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POINTS OF INTEREST

NEWS AND VIEWS OF THE SPANGENBERG LAW FIRM.

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This newsletter is intended to provide information regarding this law firm, legal issues, and public events. It is not legal advice. Every case is unique. Do not rely on information in this newsletter to make decisions without consulting with an attorney. You may copy and distribute this newsletter only in its entirety.

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CONSUMERS DENIED THEIR DAY IN COURT: THE IMPACT OF MANDATORY ARBITRATION CLAUSES

BY: PETER H. WEINBERGER, ESQ.



Last month, the Consumer Financial Protection Bureau (CFPB) announced that it was planning to issue a new rule to deal with mandatory arbitration clauses in consumer financial services contracts. Virtually every consumer contract now includes, in its fine print, a two-step process that says you agree that: 1) any disputes that you have with the company will be decided by mandatory arbitration; and 2) you waive your right to join in any class action lawsuit against the company.

In a recent series of articles, The New York Times revealed the findings of an exhaustive investigation, which examined how clauses buried in tens of millions of contracts have deprived Americans of one of their most fundamental constitutional rights: their day in court, which is guaranteed by the 7th amendment to the U.S. Constitution.

By inserting individual arbitration clauses - coupled with class action bans - into consumer contracts, companies have found

a way to circumvent the courts, shielding themselves from liability and barring American citizens from joining together in class-action lawsuits, realistically the only tool they have to fight illegal or deceitful business practices. A class action lawsuit allows individuals who have lost small amounts of money and who do not have the financial resources to mount a lawsuit against a corporate giant to join together to seek relief. Yet important consumer class action lawsuits are being thrown out because of these clauses.

If you have been wronged by a corporation but are barred by the mandatory arbitration clause in your contract from filing your case in court, you have to file it with one of the private companies that hear arbitrations. Protections that a consumer has in court are not available in an arbitration and to make matters worse, the company that provides your hearing officer knows that if they rule in your favor, they might not get hired to hear

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MANDATORY ARBITRATION CLAUSES – CONTINUED

more cases. Arbitrations are not public and may even come with rules that forbid you from talking about what happened.

By contrast, when you can bring a lawsuit in court, you can bring it in the state where you live, the decision will be made by a judge who will either face re-election or will face some other type of public scrutiny, you have the right to complain in public about the decision and the process, you are entitled to get documents about your case from the other side and a chance to question them under oath, you can appeal the decision, and the other side will know that whatever they do or say to you will be publicly known.

The rule proposed by the CFPB is a small start in the right direction. If adopted, it would put an end to the financial industry's ability to make you waive your right to use a class action lawsuit when they misbehave. What it would not do is put an end to the mandatory arbitration clauses. Because the CFPB has no jurisdiction over contracts for the purchase of non-financial consumer products, the only mandatory arbitration clauses that would be covered by their rule will be those that are in contracts for consumer financial products that take away a consumer's right to participate in a class action. However, the national discussion about the harm being caused by these contract provisions will hopefully lead to greater protections for consumers.

ANNOUNCEMENTS

Congratulations and shout-out to Cleveland Marshall College of Law student **Brooke Hamilton**, the 2015 recipient of the Spangenberg Trial Practice Award, for her excellence in trial practice and procedure. Brooke is shown here with alumnus **Peter J. Brodhead** (J.D. 1979), a partner in the Spangenberg Law Firm, who had the privilege of presenting the award at the law school's annual Academic Awards Ceremony.



Attorney **Jeremy A. Tor** has been appointed to the Board of Federal Bar Association, Northern District of Ohio Chapter. This is an exciting time for the Chapter, as Cleveland will host the annual FBA's National Convention in September 2016. Jeremy will sit on the National Convention Committee, which has responsibility for planning the Convention. This is a great opportunity not only to highlight the activities of the Northern District of Ohio Chapter, but also, to showcase Cleveland to Convention attendees from around the country.



Attorney Peter Brodhead has once again stepped up to make a life saving donation to The American Red Cross through the platelet apheresis program. One platelet donation can be worth from 12 to 18 whole blood donations. This means that Peter's 112 donations to date are the equivalent of up to 2,016 whole pint donations!

HAPPY ANNIVERSARY!

2015 has been a big year for anniversaries at the Spangenberg Law Firm. Celebrating their 35th anniversary this year with the firm are partners **William Hawal** and **Peter J. Brodhead**. Partner **Dennis R. Lansdowne** is celebrating his 30th anniversary. And hats off to partner **Stuart E. Scott** in recognition of his 20 years with the firm. Collectively, these attorneys have been practicing law and helping clients at the Spangenberg Law Firm for 120 years! Congratulations to all.

BRINGING HOLIDAY CHEER TO THOSE IN NEED

The Centers



The Spangenberg Law Firm team is once again working behind the scenes to deliver a fantastic holiday to area families. This year we are sponsoring two families through our partnership with The Centers for Families and Children.

If you would like to learn more about how you can adopt a family during this giving season, visit www.TheCentersOhio.org.

