

CASE STUDIES

Class Action Escalation Averted: Favorable Settlement Achieved for a National Retailer

Consumer Class Action

Clients: American retailer and distributor

Client industry: National retailer of automotive parts and accessories

Court: U.S District Court for the Southern District of Florida

Result: Individual settlement reached with plaintiff and counsel through early mediation, avoiding reputational damage and potential escalation into a nationwide class action.

Our team represented a national retailer of automotive parts and accessories in a consumer class action alleging false advertising and consumer fraud under state consumer protection laws. The lawsuit centered on claims that a steering wheel cover was falsely marketed as "genuine leather" when it allegedly did not meet that standard, raising broader concerns about product labeling and compliance.

At the outset, our team removed the case to federal court, relying on our experience before the assigned judge to inform and strengthen our early strategy. Through early case analysis, we worked closely with the client's compliance team to assess exposure while developing an aggressive defense. We focused our strategy on the absence of actual consumer damages (given the low price paid and the equivalent value of the item) and the plaintiff's inability to support class certification. The judge placed the case on a "rocket docket," and we buckled down and adhered closely to the schedule, applying pressure to plaintiff's counsel. We deposed the plaintiff and secured favorable testimony that undermined his fraud and misrepresentation claims.

When plaintiff's counsel had difficulty meeting aggressive discovery and case deadlines, we requested early mediation before expensive client depositions and expert fees were incurred. The mediator we selected was highly regarded and experienced in resolving class actions. We reached an individual settlement with the plaintiff and then negotiated counsel's fees. The matter was successfully resolved, avoiding protracted litigation, minimizing regulatory and reputational risk, and delivering a result the client viewed as highly favorable.