



March 09, 2017

Dear Representative:

On behalf of the National Federation of Independent Business (NFIB), the nation's leading small business advocacy organization, I'm writing to express our support for H.R. 720, the *Lawsuit Abuse Reduction Act of 2017*. This legislation significantly helps to reduce the filing of frivolous lawsuits and motions by amending Rule 11 of the Federal Rules of Civil Procedure. **A vote on final passage of H.R. 720 will be considered an NFIB Key Vote for the 115th Congress.**

As you may know, since 1993, the Rule 11's effectiveness in preventing frivolous filings has diminished. The Civil Rules Advisory Committee, despite overwhelming support for the rule from federal judges, decided to weaken the rule by creating a "safe harbor" provision that allows parties and their counsels to avoid sanctions simply by withdrawing their frivolous claims within 21 days of filing the motion for sanction. This "safe harbor" provision gutted Rule 11 and took away a deterrent from filing frivolous lawsuits.

Even if the frivolous lawsuit is withdrawn or dismissed, the victim still has legal expenses that can easily add up to thousands of dollars. Therefore, it is of critical importance that H.R. 720 provides those who are hit with frivolous lawsuits with a reasonable opportunity to seek reimbursement for their legal expenses. Legal expenses from frivolous lawsuits can result in lost jobs and increased financial hardship.

Eighty-four percent of NFIB members agree that attorneys should face mandatory sanctions if they bring forth a frivolous lawsuit. H.R. 720 provides for that; once a judge finds that a claim is frivolous under existing legal principles, the court must impose a sanction. The bill restores the ability of federal judges to use sanctions to compensate an injured party for his or her reasonable attorneys' fees and costs resulting from a frivolous claim.

The *Lawsuit Abuse Reduction Act* helps to reduce the number of frivolous lawsuits and the exorbitant costs that can drive many businesses to financial ruin. **NFIB urges the House to pass H.R. 720 and will consider it an NFIB Key Vote for the 115th Congress.**

Sincerely,

A handwritten signature in black ink that reads "Juanita D. Duggan". The signature is fluid and cursive, with a long horizontal stroke at the end.

Juanita D. Duggan
President & CEO
NFIB