This workshop was held at the 2017 Equal Justice Conference in Pittsburgh, Pennsylvania

Title:
Cy Pres: What’s Happening and What Should You Be Doing?

Presenters:
Bob Glaves, The Chicago Bar Foundation, Chicago, IL
Stephanie Libhart, Pennsylvania IOLTA Board, Harrisburg, PA

Cy Pres funds, a/k/a residual funds in class action cases, have been an important source of funding for legal aid and access to justice in recent years. At this session you will hear the latest on what’s happening with cy pres funding around the country, learn practical tips from states who have mounted successful educational campaigns for the bench and bar, and have the opportunity to share your own successes and challenges on this front.
EXPANDING ACCESS

TO JUSTICE THROUGH

CLASS ACTION RESIDUAL FUNDS

PENNSYLVANIA RULES OF CIVIL PROCEDURE

1701, 1714 AND 1716

This Toolkit has been prepared by The Pennsylvania Interest on Lawyers Trust Account Board to provide guidance to members of the judiciary and class action litigants regarding compliance with amendments to Rules 1701, 1714 and 1716 of the Pennsylvania Rules of Civil Procedure which became effective July 1, 2012.

This Toolkit may also be of assistance to the United States District Judges sitting in Pennsylvania, as well as to attorneys who maintain or defend federal class actions in Pennsylvania.

While The Pennsylvania Interest on Lawyers Trust Account Board hopes this Toolkit will be of assistance, users should understand that it has not been reviewed or approved by members of the Supreme Court of Pennsylvania or members of the Pennsylvania Civil Procedural Rules Committee and therefore this Toolkit cannot be considered definitive authority with respect to the matters addressed herein.
## INDEX

<table>
<thead>
<tr>
<th>Questions and Answers</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1.</strong></td>
<td>1</td>
</tr>
<tr>
<td>What are the new Pennsylvania Rules of Civil Procedure and when do they take effect?</td>
<td>2</td>
</tr>
<tr>
<td>Why were the Pennsylvania Rules of Civil Procedure amended?</td>
<td>2</td>
</tr>
<tr>
<td>What are residual funds?</td>
<td>2</td>
</tr>
<tr>
<td>When must a judgment or court approved settlement provide for residual funds?</td>
<td>2</td>
</tr>
<tr>
<td>Must the resolution of a class action suit involve the creation of residual funds?</td>
<td>3</td>
</tr>
<tr>
<td>May a judgment or settlement be structured to allow excess funds for a lawsuit to be directed to only those members of the class who could be located?</td>
<td>3</td>
</tr>
<tr>
<td>May a judgment or settlement be structured to allow undisbursed funds to revert to the defendant?</td>
<td>4</td>
</tr>
<tr>
<td>What if an order does not provide for the distribution of residual funds, and residual funds exist?</td>
<td>4</td>
</tr>
<tr>
<td>What happens to residual funds for class action judgments and approved settlements obtained prior to the effective date of the new rule, July 1, 2012?</td>
<td>4</td>
</tr>
<tr>
<td>How must residual funds be distributed?</td>
<td>4</td>
</tr>
<tr>
<td>What impact do these rules have on class actions maintained in the federal courts sitting in Pennsylvania?</td>
<td>5</td>
</tr>
<tr>
<td>What is the legal basis for the handling of residual funds in the new rules?</td>
<td>5</td>
</tr>
<tr>
<td>Why should these funds be used to support the provision of civil legal services and access to justice by the poor and disadvantaged in Pennsylvania?</td>
<td>6</td>
</tr>
<tr>
<td>Who is the PA IOLTA Board?</td>
<td>6</td>
</tr>
<tr>
<td>What organizations and entities are supported by the PA IOLTA Board with its grants?</td>
<td>8</td>
</tr>
</tbody>
</table>
   Rule 1701. Definitions. Conformity. .............................................................. 9
   Rule 1716. Residual Funds. ............................................................................ 9

3. Practice Pointers and Tips ........................................................................... 11

4. Sample Provisions for Settlement Agreements and Orders......................... 13

5. Potential Recipients of Residual Funds ....................................................... 16
Questions and Answers

Concerning Class Action Residual Funds

Background

On May 11, 2012, the Supreme Court of Pennsylvania entered an Order enacting a number of amendments to the class action provisions of the Pennsylvania Rules of Civil Procedure (“Pa. R.C.P.”). For class actions maintained in Pennsylvania state courts, the amended rules require that all orders of court deal specifically with funds which may remain after payment of all claims and expenses associated with a class action. Pennsylvania became the 10th state to adopt a similar rule or statute for this purpose (the others are CA, HI, IL, IN, MA, NM, NC, TN, WA).

This is a commendable next step in the Pennsylvania Supreme Court’s continuing efforts to increase funding to meet the civil legal needs and access to justice issues of the poor and disadvantaged in Pennsylvania. Some of the answers given below paraphrase the Pennsylvania Rules of Civil Procedure. Where appropriate, reference should be made to the Pa. R.C.P. themselves.

While these rules are applicable to class actions maintained in the state courts of the Commonwealth of Pennsylvania, it is hoped that these guidelines will also be of assistance to the federal judges of the United States District Courts which sit in Pennsylvania and the attorneys who maintain and defend class actions in those courts. To illustrate, in June 2012, the PA IOLTA Board was the recipient of $1.7 million of residual funds from a federal class action case originating in the state of Washington. The class action attorneys relied on the Washington state rule to design the distribution plan for remaining residual funds for the national class action litigation.

Users of this Toolkit should understand that it has not been reviewed or approved by members of the Supreme Court of Pennsylvania or members of the Pennsylvania Civil Procedural Rules Committee and therefore this Toolkit cannot be considered definitive authority with respect to the matters addressed herein.
What are the new Pennsylvania Rules of Civil Procedure, and when do they take effect?

The Supreme Court of Pennsylvania entered an Order, effective July 1, 2012, enacting a number of changes to the Pennsylvania Rules of Civil Procedure. These changes include amendments to Rules 1701 and 1714, promulgation of new Rule 1716, and renumbering former Rule 1716 as Rule 1717. These are the class action provisions of the Pennsylvania Rules of Civil Procedure (“Pa. R.C.P.”).

Why were the Pennsylvania Rules of Civil Procedure amended?

Often, the resolution of a class action involves the creation of a fund of money. The fund will, in part, be used to satisfy the claims of individual members of the class. That fund is also used to pay the legal fees and costs of the members of the class, and to pay for the administration and disbursement of the fund itself.

At times, the aggregate amount of all claims filed, approved and paid out to members of the class, together with all other costs and expenses associated with the class action, will be less than the amount paid into the claims fund. Before the amendment of the class action rules, the Pa. R.C.P. did not address the disposition of these “leftover” funds.

What are residual funds?

New Pa. R.C.P. 1701(a) defines residual funds as “funds that remain after the payment of all approved class member claims, expenses, litigation costs, attorney fees, and all other court approved disbursements to implement relief granted [in the class action].”

When must a judgment or court approved settlement provide for residual funds?

Pa. R.C.P. 1716(a) provides:

Any order entering a judgment or approving a proposed compromise or settlement of a class action that establishes a process for the identification and compensation of members of the class shall provide for the disbursement of residual funds.

The application of this rule is mandatory: any order entering a judgment or approving a proposed compromise or settlement of a class action that establishes a
process for identification and compensation of members of the class must provide for the disbursement of residual funds.

Whenever members of a class are to be identified and compensated, inevitably the possibility of residual funds arises. Often not all members of the class will be located, and if located, not all members of the class will apply for or use compensation awarded. In these situations, the possibility of residual funds exists, and the Rule requires this possibility to be addressed.

Must the resolution of a class action suit involve the creation of residual funds?

No. It is perfectly appropriate, in resolving a given class action suit, that all funds awarded in the class action will be disbursed to claimants, used to pay costs and fees, or applied to the other purposes specifically referenced in Pa. R.C.P. 1701(a). While the possibility may exist, the resolution may not involve the actual creation of residual funds.

Nothing in the new rule precludes the judicial application of the *cy pres* doctrine to eliminate or limit potential residual funds. For example, a class action may involve numerous individuals whose rights have been violated, but the cost of identifying them, giving them notice of the proceedings and administering their claims would exceed the total amount of damages that class members have suffered or which are otherwise assessed against the defendant(s) in the action. Such a case could be resolved by directing payment of damages to a nonprofit entity which serves interests similar to those advanced by class members. This could be the PA IOLTA Board or a legal services organization that provide civil legal services to indigent Pennsylvanians, whether or not funded by the PA IOLTA Board.

May a judgment or settlement be structured to allow excess funds for a lawsuit to be directed to only those members of the class who could be located?

