

1 SB220  
2 139110-3  
3 By Senator Dial  
4 RFD: Judiciary  
5 First Read: 07-FEB-12

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4 ENGROSSED

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7 A BILL  
8 TO BE ENTITLED  
9 AN ACT

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11 Relating to the distribution of excess funds created  
12 pursuant to a class action lawsuit filed in Alabama; to  
13 provide that all settlements or orders entering judgment in a  
14 class action lawsuit filed in Alabama and governed by Alabama  
15 law that result in the creation of a common fund for the  
16 benefit of a class shall establish a plan for determining the  
17 distribution of the residual remaining funds to the Department  
18 of Child Abuse and Neglect Prevention and the timing of such  
19 distribution.

20 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

21 Section 1. In any class action governed exclusively  
22 by Alabama law, any order of a circuit court entering a full  
23 and final judgment pursuant to Ala. R. Civ. p. 54 as to all  
24 claims and issues, whether by settlement or other  
25 adjudication, that results in the creation of a common fund  
26 for the benefit of the class, shall establish a specific plan

1 for the distribution of any residual funds, under which any  
2 funds remaining after payment of all benefits to or for the  
3 benefit of class members shall be paid to the Department of  
4 Child Abuse and Neglect Prevention.

5 Section 2. For the purpose of this act, residual  
6 funds from a class action common fund are those funds that  
7 remain undistributed due to circumstances in which the members  
8 of the class cannot be located, funds for which the direct  
9 distribution to individual class members is not economically  
10 feasible, funds which remain after all class members are given  
11 a full opportunity to make a claim, or funds payable to or  
12 otherwise for the benefit of class members which for any  
13 reason remain undistributed after the time period established  
14 by the circuit court presiding over the action. All residual  
15 funds shall be distributed to the Department of Child Abuse  
16 and Neglect Prevention consistent with a specific plan as  
17 provided in Section 1.

18 Section 3. Nothing in this act is intended to be nor  
19 shall be construed so as to limit the rights of parties to a  
20 class action to contract in settlement for the reversion of  
21 residual funds to the paying party or to one or more persons  
22 or entities designated by the circuit court or a class member  
23 as a beneficiary or assignee of the rights of a class member.

24 Section 4. Notwithstanding the obligations imposed  
25 by Section 1, in the event the circuit court presiding over a  
26 class action finds that, except with regard to the obligations

1 imposed by Section 1, parties to a class action have reached a  
2 settlement on behalf of or for the benefit of class member,  
3 the circuit court may intervene and attempt to assist the  
4 parties' efforts in reaching a resolution or settlement of the  
5 class action. In the event the circuit court undertakes to  
6 perform duties under this section, the circuit court, in its  
7 discretion, and upon determination by the circuit court that  
8 the obligations imposed by Section 1 are a substantial  
9 impediment to settlement, may suspend the requirements of  
10 Section 1.

11 Section 5. This act shall apply to all cases filed  
12 on or after January 1, 2013.

13 Section 6. This act shall become effective  
14 immediately following its passage and approval by the  
15 Governor, or its otherwise becoming law.

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Senate

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| Read for the first time and referred to the Senate<br>committee on Judiciary.....   | 07-FEB-12 |
| Read for the second time and placed on the calen-<br>dar with 1 substitute and..... | 15-MAR-12 |
| Read for the third time and passed as amended ....                                  | 10-APR-12 |

Yeas 33  
Nays 0

Patrick Harris  
Secretary