

# New law affects Friendly Suit process

By [Kelsey A. Chilcoat](#)

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New legislation, which took effect Nov. 1, appears to offer an end-run around the often-cumbersome Friendly Suit process. Oklahoma Statutes, Title 12, Section 86.1, titled "Oklahoma Statutory Threshold for Settlements Involving Minors Act" (the Act), allows a person having legal custody of a minor to enter into a settlement agreement with a party, against whom the minor has a claim, without court approval under certain circumstances.

Under the Act, the settlement can be completed upon the execution of an affidavit by the minor's legal custodian if the settlement amount is \$25,000 or less – not including attorney fees, medical expenses, liens and costs. The affiant must swear that the minor will be fully compensated by the settlement or that there is no more money to be practically contributed by the defendant entering into the settlement. Attorneys representing the party settling with the minor must maintain a copy of the affidavit for two years after the minor reaches the age of eighteen.

The Act also requires the settlement amount to go into a savings account or trust in the sole name of the minor and outlines the procedures for payment and ultimate withdrawal of the funds. Banks and financial institutions should be made aware of the Act. In some instances, it appears the onus may be on the financial institution to flag the account as one that cannot be withdrawn until the minor reaches the age of majority.

The Act undoubtedly seeks to simplify the process of settling a claim with a minor and to unclog the dockets of the district court judges presiding over the often reasonable, mutually-agreed, fully-informed settlements. Whether it will, in practice, succeed is yet to be determined.

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***For more information on how the information in this article may impact your business, please call 405.606.4728 or [email](#) Kelsey A. Chilcoat.***



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