No. While an order of court or court approved settlement may establish a mechanism that does not create residual funds, residual funds are clearly defined as “funds that remain after the payment of all approved class member claims, expenses, litigation costs, attorney’s fees, and other court approved disbursements to implement relief granted.” If there are “excess funds” – i.e. “residual funds,” they must be distributed as provided in Pa. R.C.P. 1716(b).
May a judgment or settlement be structured to allow undisbursed funds to revert to the defendant?

No. “Undisbursed funds” are clearly residual funds as defined in Pa. R.C.P. 1701. Return of funds to a defendant simply because funds remain after payment of approved class member claims, expenses, litigation costs, attorney’s fees, and other court approved disbursements which implement relief granted would violate the requirements of Pa. R.C.P. 1716(b), which require those funds to be disbursed in part to the Pa IOLTA Board, and in part to the Pa IOLTA Board or other entities identified in the rule.

What if an order does not provide for the distribution of residual funds, and residual funds exist?

If the possibility of residual funds exists, the court’s order should address it. In the unlikely event that it does not, litigants must obtain an amendment to the order (whether entering judgment or approving a settlement) that results in distribution of the residual funds as provided by Pa. R.C.P. 1716(b).

What happens to residual funds for class action judgments and approved settlements obtained prior to the effective date of the new rule, July 1, 2012?

Nothing prohibits the litigants from following the intent of the new rule and seeking an amendment of the approved settlement to provide distribution of some or all of the residual funds to the PA IOLTA Board and other appropriate entities. However, that distribution pattern is optional for pre-July 1, 2012 issued judgments and pre-July 1, 2012 court approved settlements.

How must residual funds be distributed?

Not less than 50% of residual funds in a given class action must be disbursed to the PA IOLTA Board. The PA IOLTA Board must use these funds to support activities and programs which promote the delivery of civil legal assistance to the indigent in Pennsylvania by non-profit corporations described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended.

The other 50% of residual funds may also be awarded to the PA IOLTA Board. However, the court’s order may provide for the disbursement of up to 50% of residual funds to another entity for purposes that have a direct or indirect relationship to the objectives of the underlying class action, or which otherwise promote the substantive or procedural interests of members of the class.
The important point is that residual funds, awarded as required by the Pa. R.C.P., will have the effect of promoting access to justice and delivery of civil legal assistance to the indigent.

If a particular class action affects litigants outside of Pennsylvania, it is possible that a portion of the funds not required to be distributed to the Pa IOLTA Board could be awarded to organizations described in Pa. R.P.C. 1716(b) which are not located in Pennsylvania.

**What impact do these rules have on class actions maintained in the federal courts sitting in Pennsylvania?**

It is hoped that new rules will provide guidance to participants in Federal class actions. However, the Pa. R.C.P. apply only to class actions filed in state courts. In other states with similar rules, Federal courts have been guided by the state rule and have awarded residual funds to IOLTA or other organizations which provide funding for civil legal services to the disadvantaged. Since there is an IOLTA program in every state and in the District of Columbia, a national network of organizations exists that can easily and competently use residual funds from broad scope federal class actions to help fund civil legal aid beyond Pennsylvania.

**What is the legal basis for the handling of residual funds in the new rules?**

Analytically, the changes to the Pa. R.C.P. are grounded in the application of the *cy pres* doctrine. *Cy pres* permits a trial court to exercise equitable powers to achieve the “next best use” of funds when the primary purpose is impossible or impractical of fulfillment. Originally developed in the context of charitable gifts, the *cy pres* doctrine permits the court to find a productive use of funds when the charitable purpose for which funds were originally conveyed becomes indefinite, impossible or impractical of fulfillment.

The procedural variation of the *cy pres* doctrine applied in the context of class action litigation recognizes that class action litigation allows the assertion of claims on behalf of numerous members of the class whose claims could not economically be asserted if required to be pursued in separate individual proceedings. Award of residual funds as contemplated by the Pa. R.C.P. allows access to the courts for those who cannot afford to engage an attorney to assert their rights in civil matters.
Why should these funds be used to support the provision of civil legal services and access to justice by the poor and disadvantaged in Pennsylvania?

Unlike indigent criminal defendants, there is no recognized right to counsel in most civil proceedings. An indigent Pennsylvanian with a critical civil legal problem must rely on publically funded legal aid or pro bono representation by an attorney for much needed help. Despite the diligent efforts of organizations, volunteer attorneys and others, there simply is not enough funding or staffing and volunteers to meet the civil legal needs of the poor and disadvantaged.

Fundamentally, class actions exist to provide access to justice when other mechanisms will not work. Class actions are considered the most effective tool for the protection of individual rights that cannot effectively be asserted by individual legal actions. The class action mechanism allows access to justice by many who would not otherwise have practical economical recourse to the judicial system. The ability to prosecute a class action lawsuit avoids multiplicity of litigation, saves individual members of the class the cost and trouble of filing individual lawsuits, and frees defendants from defending multiple lawsuits that arise from the same or similar situations. In Pennsylvania, a class action cannot be maintained unless the court is satisfied that it provides a fair and efficient method for adjudication of the controversy.

The award of residual funds, which by definition are funds remaining after the class action is concluded and its members have claimed and received the relief to which they are entitled, to the Pennsylvania Interest On Lawyers Trust Account Board (the “PA IOLTA Board”) or other organizations which fund and/or provide civil legal services to the poor and indigent has the effect of enhancing access to justice. It is a logical extension of the purpose of class action suits.

Who is the PA IOLTA Board?

In 1996, the Supreme Court of Pennsylvania created the Pennsylvania Interest On Lawyers Trust Account Board. The Pa IOLTA Board is a continuation of the Lawyer Trust Account Board, which was created by statute in 1988. When the Pennsylvania General Assembly adopted the original IOLTA statute in 1988, it made these specific legislative findings: (1) a need exists to provide equal access to the system of justice for individuals who seek address of grievances, (2) availability of civil legal services to indigent persons is essential to the due administration of justice, (3) programs providing legal assistance in civil matters to indigent person who lack resources to meet the needs or those persons and supplemental funding is
necessary, and (4) the funding of civil legal assistance programs for those who are unable to afford legal counsel will serve the ends of justice and the general welfare of all Pennsylvania citizens.

The PA IOLTA Board is the largest funder of civil legal aid for the poor in Pennsylvania, and is directly accountable to the Supreme Court of Pennsylvania. Its mission is to help provide access to civil legal assistance for Pennsylvania residents who cannot afford private legal help. The Pa IOLTA Board seeks to do this by funding organizations and efforts that provide civil legal assistance to persons in need, to invest in the inculcation of a professional ethic of pro bono volunteerism among the private bar, and to invest the same ethic in law students aspiring to become lawyers.

To these ends, the Pa IOLTA Board awards grants to legal aid and public interest law firms, organizations that administer and support organized pro bono efforts of the private bar, and law school clinical and internship programs, all of which seek to provide civil legal help to impoverished Pennsylvania residents free of charge.

The PA IOLTA Board collects and manages funds from several sources and annually awards grants to nonprofit organizations, law school clinical and externship programs, and pro bono programs, all of which provide civil legal assistance for indigent Pennsylvania residents. It has also established a Loan Repayment Assistance Program that helps public interest lawyers better manage their student debt so they can work in the Legal Aid organizations. In its most active year, the Pa IOLTA Board awarded $23.2 million in grants for civil legal aid. For the fiscal year ending June 30, 2011 (the most recently completed fiscal year) it has awarded $16.9 million in grants and had $696,100 in administrative expenses (or 4% of total expenses).

The PA IOLTA Board is governed by nine members, all of whom are appointed by the Supreme Court of Pennsylvania. Each member serves a three year term and may serve two consecutive terms.

More information about the PA IOLTA Board can be found at www.paiolta.org.
Every state in the country has an organization whose function is substantially similar to that of the Pa IOLTA Board. For more information on IOLTA programs in the various states, please go to: 
www.americanbar.org/groups/interest_lawyers_trust_accounts/resources/directory_of_iolta_programs.html

What organizations and entities are supported by the PA IOLTA Board with its grants?

A listing of the nonprofit legal services organizations that currently receive PA IOLTA Board funding is attached. The listing of grantee organizations may change from time to time, but remains relatively stable.

The PA IOLTA Board funds nonprofit organizations whose primary purpose is the provision of civil legal assistance to indigent Pennsylvania residents without charge. To that end, the Pa IOLTA Board has promulgated both eligibility criteria and use criteria for funds it grants.

