



OHIO ALLIANCE FOR CIVIL JUSTICE



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

Dear Chairman Manning,

We are writing to you today to express our support for Senate Bill 19 and the positive impact it will have on our civil justice system. The Ohio Alliance for Civil Justice (OACJ) supports a stable, predictable, and balanced civil justice climate. In our view, Senate Bill 19 has two main goals: providing an appropriate, consumer-focused system for litigation funding advancements while also ensuring the integrity of Ohio's legal climate. OACJ is focused on a few components of Senate Bill 19 to achieve these goals. These include reasonable registration requirements of companies that engage in non-recourse important consumer protections and transparency of the parties involved in the litigation.

By way of background, the OACJ was founded in the mid-1980s to stop lawsuit abuse and promote a common-sense civil justice system in Ohio. The OACJ is comprised of representatives of dozens of Ohio trade and professional associations, small and large businesses, medical groups, farmers, non-profit organizations and local government associations — for a combined representation of more than 100,000 individuals and businesses. The OACJ's leadership team includes representatives from the following organizations: Ohio NFIB, Ohio Chamber of Commerce, Ohio Council of Retail Merchants, Ohio Hospital Association, Ohio Manufacturers' Association, Ohio Society of CPAs, and the Ohio State Medical Association. OACJ works to ensure that the civil justice system remains stable and predictable for Ohio's businesses.

Senate Bill 19 also provides important consumer-focused limitations on advancement loans including limiting and disclosing the fees charged on a loan. These safeguards will allow plaintiffs to have actual recovery from a favorable settlement or verdict and not be forced to turn over substantially all of their award in contingency fees to their attorney and the balance to a litigation funder.

Senate Bill 19 also protects consumers who obtain an advancement loan by prohibiting or curtailing the lenders from certain activities. Among these key prohibited provisions: paying an attorney or medical provider for a client referral, failing to provide contracts to consumer and their attorney, adding additional contracts for the same claim, assigning the loan to a third-party, and entering into a contract where the consumer's legal counsel has an interest in the loan company. All these protections are aimed at ensuring plaintiffs' interest is paramount.

Finally, OACJ strongly supports the requirement that a consumer disclose any litigation advancement to all parties. This allows all parties to a case to know who is involved and what may be potentially prolonging what otherwise may be a quick resolution. A lawsuit may be meritorious, but the outcome should be driven by the plaintiff and their attorney, not trumped by the financial motivation of lending companies or other third-parties. Transparency is crucial to a balance civil justice system. It is fair to allow all parties to know who has an interest in the outcome of a lawsuit.

OACJ believes individuals have the right to seek remedy through the courts. However, their litigation should be led and directed by the litigant and their attorney. While Senate Bill 19 does not prohibit the practice of third-party non-recourse civil litigation advancement, it does require transparency of loans to all parties, provides important consumer protections, and maintains the integrity of our civil justice system by prohibiting a party with no standing in a case from effecting outcomes.

The OACJ respectfully asks for your favorable consideration of Senate Bill 19.

Thank you,

The Ohio Alliance for Civil Justice