FUNDRAISING THROUGH PUBLIC APPEALS ACT

The Committee appointed by and representing the National Conference of Commissioners on Uniform State Laws in preparing this act consists of the following individuals:

TERRY J. CARE, 10284 Garden Glen Ln., Las Vegas, NV 89135, Chair
LEVI J. BENTON, 3417 Milam St., Houston, TX 77002
LARRY T. GARVIN, Ohio State University, Moritz College of Law, 55 W. 12th Ave., Columbus, OH 43210-1391
MARTIN W. HEALY, 20 West St., Boston, MA 02111-1204
STEVEN N. LEITESS, 201 N. Charles St., 26th Floor, Baltimore, MD 21201-4149
KIMBERLY LOWE, 901 Marquette Ave., Suite 1675, AT&T Tower, Minneapolis, MN 55402
CASSANDRA BURKE ROBERTSON, Case Western Reserve University School of Law, 11075 East Blvd., Cleveland, OH 44106-5409
JAMES P. SPICA, 500 Woodward Ave., Suite 4000, Detroit, MI 48226-5403
KEVIN P. SUMIDA, 735 Bishop St., Suite 411, Honolulu, HI 96813
DAVID S. WALKER, Drake University Law School, 2507 University Ave., Des Moines, IA 50311
SUZANNE B. WALSH, 185 Asylum St., CityPlace I, 29th Floor, Hartford, CT 06103-3469
ANTHONY WENDTLAND, 2161 Coffeen Ave., Suite 301, Sheridan, WY 82801
KAREN E. BOXX, University of Washington, 316 William H. Gates Hall, P.O. Box 353020 Seattle, WA 98195-3020, Reporter

EX OFFICIO

ANITA RAMASASTRY, University of Washington School of Law, William H. Gates Hall, Box 353020, Seattle, WA 98195-3020, President
JOHN T. McGARVEY, 401 S. 4th St., Suite 1200, Louisville, KY 40202, Division Chair
JOANNE M. PEPPERL, Nebraska Office of Revisor of Statutes, 1445 K. St., Room 358, Lincoln, NE 68509, Style Liaison

AMERICAN BAR ASSOCIATION ADVISOR

MARY ELIZABETH ANDERSON, 500 W. Jefferson St., Suite 2800, Louisville, KY 40202-2813, ABA Advisor

EXECUTIVE DIRECTOR

STEVEN L. WILLBORN, Uniform Law Commission, 111 N. Wabash Ave., Suite 1010, Chicago, IL 60602, Interim Executive Director

Copies of this act may be obtained from:

NATIONAL CONFERENCE OF COMMISSIONERS
ON UNIFORM STATE LAWS
111 N. Wabash Ave., Suite 1010
Chicago, Illinois 60602
312/450-6600
www.uniformlaws.org
## TABLE OF CONTENTS

Prefatory Note ................................................................................................................................. 1  
SECTION 1.  SHORT TITLE. .............................................................................................................. 3  
SECTION 2.  DEFINITIONS. ............................................................................................................. 3  
SECTION 3.  APPLICABILITY ......................................................................................................... 6  
SECTION 4.  EXCLUSIONS ............................................................................................................. 7  
SECTION 5.  FUND MANAGER APPOINTMENT. ............................................................................... 7  
SECTION 6.  PUBLIC APPEAL BENEFITING ORGANIZER ............................................................ 8  
SECTION 7.  PUBLIC APPEAL BENEFITING INTENDED INDIVIDUAL OTHER THAN PUBLIC APPEAL ORGANIZER ............................................................................................................................. 8  
SECTION 8.  PUBLIC APPEAL FOR PROJECT ................................................................................ 8  
SECTION 9.  PUBLIC APPEAL FUND INTERMEDIARY ................................................................. 10  
SECTION 10.  DUTIES AND POWERS OF FUND MANAGER ....................................................... 10  
SECTION 11.  UNUSED BALANCE ................................................................................................ 12  
SECTION 12.  ENFORCEMENT ...................................................................................................... 13  
SECTION 13.  UNIFORMITY OF APPLICATION AND CONSTRUCTION ...................................... 14  
SECTION 14.  RELATION TO ELECTRONIC SIGNATURES IN GLOBAL AND NATIONAL COMMERCE ACT ................................................................................................................................. 14  
SECTION 15.  TRANSITIONAL PROVISION .................................................................................. 14  
SECTION 16.  REPEALS; CONFORMING AMENDMENTS .............................................................. 14  
SECTION 17.  EFFECTIVE DATE ................................................................................................... 15
Prefatory Note