The PA IOLTA Board also funds clinical and externship programs that provide civil legal representation of the poor at all eight Pennsylvania law school, as well as special grants to help offset administrative costs for organized county based pro bono programs that facilitate representation of the poor by private attorneys on a pro bono basis. Only the nonprofit legal services organizations that receive PA IOLTA Board grant funding would be eligible for class action residual funded grants.

The Pennsylvania IOLTA Board would like to thank Martin J. D'Urso, Esquire for his insight and assistance in formulating these Questions and Answers.

(a) As used in this chapter

“Class action” means any action brought by or against parties as representatives of a class until the court by order refuses to certify it as such or revokes a prior certification under these rules.

“Residual funds” are funds that remain after the payment of all approved class member claims, expenses, litigation costs, attorney’s fees, and other court approved disbursements to implement relief granted.

(b) Except as otherwise provided in this chapter, the procedure in a class action shall be in accordance with the rules governing the form of action in which relief is sought.


(a) No class action shall be compromise, settled or discontinued without the approval of the court after hearing.

(b) Prior to certification, the representative party may discontinue the action without notice to the members of the class if the court finds that the discontinuance will not prejudice the other members of the class.

(c) If an action has been certified as a class action, notice of the proposed compromise, settlement or discontinuance shall be given to all members of the class in such manner as the court may direct.

(d) Nothing in these rules is intended to limit the parties to a class action from suggesting, or the court from approving, a settlement that does not create residual funds.

Rule 1716. Residual Funds

(a) Any order entering a judgment or approving a proposed compromise or settlement of a class action that establishes a process for the identification and
compensation of members of the class shall provide for the disbursement of residual funds.

(b) Not less than fifty percent (50%) of residual funds in a given class action shall be disbursed to the Pennsylvania Interest on Lawyers Trust Account Board to support activities and programs which promote the delivery of civil legal assistance to the indigent in Pennsylvania by non-profit corporations described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended. The order may provide for disbursement of the balance of any residual funds in excess of those payable to the Pennsylvania Interest on Lawyers Trust Account Board to the Pennsylvania Interest on Lawyers Trust Account Board, or to another entity for purposes that have a direct or indirect relationship to the objectives of the underlying class action, or which otherwise promote the substantive or procedural interests of the members of the class.
Practice Pointers and Tips

1. **Raise the issue of residual funds early.**

   Raising the issue of residual funds and/or the application of *cy pres* doctrine relatively early in settlement negotiations can have a positive impact on the process. Some defendants may find the prospect of paying money to settle a case more palatable when they consider that some of the money will benefit a good cause.

2. **Consider whether there are funds that can be made available.**

   The parties should consider whether residual funds are likely to occur. If they are, then the Pa. R.C.P. 1716 requires a provision for the disposition of those funds. At least one-half of residual funds must be disbursed to the Pa IOLTA Board. However, the parties should also consider whether a provision requiring payment of residual funds to other organizations described in Pa. R.C.P. 1716 would be an appropriate part of the relief to be granted in the proceeding, and if so, which organizations.

   The decision to make a *cy pres* award in a class action or other settlement most often happens during the settlement process. The possibility of residual funds must always be considered. Class action settlements must be approved by the court.

3. **Negotiating a fixed percentage of the settlement fund.**

   Even if the class action can be resolved in a way that does not create residual funds, *cy pres* may still be useful in negotiating, from the start, an acceptable resolution of the action.


   The parties must be cognizant of the requirements of Pa. R.C.P. 1716(a). If the settlement or other resolution of a class action involves a process to identify and compensate class members, then the court’s order must provide for the disbursement of residual funds. The key will be to fashion a remedy that will be approved by the court.
5. **Utilize Existing Expertise in Pennsylvania Regarding *Cy Pres***

   Attorneys who are considering the possible distribution of class action funds should contact the PA IOLTA Board. There are attorneys in Pennsylvania who have experience with class actions and who may be willing to advise on how to designate the PA IOLTA Board or other organizations as the recipient of residual funds.


Sample Provisions for Settlement Agreements:

Sample 1:

Defendant shall retain no interest in any amounts remaining in the Settlement Fund or Net Settlement Fund after it has been distributed to class members in accordance with this Agreement. The residual amounts, including, but not limited to, amounts attributable to distributions made to members of the Class which were uncashed or were returned as undeliverable, shall be distributed as follows:

a. [not less than fifty (50%) percent] to The Pennsylvania IOLTA Board, P.O. Box 62445, Harrisburg, PA 17106, and

b. [not more than fifty (50%) percent] to [appropriate organization described in Pa. R.C.P. 1716(b)].

Sample 2:

Residual Funds: Any funds allocated in Paragraph ____ above that are not paid due to any Plaintiff’s failure to cash a settlement check within six (6) months of its issuance or because the mailing of such a check was returned as undeliverable or for any other reason (hereinafter “Residual Funds”) shall be contributed to:

a. [not less than fifty (50%) percent] to The Pennsylvania IOLTA Board, P.O. Box 62445, Harrisburg, PA 17106, and

b. [not more than fifty (50%) percent] to [appropriate organization described in Pa. R.C.P. 1716(b)].

Sample 3:

The Parties recognize there likely will be some amount of unclaimed funds after disbursement of the Settlement Fund for the payment of valid claims, payment of costs and expenses of administration and payment of costs and expenses of litigation. The Parties agree that the unclaimed funds resulting from the failure to file claims and from the denial of claims filed by Class members will be distributed as follows:
a. [not less than fifty (50%) percent] to The Pennsylvania
   IOLTA Board, P.O. Box 62445, Harrisburg, PA 17106, and

b. [not more than fifty (50%) percent] to [appropriate
   organization described in Pa. R.C.P. 1716(b)].

Sample Provisions for Orders of Court:

Sample 1:

Pursuant to the parties’ Settlement Agreement, the Court directs that all Residual Funds (as the term is defined in Pa. R.C.P. 1701(a)) remaining after distribution of the settlement proceeds, including uncashed checks and other unclaimed payments, shall be distributed to The Pennsylvania IOLTA Board, P.O. Box 62445, Harrisburg, PA 17106, in a timely manner, and in any event no later than _____ calendar days from the date of this Order, without further Order of Court.

Sample 2:

Pursuant to the parties’ Settlement Agreement, the Court directs that all Residual Funds (as the term is defined in Pa. R.C.P. 1701(a)) remaining after distribution of the settlement proceeds, including uncashed checks and other unclaimed payments, shall be distributed as follows:

a. [Insert a percentage of not more than fifty (50%) percent or fixed amount] of the Residual Funds shall be distributed to [appropriate organization described in Pa. R.C.P. 1716(b)].

b. [The balance, but not less than fifty (50%) percent] of the Residual Funds shall be distributed to The Pennsylvania IOLTA Board, P.O. Box 62445, Harrisburg, PA 17106.

c. These distributions shall be made in a timely manner, and in any event no later than ____ calendar days from the date of this Order, without further Order of Court.
Sample 3:

Pursuant to the parties’ Settlement Agreement, all Residual Funds (as that term is defined in Pa. R.C.P. 1701(a)) from the Settlement shall be distributed as follows:

a. The Court directs that [insert a percentage of at least fifty (50%) percent] of all Residual Funds from the Settlement shall be distributed to The Pennsylvania IOLTA Board, P.O. Box 62445, Harrisburg, PA 17106.

b. The Court further finds that [insert name of entity] is an organization the mission of which has a [direct or indirect] relationship to the objectives of this action, being specifically [describe], and the parties have shown good cause for distributing Residual Funds from the Settlement to it. The Court therefore directs that a distribution of [insert percentage of not more than fifty (50%) percent] of the Residual Funds shall be made to [insert name of entity].

c. These distributions shall be made in a timely manner, and in any event no later than _____ calendar days from the date of this Order, without further Order of Court.
POTENTIAL RECIPIENTS OF RESIDUAL FUNDS

Legal Services Organizations
Funded by the Pennsylvania IOLTA Board

July 1, 2012

AIDS Law Project of Pennsylvania
1211 Chestnut Street, Suite 600
Philadelphia, PA 19107
www.aidslawpa.org

Founded in 1988, the AIDS Law Project of Pennsylvania is a nonprofit, public-interest law firm providing free legal assistance to people with HIV/AIDS and those affected by the epidemic. We also educate the public about AIDS-related legal issues, train case managers to become better advocates for HIV-positive clients, and work at local, state & national levels to achieve fair laws & policies.

Allegheny County Bar Foundation
400 Koppers Building
436 Seventh Avenue
Pittsburgh, PA 15219-6641
www.acbf.org

The Allegheny County Bar Foundation (ACBF), a 501(c)(3) non-profit organization, is the philanthropic and educational arm of the Allegheny County Bar Association. The mission of the ACBF is to be a driving force in promoting justice for all and to improve the community through charitable, educational, and direct legal and pro bono services to low income residents and community organizations.

