

SECOND REGULAR SESSION

# SENATE BILL NO. 832

99TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR ROWDEN.

Pre-filed December 29, 2017, and ordered printed.

ADRIANE D. CROUSE, Secretary.

5036S.02I

## AN ACT

To repeal sections 407.025, 508.010, and 537.762, RSMo, and to enact in lieu thereof seven new sections relating to civil actions.

*Be it enacted by the General Assembly of the State of Missouri, as follows:*

Section A. Sections 407.025, 508.010, and 537.762, RSMo, are repealed  
2 and seven new sections enacted in lieu thereof, to be known as sections 407.012,  
3 407.025, 407.027, 508.010, 537.761, 537.762, and 537.763, to read as follows:

**407.012. 1. In a civil action brought under section 407.025, absent  
2 a state statute to the contrary, the courts shall be guided by the  
3 policies of the Federal Trade Commission and interpretations given by  
4 the Federal Trade Commission and the federal courts to Section 5(a)(1)  
5 of the Federal Trade Commission Act, 15 U.S.C. Section 45(a)(1), as  
6 amended.**

7 **2. Section 407.025 shall not apply to actions or transactions  
8 otherwise permitted, approved, or regulated by the Federal Trade  
9 Commission or any other regulatory agency acting under statutory  
10 authority of this state or the United States.**

407.025. 1. Any person who purchases or leases merchandise primarily  
2 for personal, family or household purposes and thereby suffers an ascertainable  
3 loss of money or property, real or personal, as a result of the use or employment  
4 by another person of a method, act or practice declared unlawful by section  
5 407.020, may bring a private civil action in either the circuit court of the county  
6 in which the seller or lessor resides or in which the transaction complained of  
7 took place, to recover actual damages. **A person seeking to recover damages  
8 shall demonstrate that he or she acted reasonably in light of all the**

**EXPLANATION—Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.**

9 circumstances and establish his or her individual damages with  
10 sufficiently definitive and objective evidence to allow the loss to be  
11 calculated with a reasonable degree of certainty. The damages shall be  
12 measured by the person's out-of-pocket loss, which shall be defined as  
13 an amount of money equal to the difference between the amount paid  
14 by the consumer for the good or service and the actual market value of  
15 the good or service that the consumer actually received. In order to  
16 recover damages under this section, each person shall be required to  
17 prove that the method, act, or practice declared unlawful by section  
18 407.020 caused him or her to enter into the transaction that resulted in  
19 his or her damages. The court may, in its discretion, award punitive damages  
20 [and]. The court may, in its discretion, award to the prevailing party  
21 attorney's fees, based on the amount of time reasonably expended, and may  
22 provide such [equitable] injunctive relief as it deems necessary or proper to  
23 protect the prevailing party from the methods, acts, or practices  
24 declared unlawful by section 407.020. No action may be brought under  
25 this section to recover damages for personal injury or death. A cause  
26 of action under this section accrues on the date of the purchase or  
27 lease described in the first sentence of this section.

28 2. Persons entitled to bring an action pursuant to subsection 1 of this  
29 section may, if the unlawful method, act or practice has caused similar injury to  
30 numerous other persons, institute an action as representative or representatives  
31 of a class against one or more defendants as representatives of a class, and the  
32 petition shall allege such facts as will show that these persons or the named  
33 defendants specifically named and served with process have been fairly chosen  
34 and adequately and fairly represent the whole class, to recover **compensatory**  
35 **but not punitive** damages as provided for in subsection 1 of this section. The  
36 plaintiff shall be required to prove such allegations, unless all of the members of  
37 the class have entered their appearance, and it shall not be sufficient to prove  
38 such facts by the admission or admissions of the defendants who have entered  
39 their appearance. **In order to recover damages in a class action under**  
40 **this section, each class member shall be required to prove that his or**  
41 **her damages were proximately caused by the method, act, or practice**  
42 **declared unlawful by section 407.020, and that the method, act, or**  
43 **practice caused the class member to enter into the transaction that**  
44 **resulted in his or her damages. The court shall not infer that damages**

