

Alabama Supreme Court Affirms Dismissal of Patronage Capital Suit Against Electric Cooperative

In a decision that affects at least 13 other putative class action cases pending in Alabama circuit courts, the Alabama Supreme Court affirmed the dismissal of a putative class action claiming that Alabama cooperatives could not utilize patronage capital credits under Alabama law. Recherche, LLC v. Baldwin County Electric Membership Corporation, No. 1171144. The Recherche decision affirms the long-standing and widely accepted practice of allocating patronage capital credits to members of electric cooperatives. The Court relied heavily on the case of Caver v. Central Alabama Electric Cooperative, 845 F.3d 1135 (11th Cir. 2017) which was defended by Rushton Stakely attorneys Dennis Bailey, Evans Bailey and Mac Freeman with the assistance of Ted Jackson and Chris Simmons. The Rushton Stakely team of Dennis Bailey, Chris Simmons and Evans Bailey also submitted a friend of the court brief on behalf of the Alabama Rural Electric Association of Cooperatives in Recherche.