

Smoke-and-Mirrors of “Juridical Link” Doctrine Won’t Save Plaintiffs Who Lack Standing

BY JAMES KIRTLEY

In *Neese v. Lithia Chrysler Jeep of Anchorage, Inc.*, a putative class action alleging that four car dealerships failed to make statutorily-required disclosures in connection with the sale of used cars, the Supreme Court of Alaska held that the plaintiffs could not rely on the “juridical link” doctrine to establish standing against two of the dealerships, because the plaintiffs had not alleged that class representatives actually purchased vehicles from those dealerships. The juridical link doctrine is an exception to the general rule that a class action plaintiff with no cause of action against a particular defendant cannot fairly and adequately protect the interests of those who do have a cause of action. The doctrine is sometimes applied when all the defendants in an action are “juridically related” in a manner suggesting that a single resolution of the controversy would be “expeditious.”

In *Neese*, the plaintiffs argued that the four defendants were juridically linked by common ownership and, therefore, had sufficient standing to maintain suit against the two dealerships regarding which they made no allegations of purchase of vehicles. In rejecting the argument, the Alaska Supreme Court observed that the juridical link doctrine has no bearing on issues of standing; it is instead a doctrine “intended to be applied only in the context of class certification” to the questions of typicality and adequacy of representation. The court also noted that if the plaintiffs had wished to sue the dealerships for collective wrongdoing, they should have also named the umbrella corporation that owned them.

More than Lack of Conflict Required to Represent Class

BY LARA O’DONNELL GRILLO

In *Spinelli v. Capital One Bank*, the Middle District of Florida denied class certification on grounds that the plaintiffs failed to show they were adequate class representatives. Adopting the magistrate judge’s report and recommendation, the court held that, although plaintiffs did not have an apparent conflict with the class, they nevertheless failed to meet the adequacy requirement of Federal Rule 23(a)(4). The court noted that the adequacy requirement encompasses two separate inquiries:

- (1) whether any substantial conflicts of interest exist between the representatives and the putative class, and
- (2) whether the representatives will adequately prosecute the action.



Named plaintiffs must show they are adequate class representatives

Plaintiffs failed to meet the second requirement. Specifically, the court found that plaintiffs presented no evidence, that they understood the responsibility inherent in representing potentially hundreds of thousands of unnamed class members, and they failed to establish that they understood the case and were willing and able to take an active role in the litigation. The case stands in contrast to those opinions which focus exclusively on the conflict-of-interest element of the class certification rule’s adequacy prong and thereby relieve plaintiffs from their burden of establishing that they will adequately prosecute the action.