



March 6, 2023

Chair Jamie Becker-Finn and Members of the House Judiciary and Civil Law Committee,

On Behalf of the Minnesotans for Lawsuit Reform (MnFLR) coalition, we have significant concerns with House File 1459, the bill that would allow individual lawsuits claiming a violation of the state's Consumer Fraud Act.

The bill would overturn two decades of legal precedent on the interpretation of Minnesota Statutes §325.69, sub. 1 (Consumer Fraud Act) and §8.31, sub. 3(a) (awards attorney's fees under the Private Attorney General Act). The precedent established a public benefit test in a Minnesota Supreme Court case known as *Ly vs. Nystrom* (615 N.W.302 (2000)).

We are not aware of what problems the proponents of H.F. 1459 are attempting to address in Minnesota. MnFLR is concerned that the lack of a public benefit test in H.F. 1459 could encourage an onslaught of consumer fraud cases similar to those that many business owners faced a few years ago for alleged ADA violations. Many of the cases were brought by the now disbarred Paul Hansmeier in his serial litigation.

MnFLR would like to see a clarification that under H.F. 1459 a plaintiff should have suffered actual harm, either direct or indirect, before bringing an action. Without such language, we contend a plaintiff could sue under §325F.68 with no public benefit and no damages and still be permitted to collect attorney's fees.

Our coalition has had several discussions with attorney Ron Elwood of Mid-Minnesota Legal Aid about some proposed changes which we understand will be likely be reflected in a committee amendment. MnFLR is committed to ongoing and further discussions with Legal Aid to attempt to resolve outstanding issues of concern to all parties.

Respectfully,

Doug Grawe, CEO, The Grawe Group  
Board Chair, Minnesota for Lawsuit Reform