

SUPREME COURT OF ALASKA

Neese v. Lithia Chrysler Jeep of Anchorage, Inc.

210 P.3d 1213 (Alaska 2009) · No. S-12725 · Decided July 10, 2009

SUMMARY

The Alaska Supreme Court held that named plaintiffs lacked interest-injury standing to sue two automobile dealerships because they did not allege that they purchased vehicles from or were injured by those dealerships. The court rejected use of the juridical link doctrine to establish standing and upheld consideration of standing before class certification. However, it held that the superior court abused its discretion by entering partial final judgment without adequately considering the plaintiffs’ request to amend the complaint and add class representatives with standing.

CASE DETAILS

COURT	Supreme Court of Alaska
WRITING FOR THE COURT	Carpeneti, Justice; Matthews, Justice; Eastaugh, Justice; Winfree, Justice
JURISDICTION	Alaska
DECIDED	July 10, 2009
DOCKET	S-12725
DISPOSITION	reversed_and_remanded
PROCEDURAL POSTURE	Appeal from an order dismissing claims under Alaska Civil Rules 12(b)(1) and 12(b)(6), and from entry of partial final judgment under Civil Rule 54(b) in favor of two dealerships in a putative consumer class action.
STANDARD OF REVIEW	De novo review applied to dismissal for failure to state a claim, dismissal for lack of subject matter jurisdiction, and standing; abuse-of-discretion review applied to entry of final judgment under Alaska Civil Rule 54(b).
PRECEDENTIAL VALUE	Published Alaska Supreme Court opinion; precedential.
PARTIES	Jackie Lee Neese, Thomas David Dicus, Michelle Renee Enos, Cheryl Francis Grundman, Keith Allen Grundman, Shan Keoke Gull, on behalf of Genevieve Marguerite Gull, David Martin Rees, Elizabeth Alden Rees, all others similarly situated v. Lithia Chrysler Jeep of Anchorage, Inc., Lithia of Anchorage, Inc. d/b/a Lithia Dodge of

South Anchorage, Lithia of Southcentral Alaska, Inc. d/b/a Chevrolet of South Anchorage, Chevrolet of Wasilla, Saab of South Anchorage, Lithia Imports of Anchorage, Inc. d/b/a Lithia Hyundai of Anchorage

TOPICS

class actions standing motions to dismiss final judgment rule appellate procedure

PRACTICE AREAS

civil procedure class actions consumer protection appellate procedure remedies

QUESTIONS PRESENTED

1. Whether the named plaintiffs had standing to sue Lithia Hyundai and Lithia Chevrolet when the complaint did not allege that any named plaintiff purchased a vehicle from or was injured by either dealership.
2. Whether the juridical-link doctrine or the putative class allegations supplied standing against defendants with whom the named plaintiffs had no dealings.
3. Whether the superior court properly considered standing before class certification.
4. Whether the superior court abused its discretion by entering partial final judgment under Civil Rule 54(b) without a showing of hardship or good cause and without permitting amendment to add class representatives with standing.

HOLDINGS

1. The named plaintiffs lacked interest-injury standing to sue Lithia Hyundai and Lithia Chevrolet because the complaint did not allege that any named plaintiff was injured by either dealership. Without standing, the complaint also failed to state a claim against those defendants, so dismissal under Rules 12(b)(1) and 12(b)(6) was proper.
2. The juridical-link doctrine does not confer standing against defendants with whom the named plaintiffs had no dealings. The doctrine concerns class-certification issues such as typicality and adequacy, not the threshold requirement that named plaintiffs personally demonstrate injury.
3. The superior court did not err by addressing standing before class certification. Standing is a threshold inquiry and an inherent prerequisite to determining whether a plaintiff may represent a class.
4. The superior court abused its discretion by entering partial final judgment under Civil Rule 54(b) without a showing of hardship or another valid reason for immediate judgment and without allowing the consumers an opportunity to amend their complaint to add class representatives with standing.

KEY QUOTATIONS

"That a suit may be a class action... adds nothing to the question of standing, for even named plaintiffs who represent a class "must allege and show that they personally have been injured, not that injury has been

suffered by other, unidentified members of the class to which they belong and which they purport to represent.”” (1220)

“Because individual standing requirements constitute a threshold inquiry, the proper procedure when the class plaintiff lacks individual standing is to dismiss the complaint, not to deny the class for inadequate representation.” (1222)

“The finding should not be made simply because counsel request it. There should be some danger of actual hardship caused by delay in entry of final judgment.” (1223)

“Because the consumers indicated their intent to amend their complaint and add class representatives with standing against Lithia Hyundai and Lithia Chevrolet, and because the dealerships did not show hardship or any other valid reason for final judgment, it was an abuse of discretion for the court to find that there was no just reason for delay and to enter partial final judgment under Rule 54(b).” (1225)

FACTUAL BACKGROUND

The consumers alleged that Lithia dealerships failed to disclose used vehicles' accident, repair, purchase, and foreign-manufacture histories as required by Alaska statutes. The named plaintiffs alleged purchases from Lithia Chrysler and Lithia Dodge, but the complaint did not allege that any named plaintiff purchased a vehicle from Lithia Hyundai or Lithia Chevrolet or was injured by those dealerships. After dismissal, the consumers sought to amend the complaint to add representatives who allegedly purchased vehicles from the dismissed dealerships without receiving required disclosures.

