 23(b)(1) Class ...	114
§ 4.3	Rule 23(b)(2)	114
A.	Overview	114
B.	General Requirements	115
C.	Whether the Party Seeking Certification Must Demonstrate Predominance or Superiority	118
D.	The Issue of Whether Monetary Relief Can Be Sought if It Is “Incidental” to Declaratory or Injunctive Relief	122
E.	Medical Monitoring Under Rule 23(b)(2)	126
F.	Notice and Opt-Out Rights	126
G.	Classes Appropriate for Certification Under Both Rule 23(b)(2) and Rule 23(b)(3)	127

H.	Defendant Classes Under Rule 23(b)(2).....	129
I.	Whether Rule 23(b)(2) Contains a “Necessity” Requirement.....	129
§ 4.4	Rule 23(b)(3).....	131
A.	Overview	131
B.	Defining “Predominance”	132
C.	Calculation of Individual Damages and the Predominance Inquiry	135
D.	Submission of a Trial Plan	138
E.	Special Issues Regarding Fraud and Reliance	138
F.	Securities Cases: Special Situations Where a Court May Presume Reliance	142
G.	Predominance and Mass Torts	143
H.	Rule 23(b)(3) Predominance and Choice-of-Law Concerns in Multi- Jurisdictional Class Actions.....	144
I.	Superiority in Rule 23(b)(3) Classes: Alternative Methods for Resolving the Dispute	145
J.	Assessing Superiority in Rule 23(b)(3) Classes Using Enumerated Factors.....	146
(1)	Rule 23(b)(3)(A): Interest in Individual Control of the Litigation	147
(2)	Rule 23(b)(3)(B): Extent and Nature of Pending Litigation	148

(3) Rule 23(b)(3)(C): Desirability or Undesirability of Concentrating the Litigation in the Particular Forum	150
(4) Rule 23(b)(3)(D): Manageability Issues	151
K. Assessing Superiority Under Rule 23(b)(3) Using Factors Other than Those Enumerated	153
Chapter 5. Litigating a Class Action	155
§ 5.1 Strategic Considerations in Class Action Litigation.....	155
A. Plaintiff's Perspective.....	156
B. Defendant's Perspective	163
§ 5.2 The Class Certification Decision	166
A. Overview	166
B. Timing of Certification Decision	166
C. Raising the Certification Issue	168
D. Court's Obligation to Rule.....	169
E. Appropriateness of Inquiry into the Merits	169
F. The Certification Hearing	175
(1) Need for a Hearing on Class Certification	175
(2) Burden of Proof and Procedures at the Hearing	175
(3) Expert Testimony at the Class Certification Stage (<i>Comcast</i>)	176
(4) Expert Testimony at the Class Certification Stage (<i>Daubert</i>)....	178
(5) Reasons for the Certification Ruling	179

G.	Certification Options	180
(1)	Conditional Certification	180
(2)	Use of Subclasses	181
(3)	Issue Certification and Bifurcation.....	183
(4)	Multiple or Competing Classes	186
(5)	Decertification	187
§ 5.3	Discovery in Class Actions	187
A.	Discovery on Class Certification	
	Issues.....	188
(1)	Overview.....	188
(2)	Granting or Denying Class Certification Without Discovery	188
(3)	Conditional Certification or Deferral of Certification Pending Discovery	190
(4)	Discovery of Merits Issues Before Class Certification	191
(5)	Types of Pre-Certification Discovery	194
(6)	Limitations on the Scope of Class Certification Discovery	195
(7)	Discovery of Names of Absent Class Members.....	198
(8)	Pre-Certification Discovery Directed to Absent Class Members	200
(9)	Expert Discovery and Judicial Gatekeeping	201
B.	Post-Certification Merits Discovery in Class Actions	202

