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Larry Royster  
Clerk of the Court  
Michigan Supreme Court  
P.O. Box 30052  
Lansing, MI 48909

306 Townsend Street

Michael Franck Building

Lansing, MI

48933-2012

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

Dear Clerk Royster:

At its July 26, 2019 meeting, the State Bar of Michigan Board of Commissioners (Board) considered the above-referenced proposed rule amendment published by the Court for comment. As part of its review, the Board considered recommendations from the Access to Justice Policy and Civil Procedure & Courts committees.

After this review, the Board voted to take no position on the policy underlying the rule proposal, but if the Court supports the policy, then the Board recommends that it adopt the following amendments to clarify the rule:

Rule 3.501 Class Actions

(A)– (C) [ Unchanged]

(D) Judgment.

(1)-(5) [Unchanged]

(6)

(a) “Residual Funds” are funds that remain after the payment of approved class member claims, expenses, litigation costs, attorney’s fees, and other court-approved disbursements made to implement the relief granted in the order entering judgment or approving a proposed settlement of a class action.

(b) Nothing in this rule is intended to limit the parties to a class action from proposing a settlement, or the court from entering a judgment or approving a settlement, that does not create Residual Funds.

(c) Any order entering a judgment or approving a proposed settlement of a class action certified under this rule that may result in the existence of Residual Funds shall provide for the disbursement of any such Residual

Funds. 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 the Michigan State Bar Foundation to support activities and programs that promote access to the civil justice system for low income residents of Michigan, unless the court otherwise determines to disburse all Residual Funds to a foundation or not for profit organization that has a direct or indirect relationship to the underlying litigation or otherwise promotes the interests of the members of the certified class.

We thank the Court for the opportunity to convey the Board's position on this rule proposal.

Sincerely,



Janet K. Welch  
Executive Director

cc: Anne Boomer, Administrative Counsel, Michigan Supreme Court  
Jennifer Grieco, President, State Bar of Michigan