

Judge approves first-of-its-kind settlement for ERSWW client

When Kamal Stevens died in a tragic car accident in January 1997, he left behind a six-year-old son, Austin. Kamal's father, Wade Stevens, became a surrogate father, but life was still hard for young Austin. His parents had never married, his grandfather was still working full-time, and his mother also had to work full-time to support his half-brothers and -sisters.

So when a modest settlement was achieved on behalf of the estate of Austin's father, ERSWW was motivated to do the best it could for this young man. During the lawsuit, Congress approved a new way to save for college: "The Section 529 Plan." The Section 529 Plan allows money to be placed into investments without paying any taxes on the income earned through the investments, so long as the money is used for college or some other approved higher education.

Austin was the only beneficiary of his father's estate. Normally, when settlement funds are received on behalf of a minor, they are placed into a Certificate of Deposit or other bank account, where they accrue interest and earnings, until the minor reaches the age of 18. But today, such returns are meager, earning only about two percent interest.

An ERSWW partner, **Eric G. Zajac**, petitioned the court to allow the money to be placed directly into a Section 529 account. This was the first time any such request had ever been made in Philadelphia County, and it was the first such known request anywhere in Pennsylvania. The court ultimately approved placement of the settlement funds into this unique type of account, provided that Austin's grandfather oversaw the account on Austin's behalf, and provided other restrictions were placed on the account to ensure protection of the principal. The paperwork for the opening of the account was recently signed at Bryn Mawr Trust Company in Bryn Mawr, Pennsylvania.

The tragic loss of Austin's father cannot be undone, but at least Austin's father has been able to leave him a legacy that will allow him to earn a college degree.