(1)	General Principles	202
(2)	Discovery of the Unnamed Class Members' Individual Claims	203
(3)	Penalties for Noncompliance with Discovery Requests	203
(4)	Stay of Discovery Pending Dispositive Motions	204
§ 5.4	Orders Controlling Class Proceedings	204
A.	Rule 23(d)(1)(A).....	205
B.	Rule 23(d)(1)(B).....	206
C.	Rule 23(d)(1)(C).....	206
D.	Rule 23(d)(1)(D)	207
E.	Rule 23(d)(1)(E).....	208
§ 5.5	Summary Judgment.....	208
§ 5.6	Trial Structure and Evidentiary Issues....	209
A.	The Seventh Amendment.....	210
(1)	Overview.....	210
(2)	Bifurcated Trials and the Reexamination Clause.....	211
(3)	Criticism of the <i>Rhone-Poulenc</i> and <i>Castano</i> Approach.....	214
(4)	Other Seventh Amendment Issues	215
B.	Due Process: Aggregate and Statistical Proof	216
Chapter 6. Notice, Opt-Out Rights, and Communications with Class Members	223	
§ 6.1	Class Notice and Opt-Out Rights	223
A.	Notice and Opt-Out Rights in Rule 23(b)(3) Class Actions	223
B.	Methods for Providing Notice in Rule 23(b)(3) Class Actions	226

C.	Timing of Rule 23(c)(2) Notice	228
D.	Form and Content of Rule 23(c)(2) Notice.....	228
E.	The Cost of Providing Notice in Rule 23(b)(3) Class Actions	230
F.	Ability to Opt out of a Rule 23(b)(3) Class	233
G.	Notice in Rule 23(b)(1) and Rule 23(b)(2) Class Actions	234
H.	Opt-Out Rights in Rule 23(b)(1) and Rule 23(b)(2) Classes	236
I.	Other Notices Pursuant to Rule 23(d)(1)	238
J.	Notice to Absent Class Members of a Proposed Settlement, Dismissal, or Compromise Under Rule 23(e).....	239
K.	Notice of Decertification.....	241
§ 6.2	Communications with Class Members.....	242
A.	Communications with Potential Class Members Before a Class Action Is Filed.....	242
B.	Communications with Potential Class Members Between Filing and Class Certification	242
(1)	Reasons for Contacting Class Members	242
(2)	Use of Rule 23(d) to Regulate Communications with Class Members	243
(3)	The <i>Gulf Oil</i> Decision	244
(4)	Developments After <i>Gulf Oil</i>	245
(5)	Application of <i>Gulf Oil</i> to Defense Communications	246

(6) Correcting Misleading or Otherwise Improper Communications	247
C. Communications with Class Members After Class Certification	247
Chapter 7. Multi-Jurisdictional and State Court Class Actions 249	
§ 7.1 Nationwide and Other Multi- Jurisdictional Class Actions	249
A. Standards for Certifying a Multi- Jurisdictional Class	249
B. Procedural and Manageability Issues	251
(1) Overview	251
(2) Due Process Constraints on Multi-Jurisdictional Classes	252
(3) Post- <i>Shutts</i> Choice-of-Law Issues in Multi-Jurisdictional Class Actions	263
§ 7.2 State Court Class Actions	270
A. Importance of State Court Class Actions	270
B. Overview of State Class Action Rules	271
Chapter 8. Special Civil Procedure Issues ... 275	
§ 8.1 Statute of Limitations Issues in Class Actions	275
A. Overview of “Tolling” Principles in Class Actions	275
B. When Tolling Ceases	277