PROCEDURAL HISTORY

Consumers filed a putative class action alleging that Lithia dealerships violated Alaska vehicle-disclosure and consumer-protection statutes. The superior court dismissed claims against Lithia Hyundai and Lithia Chevrolet for lack of standing and failure to state a claim, later entered partial final judgment under Civil Rule 54(b), and denied reconsideration after the consumers sought to amend the complaint to add representatives who had purchased vehicles from the dismissed dealerships. The Alaska Supreme Court affirmed the dismissal ruling but reversed the entry of partial final judgment and remanded.

DISPOSITION

reversed_and_remanded

REMAND INSTRUCTIONS

Remand to the superior court to permit amendment of the complaint with new class representatives who purchased used vehicles from Lithia Chevrolet and Lithia Hyundai but did not receive statutorily required disclosures.

CASES CITED

- J & L Diversified Enters., Inc. v. Municipality of Anchorage, 736 P.2d 349, 351 (Alaska 1987)
- Rathke v. Corr. Corp. of America, Inc., 153 P.3d 303, 308 (Alaska 2007)

- *Angnabooguk v. State*, 26 P.3d 447, 451 (Alaska 2001)
- *Guerrero v. Alaska Hous. Fin. Corp.*, 6 P.3d 250, 253-54 (Alaska 2000)
- *Kollodge v. State*, 757 P.2d 1024, 1025-26 (Alaska 1988)
- *Ruckle v. Anchorage Sch. Dist.*, 85 P.3d 1030, 1033 (Alaska 2004)
- *St. Paul Church, Inc. v. Bd. of Tr. of Alaska Missionary Conference of United Methodist Church, Inc.*, 145 P.3d 541, 549-50 (Alaska 2006)
- *Kinn v. Alaska Sales & Serv., Inc.*, 144 P.3d 474, 483 (Alaska 2006)
- *Trustees for Alaska v. State*, 736 P.2d 324, 327 (Alaska 1987)
- *Carpenter v. Hammond*, 667 P.2d 1204, 1210 (Alaska 1983)
- *Adams v. Pipeliners Union* 798, 699 P.2d 343, 346 (Alaska 1985)
- *La Mar v. H & B Novelty & Loan Co.*, 489 F.2d 461, 464-66 (9th Cir. 1973)
- *Matte v. Sunshine Mobile Homes, Inc.*, 270 F. Supp. 2d 805, 822 (W.D. La. 2003)
- *Simon v. E. Kentucky Welfare Rights Org.*, 426 U.S. 26, 40 n.20 (1976)
- *Warth v. Seldin*, 422 U.S. 490, 502 (1975)
- *In re Eaton Vance Corp. Sec. Litig.*, 220 F.R.D. 162, 165-71 (D. Mass. 2004)
- *Angel Music, Inc. v. ABC Sports, Inc.*, 112 F.R.D. 70, 74, 77 (S.D.N.Y. 1986)
- *Akerman v. Oryx Communications, Inc.*, 609 F. Supp. 363, 375-77 (S.D.N.Y. 1984)
- *Henry v. Circus Circus Casinos, Inc.*, 223 F.R.D. 541, 544 (D. Nev. 2004)
- *Payton v. County of Kane*, 308 F.3d 673, 680 (7th Cir. 2002)
- *Ortiz v. Fibreboard Corp.*, 527 U.S. 815 (1999)
- *Rivera v. Wyeth-Ayerst Labs.*, 283 F.3d 315, 319 (5th Cir. 2002)
- *Bertulli v. Indep. Ass'n of Cont'l Pilots*, 242 F.3d 290, 294 (5th Cir. 2001)
- *Johnson v. State*, 577 P.2d 706, 710-11 (Alaska 1978)
- *S & B Mining Co. v. Northern Commercial Co.*, 813 P.2d 264, 269 (Alaska 1991)
- *Dinsmore-Poff v. Alvord*, 972 P.2d 978, 988 (Alaska 1999)
- *Williams v. Mammoth of Alaska, Inc.*, 890 P.2d 581, 586 (Alaska 1995)
- *Cole v. State Farm Insurance Co.*, 128 P.3d 171, 173 n.2 (Alaska 2006)
- *Bradford v. First National Bank of Anchorage*, 932 P.2d 256, 263 (Alaska 1997)
- *Adkins v. Nabors Alaska Drilling, Inc.*, 609 P.2d 15, 19 (Alaska 1980)
- *Alyeska Pipeline Service Co. v. Shook*, 978 P.2d 86, 87, 91 (Alaska 1999)

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