This Act was conceived as an approach for dealing with funds raised for humanitarian and benevolent purposes through online platforms. The person raising funds this way usually receives little if any legal or financial advice and may be unsophisticated in administering funds intended to benefit others, and the intention for this Act was to provide guidance and protections for the fundraiser, donors and intended recipients. Its original title was the Uniform Management of Funds Raised Through Crowdfunding Efforts Act. However, the drafting committee quickly realized that the term “crowdfunding” could include some equities fundraising campaigns involving securities offers. Further, Merriam-Webster defines crowdfunding as “the practice of obtaining needed funding (as for a new business) by soliciting contributions from a large number of people especially from the online community.” The term therefore is both over broad and too restrictive for the appropriate scope of this Act. First, this Act addresses only funds raised for specific donative purposes, not for commercial endeavors. (The Act also exempts recognized charities subject to existing regulatory schemes.) Second, the Act’s scope includes fundraising by more traditional avenues, such as pleas for funds communicated through television, radio and print media, in addition to online campaigns. The Act’s current name is intended to remove any confusion.

The type of fundraising contemplated under this Act surfaced more than a decade ago. Hardly a day passes without news of yet another public appeal for money, usually on line. Notable recent efforts have included $20-million raised (and later subject to refund) to help with construction of a wall along the southern border of the United States, and an appeal for furloughed federal workers seeking financial help during the most recent government shutdown. Activists raised funds for newspaper ads in support of the woman who accused Supreme Court Nominee Brett Kavanaugh of sexual misconduct, while others produced dollars for the benefit of a 13-year-girl whose parents were murdered and who had gone missing for 88 days. Flood victims have benefited as have people needing surgery. More than $9-million generated through online appeals went to assist the victims of the Pulse nightclub mass killing in Orlando, and protestors of the Dakota Access Pipeline benefitted from a drive that garnered almost $8-million. Then there was the drive to create a retirement fund for the 89-year-old Popsicle cart vendor.

There is scant civil case law arising from online public appeals, though prosecutors have made headlines where criminal conduct is involved. Witness the scheme concocted in New Jersey where a man and woman began a fundraising drive for a homeless ex-marine who supposedly turned over his last $20 to the couple portrayed as having run out of gas. All three, it turned out, had concocted the story that succeeded in collecting in excess of $400,000.

State legislatures have been slow to react. In recent legislative sessions, at least three bills, two in New Jersey and one in Maine, address theft by crowdfunding. Another, also New Jersey, would permit government entities to conduct fundraising for certain government projects. No state statutes contemplate a fundamental question addressed in this Act: what to do with unused funds?
The Uniform Law Conference of Canada addressed the issue in 2011, promulgating its Uniform Informal Public Appeals Act. The drafters of this Act frequently consulted the Canadian Act and Canada’s experience in implementing its Act.
FUNDRAISING THROUGH PUBLIC APPEALS ACT

SECTION 1. SHORT TITLE. This [act] may be cited as the Fundraising through Public Appeals Act.

Comment

The title of the Act indicates that the Act covers fundraising through appeals to the public. It is not limited to appeals through online platforms, usually called “crowdfunding.” However, as the terms of the Act clarify, it does not apply to fundraising for business purposes and fundraising by organized charities.

SECTION 2. DEFINITIONS. In this [act]:

(1) “Entity” means a:

(A) business corporation;
(B) nonprofit corporation;
(C) limited liability partnership;
(D) limited partnership;
(E) limited liability company;
(F) limited liability limited partnership; or
(G) general cooperative association.

