

Establishing a Qualified Settlement Fund

Overview

§ 1.468B-1(c) sets the requirements to be satisfied for an account, fund, or trust to qualify as a Qualified Settlement Fund. As such, these requirements are significantly intertwined with the process to establish a QSF. If a trust is being established as a QSF for a case that resolves claims, the trustee must petition for the approval of establishment for the QSF to an eligible government entity.¹ While the methods, or process, for establishing a QSF may be divergent in nature, effectively planning the process for establishing a QSF may prove to be prudent for firms.

Methodology

Pursuant to § 1.468B-1, a QSF must satisfy certain requirements to be classified as a QSF.² To satisfy these requirements when establishing a QSF, the following may be done:

- 1. Create the QSF trust agreement that satisfies § 1.468B-1(c)(2)(i) and § 1.468B-1(c)(2)(ii)**
- 2. Petition for the order of approval of the QSF to an eligible government entity³**
- 3. Obtain the order for approval that satisfies the requirements prescribed in § 1.468B-1**
- 4. Obtain an EIN for the QSF**
- 5. Employ a trust company, bank, or financial institution that can administer your QSF**
- 6. Establish an account for the QSF to receive funding from the settlement**
- 7. Continue to administer the QSF and distributions made to Claimants and fees to be paid to the Attorney or assignment company**

NOTE: Eastern Point Trust Company's complete QSF service—QSF360™—provides QSF creation, administration, processing, and closing services. Call (855) 222-7513 for a free consultation or email us at info@easternpointservices.com for more information.

¹ See Regs. § 1.468B-1(c)

² See Regs. § 1.468B-1(c)

³ See Regs. § 1.468B-1(c)(1)