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WLF Seeks High Court Review of West Virginia Court's Massive, Constitutionally Suspect Punitive Damages Award

(Quicken Loans Inc. v. Brown)

“[T]he West Virginia high court’s stubborn refusal to provide *any* meaningful review of the egregious punitive damages award below ... makes this case particularly worthy of the Supreme Court’s attention.” —Cory Andrews, Senior Litigation Counsel

WASHINGTON, DC—Washington Legal Foundation (WLF) today asked the U.S. Supreme Court to review an outsized punitive damages judgment entered in a West Virginia state court. WLF seeks to enforce a federal constitutional requirement that state court systems provide meaningful judicial review of punitive damages awards. In a brief filed in *Quicken Loans Inc. v. Brown*, WLF argues the West Virginia Supreme Court of Appeals arbitrarily deprived the defendant company of property in violation of the Due Process Clause of the Fourteenth Amendment, because it failed to provide meaningful constitutional review of the trial court’s punitive damages award.

The case arises from a dispute over a borrower’s default (after two payments) on a secured loan agreement with Quicken Loans. On appeal, the West Virginia Supreme Court of Appeals sustained a \$2,168,868.75 punitive damages award, which exceeds by a 124 to 1 ratio (!) the less than \$17,500 in compensatory restitution damages awarded at trial. The U.S. Supreme Court has long held that the Due Process Clause prohibits state courts from depriving defendants of property “grossly disproportional” to the gravity of their offenses. Nevertheless, the West Virginia court flatly refused to consider U.S. Supreme Court precedents in upholding the excessive punitive damages judgment.

In its brief, WLF argues that the West Virginia Supreme Court’s post-hoc invocation of “waiver” to bar consideration of Petitioner’s due process claim is “an obvious subterfuge to evade consideration of a federal issue.” WLF argues that absent meaningful judicial review under the Due Process Clause, there is too high a risk that a punitive damages award will not be based on the evidence but rather on passion and prejudice. WLF further argues that review is particularly warranted given West Virginia’s penchant for denying equal justice to out-of-state defendants.

Upon filing its brief, WLF issued the following statement by Senior Litigation Counsel Cory Andrews:

“While the Supreme Court obviously cannot correct every constitutionally excessive state court judgment, it is the West Virginia high court’s stubborn refusal to provide *any* meaningful review of the egregious punitive damages award below that makes this case particularly worthy of the Supreme Court’s attention.”

WLF is a national, public-interest law firm and policy center that devotes a substantial portion of its resources to promoting civil justice reform and reining in excessive punitive damages.