CASA of Allegheny County
564 Forbes Avenue, Suite 902
Pittsburgh, PA 15219
www.pgh-casa.org

CASA of Allegheny County’s mission is to ensure that every child has a safe, supportive and permanent home by providing volunteer advocacy for the best interests of abused and neglected children within the child welfare system.
Community Justice Project
118 Locust Street
Harrisburg, PA  17101-1414
www.communityjusticeproject.org

The Community Justice Project provides broad impact legal support for eligible low income people who live in Pennsylvania. Through this advocacy, the CJP seeks to protect the basic needs of low income individuals and families, and to assist them in their efforts to become self-sufficient or to otherwise improve their lives and the communities in which they live.

Community Legal Services, Inc.
1424 Chestnut Street
Philadelphia, PA  19102-2505
www.clsphila.org

The mission of Community Legal Services (CLS) of Philadelphia is to help low-income Philadelphia residents obtain equal access to justice by providing them with advice and representation in civil legal matters; advocating for their legal rights; and conducting community education about the legal issues that affect them.

Consumer Bankruptcy Assistance Project
Fresh Start Clinic
42 South 15th Street, 4th Floor
Philadelphia, PA  19102
www.philalegal.org/cbap.html

The Consumer Bankruptcy Assistance Project assists Philadelphians with low-incomes who strive to regain financial health by providing them with equal access to justice and pro bono debt counseling/ Chapter 7 bankruptcy representation to obtain a financial fresh start.

Disability Rights Network of PA
1315 Walnut Street, Suite 400
Philadelphia, PA  19107-4798
www.drnpa.org

The mission of the Disability Rights Network of Pennsylvania (DRN) is to advance, protect, and advocate for the legal, human, and civil rights of Pennsylvanians with disabilities.
ELC’s mission is to ensure that all of Pennsylvania’s children, including poor children, children with special needs, and other children who have historically been at a disadvantage in the public education system, have access to high quality public schools.

Franklin County Legal Services provides legal education, advice and representation to low income residents of Franklin and Fulton Counties in civil legal matters. We prioritize services necessary for the preservation of basic human needs. Within this framework, we further prioritize the provision of legal services which cannot be provided by federally funded legal services programs because of statutory restrictions.

The mission of Friends of Farmworkers is to improve the living and working conditions of indigent farmworkers, mushroom workers, food processing workers, and workers from immigrant and migrant communities.

Based on the Jewish tradition of “welcoming the stranger,” HIAS and Council Migration Service of Philadelphia (HIAS Pennsylvania) provides legal and social services to immigrants and refugees of limited means in Pennsylvania. The agency seeks the fair treatment of and integration into American society of immigrants from all backgrounds.
**Homeless Advocacy Project**  
42 South 15th Street, 4th Floor  
Philadelphia, PA 19102  
[www.homelessadvocacyproject.org](http://www.homelessadvocacyproject.org)

The mission of the Homeless Advocacy Project is to provide free civil legal services to homeless individuals and families in Philadelphia through a dedicated staff and a corps of volunteer attorneys.

**Juvenile Law Center**  
1315 Walnut Street, 4th Floor  
Philadelphia, PA 19107  
[www.jlc.org](http://www.jlc.org)

Juvenile Law Center plays a leadership role in shaping and using the law on behalf of children to promote fairness, prevent harm, ensure access to appropriate services and create opportunities for success. In all of our work, we strive to ensure that laws, policies and practices affecting youth in public systems are grounded in principles of adolescent development and other relevant research.

**Kids Voice Pennsylvania**  
Frick Building  
437 Grant Street, Suite 700  
Pittsburgh, PA 15219  
[www.kidsvoice.org](http://www.kidsvoice.org)

Kids Voice advocates in court and in the community to ensure a safe and permanent home for abused, neglected and at-risk children.

**Lackawanna Pro Bono, Inc.**  
321 Spruce Street  
Scranton, PA 18503  
[www.paprobono.net](http://www.paprobono.net)

Lackawanna Pro Bono, Inc.’s mission is to provide, without charge, a broad range of quality civil legal services to the poor in Lackawanna County, Pennsylvania through local attorneys volunteering their services in the areas of the law in which indigent clients have the greatest need for legal representation.
Laurel Legal Services, Inc.
306 S. Pennsylvania Avenue
Greensburg, PA  15601-3066
www.wpalaw.org

Laurel Legal Services, Inc.’s mission is to provide free civil legal representation and information to low-income clients and domestic violence victims in a six county area.

Legal Aid of Southeastern PA
1290 Veterans Highway
Box 809
Bristol, PA  19007
www.lasp.org

The mission of Legal Aid of Southeastern Pennsylvania (LASP) is to provide quality legal representation to low-income and vulnerable people, to empower them to solve problems without legal representation through legal education and increased access to the courts, and to change community practices and systems that cause or aggravate poverty.

Legal Clinic for the Disabled, Inc.
1513 Race Street
Philadelphia, PA  19102
www.lcdphila.org

The mission of the Legal Clinic for the Disabled, Inc. (LCD) is to provide free, high quality legal representation to low-income people with physical disabilities in the Philadelphia region to help them overcome legal obstacles that would otherwise affect their independence, health or quality of life.

Legal Services for Immigrants & Internationals
5743 Bartlett Street
Pittsburgh, PA  15217
www.jfcspgh.org

Legal Services for Immigrants & Internationals (LSII) mission: To provide legal immigration services to low-income immigrants in Southwestern Pennsylvania, providing them access to services they would otherwise not be able to secure do to their inability to pay and their barriers of language and culture.
MidPenn Legal Services
213-A North Front Street
Harrisburg, PA  17101-2240
www.midpenn.org

MidPenn Legal Services is a non-profit, public interest law firm dedicated to providing equal access to justice and high quality civil legal services to low-income residents and survivors of domestic violence in 18 counties throughout central Pennsylvania.

Montgomery Child Advocacy Project
409 Cherry Street
Norristown, PA  19401
www.mcapkids.org

The mission of Montgomery Child Advocacy Project (MCAP) is to provide free legal representation to children, age birth to 18 years old, of Montgomery County who are victims of abuse and neglect through pro bono trained attorney advocates who donate their time to protect the interests of the children.

Neighborhood Legal Services Association
928 Penn Avenue
Pittsburgh, PA 15222-3799
www.nlsa.us

Neighborhood Legal Services Association’s (NLSA) mission is to meet the civil legal needs of the poor and vulnerable in our community through effective legal representation and education.

North Penn Legal Services
65 East Elizabeth Avenue, Suite 800
Bethlehem, PA  18018
www.northpennlegal.org

The mission of North Penn Legal Services (NPLS) is to provide civil legal representation to low-income people and ensure equal access to justice for all.
Northwestern Legal Services
1001 State Street, Suite 700
Erie, PA 16501
www.nwls.org

Northwestern Legal Services (NWLS) assists low income individuals and families by guiding them through the legal system using advocacy and education to obtain justice with the goal of improving their quality of life and strengthening our community.

Pennsylvania Health Law Project
Corn Exchange Building
123 Chestnut Street, Suite 400
Philadelphia, PA 19106
www.phlp.org

Pennsylvania Health Law Project (PHLP) provides free legal services and advocacy to Pennsylvania residents having trouble accessing publicly-funded health care coverage and services. We accomplish this by: helping individual clients through our Helpline; educating health care consumers, advocates, and providers; and advocating on behalf of our clients at the federal, state, and local level for policies and practices that will best address their needs and protect their rights.

Pennsylvania Immigration Resource Center
112 Pleasant Acres Road, Suite 1
P.O. Box 20339
York, PA 17402
www.pirclaw.org

The Pennsylvania Immigration Resource Center (PIRC) is a non-profit organization that strives to ensure access to justice for vulnerable immigrants. PIRC protects dignity and human rights by providing education and legal representation to immigrants seeking to obtain or protect their legal status in the United States.
The Pennsylvania Institutional Law Project seeks to deliver civil legal services to the institutional population of our Commonwealth. The Project was created and designed to meet the needs of low income residents of our prisons, jails, state hospitals, and state centers.

Pennsylvania Legal Aid Network, Inc.
118 Locust Street
Harrisburg, PA 17101
www.palegalaid.net

Pennsylvania Legal Aid Network, Inc. is a client-centered organization that provides leadership, funding, and support to improve the availability and quality of civil legal aid and direct legal services for low income people and victims of domestic violence in Pennsylvania.

