

New Class Action Court Rule Supports Legal Aid

Seattle, WA – Effective in January 2006 the Washington Supreme Court amended Civil Rule 23, requiring that a portion of class action unclaimed funds be used for legal aid. Under the new rule, the Supreme Court requires that when class actions are resolved, 25% of the residual funds be disbursed to the Legal Foundation of Washington “to promote access to the civil justice system for low-income residents.” The remainder of the residual funds may go to the Legal Foundation of Washington or to another entity that promotes the underlying interests of the class members or the purpose of the litigation.

Residual funds are common at the conclusion of class actions because not all class members can be located, not all class members submit claims, or sometimes the award per person is too small to warrant the administrative burden of distributing it. In those cases, courts historically have had discretion about where to distribute the money. Washington is one of the first states to adopt a law to require that residual funds uniformly be allocated to legal aid.

The Legal Foundation of Washington supported the rule amendment, along with the Washington State Bar Association, the Superior Court Judges Association, the Washington State Trial Lawyers Association and the Washington State Defense Trial Lawyers Association. The rule is effective for all class actions pending in state court on January 3, 2006, and all cases filed thereafter.

For questions about the new rule and its implementation, please contact Andrea Axel, Project Manager at the Legal Foundation of Washington, phone (206) 957-6289 or email andrea@legalfoundation.org.

###