

New Class Action Rule Change Requires IOLTA Notification

The Supreme Judicial Court has amended the rule governing class action lawsuits to require plaintiffs to notify the Massachusetts IOLTA Committee before a judgment is entered or a compromise approved regarding the disposition of class action residuals. The April 24th, 2015 amendment to Rule 23 follows a 2008 amendment to the same rule recognizing the IOLTA Committee and legal services organizations as appropriate beneficiaries of residual funds.

Mass. R. Civ. P. 23 outlines the requirements for bringing and maintaining a class action law suit. Such suits often end with residual funds, that is, funds that couldn't be distributed to the plaintiffs. Up until 2008, Rule 23 did not provide direction with respect to how such funds should be disbursed.

The new amendment is effective July 1, 2015. In addition to the notification requirement, it authorizes the IOLTA Committee to respond by making a limited appearance to be heard on whether it ought to be a recipient of any of the residual funds.

Says IOLTA Committee Chair Douglas Salvesen, "We strongly encourage all class action litigants to direct that any residuals in their cases be used to fund legal service programs throughout the Commonwealth. Class actions and legal service programs both strive to make justice a *reality* for people who otherwise would not be able to obtain it on their own. Class action residual awards over the past several years have enabled the Committee to provide support to a number of successful legal services initiatives."

Legal services programs provide information, advice and assistance to low-income individuals and families in the Commonwealth with critical civil legal needs such as those involving shelter, sustenance, health and safety.

For more information on class action residuals, please see: [Class Action Residuals Handbook](#)

Or, please contact:

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