

<u>Putative Class Action Lawsuits May Remain in Federal Court Even After Court Denies Class Certification</u>

Posted on April 21, 2010 by Marina Karvelas

In <u>United Steel et al. v. Shell Oil Co., et al.</u>, the <u>Ninth Circuit Court of Appeals</u> held that putative class action lawsuits properly removed to federal court under the <u>Class Action Fairness Act of 2005</u> ("CAFA") [28 USC 1332(d), 1453] may remain in federal court even after the court denies class certification.

If the putative class action was properly removed to begin with, the subsequent denial of Rule 23 class certification does not divest the district court of jurisdiction. The case remains removed and is not to be remanded to state court."

In construing CAFA, the Ninth Circuit reasoned that if: Congress intended that a properly removed class action be remanded if a class is not eventually certified, it could have said so."

The Ninth Circuit joins the Seventh and Eleventh Circuits on this point.