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Senator Nathan Manning
Chair, Ohio Senate Judiciary Committee
1 Capitol Square, Ground Floor
Columbus, OH 43215

Dear Chairman Manning,

I am writing on behalf of our nearly 21,000 members to express support for Senate Bill 19, legislation requiring disclosure of non-recourse civil litigation advance arrangements in lawsuits. These advancements are limited to transactions of less than \$400,000. We believe Senate Bill 19 provides important consumer protections and ensures openness to each party involved in litigation. NFIB has long advocated for a stable, predictable legal climate.

By way of background, a typical NFIB member employs 20 or fewer. We have members in all 88 counties in Ohio and represent all industries operating in the state.

The litigation process can be lengthy, and plaintiffs may face financial challenges while awaiting the disposition of their lawsuit. Some plaintiffs elect to sign an arrangement to provide resources to help pay bills and other expenses. These are non-recourse loans so lenders only recoup if there is a settlement or judgment. Unfortunately, these arrangements are not always advantageous to the plaintiff when their lawsuit is finally resolved. After contingency fees to their attorney and repayment of the loan, depending upon the terms of the loan, there may be little to no money left for the actual harmed party.

Senate Bill 19 aims to provide consumers with protections by limiting the terms of the loans including where funds may be used, what interest rates may be charged, duration, and further by prohibiting assignment of the loan to another third-party.

Further, Senate Bill 19 has an important disclosure requirement. NFIB believes the requirement for disclosure of any litigation advancement to all parties is a crucial component to ensuring transparency throughout the lawsuit. This provision is like the disclosure requirement on businesses of their insurance policies during litigation. Disclosure of such advancements will allow all parties to know who has an interest in the litigation and why a lawsuit may be prolonged. The outcome of a lawsuit should be based upon the merits of the case and not dictated by the financial motivation of a third-party who is not a party in the case.

NFIB believes Senate Bill 19 strikes an appropriate balance of access to the courts while also ensuring litigation is driven by the plaintiff and their attorney. It is important to note, Senate Bill 19 does not prohibit the practice of non-recourse civil litigation advancement by third-parties. However, the bill does require disclosure of loans to all parties, provides important consumer protections, and protects the integrity of our civil justice system by making certain the plaintiff and their attorney are making decisions not a third-party.

We respectfully ask the committee for favorable consideration of Senate Bill 19.

Sincerely,



Christopher J. Ferruso
State Director