
FOREWORD

When the RAND Institute for Civil Justice approached Neuberger Berman with a proposal to fund a study of class action litigation, we were intrigued. Billions of dollars were being spent on these suits, and nobody really understood the implications: What types of lawsuits should be handled in a class action format? Were class participants receiving their fair share of settlements? On what basis should plaintiff lawyers be paid? There were many opinions on what was right and wrong with the class action system, but little objective research on which to base policy recommendations.

We knew that for this type of research to be valuable, it had to be conducted by an independent organization, above reproach and experienced in civil justice issues. The ICJ seemed ideal. From 1988 to 1994 I sat on the ICJ Board and experienced firsthand the quality and thoroughness of the ICJ's work. I saw and respected its groundbreaking research on aviation accident and asbestos litigation, and alternative dispute resolution. Confident in the ICJ's capabilities and credentials, Neuberger Berman agreed to fund a disciplined study that could help shed light on an arcane and controversial part of our legal and economic system.

The ICJ worked on the study from 1996 to late 1999. During that time, Neuberger Berman's involvement was limited to being given study completion dates, as it was important to both organizations that the ICJ's work remain totally independent. The results you are about to read fulfill Neuberger Berman's goal to provide all who are interested in class action policy with legislative recommendations based on research by a nonpartisan authority on civil justice. We hope this study will be a valuable addition to every law school library, law firm, and corporate boardroom, and the subject of active, enlightened debate.

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