45 **proven to have been suffered by one or more class members were**  
46 **suffered by all class members.** In any action brought pursuant to this  
47 section, the court may in its discretion order[, in addition to damages, injunction  
48 or other equitable relief and] **enjoin the methods, acts, or practices**  
49 **declared unlawful by section 407.020. The court may also determine a**  
50 **proposed award of** reasonable attorney's fees **for the counsel to the**  
51 **class. Attorney's fees, if awarded, shall bear a reasonable relationship**  
52 **to the amount of the judgment.**

53           3. An action may be maintained as a class action in a manner consistent  
54 with Rule 23 of the Federal Rules of Civil Procedure and Missouri rule of civil  
55 procedure 52.08 to the extent such state rule is not inconsistent with the federal  
56 rule if:

57           (1) The class is so numerous that joinder of all members is impracticable;

58           (2) There are questions of law or fact common to the class;

59           (3) The claims or defenses of the representative parties are typical of the  
60 claims or defenses of the class; and

61           (4) The representative parties will fairly and adequately protect the  
62 interests of the class; and, in addition

63           (5) The prosecution of separate action by or against individual members  
64 of the class would create a risk of:

65           (a) Inconsistent or varying adjudications with respect to individual  
66 members of the class which would establish incompatible standards of conduct for  
67 the party opposing the class; or

68           (b) Adjudications with respect to individual members of the class which  
69 would as a practical matter be dispositive of the interests of the other members  
70 not parties to the adjudications or substantially impair or impede their ability to  
71 protect their interests; or

72           (6) The party opposing the class has acted or refused to act on grounds  
73 generally applicable to the class, thereby making appropriate final injunctive  
74 relief or corresponding declaratory relief with respect to the class as a whole; or

75           (7) The court finds that the questions of law or fact common to the  
76 members of the class predominate over any questions affecting only individual  
77 members, and that a class action is superior to other available methods for the  
78 fair and efficient adjudication of the controversy. The matters pertinent to the  
79 findings include:

80           (a) The interest of members of the class in individually controlling the

81 prosecution or defense of separate actions;

82 (b) The extent and nature of any litigation concerning the controversy  
83 already commenced by or against members of the class;

84 (c) The desirability or undesirability of concentrating the litigation of the  
85 claims in the particular forum;

86 (d) The difficulties likely to be encountered in the management of a class  
87 action.

88 4. (1) As soon as practicable after the commencement of an action brought  
89 as a class action, the court shall determine by order whether it is to be so  
90 maintained. An order pursuant to this subdivision may be conditional, and may  
91 be altered or amended before the decision on the merits. **An order permitting**  
92 **a class action shall specify how the class claims and any issues**  
93 **affecting only individual members, raised by the claims or defenses**  
94 **asserted in the pleadings, will be tried in a manageable, time efficient**  
95 **manner.**

96 (2) In any class action maintained pursuant to subdivision (7) of  
97 subsection 3 of this section, the court shall direct to the members of the class the  
98 best notice practicable under the circumstances, including individual notice to all  
99 members who can be identified through reasonable effort. The notice shall advise  
100 each member that:

101 (a) The court will exclude such member from the class if such member so  
102 requests by a specified date;

103 (b) The judgment, whether favorable or not, will include all members who  
104 do not request exclusion; and

105 (c) Any member who does request exclusion may, if such member desires,  
106 enter an appearance through such member's counsel.