(2) “Fund manager” means a person that controls or manages a public-appeal fund for the benefit of another person or for a project. It includes a successor fund manager or a person who takes over management and control of a public-appeal fund from the person intended to benefit from the public appeal.

(3) “Intended individual” means an individual who is the subject of a public appeal.

(4) “Noncommercial purpose” means a purpose that is not:

(A) an investment opportunity for donors or
(B) for the profit or commercial advantage for the public-appeal organizer,
intended individual, or project.

(5) “Person” means an individual, estate, trust, business or nonprofit entity, public corporation, government or governmental subdivision, agency, or instrumentality, or other legal entity.

(6) “Project” means the subject of a public appeal that is an undertaking and not a named person.

(7) “Public appeal” means a solicitation directed at the public or a section of the public, rather than a private solicitation to specific persons, of contributions for a specified noncommercial purpose. The term includes a solicitation through a media outlet, social medium, or online fundraising platform.

(8) “Public-appeal fund” means money or other property raised through a public appeal, including a post-termination contribution.

(9) “Public-appeal organizer” means a person that makes a public appeal.

(10) “Qualified entity” means:

(A) a federal, state or local governmental entity or agency; and

(B) an entity, organization, or association that [is registered with this state as a charitable organization under [state charitable organization registration statute] or] qualifies as tax exempt under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, 26 U.S.C. Section 501(c)(3).

(11) “Record” means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.

(12) “Regulated financial institution” means a bank, trust company, mutual savings bank, savings and loan association, or credit union authorized to do business and accept deposits under
state or federal law.

(13) “State” means a state of the United States, the District of Columbia, Puerto Rico, the United States Virgin Islands, or any territory or insular possession subject to the jurisdiction of the United States.

(14) “Unused balance” means money or other property in a public-appeal fund which is not needed for or is insufficient to satisfy the purpose of the public appeal.

Legislative Note: In a state in which the constitution or other law does not permit the phrase “as amended” when federal statutes are incorporated into state law, the phrase should be deleted in paragraph (10).

Comment

Fund Manager. This term refers to the person who has control over the funds once raised. The various online platforms may differ, but commonly the person setting up the fundraising campaign either designates himself or herself as the owner or directs that the funds be controlled by someone else. The fundraiser will have to give a tax identification number for whomever is in control of the funds. The fund manager owes duties to the person or project intended to benefit from the public appeal. If the person controlling the funds is the person intended to benefit from the appeal, then the person is not within the definition of fund manager. However, if for the person controlling the funds for their own benefit relinquishes control to a successor, then that person controlling the funds is a fund manager.

Intended Individual. The fundraising campaign may be for the benefit of one or more individual identifiable by name or by implication. The term may also include an identifiable group composed of named or unnamed individuals. For example, the intended individual could be Jane Smith, a high-school student who needs funds for an educational trip abroad. The intended individual could also be the Jones High School French class which includes Jane Smith. The intended individual may be the fundraiser, or the fundraiser may be raising money for someone else.

Noncommercial purpose. The Act does not apply to crowdfunding intended to raise capital for business ventures or to sell products. Its scope is limited to humanitarian fundraising, where contributors donate funds without any expectation of return or personal benefit, in order to assist a person in need or fund a worthy endeavor. The definition excludes both campaigns in which the donor expects a return on investment and campaigns in which the fundraiser expects to collect renumeration for their efforts. For example, Patreon is a membership program in which fans of artists, writers and other creators can contribute small amounts to fund the creator’s work. That would be considered a commercial purpose and would not be covered by the Act. A string quartet raising money to record musical works that would not be sufficiently commercial to get funding from more orthodox methods would also be considered a commercial purpose under this...
definition and would not be covered by the Act.

Project. Some fundraisers are intended to raise money for a particular endeavor rather than a person. For example, a group of friends may want to raise money to offer a reward for information about the unsolved murder of their friend. A little league baseball team may want to raise funds to attend a championship tournament that it unexpectedly qualified for. A church may need funds to rebuild after a natural disaster. This category of fundraising campaign is consistent with the type of purpose trust called a “noncharitable trust without ascertainable beneficiary” under the Uniform Trust Code § 409.