Philadelphia Legal Assistance Center, Inc.
42 South 15th Street, Suite 500
Philadelphia, PA 19102
www.philalegal.org

Philadelphia Legal Assistance (PLA) is dedicated to providing high quality, creative legal services, advice and referrals for eligible low income people. We are committed to educating and empowering our clients and working collectively with other advocates to achieve these goals.
Philadelphia Volunteer Lawyers for the Arts
Arts & Business Council of Greater Philadelphia
200 South Broad Street, Suite 700
Philadelphia, PA 19102-3896
www.artsandbusinessphila.org

Philadelphia Volunteer Lawyers for the Arts (PVLA) is a PA 501(c)(3) nonprofit that provides pro-bono and low cost legal assistance and educational programs to low income artists and small arts and cultural organizations in the Greater Philadelphia Region in partnership with local attorneys.

Philadelphia Volunteers for Indigent Program
1500 Walnut Street, Suite 400
Philadelphia, PA 19102
www.phillyvip.org

The mission of Philadelphia VIP is to promote equal justice for the poor by providing civil legal services not otherwise available, collaborating with other legal services organizations and promoting a culture of volunteerism by educating and exposing attorneys and law students to issues of poverty.

Protection from Abuse Coordinated Services
SafeNet Center
1702 French Street
Erie, PA 16501
www.pfacs.org

PFACS is dedicated to justice, autonomy, restoration and safety for victims of abuse through advocacy with the courts and other systems and by providing information and referral, safety planning, options counseling and direct legal representation so that victims may make informed and supported choices.
Public Interest Law Center of Philadelphia
1709 Benjamin Franklin Parkway, Second Floor
Philadelphia, PA  19103
www.pilcop.org

The mission of the Public Interest Law Center of Philadelphia is to use high-stakes legal strategies to improve the well-being and life prospects of the Philadelphia region’s most vulnerable populations by assuring that they have access to the resources and services we all need to live our lives: an education, healthcare, a healthy environment, housing, a job, and the unencumbered right to vote.

Regional Housing Legal Services
2 South Easton Road
Glenside, PA  19038
www.rhls.org

Our mission is to create housing and economic opportunity in under-served communities in PA and to effect systemic change for the benefit of lower income households. We do this by representing community-based organizations, training consumers and consumer groups, and engaging in policy analysis and promoting system innovations focused on housing, economic development, and utility issues.

SeniorLaw Center
100 South Broad Street, Suite 1810
Philadelphia, PA  19110
www.seniorlawcenter.org

SeniorLAW Center’s mission is to improve the lives of Pennsylvanians 60 and older and protect their rights through legal representation, education and advocacy. Our core values are excellence, compassion, respect, passion, integrity, creativity and optimism. We are the only non-profit in Pennsylvania whose sole focus is providing legal assistance to elders and protecting their legal rights.
Southwestern Pennsylvania Legal Services, Inc.
10 West Cherry Avenue
Washington, PA  15301-1300
www.splas.org

Ensure that no citizen be denied access to counsel in civil matters because of indigence, through making available a comprehensive ensemble of legal and supportive services, including advocacy, legal counseling, community outreach/education, and developing innovative initiatives to enable program clientele to enjoy full utilization of the rights and benefits guaranteed by law.

Support Center for Child Advocates
1900 Cherry Street
Philadelphia, PA  19103
www.advokid.org

The Support Center for Child Advocates’ mission is to advocate for victims of child abuse and neglect, with the goal of providing a permanent, nurturing environment for every child.

Westmoreland Bar Foundation
129 North Pennsylvania Avenue
Greensburg, PA  15601-2311
www.westbar.org

The attorneys and judges of the Westmoreland Bar Association through its charitable arm, the Westmoreland Bar Foundation, are committed to providing leadership and resources designed to improve access to justice for citizens of Westmoreland County, promote public understanding about the law and support good works that benefit the community.
Women Against Abuse Legal Center
100 South Broad Street
5th Floor
Philadelphia, PA 19110
www.womenagainstabuse.org

The mission of Women Against Abuse (WAA) and Women Against Abuse Legal Center (WAALC) is to provide quality, compassionate, and nonjudgmental services in a manner that fosters self-respect and independence in persons experiencing intimate partner violence and to lead the struggle to end domestic violence through advocacy. The Legal Center provides representation in protection from abuse, child custody and support cases to victims of domestic violence.

Women’s Center and Shelter of Greater Pittsburgh – Civil Law Project
P.O. Box 9024
Pittsburgh, PA 15224
www.wcspittsburgh.org

The mission of the Women’s Center and Shelter Civil Law Project is to provide free, civil legal services to victims of domestic violence.
Legislation and Court Rules Providing for Legal Aid to Receive Class Action Residuals*

California

*Legislature amended Section 384 of the California Code of Civil Procedure* to permit payment of class action residuals “to nonprofit organizations or foundations to support projects that will benefit the class or similarly situated persons, or that promote the law consistent with the objectives and purposes of the underlying cause of action, to child advocacy programs, or to nonprofit organizations providing civil legal services to the indigent.

**Effective date:** January 1, 1994.

**Implementation work and analysis:** A cy pres brochure and a more comprehensive cy pres toolkit are updated regularly and distributed at appropriate venues.

**For more information, please contact:** Stephanie Choy, Managing Director, Legal Services Trust Fund Program, State Bar of California, stephanie.choy@calbar.ca.gov, 415/538-2249

**Entry updated:** 8/16

Colorado

*The Colorado Supreme Court amended Sec. 23(g) of the Colorado Rule of Civil Procedure in 2016 to state that* “……In matters where the claims process has been exhausted and residual funds remain, not less than 50 percent of the residual funds shall be disbursed to the Colorado Lawyer Trust Account Foundation (COLTAF) to support activities and programs that promote access to the civil justice system for low income residents of Colorado. The court may disburse the balance of any residual funds beyond the minimum percentage to COLTAF or to any other entity for purposes that have a direct or indirect relationship to the objectives of the underlying litigation or otherwise promote the substantive or procedural interests of members of the certified class.”

**Effective Date:** July 1, 2016
Implementation work and analysis: There are plans to begin to publicize the new rule. Hoping to use state rule to encourage federal court cy pres awards.

For more information, please contact: Diana Poole, Executive Director, Colorado Lawyer Trust Account Foundation, diana@legalaidfoundation.org, 303/863-9544

Entry updated: 8/16

Connecticut

The Connecticut Supreme Court amended Sec. 9-9 of the Connecticut Superior Court Rules in 2014 to state that “…..Any order, judgment or approved settlement in a class action that establishes a process for identifying and compensating members of the class may designate the recipient or recipients of any such residual funds that may remain after the claims payment process has been completed. In the absence of such designation, the residual funds shall be disbursed to the organization administering the program for the use of interest on lawyers’ client funds pursuant to General Statutes 51-81c for the purpose of funding those organizations that provide legal services for the poor in Connecticut.”

Effective Date: January 1, 2015

Implementation work and analysis: Connecticut Bar Foundation (the IOLTA program) receives periodic awards from both state and federal class action cases. CBF sends letters to the state’s chief justice, the chief United States district court judge, the DBA’s federal practice and litigation sections and noted members of the class action bar.

For more information, please contact: Don Philips, Executive Director, Connecticut Bar Foundation, don@cbf-1.org, 860/722-2494

Entry updated: 8/16

Hawaii

The Hawaii Supreme Court amended Rule 23 of Hawaii’s Rules of Civil Procedure, in January, 2011, to state that “…..it shall be within the discretion of the court to approve the timing and method of distribution of residual funds and to approve the recipient(s) of residual funds, as agreed to by the parties, including nonprofit tax exempt organizations eligible to receive assistance from the indigent legal assistance fund under HRS section 607-5.7 (or any successor provision) or the Hawaii Justice Foundation, for distribution to one or more of such organizations. Judges may approve the distribution of residual funds to legal aid organizations or to the Hawaii Justice Foundation to disburse to one or more of such organizations.”

Effective date: July 1, 2011

Implementation work and analysis: In 2011, the Hawaii Access to Justice Commission prepared a Toolkit.
Illinois

Legislature amended Section 5 of the Code of Civil Procedure to add new Section 2-807 (735 ILCS 5/2-807), to establish a presumption that residual funds in class actions will go towards organizations that improve access to justice for low-income Illinois residents. Courts have the discretion to award up to 50% of the funds to other organizations that serve the public good as part of a settlement if the court finds good cause to do so, but at least 50% of these funds must go to support legal aid.

Effective date: July 1, 2008

Implementation work and analysis: The Chicago Bar Foundation has developed educational materials and sample language that they distribute to area judges, class action lawyers and other relevant parties (e.g., claims administrators). CBF website provides detailed information.

For more information, please contact: Bob Glaves, Executive Director, Chicago Bar Foundation, bglaves@chicagobar.org, 312/554-1205.