107 (3) **Prior to an entry of a judgment against a defendant in an**  
108 **action maintained as a class action under subsection 3 of this section,**  
109 **the court shall require each member of the class claiming to be entitled**  
110 **to monetary relief to submit a statement in a form prescribed by the**  
111 **court requesting a specific dollar amount and providing information**  
112 **regarding the nature of his or her loss, injury, claim, or damage. No**  
113 **award of damages under this section shall be made without objective**  
114 **proof that the person or persons seeking damages suffered actual**  
115 **damages. No judgment shall be entered until the trier of fact has**  
116 **determined the amount of money, if any, owed to each class member**

117 **based upon his or her individual proof. The amount of judgment shall**  
118 **not exceed the sum of the money owed to each class member. The**  
119 **judgment shall identify each member of the class and his or her**  
120 **individual monetary award.** The judgment in an action maintained as a class  
121 action pursuant to subdivision (5) of subsection 3 of this section or subdivision (6)  
122 of subsection 3 of this section, whether or not favorable to the class, shall include  
123 and describe those whom the court finds to be members of the class. The  
124 judgment in an action maintained as a class action pursuant to subdivision (7)  
125 of subsection 3 of this section, whether or not favorable to the class, shall include  
126 and specify or describe those to whom the notice provided in subdivision (2) of  
127 this subsection was directed, and who have requested exclusion, and whom the  
128 court finds to be members of the class.

129 (4) When appropriate, **in a case that otherwise meets the class**  
130 **action requirements of subsection 3 of this section**, an action may be  
131 brought or maintained as a class action with respect to particular issues, or a  
132 class may be divided into subclasses and each subclass treated as a class, and the  
133 provisions of this section shall then be construed and applied accordingly.

134 5. In the conduct of actions to which this section applies, the court may  
135 make appropriate orders:

136 (1) Determining the course of proceedings or prescribing measures to  
137 prevent undue repetition or complication in the presentation of evidence or  
138 argument;

139 (2) Requiring, for the protection of the members of the class or otherwise  
140 for the fair conduct of the action, that notice be given in such manner as the court  
141 may direct to some or all of the members of any step in the action, or of the  
142 proposed extent of the judgment, or of the opportunity of members to signify  
143 whether they consider the representation fair and adequate, to intervene and  
144 present claims or defenses, or otherwise to come into the action;

145 (3) Imposing conditions on the representative parties or on intervenors;

146 (4) Requiring that the pleadings be amended to eliminate therefrom  
147 allegations as to representation of absent persons, and that the action proceed  
148 accordingly;

149 (5) Dealing with similar procedural matters.

150 6. A class action shall not be dismissed or compromised without the  
151 approval of the court, and notice of the proposed dismissal or compromise shall  
152 be given to all members of the class in such manner as the court directs.

153           7. Upon commencement of any action brought pursuant to subsection 1  
154 of this section, the plaintiff or plaintiffs shall inform the clerk of the court in  
155 which such action is brought, on forms to be provided by such clerk, that the  
156 action is brought pursuant to this section. The clerk of the court shall forthwith  
157 inform the attorney general of the commencement of such action, together with  
158 a copy of the complaint or other initial pleading, and, upon entry of any judgment  
159 or decree in the action, the clerk shall mail a copy of such judgment or decree to  
160 the attorney general.

161           8. Any permanent injunction, judgment or order of the court made  
162 pursuant to section 407.100 shall be prima facie evidence in an action brought  
163 pursuant to this section that the respondent used or employed a method, act or  
164 practice declared unlawful by section 407.020.

165           **9. In any suit seeking relief under section 407.025 or any suit for**  
166 **product liability, subsection 1 of section 507.040 shall not be satisfied**  
167 **if the plaintiffs' claims are based on separate occurrences. Separate**  
168 **purchases of the same product or service and separate injuries from**  
169 **the same product shall be considered separate occurrences for**  
170 **purposes of this section.**

**407.027. The provisions of sections 407.012 and 407.025 as enacted**  
2 **by this act shall only apply to causes of action that accrue on or after**  
3 **the effective date of this act.**

          508.010. 1. As used in this section, "principal place of residence" shall  
2 mean the county which is the main place where an individual resides in the state  
3 of Missouri. There shall be a rebuttable presumption that the county of voter  
4 registration at the time of injury is the principal place of residence. There shall  
5 be only one principal place of residence.

