

THE RISE OF "PROFESSIONAL OBJECTORS" IN THE CLASS ACTION SETTLEMENTS

The Los Angeles Daily Journal published an article by Brian Kabateck and Alfredo Torrijos on July 8, 2010, in which the authors explore the tendency for absent class members to object to class action settlements -- sometimes in hopes of extracting financial settlements with plaintiffs lawyers representing the class. Kabateck and Torrijos outline techniques to deal with so-called "professional objectors," so that the class action objection process remain intact but motivations for frivolous objections are eliminated. One of those techniques is the "quick pay" provision.

"Quick pay is a provision included in the settlement agreement whereby the parties agree that class counsel will receive whatever fees the trial court awards as soon as the court approves the settlement, regardless of whether the approval of that settlement is appealed," wrote Kabateck and Torrijos. "If the settlements or fee awards are reversed on appeal, then class counsel will refund the fees to the defendants."