

Statement of Chairman Timothy J. Muris,
Commissioner Orson Swindle, and
Commissioner Thomas B. Leary

Schneider v. Citicorp Mortgage, Inc.
File No. P024210

The Commission filed this amicus brief in *Schneider v. Citicorp Mortgage, Inc.* to comment on a proposed coupon settlement and to address the reasonableness of class counsel's request for attorneys' fees. Because the Commission has considerable expertise in evaluating consumer remedies, the Commission's brief provides the court with an independent assessment of the settlement's potential value to consumers.

Commissioner Harbour's statement concurs in part with and dissents in part from the Commission's brief. She agrees that the proposed coupons are "largely valueless," but she takes issue with the Commission's comments on the attorneys' fees. Lawyers who, in exchange for a contingent fee, labor mightily to produce a reward for consumers should certainly receive a fair share of the value they have produced. If the court agrees that the result for consumers is largely valueless, however, then the result for the attorneys who produced it should be largely valueless as well. In this settlement, consumers get largely valueless coupons, but the lawyers get cold, hard cash.

Attorneys should not be the only parties who benefit from a class action settlement, and consumers ultimately are harmed when attorneys have an incentive to pursue settlements of this kind.