Entry updated: 8/16

Indiana

New language in Rule 23 of the Indiana Rules of Civil Procedure, adopted by the Indiana Supreme Court, reads, in part: “In matters where the claims process has been exhausted and residual funds remain, not less than twenty-five percent (25%) of the residual funds shall be disbursed to the Indiana Bar Foundation to support the activities and programs of the Indiana Pro Bono Commission and its pro bono districts. The court may disburse the balance of any residual funds beyond the minimum percentage to the Indiana Bar Foundation or to any other entity for purposes that have a direct or indirect relationship to the objectives of the underlying litigation or otherwise promote the substantive or procedural interests of members of the certified class.”

Effective date: January 1, 2011

Implementation work and analysis: Completed education campaign. Discussed federal courts local rule. Rule is seen as influencing local federal courts.

For more information, please contact: Marilyn Smith, Director of Civil Justice Programs, Indiana Bar Foundation, msmith@inbf.org, 317/269-7863

Entry updated: 8/16
Kentucky

The Kentucky Supreme Court amended Civil Rule 23.05 to add subsection (6) which states in part “In matters where the claims process has been exhausted and residual funds remain, not less than 25% of residual funds shall be disbursed to the Civil Rule 23 Account maintained by the Kentucky IOLTA Fund Board of Trustees pursuant to Supreme Court Rule 3.830(20).” The funds are allocated to Kentucky legal aid organizations based on the poverty population formula established by the Legal Services Corporation.

**Effective date:** January 1, 2014

**Implementation work and analysis:** The new rule was published in the state bar magazine in November, 2013, and judges were advised of the new rule at their annual colleges.

**For more information, please contact:** Amelia Martin Adams, Executive Director, Kentucky IOLTA Fund, aadams@kybar.org, 800/874-6582.

**Entry updated:** 8/16

Louisiana

The Louisiana Supreme Court enacted Rule XLIII, which states in part: “In matters where the claims process has been exhausted and Cy Pres Funds remain, such funds may be disbursed by the trial court to one or more non-profit or governmental entities which support projects that will benefit the class or similarly situated persons consistent with the objectives and purposes of the underlying causes of action on which relief was based, including the Louisiana Bar Foundation for use in its mission to support activities and programs that promote direct access to the justice system.”

**Effective date:** September 24, 2012

**Implementation work and analysis:** LBF staff provided judges throughout the state with materials regarding the rule when it became effective. LBF Presidents attend annual Judicial College events to advise judges about the rule and the value of using cy pres awards to benefit civil legal aid through gifts to the LBF. Information about the rule is posted on the LBF website.

**For more information, please contact:** Donna Cuneo, Executive Director, Louisiana Bar Foundation, donna@raisingthebar.org, 504/561-1046, or Laura Sewell, Development Director, Louisiana Bar Foundation, laura@raisingthebar.org, 504/561-1046

**Entry updated:** 8/16

Maine

The Maine Supreme Judicial Court has amended Civil Rule 23(f)(2) as follows: “The parties may agree that residual funds be paid to an entity whose interests reasonably approximate those
being pursued by the class. When it is not clear that there is such a recipient, unless otherwise required by governing law, the settlement agreement should provide that residual fees, if any, be paid to the Maine Bar Foundation to be distributed in the same manner as funds received from interest on lawyers trust accounts.

**Effective date:** March 1, 2013

**Plans for implementation:** MBF and providers to talk about heightening awareness of the new rule.

**For more information, please contact:** Diane Scully, Executive Director, Maine Bar Foundation, dscullly@mbf.org, 207/622-3477

**Entry updated:** 7/14

**Massachusetts**

*New language in Rule 23 of the Massachusetts Rules of Civil Procedure, adopted by the Supreme Judicial Court of Massachusetts,* reads, in part: “In matters where the claims process has been exhausted and residual funds remain, the residual funds shall be disbursed to one or more nonprofit organizations or foundations (which may include nonprofit organizations that provide legal services to low income persons) which support projects that will benefit the class or similarly situated persons consistent with the objectives and purposes of the underlying causes of action on which relief was based, or to the Massachusetts IOLTA Committee to support activities and programs that promote access to the civil justice system for low income residents of the Commonwealth of Massachusetts.” The rule was revised in 2015 to require in cases with residual funds that the plaintiff provide notice to IOLTA for the purpose of allowing IOLTA to be heard on whether it ought to be a recipient of any or all residual funds.

**Effective date:** January 1, 2009; revised July 1, 2015

**Implementation work and analysis:** With the revised rule mandating that the IOLTA Committee receive notice, IOLTA staff sent a letter to most plaintiff attorneys who engage in class actions, placed an article in the Lawyers Weekly, did a press release, updated the cy pres toolkit, and did presentations to the Boston Bar Council, Association of Legal Administrators and other relevant organizations.

**For more information, please contact:** Jayne Tyrrell, Executive Director, Massachusetts IOLTA Committee, jtyrrell@maiolta.org, 617/723-9093

**Entry updated:** 8/16

**Montana**

*The Montana Supreme Court amended Rule 23 of the Montana Rules of Civil Procedure* to state that “In matters where the claims process has been exhausted and residual funds remain, not
less than fifty percent (50%) of the residual funds shall be disbursed to an Access to Justice Organization to support activities and programs that promote access to the Montana civil justice system. The court may disburse the balance of any residual funds beyond the minimum percentage to an Access to Justice Organization or to another non-profit entity for purposes that have a direct or indirect relationship to the objectives of the underlying litigation or otherwise promote the substantive or procedural interests of members of the certified class.”

Effective date: January 1, 2015

Implementation work and analysis:

For more information, please contact: Niki Zupanic, Executive Director, Montana Justice Foundation, nzupanic@mtjustice.org, 406/523-3920

Entry updated: 12/14

Nebraska

The Nebraska Legislature amended section 30-3839 of Revised Statutes Cumulative supplement, 2012, to provide that: “Prior to the entry of any judgment or order approving settlement in a class action described in section 25-319, the court shall determine the total amount that will be payable to all class members if all class members are paid the amount to which they are entitled pursuant to the judgment or settlement. The court shall also set a date when the parties shall report to the court the total amount that was actually paid to the class members. After the report is received, the court, unless it orders otherwise to further the purposes of the underlying cause of action, shall direct the defendant to pay the sum of the unpaid residue to the Legal Aid and Services Fund”.

Effective date: April, 2014

Implementation work and analysis: None to date.

For more information, please contact: Milo Mumgaard, Executive Director, Nebraska Legal Aid, mmumgaard@legalaidofnebraska.org, 402/504-6444

Entry updated: 8/16

New Mexico

The New Mexico Supreme Court adopted new language in Rule 23 of the New Mexico Rules of Civil Procedure: The new language provides that residual class action funds may be distributed to non-profit organizations that provide legal services to low income persons, the IOLTA program, the entity administering the pro hac vice rule and/or educational entities that provide training, teaching and legal services that further the goals of the underlying causes of action on which relief was based. Funds also may go to other non-profit organizations that
support projects that benefit the class or similarly situated persons consistent with the goals of the underlying causes of action on which relief was based.

**Effective date:** May 11, 2011

**Implementation work and analysis:** Held a CLE on cy pres at the 2013 annual bench & bar conference - panelists include judges and private attorneys.

**For more information, please contact:** Richard Spinello, General Counsel, State Bar of New Mexico, rspinello@nmbar.org, 505/797-6050.

**Entry updated:** 7/14

**North Carolina**

*Legislature amended Subchapter VIII of Chapter 1 of the General Statutes to add new Article 26B,* which reads, in part: “Prior to the entry of any judgment or order approving settlement in a class action established pursuant to Rule 23 of the Rules of Civil Procedure, the court shall determine the total amount that will be payable to all class members, if all class members are paid the amount to which they are entitled pursuant to the judgment or settlement. The court shall also set a date when the parties shall report to the court the total amount that was actually paid to the class members. After the report is received, the court, unless it orders otherwise consistent with its obligations under Rule 23 of the Rules of Civil Procedure, shall direct the defendant to pay the sum of the unpaid residue, to be divided and credited equally, to the Indigent Person’s Attorney Fund and to the North Carolina State Bar for the provision of civil legal services for indigents.”

**Effective date:** October 1, 2005

**Implementation work and analysis:** In 2012, the North Carolina Access to Justice Commission prepared a toolkit, which is accessible online and has been distributed to judges and attorneys.

