

Korein Tillery Appeal Leads Missouri Supreme Court to Strike Down Statute Banning Municipal Class Actions

(ST. LOUIS – January 19, 2012) – In a suit filed by the City of Winchester, Missouri, against Charter Communications, the Missouri Supreme Court has upheld the right of municipalities to pursue class actions to collect unpaid taxes from telecommunications companies. Winchester is represented by the Korein Tillery law firm.

In a ruling handed down on Tuesday (January 17, 2012), the Supreme Court declared unconstitutional a law passed by the Missouri General Assembly that prohibits municipalities from serving as class representatives in suits against telecommunications companies. The law purported to amend a procedural rule (Rule 52.08) of the Supreme Court that allows one municipality to represent other municipalities for the purpose of resolving common questions of law and fact in a single proceeding. The Supreme Court found that the General Assembly's law failed to satisfy two constitutional requirements: It was not limited to the purpose of amending Rule 52.08 and it did not specify the Rule being amended. On the contrary, the law "contained some 18 provisions amending various other statutes and laws," and it did not acknowledge the Court's rule allowing class actions. The Supreme Court ordered the trial judge in St. Louis County to reinstate Winchester's class claims.

"Class actions facilitate judicial economy by avoiding multiple suits on the same subject matter," said John Hoffman of Korein Tillery, lead attorney on the suit. "We are gratified by the Supreme Court's ruling, which puts Winchester's suit seeking to recover unpaid taxes from Charter back on track in St. Louis County Circuit Court. The ruling is especially important to smaller cities that would have no feasible or financial means of collecting these taxes and asserting their rights if a class action were not available."

The suit is similar to class actions against telecommunications companies that have recovered some \$253 million in unpaid taxes to more than 200 cities across Missouri. Hoffman and Douglas R. Sprong of Korein Tillery, along with two attorneys for the cities, Howard Paperner and John Mulligan of St. Louis, have been honored for those suits in annual awards for "largest plaintiff wins" by *Missouri Lawyers Weekly* in 2010, 2009, and 2007. Hoffman, Sprong, Paperner, and Mulligan also are the plaintiffs' attorneys in the suit filed by Winchester.