Public Appeal. The Act covers appeals made through online platforms, such as GoFundMe and Facebook, as well as through traditional media, such as radio and television news programs. The fundraising activity subject to the Act must be directed at the public. Requesting contributions from family members and close friends is not a public appeal. The appeal may be more directed than a general broadcast. For example, a campaign to raise funds for a retired judge’s unfunded medical care may be directed at all lawyers in the community. That would still be a public appeal. The drafters recognize that what makes a public appeal public is not always clear. A church, for example, may announce to its congregation during a regular service that it is commencing a building fund and needs $100,000. The announcement is not heard outside the church and, to the mind of the church, is not intended to be public. Another church, however, also launching a building fund for the same amount of money, organizes a public appeal through an online platform. Arguably, the former solicitation would not be a public appeal. The latter, under this Act, would be.

Public-Appeal Fund. The fund could include any form of currency, including cryptocurrency, and other property.

Unused Balance. An "Unused Balance" arises where the purpose for which the public appeal no longer exists. For example, suppose John Smith needs $250,000 for life-saving surgery. The public appeal raises less than, or even more than, $250,000 but John Smith dies prior to surgery. The unused balance would be the entirety of the public appeal fund. An unused balance may also exist where the public appeal's target is a specific amount and the public appeal fund exceeds that number. For example, the public appeal for John Smith's surgery generates $270,000 and his surgery is successful. The unused balance would be $20,000.

SECTION 3. APPLICABILITY. This [act] applies to a public-appeal fund created by a public appeal organizer:

(1) who is an individual residing in this state; or

(2) which is an entity organized under the laws of this state or whose principal place of business is in this state.
Comment

The choice of law could be particularly problematic for online fundraising activity. The drafters chose to focus on the residence of the organizer for clarity.

SECTION 4. EXCLUSIONS. The [act] does not apply to a public-appeal fund if:

(1) the public appeal organizer is a qualified entity or the fund is payable directly to a qualified entity;

(2) at the time of creation, the public appeal organizer has agreed in a record with all donors as to distribution of the funds raised and distribution of any unused balance; or

(3) the public appeal organizer requires that the funds be placed in trust for the benefit of the intended individual or project.

Comment

This section is intended to exclude from the Act well-organized campaigns that have built-in protections. The Act excludes public appeals that are made by a qualified charity or government entity and those that are payable directly to a qualified charity or government entity. For example, the millions of dollars raised through GoFundMe after the Pulse nightclub shooting were payable to Equality Florida, a qualified charitable organization. Such campaigns are not subject to the act because qualified charities and governmental agencies are otherwise regulated and monitored. Some online platforms currently require a public appeal organizer to enter into a contract with each donor regarding distribution of any unused balance, and the contracts provide the terms, such as what to do with an unused balance, that this act is intended to provide. If the campaign provides that the funds will be paid directly to a trust for the benefit of the intended individual or project, applicable state law on trusts provide sufficient structure and protection.

SECTION 5. FUND MANAGER APPOINTMENT. A person becomes a fund manager on receipt of notice of being designated fund manager and the person’s conduct indicates acceptance of being designated fund manager.

Comment

Because the role of fund manager creates duties, the fund manager must have some notice before those duties are imposed. In most cases, the fund manager will be the public-appeal organizer. However, if the public-appeal organizer designates another person to have authority over the funds, then before duties arise, the designated fund manager must receive notice and must by their conduct indicate a willingness to serve. Ideally, acceptance would be by written
acknowledgement. However, many public appeal campaigns are organized spontaneously by
one or more laypersons as a charitable response to someone's sudden misfortune or immediate
need for financial assistance. In such cases, formalities are not always considered. In the
absence of a written acknowledgement, a person may become a fund manager by oral or other
means, including engaging in conduct that constitutes controlling or managing a public appeal
fund.

