



CITY OF DETROIT  
LAW DEPARTMENT

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Supreme Court Clerk  
P.O. Box 30052  
Lansing, Michigan 48909

RE: ADM File No. 2018-02. Proposed Amendment of Rule 3.501 of the Michigan Court Rules

Dear Sir/Madam:

The Supreme Court invited comment on a proposed amendment to Rule 3.501 which would require that unclaimed class action settlement funds be disbursed to the Michigan State Bar Foundation or otherwise allocated consistent with the "cy pres" doctrine. Justice Markman has raised 16 concerns presented by the proposed rule.

On behalf of the City of Detroit, we contend that if the rule were adopted, either as proposed, or as it may be amended, it should specifically exempt cases where the State of Michigan, or any political subdivision of the State, is the defendant. In all such cases, settlement proceeds are paid from public funds, typically tax revenues collected from citizens. Any unclaimed funds in such cases should be returned to the public coffer from which they came. Regardless of the merit of funding charitable causes, it is not appropriate for the Court to allocate by Court Rule, money derived from the public coffer that is sorely needed to provide services to the citizens served by State or local government. Indeed, in all cases involving a governmental defendant, unclaimed class action settlement funds should be returned to the public coffer.

Respectfully,

Lawrence T. Garcia  
City of Detroit Corporation Counsel