**For more information, please contact:** Evelyn Pursley, Executive Director, North Carolina IOLTA, epursley@ncbar.gov, 919/828-0477

**Entry updated:** 8/16

**Oregon**

*The legislature amended section 32 of the Oregon Code of Civil Procedure to add a new section O,* which provides that, in class action cases where residual funds exist, at least 50 percent of the amount not paid to class members be paid to the Oregon State Bar for the funding of legal services. The remainder will be paid to any entity for purposes that the court determines are directly related to the class action or directly beneficial to the interests of class members

**Effective date:** March 4, 2015
Implementation work and analysis: Oregon has not yet taken steps to implement the rule change by educating judges and lawyers. They hope to do so in the near future.

For more information, please contact: Judith Baker, Director of Legal Services Program, Oregon State Bar, jbaker@osbar.org, 503/431-6323

Entry updated: 8/16

Pennsylvania

The Supreme Court of Pennsylvania has revised Chapter 1700 of the Rules of Civil Procedure, directing that at least 50% of residual funds in a given class action shall be disbursed to the Pennsylvania IOLTA Board to support activities and programs which promote the delivery of civil legal assistance. The balance may go to IOLTA, or to another entity for purposes that have a direct or indirect relationship to the objectives of the underlying class action, or which otherwise promote the substantive or procedural interests of the members of the class.

Effective date: July 1, 2012

Implementation work and analysis: IOLTA developed a toolkit that has been distributed to Pennsylvania trial judges. They also are working on an educational plan for the class action bar and the federal and state trial bench.

For more information, please contact: Stephanie Libhart, Executive Director, Lawyer Trust Account Board, stephanie.libhart@pacourts.us, 717/238-2001

Entry updated: 8/16

South Carolina

The Supreme Court of South Carolina has amended the Rules of Civil Procedure to provide that “In matters where the claims process has been exhausted and residual funds remain, not less than fifty percent of residuals must be distributed to the South Carolina Bar Foundation to support activities and programs that promote access to the civil justice system for low income residents of South Carolina.” The balance may be distributed to any other entities for purposes that have a direct or indirect relationship to the objectives of the underlying litigation or otherwise promote the substantive and procedural interests of members of the class.

Effective date: April 27, 2016

Implementation work and analysis: Bar Foundation is planning to do outreach to attorneys in summer, 2016.

For more information, please contact: Megan Seiner, Executive Director, South Carolina Bar Foundation, mseiner@scbar.org, 803/576-3786

Entry updated: 8/16
South Dakota

Legislature approved Section 16-2-57 of its codified laws on the settlement of class action lawsuits to provide that “Any order settling a class action lawsuit that results in the creation of a common fund for the benefit of the class shall provide for the distribution of any residual funds to the Commission on Equal Access to Our Courts. However, up to fifty percent of the residual funds may be distributed to one or more other nonprofit charitable organizations that serve the public good if the court finds there is good cause to approve such a distribution as part of the settlement.”

Effective date: 2008

Implementation work and analysis: There are relatively few class action cases in South Dakota.

For more information, please contact: Thomas Barnett, Executive Director and Secretary Treasurer, State Bar of South Dakota, thomas.barnett@sdbar.net, 605/224-7554

Entry updated: 7/14

Tennessee

Legislature amended the Tennessee Code Annotated, Title 16, Chapter 3, Part 8, to create the Tennessee Voluntary Fund for Indigent Civil Representation and authorize it to receive contributions from several sources, including: “The unpaid residuals from settlements or awards in class action litigation in both state and federal courts, provided any such action has been certified as a class action under Rule 23 of the Tennessee Rules of Civil Procedure or Rule 23 of the Federal Rules of Civil Procedure;” In 2009, Rule 23.08 was amended to clarify that judges and parties to class actions may enter into settlement decrees providing for unclaimed class action funds to be paid to the Tennessee Voluntary Fund for Indigent Civil Representation.

Effective date: September 1, 2006

Implementation work and analysis:

For more information, please contact: Ann Pruitt, Executive Director, Tennessee Alliance for Legal Services, apruitt@tals.org, 615/627-0956

Entry updated: 7/14

Washington

New language in Rule 23, adopted by the Washington Supreme Court, reads, in part: “Any order entering a judgment or approving a proposed compromise of a class action certified under this rule that establishes a process for identifying and compensating members of the class shall provide for the disbursement of any residual funds. In matters where the claims process has been exhausted and residual funds remain, not less than twenty-five percent (25%) of the residual funds shall be disbursed to the Legal Foundation of Washington to support activities and
programs that promote access to the civil justice system for low income residents of Washington State. The court may disburse the balance of any residual funds beyond the minimum percentage to the Legal Foundation of Washington or to any other entity for purposes that have a direct or indirect relationship to the objectives of the underlying litigation or otherwise promote the substantive or procedural interests of members of the certified class.”

**Effective date:** January 3, 2006

**Implementation work and analysis:** Staff and volunteers of the Legal Foundation of Washington and LAW Fund continually educate judges and lawyers about the rule and about the value of using cy pres to benefit access to justice through gifts to the Legal Foundation of Washington.

**For more information, please contact:** Caitlin Davis Carlson, Executive Director, Legal Foundation of Washington, caitlindc@legalfoundation.org, 206/624-2536, ext 288

**Entry updated:** 8/16

---

**Wisconsin**

The Wisconsin Supreme Court amended Wisconsin Statute 803.08 to state that, “In class actions in which residual funds remain, not less than fifty percent of the residual funds shall be disbursed to the Wisconsin Trust Account Foundation to support direct delivery of legal services to persons of limited means in non-criminal matters. The circuit court may disburse the balance of any residual funds beyond the minimum percentage to WisTAF for purposes that have a direct or indirect relationship to the objectives of the underlying litigation or otherwise promote the substantive or procedural interests of members of the certified class.”

**Effective date:** January 1, 2017

**Implementation work and analysis:**

**For more information, please contact:** Jeff Brown, Staff Coordinator, State Bar of Wisconsin, jbrown@wisbar.org, 608/250-6177

**Entry updated:** 6/16

---

*Prepared by Meredith McBurney, Resource Development Consultant for the American Bar Association’s Resource Center for Access to Justice Initiatives, a project of the Standing Committee on Legal Aid and Indigent Defendants. Contact Meredith at meredithmcburney@msn.com or 303/329-8091.

**Copyright American Bar Association; may not be reprinted without permission.**
Improving Access to Justice in the Northern District of Illinois
With Residual Funds in Federal Court Class Action Cases

Support Pro Bono, Legal Aid and Access to Justice in the Chicago Area

- Federal courts in Chicago can advance this goal by directing awards of residual funds to The Chicago Bar Foundation (CBF) or one or more of the many outstanding pro bono and legal aid organizations the CBF supports. A list of CBF-supported organizations appears on the reverse side of this fact sheet, along with information about other organizations providing similar services outside of Cook County.
- In addition to the CBF being an effective vehicle where the court can support all of the major pro bono and legal aid organizations serving the Chicago area, *cy pres* awards enable the CBF to provide ongoing support for a number of successful projects right here in the Northern District.
- Among the federal court projects that *cy pres* awards have made possible and continue to support through the CBF are the Hibbler District Court Pro Se Program and the Bankruptcy Court Help Desk. These awards also provide support for the Settlement Assistance Program, through which pro bono attorneys represent pro se litigants in settlement conferences in federal cases, and help make it possible for the CBF to provide steady support for the major pro bono and legal aid organizations that serve clients in federal court and many other related initiatives that improve access to the courts.

Awards of Residual Funds in Class Actions, or *Cy Pres* Awards, are a Recognized and Proven Way to Promote Access to Justice for the Growing Number of People in Need

- Federal courts in Illinois and elsewhere in the country have long recognized that under the *cy pres* doctrine, courts can distribute these residual funds to appropriate charitable causes, including pro bono and legal aid organizations and related access to justice initiatives.
- As the District Court has recognized in dozens of cases over the past 12 years, awarding residual funds in class action settlements or judgments to organizations that improve access to justice for low-income Illinoisans is an appropriate use of the *cy pres* doctrine, as one underlying premise for all class actions is to make access to justice a reality for Illinois residents who otherwise would not be able to obtain the protections of the justice system.
- In addition to a large body of case law supporting the use of *cy pres* awards to advance access to justice, Illinois is one of a growing number of states that have adopted statutes or court rules at the state level codifying the principle that organizations which promote legal aid and access to justice are always an appropriate use for residual funds in class action cases. See 735 ILCS §5/2-807. While not binding in federal court, the Illinois statute is persuasive authority, and along with similar statutes and rules in other states underscores that legal aid/access to justice is distinct from other charitable causes far unconnected from the interests of the class members that have drawn concerns from the courts and some commentators.

Cy Pres Awards Help Close the Huge Gap in Access to our Justice System

- *Cy pres* awards have proven to be one of the best means available to help thousands of people in need get access to critical legal assistance, helping to expand the capacity of the pro bono and legal aid system and providing the “venture capital” for a number of groundbreaking access to justice initiatives in the Northern District and in the state courts.