6           2. In all actions in which there is no count alleging a tort, venue shall be  
7 determined as follows:

8           (1) When the defendant is a resident of the state, either in the county  
9 within which the defendant resides, or in the county within which the plaintiff  
10 resides, and the defendant may be found;

11           (2) When there are several defendants, and they reside in different  
12 counties, the suit may be brought in any such county;

13           (3) When there are several defendants, some residents and others  
14 nonresidents of the state, suit may be brought in any county in this state in  
15 which any defendant resides;

16 (4) When all the defendants are nonresidents of the state, suit may be  
17 brought in any county in this state.

18 3. The term "tort" shall include claims based upon improper health care,  
19 under the provisions of chapter 538.

20 4. Notwithstanding any other provision of law, in all actions in which  
21 there is any count alleging a tort and in which the plaintiff was first injured in  
22 the state of Missouri, venue shall be in the county where the plaintiff was first  
23 injured by the wrongful acts or negligent conduct alleged in the action.

24 5. Notwithstanding any other provision of law, in all actions in which  
25 there is any count alleging a tort and in which the plaintiff was first injured  
26 outside the state of Missouri, venue shall be determined as follows:

27 (1) If the defendant is a corporation, then venue shall be in any county  
28 where a defendant corporation's registered agent is located or, if the plaintiff's  
29 principal place of residence was in the state of Missouri on the date the plaintiff  
30 was first injured, then venue may be in the county of the plaintiff's principal  
31 place of residence on the date the plaintiff was first injured;

32 (2) If the defendant is an individual, then venue shall be in any county  
33 of the individual defendant's principal place of residence in the state of Missouri  
34 or, if the plaintiff's principal place of residence was in the state of Missouri on  
35 the date the plaintiff was first injured, then venue may be in the county  
36 containing the plaintiff's principal place of residence on the date the plaintiff was  
37 first injured;

38 **(3) In any case in which the cause of action accrued on or after**  
39 **the effective date of this subdivision and in which venue is not**  
40 **expressly prescribed by subdivisions (1) or (2) of this subsection, venue**  
41 **shall be in the county containing the seat of state government;**

42 (4) Notwithstanding subdivisions (1) and (2) of this subsection, if the  
43 plaintiff was first injured in a foreign country in connection with any railroad  
44 operations therein and any defendant is a:

45 (a) Corporation that, either directly or through its subsidiaries, wholly  
46 owns or operates the foreign railroad; or

47 (b) Wholly owned subsidiary of a corporation that, either directly or  
48 through its subsidiaries, wholly owns or operates the foreign railroad;

49 then venue shall exclusively be in the county where any such defendant  
50 corporation's registered agent is located, regardless of venue as to any other  
51 defendant or, if the plaintiff's principal place of residence was in the state of

52 Missouri on the date the plaintiff was first injured, then venue may be in the  
53 county of the plaintiff's principal place of residence on the date the plaintiff was  
54 first injured.

55 6. Any action, in which any county shall be a plaintiff, may be commenced  
56 and prosecuted to final judgment in the county in which the defendant or  
57 defendants reside, or in the county suing and where the defendants, or one of  
58 them, may be found.

59 7. In all actions, process shall be issued by the court in which the action  
60 is filed and process may be served in any county within the state.

61 8. In any action for defamation or for invasion of privacy, the plaintiff  
62 shall be considered first injured in the county in which the defamation or  
63 invasion was first published.

64 9. In all actions, venue shall be determined as of the date the plaintiff was  
65 first injured.

66 10. All motions to dismiss or to transfer based upon a claim of improper  
67 venue shall be deemed granted if not denied within ninety days of filing of the  
68 motion unless such time period is waived in writing by all parties.

