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Gornitzky's Noam Ronen featured in Calcalist, discussing the transfer of tort claims.

News

Noam Ronen, a partner at Gornitzky & Co., was featured in an article in the Calcalist newspaper discussing a future in which the transfer of tort claims may no longer be prohibited, further to the recent precedent ruling of the Israeli Supreme Court in a case regarding a tort claim made by Banco Bilbao of Argentine.

According to Mr. Ronen, the prohibition to transfer tort claims is somewhat archaic in today's commercial world. "If we all agree that you can 'sell' or reassign a contractual right to receive money, as seen during the sub-prime crisis with the sale of mortgage loans from one bank to another, then why not permit the sale of the right to sue for damages?" Ronen believes that the day is approaching when tort claims will be a transferable asset, just as any other asset can be assigned, transferred and even sold.

He also points to the possibility that trading tort claims can be harmful to the world of class actions. "Suppose a town suffers from an environmental nuisance due to a factory. A seasoned claimant goes door-to-door and 'purchases' the claim rights from the townspeople. Now he is suing the factory, but not in a class action suit, but rather as his own personal claim, as the claim rights were sold to him. He can settle with the factory on behalf of all the residents, without them ever receiving full compensation, while he receives his recoupment without any criticism. Have we not then bypassed the class action mechanism and its purpose?"

Key Contacts



Noam Ronen
Partner