

# SMITH/SHAVER LAW SCHOOL SCHOLARSHIP FUND, INC.

## HISTORY OF THE FUND

The Smith/Shaver Law School Scholarship Fund, Inc. was established by North Carolina Superior Court Judge Howard E. Manning, Jr. through a grant from the Settlement Fund created in the consolidated class action *Donald L. Smith, et al. v. State of North Carolina* and *Manila G. Shaver, et al. v. State of North Carolina*. In the Smith/Shaver class action, lawyers at the North Carolina law firms of Womble Carlyle Sandridge & Rice, PLLC, and Boyce & Isley, PLLC, including attorneys G. Eugene Boyce, Keith W. Vaughan, and W. David Edwards, represented North Carolina taxpayers seeking intangibles tax refunds from the State of North Carolina.

As a result of the Smith/Shaver class action, over \$465 million was available to make refunds to class members and for other purposes. After making full refunds with interest to all qualified Class Members and paying all Settlement administration expenses and fees, Judge Manning directed Class Counsel to establish the Smith/Shaver Law School Scholarship Fund with an initial endowment of \$6 million. The Court directed that the Scholarship Fund be used to provide scholarships to North Carolina residents who attend one of the following North Carolina law schools: Campbell University Inc., Duke University, North Carolina Central University, University of North Carolina at Chapel Hill, and Wake Forest University.

The Smith/Shaver scholarship awards are based primarily on need and are open to all North Carolina residents who attend one of the Law Schools listed above. The Scholarship Fund is also authorized to fund educational programs, including seminars and lectures, to advance the scholarship of lawyers and law students.

The ultimate recovery in Smith/Shaver resulted from rulings by the United States Supreme Court with respect to the United States Constitution's dormant commerce clause in a related lawsuit and by the North Carolina Supreme Court with respect to the North Carolina Constitution's uniform taxation provision. In light of this, Judge Manning's orders permit the Board to encourage scholarship with respect to the State Constitution in addition to awarding scholarships to law students.