69 11. In a wrongful death action, the plaintiff shall be considered first  
70 injured where the decedent was first injured by the wrongful acts or negligent  
71 conduct alleged in the action. In any spouse's claim for loss of consortium, the  
72 plaintiff claiming consortium shall be considered first injured where the other  
73 spouse was first injured by the wrongful acts or negligent conduct alleged in the  
74 action.

75 12. The provisions of this section shall apply irrespective of whether the  
76 defendant is a for-profit or a not-for-profit entity.

77 13. In any civil action, if all parties agree in writing to a change of venue,  
78 the court shall transfer venue to the county within the state unanimously chosen  
79 by the parties. If any parties are added to the cause of action after the date of  
80 said transfer who do not consent to said transfer then the cause of action shall  
81 be transferred to such county in which venue is appropriate under this section,  
82 based upon the amended pleadings.

83 14. A plaintiff is considered first injured where the trauma or exposure  
84 occurred rather than where symptoms are first manifested.

**537.761. 1. In a products liability action in which a plaintiff  
2 alleges a design defect, the burden is on the plaintiff to prove by a  
3 preponderance of the evidence that:**

4           **(1) There was a safer alternative design; and**

5           **(2) The defect was a proximate and producing cause of the**  
6 **personal injury, property damage, or death for which the plaintiff seeks**  
7 **recovery.**

8           **2. As used in this section, "safer alternative design" means a**  
9 **product design other than the one actually used that in reasonable**  
10 **probability:**

11           **(1) Would have prevented or significantly reduced the risk of the**  
12 **plaintiff's personal injury, property damage, or death without**  
13 **substantially impairing the product's utility; and**

14           **(2) Was economically and technologically feasible at the time the**  
15 **product left the control of the manufacturer or seller by the application**  
16 **of existing or reasonably achievable scientific knowledge.**

537.762. 1. A defendant whose liability is based solely on his status as  
2 a seller in the stream of commerce may be dismissed from a products liability  
3 claim as provided in this section.

4           2. This section shall apply to any products liability claim in which another  
5 defendant, including the manufacturer, is properly before the court and from  
6 whom total recovery may be had for plaintiff's claim.

7           3. A defendant may move for dismissal under this section within the time  
8 for filing an answer or other responsive pleading unless permitted by the court  
9 at a later time for good cause shown. The motion shall be accompanied by an  
10 affidavit which shall be made under oath and shall state that the defendant is  
11 aware of no facts or circumstances upon which a verdict might be reached against  
12 him, other than his status as a seller in the stream of commerce.

13           4. The parties shall have sixty days in which to conduct discovery on the  
14 issues raised in the motion and affidavit. The court for good cause shown, may  
15 extend the time for discovery, and may enter a protective order pursuant to the  
16 rules of civil procedure regarding the scope of discovery on other issues.

17           5. Any party may move for a hearing on a motion to dismiss under this  
18 section. If the requirements of subsections 2 and 3 of this section are met, and  
19 no party comes forward at such a hearing with evidence of facts which would  
20 render the defendant seeking dismissal under this section liable on some basis  
21 other than his status as a seller in the stream of commerce, the court shall  
22 dismiss without prejudice the claim as to that defendant.

23           6. [No order of dismissal under this section shall operate to divest a court

24 of venue or jurisdiction otherwise proper at the time the action was commenced.  
25 A defendant dismissed pursuant to this section shall be considered to remain a  
26 party to such action only for such purposes.

27 7.] An order of dismissal under this section shall be interlocutory until  
28 final disposition of plaintiff's claim by settlement or judgment and may be set  
29 aside for good cause shown at anytime prior to such disposition.

**537.763. The provisions of sections 537.761 and 537.762 as enacted  
2 by this act shall only apply to causes of action that accrue on or after  
3 the effective date of this act.**

Section B. If any provision of sections 407.015, 407.025, 508.010, 537.761,  
2 and 537.762 or the application thereof to anyone or to any circumstance is held  
3 invalid, the remainder of those sections and the application of such provisions to  
4 others or other circumstances shall not be affected thereby.

✓

Bill

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