SECTION 6. PUBLIC APPEAL BENEFITING ORGANIZER. If the primary
purpose of a public appeal is to benefit the public-appeal organizer, the public-appeal organizer
has authority to manage and distribute the public-appeal fund subject to the terms of the public
appeal and this [act].

Comment

The Act applies to appeals from the person in need, such as a person who organizes a campaign
to raise money for his or her own tuition. The need for protection of the intended individual is
not present, so some provisions do not apply, but other provisions, such as distribution of unused
balances, are applicable. The public appeal is for the benefit of the organizer if it directly goes to
the organizer for his or her expenses. Funds raised for the purpose of covering support
obligations of the public-appeal organizer, such as medical expenses of minor children, are for
the benefit of the public-appeal organizer. The public-appeal organizer is considered a fund
manager but is excepted from certain duties as specified below.

SECTION 7. PUBLIC APPEAL BENEFITTING INTENDED INDIVIDUAL
OTHER THAN PUBLIC APPEAL ORGANIZER.

(a) If the primary purpose of a public appeal is to benefit an intended individual other
than the public-appeal organizer, and the terms of the public appeal do not require the public-
appeal fund be placed in the name of the intended individual or to a trustee for the benefit of the
intended individual, the public-appeal fund must be managed by a fund manager.

(b) The public-appeal organizer may be the fund manager. The fund manager shall hold
the public-appeal fund for the sole benefit of the intended individual subject to the terms of the
public appeal and this [act].
If the fund is controlled by the organizer or a person other than the intended individual, then the person controlling the fund will be considered a fund manager, will be required to follow the terms of the public appeal and will be subject to the duties and powers designated below. If the public appeal requires that the intended individual or a trustee of a trust for that person’s benefit receives the fund directly from the fund intermediary, then there is no fund manager.

SECTION 8. PUBLIC APPEAL FOR PROJECT.

(a) If the purpose of a public appeal is to benefit a project and the terms of the public appeal do not require the public-appeal fund be distributed to a trustee or an entity, the fund manager must manage and distribute the public-appeal fund subject to the terms of the public appeal and this [act]. [In the alternative, the public-appeal organizer may place the fund in a trust complying with [Section 409 of the Uniform Trust Code] the terms of which are consistent with the public appeal. If a trust complying with [Section 409 of the Uniform Trust Code] is used, the public appeal organizer shall be treated as the settlor of such trust and no unused balance may be paid to the public appeal organizer.]

(b) The public-appeal organizer may be the fund manager. The fund manager shall hold the public-appeal fund for the sole benefit of the project subject to the terms of the public appeal and this [act].

Comment

If the public appeal is for a project and the terms of the public appeal direct that the fund will be distributed from the fund intermediary to a trust or an entity, which may be a charity or may be an entity that does not fit the definition of qualified entity, then the entity or trust is not considered a fund manager. For example, if the project is funding a youth chess tournament to be run by a community organization that is a §501(c)(4) or (c)(7) organization, and the funds are paid directly to the organization, then the public-appeal organizer does not control the money and is not a fund manager, and the organization is also not a fund manager. Also, if a trust has been set up under Uniform Trust Code § 409, and the fund is payable directly from the fund intermediary to the trust, there is no fund manager. If there is no designated entity or trust to receive the fund, and the fund manager does not want to be responsible for distributing the fund to carry out the purpose, the fund manager may cause a trust under § 409 to be created and may pay the fund into the trust, so that the trustee may then manage and distribute the fund.
SECTION 9. PUBLIC APPEAL FUND INTERMEDIATE.

(a) A regulated financial institution that holds a public-appeal fund is not, for that reason alone, a fund manager unless the institution has authority to control or manage the fund. The institution is considered a fund intermediary with no duties to a public-fund organizer, fund manager, intended individual, project, or fund contributor other than those owed under applicable law other than this [act].