C.	Limitations on the <i>American Pipe</i> Tolling Rule.....	278
D.	Application of <i>American Pipe</i> to Opt-Outs.....	280
E.	Amending Individual Actions to Assert Class Claims.....	281
§ 8.2	Jurisdictional Issues: General Concepts...	282
A.	Determining Citizenship for Diversity Purposes.....	283
B.	Aggregation of Claims for Purposes of Jurisdictional Amount.....	285
§ 8.3	The Class Action Fairness Act.....	290
A.	Overview	290
B.	Expanded Federal Jurisdiction over Class Actions.....	291
C.	Establishing “Minimal” Diversity.....	292
D.	Aggregating Claims	293
E.	Mass Actions	296
F.	Expanded Removal to Federal Court.....	298
G.	Exceptions to CAFA’s Jurisdictional Rules.....	299
H.	Appellate Review	305
§ 8.4	<i>Res Judicata</i> and Collateral Estoppel.....	307
A.	Claim Preclusion (<i>Res Judicata</i>) in the Class Action Context.....	307
(1)	Overview.....	307
(2)	Class Members Who May Not Be Bound by a Prior Adjudication	308
B.	Issue Preclusion (Collateral Estoppel) in the Class Action Context	310

§ 8.5	Federal Relations with State Courts in the Class Action Context.....	311
A.	Binding Effect of State Court Settlements of Exclusively Federal Claims.....	312
B.	Collateral Attacks Based on Adequacy of Representation	314
C.	Binding Effect of Prior Federal Court Denial of Class Certification upon a Later State Court Class Action.....	316
§ 8.6	Clashes Between Federal Rule 23 and State Law	317
§ 8.7	“Rooker-Feldman” Doctrine	321

Chapter 9. Resolution and Funding of Class Actions	323	
§ 9.1	Class Action Settlements	323
A.	Overview: Interested Participants	323
B.	Pre-Certification Settlement with Only Named Plaintiffs.....	324
C.	Notice of a Pre-Certification Settlement of Individual Claims.....	326
D.	Certification for Settlement Purposes	327
E.	Binding Effect in Later Litigation of a Concession That the Settlement Class Is Appropriate for Certification	330
F.	Considerations in Approving Settlements	331
G.	Post-Certification Notice of Settlement.....	340

H. Opportunity to Opt Out of a Proposed Settlement After Expiration of Original Opt-Out Period.....	342
I. Objections to Settlement	344
§ 9.2 CAFA Settlement Provisions	350
A. Coupon Settlements	350
B. Net Loss Settlements	352
C. Prohibition Against Geographic-Based Discrimination in Settlements	353
D. Notice to Government Officials.....	353
E. Gaps in CAFA's Settlement Provisions	354
§ 9.3 Class Action Remedies	356
§ 9.4 Attorneys' Fees	361
A. Overview of Rule 23(h)	361
B. Methods for Setting the Amount of Fees.....	362
§ 9.5 Third-Party Litigation Financing.....	367
§ 9.6 Alternative Dispute Resolution	371
Chapter 10. Appellate Review	381
§ 10.1 Whether an Order Denying Class Certification Is a Final Decision Under 28 U.S.C. § 1291	382
§ 10.2 Appeal of Denial of Certification Under 28 U.S.C. § 1292(a)(1).....	384
§ 10.3 Appeal of Class Certification Ruling Under 28 U.S.C. § 1292(b)	384
§ 10.4 Mandamus Review of Certification Ruling	385
§ 10.5 Appeal Under Rule 23(f)	387

§ 10.6 Appeal from a Denial of Class Certification When a Class Representative Voluntarily Dismisses His or Her Claims.....	393
§ 10.7 Intervention for Purposes of Appeal	394
§ 10.8 Standard of Review	395
 Chapter 11. Special Focus on Mass Tort, Employment Discrimination, and Securities Fraud Class Actions 397	
§ 11.1 Mass Torts	397
A. Judicial Trends in Mass Torts Class Actions.....	399
(1) Mass Torts in the 1960s and 1970s.....	399
(2) Mass Torts in the Mid-1980s	400
(3) Subsequent Judicial Skepticism	402
(4) Responses to Judicial Skepticism	405
B. Other Issues in Mass Tort Cases.....	406
(1) Exposure-Only Claimants	407
(2) “Mature” Versus “Immature” Mass Torts.....	407
(3) Problems of Classwide Proof in Mass Tort Cases.....	408
(4) Novel Negotiation Class	409
§ 11.2 Employment Discrimination Class Actions.....	410
A. Rule 23 Cases.....	411
(1) Applicability of Rule 23 Requirements in Discrimination Cases.....	411

