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Time of Request: Tuesday, November 04, 2008 22:53:17 EST
Client ID/Project Name: 080006.0197.05689
Number of Lines: 91
Job Number: 1822:123260506

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As of: Nov 04, 2008

JOSEPH LADD, ET AL VERSUS EQUICREDIT CORPORATION OF AMERICA

CIVIL ACTION NO. 00-2688 SECTION "N"

**UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF
LOUISIANA**

2001 U.S. Dist. LEXIS 2256

February 21, 2001, Decided

February 21, 2001, Filed; February 22, 2001, Entered

DISPOSITION: [*1] Defendant EquiCredit Corporation of America's Motion to Stay All Class Certification Issues Pending Resolution of its Motion for Summary Judgment GRANTED.

CASE SUMMARY:

PROCEDURAL POSTURE: Plaintiff mortgaged his home to defendant. Plaintiff claimed defendant charged him for property inspections that were never performed, and he filed suit as a putative class action, alleging defendant committed mail fraud by routinely adding unauthorized charges to its customers' loan accounts. Defendant moved to stay discovery on all class certification issues pending the resolution of its motion for summary judgment.

OVERVIEW: The court found that since a decision on the merits could render all class certification issues moot, it could properly refuse to entertain motions for class certification and related discovery until dispositive motions were resolved. Moreover, the merits of the case had no impact on whether the class could be properly maintained, and the court determined it could decide the merits of the case regardless of whether it was certified as a class action. Accordingly, defendant's motion was granted.

OUTCOME: Defendant's motion to stay all class certification issues pending resolution of its motion for summary judgment was granted; granting the motion was in the interest of judicial economy, since a decision on the merits could render all class certification issues moot.

LexisNexis(R) Headnotes

Civil Procedure > Discovery > General Overview

[HN1] A trial court has broad discretion and inherent power to stay discovery until preliminary questions that may dispose of the case are determined.

Civil Procedure > Discovery > General Overview

[HN2] Since a decision on the merits may render all class certification issues moot, a court may properly refuse to entertain motions for class certification and related discovery until dispositive motions have been resolved.

COUNSEL: For JOSEPH LADD, plaintiff: Donni Elizabeth Young, Scott Michael Galante, Ness, Motley, Loadholt, Richardson & Poole, Dawn Adams Wheelahan, Dawn Adams Wheelahan, Attorney at Law, New Orleans, LA.

For defendant: Lisa D. Munyon, McGlinchey, Stafford & Lang, Stephen Winthrop Rider, Anthony J. Rollo, Jr., Lauren Zimmermann Garvey, McGlinchey Stafford, PLLC, New Orleans, LA.

JUDGES: EDITH BROWN CLEMENT, UNITED STATES DISTRICT JUDGE.

OPINION BY: EDITH BROWN CLEMENT

OPINION

ORDER AND REASONS

Before the Court is defendant EquiCredit Corporation of America's Motion to Stay All Class Certification Issues Pending Resolution of its Motion for Summary Judgment. For the following reasons, defendant's motion is GRANTED.

BACKGROUND

In 1998, plaintiff Joseph Ladd ("Ladd") mortgaged his home to defendant EquiCredit Corporation of America ("EquiCredit"). Ladd claims that EquiCredit charged him over \$ 2,000.00 for property inspections that were never performed, and he has filed the instant suit as a putative class action, alleging [*2] that EquiCredit committed mail fraud by routinely adding unauthorized charges to its customers' loan accounts.

EquiCredit now moves to stay discovery on all class certification issues pending the resolution of its Motion for Summary Judgment, which is set for hearing on March 7, 2001. EquiCredit does not seek to stay discovery on the issues related to its Motion for Summary Judgment.

LAW AND ANALYSIS

[HN1] A "trial court has broad discretion and inherent power to stay discovery until preliminary

questions that may dispose of the case are determined." *Petrus v. Bowen*, 833 F.2d 581, 582 (5th Cir. 1987). In the case at bar, defendant EquiCredit has filed a summary judgment motion that may be dispositive of the plaintiff's claims. [HN2] Since a decision on the merits may render all class certification issues moot, the Court may properly refuse to entertain motions for class certification and related discovery until dispositive motions have been resolved. *See Wade v. Kirkland*, 118 F.3d 667, 670 (9th Cir.1997) (holding that "in some cases, it may be appropriate in the interest of judicial economy to resolve a motion for summary judgment or motion to dismiss [*3] prior to ruling on class certification"). Moreover, the merits of a case have no impact on whether a class may be properly maintained, and a court may decide the merits of a case regardless of whether it is certified as a class action. *See, Eisen v. Carlisle and Jacquelin*, 417 U.S. 156, 178, 40 L. Ed. 2d 732, 94 S. Ct. 2140 (1974); *Floyd v. Bowen*, 833 F.2d 529, 534-35 (5th Cir. 1987). Accordingly, because the Court finds that it is in the interests of justice and judicial economy to stay all class certification issues until it is determined whether Ladd has any valid claims against EquiCredit, the defendant's motion is GRANTED.¹

1 However, Ladd is entitled to discovery on issues related to EquiCredit's Motion for Summary Judgment.

CONCLUSION

IT IS ORDERED that defendant EquiCredit Corporation of America's Motion to Stay All Class Certification Issues Pending Resolution of its Motion for Summary Judgment is GRANTED.

New Orleans, Louisiana, this 21 day of February, [*4] 2001.

EDITH BROWN CLEMENT

UNITED STATES DISTRICT JUDGE

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