(b) An online platform that regularly offers assistance in organizing public appeals or holds or passes through funds raised through a public-appeal fund, is not a fund manager unless the platform has authority to control or manage the public-appeal fund. The online platform is a fund intermediary with no duties to a public-fund organizer, fund manager, intended individual, project, or fund contributor other than those owed pursuant to any user agreement and applicable law other than this [act].

Comment

An online platform is an online site intended to facilitate interactions among users. Examples of online platforms that connect public-appeal organizers and donors include GoFundMe, Fund intermediaries are the entities that hold the fund, while the fund is under the control of the fund manager.

SECTION 10. DUTIES AND POWERS OF FUND MANAGER.

(a) A fund manager shall distribute the public-appeal fund within a reasonable time consistent with the terms of the public appeal.

(b) At any time, the fund manager may transfer the fund to an entity or trustee to manage and distribute the public-appeal fund according to the terms of the public appeal.

(c) If, one year after commencement of a public appeal for the benefit of an intended individual other than the public-appeal organizer or a public appeal for a project, the public-appeal fund holds more than [$____________] in the fund, the fund manager must transfer the
fund to an entity or trustee to manage and distribute the public-appeal fund according to the
terms of the public appeal.

(d) If a fund manager determines at any time that the purpose of the public appeal has
been satisfied and there is no unused balance, the fund manager shall wind up and terminate the
public appeal and have no further duties.

(e) Subject to subsections (a), (b) and (c) above, a fund manager may distribute the
public-appeal fund:

(1) in amounts and at times the fund manager considers appropriate for the benefit
of the intended individual or project; or

(2) to pay reasonable expenses, taxes, or charges for the administration of the
public-appeal fund or for reasonable expenses and taxes incurred by the intended individual or
project arising on account of the fund.

(f) A fund manager shall hold the public-appeal fund in a regulated financial institution in
such a manner that the public appeal fund is not subject to the fund manager’s creditors.

(g) A fund manager is not liable for a loss incurred in the management and distribution of
a public-appeal fund unless the loss is a result of the fund manager’s dishonesty or willful
misconduct.

Comment

The public-appeal fund is intended to be short-term. If the fund is held by a fund manager for
another person or for a project for more than a year, then the fund manager must distribute the
fund to a more formal arrangement, such as a trust or an entity that can manage the fund
longterm. The fund manager is authorized to pay reasonable expenses and taxes related to the
fund, including expenses and taxes incurred by the intended individual or project because of the
fund. The fund manager must not commingle the fund with his or her own funds and otherwise
protect the fund from his or her own creditors. The fund manager’s liability is limited to acts of
dishonesty and willful misconduct, because the fund manager likely is a good Samaritan and
may not be knowledgeable about financial management and fiduciary duty.
SECTION 11. UNUSED BALANCE.

(a) If a fund manager determines the public-appeal fund has an unused balance, the fund manager shall:

(1) distribute the unused balance consistent with the terms of the public appeal or the terms of use of the fund intermediary;

(2) distribute the unused balance not distributed under paragraph (1) to one or more qualified entities that the fund manager reasonably believes will apply the unused balance in a manner substantially similar to that intended by the public-appeal organizer; and

(3) complete and terminate the public appeal, in compliance with applicable law.

(b) If the fund manager, after due diligence, is unable to satisfy subsection (a), the unused balance escheats to this state.

(c) A person having control of a public appeal fund for his or her own benefit shall also be subject to subsections (a) and (b) with respect to the public appeal fund.

(d) A contributor to a public-appeal fund has no right under this [act] to a refund from any unused balance.