(2) Distinction Between Disparate Impact and Disparate Treatment Claims	414
(3) Rule 23(b) Requirements	415
(4) Pattern-and-Practice Cases.....	415
(5) Whether a Finding of No Pattern or Practice Precludes Subsequent Individual Actions	416
(6) Seventh Amendment Issues.....	417
B. Collective Actions	418
(1) Overview of Age Discrimination Suits.....	418
(2) Notice to Plaintiffs in ADEA Cases.....	419
(3) Certification of an ADEA Case as a Collective Action.....	420
§ 11.3 Securities Fraud Class Actions.....	422
A. Overview	422
B. Elements of a Rule 10b-5 Claim	423
(1) The Reliance Element.....	423
(2) Fraud-on-the-Market Approach to Reliance	424
(3) The <i>Affiliated Ute</i> Presumption of Reliance	429
(4) Fraud-Created-the-Market Theory	430
(5) Materiality of the Misrepresented or Omitted Fact	430
(6) Zero Price Change.....	433
(7) Loss Causation	433
C. Transnational Transactions.....	435

D.	Reform Legislation	436
(1)	The Private Securities Litigation Reform Act of 1995	436
(2)	Post-Reform Act Federal Removal Legislation	441
Chapter 12. Defendant Class Actions, Derivative Suits, and Suits Involving Unincorporated Associations		443
§ 12.1	Defendant Class Actions	443
A.	Overview	443
B.	Rule 23 Criteria and Defendant Classes.....	444
(1)	Overview.....	444
(2)	Typicality.....	445
(3)	Adequacy of Representation.....	446
(4)	Rule 23(b)(1)(A) Classes	448
(5)	Rule 23(b)(1)(B) Classes	448
(6)	Rule 23(b)(2) Classes	449
(7)	Rule 23(b)(3) Classes	450
C.	Other Issues	451
(1)	Statutes of Limitation	451
(2)	Notice	452
(3)	Personal Jurisdiction	452
§ 12.2	Shareholder Derivative Suits	452
A.	Overview	452
B.	Requirements of Rule 23.1	454
(1)	Derivative Injury Requirement.....	454
(2)	Plaintiff Must Be a Shareholder at the Time of the Alleged Wrongdoing	455
(3)	Demand for Corporate Action	455

(4) Derivative Actions May Not Be Collusive	456
(5) Plaintiff Must Fairly and Adequately Represent the Interests of Other Similarly Situated Shareholders	457
(6) Notice of a Proposed Settlement to Shareholders	457
(7) Court Approval of Settlement or Dismissal.....	458
§ 12.3 Class Actions Involving Unincorporated Associations	458
A. Overview	458
B. Enactment of Federal Rule 23.2	460
(1) Diversity Jurisdiction Issues	460
(2) Limitation on Qualifying Organizations.....	462
(3) Incorporation of Rule 23 Requirements into Rule 23.2.....	462
Chapter 13. Ethical Issues in Class Actions.....	465
§ 13.1 Key Ethical Issues	465
A. Overview	465
B. Attorney Communications with Class Members.....	466
(1) Pre-Certification Communications	466
(2) Post-Certification Communications	467
C. Conflicts of Interest	468

(1) Collusion Between Plaintiffs' Counsel and Defense Counsel in Settlements	468
(2) Conflicts Among Class Members	469
(3) Conflicts Between Class Counsel and the Class Representatives.....	470
(4) Percentage-of-the-Fund Fee Awards.....	471
D. Other Ethical Issues	472
(1) Advancing Costs of Litigation	472
(2) Restrictions on Right to Practice	472
(3) Failure to Communicate with Class Members	473
(4) Serial Objectors.....	473
Chapter 14. Multidistrict Litigation	475
§ 14.1 How MDL Works	476
A. Initiation of Proceedings Under Section 1407 and the Role of the MDL Panel	476
B. Standards for Transfer.....	476
C. Selection of the Transferee Court	477
D. Effect of a Transfer Order	478
E. Settlement of MDL Cases	479
F. Remand and Trial of MDL Cases	480
G. Review of MDL Panel Rulings	480
H. Appealability of Orders Dismissing Individual Cases	481
§ 14.2 Bellwether Trials in MDL Proceedings....	481
§ 14.3 Policy and Reform Issues	482

