



Sen. Don Harmon

Filed: 3/15/2010

09600SB3322sam001

LRB096 17078 RPM 38966 a

1 AMENDMENT TO SENATE BILL 3322

2 AMENDMENT NO. _____. Amend Senate Bill 3322 as follows:

3 on page 5, immediately below line 1, by inserting the
4 following:

5 "The contract shall contain the following statement
6 located above the signature line: "The consumer
7 understands and agrees that the funds received from this
8 Non-Recourse Civil Litigation Funding shall not be used to
9 pay for litigation costs related to the underlying Legal
10 claim.""; and

11 on page 5, by replacing line 2 through line 4 with the
12 following:

13 "(6) The contract for nonrecourse civil litigation
14 funding shall contain a written acknowledgement by the
15 consumer that he or she has reviewed the contract in its
16 entirety, that he or she shall notify his or her current

1 attorney and any successor attorneys representing him or
2 her in the legal claim of the existence of the transaction
3 and shall instruct the nonrecourse civil litigation
4 funding company to provide the attorney with a copy of the
5 contract. Additionally, before obtaining any additional or
6 subsequent nonrecourse civil litigation funding, the
7 consumer will notify his or her attorney and receive prior
8 written permission for such transaction from the prior
9 civil litigation funding company."; and

10 on page 5, by deleting line 5 through line 24; and

11 by replacing line 25 on page 5 through line 21 on page 7 with
12 the following:

13 "Section 15. Priorities. Any attorney's lien, Medicare
14 lien, Medicaid lien, or health care provider lien against the
15 consumer's legal claim shall take priority over any lien of the
16 civil litigation funding company.

17 Section 20. Standards and practices. Each civil litigation
18 funding company shall adhere to the following:

19 (1) The civil litigation funding company shall not pay
20 or offer to pay commissions or referral fees to any
21 attorney or employee of a law firm or to any medical
22 provider, chiropractor, or physical therapist or their

1 employees for referring a consumer to the civil litigation
2 funding company. The civil litigation funding company
3 agrees not to accept any commissions, referral fees, or
4 rebates from any attorney or employee of a law firm or any
5 medical provider, chiropractor, or physical therapist or
6 their employees, other than what is agreed to be paid to
7 the civil litigation funding company out of the proceeds of
8 the legal claim pursuant to the signed contract between the
9 consumer and the civil litigation funding company.

10 (2) The civil litigation funding company shall not
11 advertise false or intentionally misleading information
12 regarding its product or services.

13 (3) The civil litigation funding company shall not
14 knowingly provide funding to a consumer who has previously
15 sold and assigned an amount of his potential proceeds from
16 his legal claim to another civil litigation funding company
17 without first purchasing that civil litigation funding
18 company's entire accrued balance unless otherwise agreed
19 in writing by the civil litigation funding companies and
20 the consumer.

21 (4) The civil litigation funding company shall not
22 offer single premium credit life, disability, or
23 unemployment insurance that is to be financed through a
24 civil litigation funding transaction.

25 (5) For non-English speaking consumers, upon the
26 written request of the consumer, the principal terms of the

1 contract must be translated in writing into the consumer's
2 primary language, the consumer must sign the translated
3 document containing the principal terms and initial each
4 page, and the translator or lawyer must sign an affirmation
5 confirming that the principal terms have been presented to
6 the consumer in the consumer's primary language and
7 acknowledged by the consumer. Principal terms shall
8 include all items that must be disclosed by this Section."