Comment

This section addresses a significant issue that has arisen with humanitarian crowdfunding: how to distribute excess or unused funds. A case from Great Britain, *Re Gillingham Bus Disaster Fund*, [1958] Ch. 300, aff’d [1959] Ch. 62 (C.A.), is a prominent example. In 1951, a large bus hit a group of more than fifty cadets in the Royal Marines Volunteer Cadet Corps, ranging in age from 9 to 13 years old, who were marching along the street. Twenty-four were killed and the rest were seriously injured. More than £10,000 was raised to pay for funeral expenses and expenses of the injured, but because of insurance settlements, only about £2500 was spent. The trustees asked the court what to do with the balance, and the court held that it did not qualify as a charitable trust, so cy pres was not available. The court also held that the trust purposes were too vague to constitute a valid trust, and the only remedy was to declare a resulting trust in favor of the donors. However, the donors were not found or identified, and the money languished in the court for decades. In 1992, survivors of the crash asked for resolution, and the Treasury Solicitor made the funds available to them under a court decision declaring the funds bona vacantia. Seventeen survivors received about £400 each. The problem of unused funds can arise when
there are excess funds, as in the Gillingham Bus Disaster, when the funds are insufficient, such as the campaign to fund building the wall on the southern U.S. border (where the target was $1 billion but only $20 million was raised), or where the purpose is defeated, such as where the intended beneficiary no longer needs the surgery. This section is intended to set forth a process for resolving those issues when the terms of the public appeal do not address such possibilities.

A contributor to a public-appeal fund may have a right to a refund under the terms of the public appeal or the terms of the online platform.

**SECTION 12. ENFORCEMENT.**

(a) A violation of sections 10 or 11 constitutes a violation of [the state’s Consumer Protection Act], except that private enforcement under [section – of the CPA] is not available.

(b) The following persons may petition the court for relief described in subsection (c):

(1) an intended individual or the intended individual’s successor;

(2) a public-appeal organizer;

(3) a fund manager;

(4) a person designated as fund manager; and (5) the [Attorney General].

(c) The court in a proceeding under subsection (b) may:

(1) construe of the terms of the public appeal;

(2) compel the fund manager to submit an accounting;

(3) ratify past acts or approve proposed acts of the fund manager;

(4) direct the fund manager to take a certain action or refrain from taking a certain action;

(5) remove the fund manager and appoint a successor fund manager; and

(6) accept of the resignation of the fund manager and approve final accounts of the fund manager, and appoint a successor fund manager, if needed, subject to any orders the court determines are necessary to protect the interests of the intended individual or project.
Comment

Standing to enforce the terms of a public appeal is not given to the donors. The potential large number of donors and the likely small amount contributed by individual donors creates practical problems with allowing donors to enforce. See Holden Hospital Corp. v. Southern Ill. Hospital Corp., 174. N.E.2d 793 (Ill. 1961).

Every state has a Consumer Protection Act or Unfair Deceptive Acts and Practices statute. The state acts are not uniform, however, and remedies available to consumers may or may not include compensatory damages, punitive damages, attorney's fees, and class actions. The drafters of this Act took the approach that the role of a public appeal contributor as consumer should not extend beyond making a contribution. Section 13(a), therefore, is intended to preclude a private cause of action under a state's consumer protection act by a scammed or duped public appeal contributor for a violation of Section 9, 10, or 11 of this Act. Rather, only state enforcement provisions apply. Thus, Section 12(b) intentionally omits a public appeal contributor from those parties who may petition a court for the relief described in Section 12(c).

SECTION 13. UNIFORMITY OF APPLICATION AND CONSTRUCTION. In applying and construing this uniform act, consideration must be given to the need to promote uniformity of the law with respect to its subject matter among states that enact it.

SECTION 14. RELATION TO ELECTRONIC SIGNATURES IN GLOBAL AND NATIONAL COMMERCE ACT. This [act] modifies, limits, or supersedes the Electronic Signatures in Global and National Commerce Act, 15 U.S.C. Section 7001 et seq., but does not modify, limit, or supersed Section 101(c) of that act, 15 U.S.C. Section 7001(c), or authorize electronic delivery of any of the notices described in Section 103(b) of that act, 15 U.S.C. Section 7003(b)

SECTION 15. TRANSITIONAL PROVISION. This [act] applies to a public-appeal fund created on or after [the effective date of this [act]] by a public-appeal organizer.

SECTION 16. REPEALS; CONFORMING AMENDMENTS.

(a) . . .

(b) . . .

(c) . . .
SECTION 17. EFFECTIVE DATE. This [act] takes effect . . . .