STAFF SPOTLIGHT: UZMA AHMED



We are pleased to shine the spotlight this month on our Accounting and HR Manager, Uzma Ahmed. Uzma assists all of the members of the Spangenberg team, with responsibilities in the areas of accounting and human resources. Uzma's skills and attention to detail ensure smooth operations in our administrative area.

Uzma joined the Spangenberg Team in 2015, bringing expertise in accounting and bookkeeping as well as enthusiasm and an infectious laugh. Uzma received her undergraduate degree in Accounting from the University of Phoenix and she is currently pursuing a Master of Accountancy degree. Uzma has two sons, who are both in college, and a daughter who is in the 5th grade. In addition to her many talents, Uzma is fluent in four languages.

COLLEGE SCHOLARSHIP ANNOUNCED

Spangenberg Shibley & Liber



Video PSA Scholarship Contest

Spangenberg Shibley & Liber LLP is pleased to announce its 2016 Spangenberg Law Firm Video PSA College Scholarship Contest.

Since 1946, The Spangenberg Law firm has been fighting for justice on behalf of injured parties throughout the United States — whether personal injury, medical malpractice, pharmaceutical torts, consumer class actions, or in disputes between businesses. We are passionate about serving the community and about protecting the rights of our clients.

We invite students who will be in college next year and who share our passion about important societal issues to participate in our 2016 Spangenberg Law Firm Video PSA Scholarship Contest. Entrants will submit their original 30-to-60-second video Public Service Announcement (also known as a PSA) on one of the following four topics:

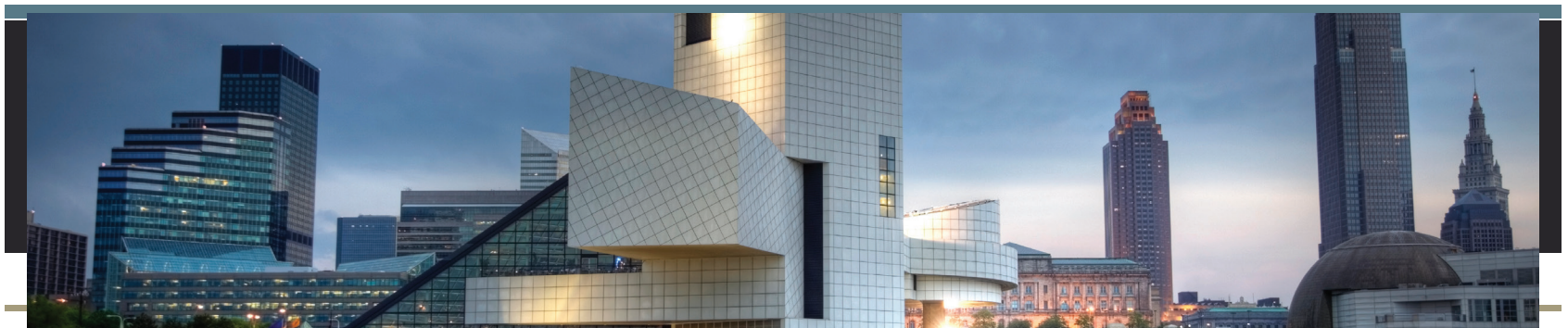
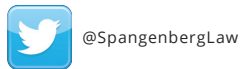
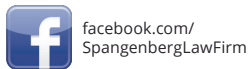
- What can students do to help prevent bullying?
- Elections: Why is voting important?
- How can we help young people make healthier food choices at home and in school?
- Distracted driving: What can young people do to help end this epidemic?

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Leave Blank for Address



A referral from a client or friend is the greatest compliment our firm can receive. We are grateful for every one of these gestures and for the confidence you place in us by doing so. From all of us at Spangenberg Shibley & Liber, we express our sincere appreciation. Thank you!

MANUFACTURING COMPANY HELD RESPONSIBLE FOR WORKER'S INJURIES



Our client, Xavier Lunsford, was hired by a plastics manufacturing company three weeks after graduating from high school. He had no prior experience with industrial machinery and received no safety training upon joining the company. Nevertheless, a week into the job, the company instructed him to operate a router machine, which spins a steel blade at speeds up to 21,000 RPM. In the past, the company had a safety guard on the machine to protect workers' fingers from coming into contact with the blade. But the company had removed the guard before assigning Xavier to the machine. Xavier's job



was to shave the edges off small rectangular plastics sheets. One sheet had an imperfection, which jumped when it came into contact with the router. The blade trapped Xavier's thumb and hollowed it out. The thumb could not be saved and had to be surgically amputated. Xavier was diagnosed with Post-Traumatic Stress Disorder. His dream of joining the military was destroyed.

Xavier was represented at trial by Spangenberg Law Firm attorneys Nicholas DiCello and Jeremy Tor. Trial lasted a week, and the jury returned a verdict for Xavier in the amount of \$400,000. The case settled before proceeding to the punitive damages phase. With this verdict, the jury held the manufacturing company accountable for violating workplace safety and needlessly endangering a young, inexperienced worker.