Hard Drive:
Ruling-Class ‘Friends’ Target Class Actions

Business-class supporters of Texas’ High Court want the justices to defang consumer class-action lawsuits by reversing two lower courts that certified a class of consumers who bought 1.8 million allegedly faulty Compaq computers.

The eight current justices have taken $84,700 from Compaq as well as the plaintiff and defense firms directly involved in Compaq v. Lapray, which went to oral arguments last month. Yet this total is but a fraction of the $736,163 contributed by other business donors that formally back Compaq in the case.

The justices took $277,935 from Hewlett-Packard counsel Vinson & Elkins, which got involved as a result of HP’s 2002 buyout of Compaq. Justices took $123,549 more from business interests that filed 10 pro-Compaq amicus briefs. Finally, the firms that wrote these briefs gave the justices another $334,679.

Plaintiffs allege that Compaq sold 1.8 million machines that lose data when users try to access the floppy drive as the computer performs other tasks. At Compaq’s request, the High Court has agreed to review a Ninth Court of Appeals ruling that the trial court properly certified this class of plaintiffs.

Chief Justice Tom Phillips—who accounts for 69 percent of the $12,800 that the justices got directly from Compaq’s PAC and employees—is not participating in this case for unexplained reasons. The chief’s Texas Ethics Commission filings say his stepson had fewer than 100 shares of Compaq stock in 2001. (Phillips omitted this from a revised disclosure that says he does not control his stepson’s assets.)

There are many reasons why the chief justice may not be sitting for this case. Yet it would be ironic if his stepson’s stock or his own docket-related contributions prompted Chief Phillips to recuse himself from a case that will be decided by seven justices who took $688,708 in campaign money from business interests that are formally backing Compaq.

The Dollar Docket
Cases heard by the Texas Supreme Court in October and the corresponding contributions to justices from the parties and/or attorneys.

October 1, 2003
Cire, Admas & Circe v. Cummings $10,150
Diamond Shamrock v. Hall $202,063
Martin v. Amerman $0

October 8, 2003
Northern County Mutual Ins. v. Davalos $0

October 15, 2003
Southwestern Bell v. Garza $19,982
Battaglia M.D. v. Alexander $94,300
Compaq v. Lapray $53,335

October 29, 2003
Moore v. Greer $100
Storage & Processors v. Reyes $400
FFE Transportation v. Fulgrahm $350

Grand Total for October: $538,273