For more information about how you can make an impact by directing an award of *cy pres* or residual funds to advance access to justice, contact Bob Glaves of The Chicago Bar Foundation at (312) 554-1205 or bglaves@chicagobar.org.
Class Action Residual Funds To Promote Access to Justice: Qualifying CBF-Supported Pro Bono and Legal Aid Organizations**

The following pro bono and legal aid organizations receive organizational support grants from The Chicago Bar Foundation, and thus have been carefully vetted through a comprehensive grant review process. Awards of residuals funds to The Chicago Bar Foundation and to any of the organizations listed below alphabetically can help advance access to justice in the Chicago area. (For those organizations where CBF support is limited to a specific project--noted in italics--only awards that support that particular project would qualify). More information on each of these organizations is available on the CBF website, www.chicagobarfoundation.org.

Access Living – Legal Services Department  
AIDS Legal Council of Chicago  
Cabrin Green Legal Aid (CGLA)  
CARPLS (Coordinated Advice & Referral Program for Legal Services)  
Catholic Charities of the Archdiocese of Chicago – Legal Assistance  
Center for Conflict Resolution (CCR)  
Center for Disability & Elder Law (CDEL)  
Center for Economic Progress – Tax Clinic  
Centro Romero – Latin American Legal Assistance Services  
Chicago Alliance Against Sexual Exploitation  
Chicago Coalition for the Homeless – Law Project  
Chicago Lawyers’ Committee for Civil Rights Under Law/ The Law Project  
Chicago Legal Clinic (CLC)  
Chicago Volunteer Legal Services (CVLS)  
Domestic Violence Legal Clinic (DVLC)  
Equip for Equality  
The Family Defense Center  
First Defense Legal Aid (FDLA)  
Illinois Legal Aid Online (ILAO)  
Indo-American Center – Citizenship & Immigration Services  
James B. Moran Center for Youth Advocacy  
LAF  
Latinos Progresando – Immigration Legal Services  
Lawndale Christian Legal Center  
Lawyers’ Committee for Better Housing (LCBH)  
Lawyers for the Creative Arts (LCA)  
Legal Aid Society of Metropolitan Family Services (LAS)  
Life Span – Center for Legal Services & Advocacy  
National Immigrant Justice Center (NLIC)  
The Roger Baldwin Foundation of the ACLU – Children’s Initiative  
Sargent Shriver National Center on Poverty Law  
Uptown People’s Law Center  
World Relief - Chicago – Immigrant Legal Services

** The organizations on this list represent the major pro bono and legal aid organizations providing services in Cook County, but this is not an exclusive list of the organizations that promote access to justice for Illinois residents. In addition, there are several legal aid organizations providing services outside of Cook County, including Prairie State Legal Services, Land of Lincoln Legal Assistance Foundation, DuPage Bar Legal Aid Service, ElderCare Options (Decatur), the Immigration Project (Normal), and Dispute Resolution Institute (Carbondale). The Illinois Bar Foundation also provides funding for these services throughout the State.
735 ILCS 5/2-807 Promotes Access to Justice for the Most Vulnerable Illinoisans

- The purpose of this Act is to ensure that, to the extent practicable, residual funds in class action cases in the Illinois courts are distributed to pro bono and legal aid organizations that improve access to justice for people in need in Illinois.
- Residual funds in class actions are a perfect match for this purpose, as one underlying premise for all class actions is to make access to justice a reality for Illinois residents who otherwise would not be able to obtain the protections of the justice system.

How 735 ILCS 5/2-807 Works

- This section of the Code of Civil Procedure establishes a presumption that any residual funds in class action settlements or judgments will go to organizations that improve access to justice for low-income Illinois residents.
- Courts have the discretion to award up to 50% of these funds to other organizations that serve the public good as part of a settlement if the court finds good cause to do so.
- In any event, at least 50% of any residual funds in class action cases must go to one or more organizations that promote or provide access to justice for low-income Illinoisans.

Eligible Legal Aid Organizations Pursuant to the Act Serving the Chicago Area

- Courts in Cook County can fulfill the purposes of this Act by directing cy pres awards to The Chicago Bar Foundation (CBF) or one or more of the many outstanding legal aid organizations the CBF supports.
- As the charitable arm of The Chicago Bar Association, the CBF supports all of the major pro bono and legal aid organizations serving the Chicago area; a variety of court-based advice desks and pro bono programs serving the state and federal courts; and several important statewide access to justice initiatives.
- A list of eligible CBF-supported organizations appears on the reverse side of this fact sheet, along with information about other qualifying organizations providing services outside of Cook County.

735 ILCS 5/2-807 Helps Close the Huge Gap in Access to our Justice System

- A dedicated group of legal aid and pro bono attorneys provides vital legal services to thousands of the most vulnerable people in our community. However, due to a long-term underinvestment in our pro bono and legal aid system, tens of thousands of less fortunate people continue to lack access to legal assistance that is often critical to their safety and independence and are left to solve complex legal problems on their own.
- Illinois residents who effectively are shut out of our State’s justice system today include working poor families victimized by mortgage fraud, elderly victims of predatory lending and other consumer fraud, women and children struggling with domestic violence, and veterans wrongfully denied benefits that have been promised to them, among many others.
- Cy pres awards have proven to be a critical source of funding to expand the capacity of the pro bono and legal aid system and providing the “venture capital” for a number of groundbreaking access to justice initiatives.

For more information about the Act or about how you can make an impact by directing an award of cy pres or residual funds to the CBF or one or more of our community’s pro bono and legal aid law organizations, contact Bob Glaves of The Chicago Bar Foundation at (312) 554-1205 or bglaves@chicagobar.org.
Class Action Residual Funds Pursuant to 735 ILCS 5/2-807: Qualifying CBF-Supported Pro Bono and Legal Aid Organizations**

The following pro bono and legal aid organizations receive organizational support grants from The Chicago Bar Foundation, and thus have been carefully vetted through a comprehensive grant review process. Awards of residuals funds to The Chicago Bar Foundation and to any of the organizations listed below alphabetically would be considered as qualifying for purposes of the statute. (For those organizations where CBF support is limited to a specific project--noted in italics--only awards that support that particular project would qualify). More information on each of these organizations is available on the CBF website, www.chicagobarfoundation.org.

Access Living – Legal Services Department
AIDS Legal Council of Chicago
Cabrini Green Legal Aid (CGLA)
CARPLS (Coordinated Advice & Referral Program for Legal Services)
Catholic Charities of the Archdiocese of Chicago – Legal Assistance
Center for Conflict Resolution (CCR)
Center for Disability & Elder Law (CDEL)
Center for Economic Progress – Tax Clinic
Centro Romero – Latin American Legal Assistance Services
Chicago Alliance Against Sexual Exploitation – Sexual Assault Justice Project
Chicago Coalition for the Homeless – Law Project
Chicago Lawyers’ Committee for Civil Rights Under Law
Chicago Legal Clinic (CLC)
Chicago Volunteer Legal Services (CVLS)
Domestic Violence Legal Clinic (DVLC)
Equip for Equality
The Family Defense Center
First Defense Legal Aid (FDLA)
Illinois Legal Aid Online (ILAO)
Indo-American Center – Citizenship & Immigration Services
James B. Moran Center for Youth Advocacy
LAF
Lambda Legal – Midwest Regional Office Help Desk
Latinos Progresando – Immigration Legal Services
The Law Project
Lawndale Christian Legal Center
Lawyers’ Committee for Better Housing (LCBH)
Lawyers for the Creative Arts (LCA)
Legal Aid Society of Metropolitan Family Services (LAS)
Life Span – Center for Legal Services & Advocacy
Midwest Center on Law and the Deaf (MCLD)
National Immigrant Justice Center (NIJC)
The Roger Baldwin Foundation of the ACLU – Children’s Initiative
Sargent Shriver National Center on Poverty Law
Uptown People’s Law Center
World Relief - Chicago – Immigrant Legal Services

**The organizations on this list represent the major pro bono and legal aid organizations providing services in Cook County, but this is not an exclusive list of the organizations eligible to receive cy pres awards under 735 ILCS 5/2-807. In addition, there are several qualifying organizations providing services outside of Cook County, including Prairie State Legal Services, Land of Lincoln Legal Assistance Foundation, DuPage Bar Legal Aid Service, Guardianship Referral & Services (Decatur), the Immigration Project (Granite City), the Kankakee Center for Conflict Resolution of the John R. Tate Advocacy Center, and the Will County Legal Assistance Program. The Public Interest Law Initiative and the Illinois Bar Foundation provide funding for these services throughout the State and also are qualifying organizations under the Act.