

**Testimony of Crystal Chodes**  
**Before the U.S. Senate Republican Conference**  
**Hearing on Tort Reform**  
**March 16, 2009**

Thank you, Senator Cornyn, for inviting me to testify today at this important hearing. My name is Crystal Chodes, and for me, the issue of lawsuit abuse hits close to home.

I was the marketing director for Basketball Town, a special events facility located in Rancho Cordova, California. We offered a safe, friendly place for children and families to play basketball, volleyball, and other sports in a positive environment. We also hosted parties for kids in two areas – one on the ground floor and the other on a mezzanine level.

In May of 2006, we hosted a birthday party scheduled for a boy and his friends and family. This was a routine event for our facility. We hosted about hundreds of birthday parties and events each year. The family had not indicated whether they wanted to host the party upstairs or downstairs. And we scheduled the party in the mezzanine level. On the day that the party was scheduled to occur, we learned that his friend was bringing an uncle who uses a wheelchair. We immediately offered to move the party downstairs – but they declined.

Then, a few months later, we were served with a lawsuit. The issue for us was not that Basketball Town was out of compliance with either the federal Americans with Disabilities Act, or the even more stringent California state disabilities law. In fact, we were fully compliant. We had even worked with the building's owners when we moved into the facility to ensure that the building was fully compliant with the laws. During the lawsuit, the plaintiff's attorney hired an independent expert on ADA compliance to come to the facility. The plaintiff's own expert found no violations with regard to access to the second floor – which was the central question of the lawsuit. For Basketball Town, we didn't violate the law, but we got sued anyway. And the cost of defending the lawsuit ultimately became more than we could bear. After about a year of fighting the lawsuit, we were forced to settle and to close our doors forever.

The plaintiffs' lawyers didn't just sue Basketball Town. And they didn't just sue the owners of the facility. Inside our facility, we had leased space to a small pizzeria. This restaurant was started by a family that had invested virtually all of their life savings into this business. And they too were sued. When Basketball Town was forced to close, so was their pizzeria. And this

family who was just trying to get ahead and put their kids through college, now has to start over after having lost their savings. Not only did they lose everything, but they are still receiving legal bills for their defense. And they'll have to pay those off too.

Basketball Town was built to serve families and kids who needed a safe place to hang out. And I am proud to say that at the height of our business, we served about 100,000 families in our community each year. When we closed, there was no real alternative in Sacramento for many of these kids to go to after school and on the weekends. Many children I know were devastated – it was their second home. And I still see people today, nearly two years after our closure, who remain devastated by our unfair and unjust ordeal. Basketball Town had about a dozen employees. Those jobs are gone. And today, as you know, we need to find ways to increase jobs in our community, not eliminate them.

Since Basketball Town's closure, I have looked for ways to speak out against the devastating effect that abusive lawsuits have on families, kids, and small businesses—the backbone of every community in our country. And in doing so I have met many other small businesses who have been similarly impacted by abusive lawsuits. Senators, thank you for inviting me here today to speak on this important issue and to represent the tens of thousands of small business owners, their customers, their employees, their neighbors, and their communities, who are struggling with this issue. And on behalf of them, I ask for your help to work against unwarranted, abusive lawsuits.

If lawsuit abuse can close an entire facility that's meant to benefit children and families, it can hurt anyone—and it has to stop. Thank you for having me here today and I am happy to answer any questions you may have.