§ 14.4 Coordination of Federal and State Claims	484
Chapter 15. Non-Class Aggregation Devices Under the Federal Rules of Civil Procedure 487	
§ 15.1 Permissive Joinder of Parties	487
A. Overview	487
B. Joinder of Plaintiffs	489
(1) Same Transaction or Occurrence.....	490
(2) Common Question of Law or Fact	491
(3) Interest in Obtaining All Relief Granted.....	493
C. Joinder of Defendants	493
D. Orders to Avoid Prejudice	494
E. Misjoinder of Parties	495
F. Jurisdictional Issues.....	495
§ 15.2 Compulsory Joinder of Parties	496
A. Overview	496
B. Determination of Whether the Absent Party Is Necessary	498
(1) Rule 19(a)(1) (“Complete Relief” Clause)	498
(2) Rule 19(a)(1)(B)(i) (“Impair or Impede” Clause)	499
(3) Rule 19(a)(1)(B)(ii) (“Multiple Liability” Clause)	500
C. Feasibility of Joinder.....	501
D. Resolution When Person Should Be Joined but Joinder Is Not Feasible....	501
E. Procedural Issues.....	504

§ 15.3 Impleader	505
A. Overview	505
B. Circumstances in Which Impleader Is Allowed	506
C. When Leave of Court Is Required for Impleader.....	508
D. Assertion of Defenses	508
E. Pleading Requirements	509
F. Other Third-Party Practices	509
G. Moving to Strike Third-Party Claims.....	510
H. Jurisdictional Requirements.....	510
§ 15.4 Interpleader	512
A. Overview	512
B. Rule Interpleader.....	513
(1) Stakeholder's Concern over Multiple Claims	513
(2) At Least Two Adverse Claimants	514
(3) Jurisdiction, Venue, and Other Procedural Requirements for Rule Interpleader.....	514
(4) Two Stages of an Interpleader ...	515
C. Statutory Interpleader	515
(1) Overview.....	515
(2) Jurisdictional and Other Procedural Requirements for Statutory Interpleader	515
§ 15.5 Intervention	517
A. Overview	517
B. General Requirements for Intervention as of Right	517

(1) Timeliness of a Motion to Intervene	518
(2) The Applicant's Interest in the Subject Matter	519
(3) Practical Impairment	520
(4) Inadequacy of Existing Representation	521
(5) Standing	521
C. Permissive Intervention	523
D. Procedures for Intervention	525
E. Jurisdictional Issues.....	525
F. <i>Amicus</i> Participation	526
§ 15.6 Consolidation	526
A. Overview	526
B. Nature and Purposes of Consolidation	527
C. Considerations in Evaluating Whether to Consolidate	528
D. Separate Trials	529
Chapter 16. Other Aggregation and Coordination Devices in Federal Practice	531
§ 16.1 Transfers Under 28 U.S.C. § 1404	531
A. Overview	531
B. Requirements for Transfer.....	532
C. For the Convenience of the Parties and Witnesses	533
D. Interest of Justice	533
E. Use of Section 1404(a) as an Aggregation Device.....	533
§ 16.2 Multiparty, Multiforum Trial Jurisdiction Act of 2002	534

XXVIII

OUTLINE

§ 16.3 Coordination Among Federal Courts	535
§ 16.4 Bankruptcy as an Aggregation Device.....	535
§ 16.5 Aggregate Settlement of Non-Class Cases	542
INDEX.....	545