



**SENATOR GEORGE LANG
SENATOR STEVE WILSON**

Senate Judiciary Committee
February 12, 2025
Senate Bill 10

Senator Wilson

Good Afternoon Chairman Manning, Vice Chair Reynolds, Ranking-Member Hicks-Hudson, and members of the Judiciary Committee. Thank you for allowing us to provide sponsor testimony on Senate Bill 10, which would protect Ohioans by strengthening our laws regarding third-party litigation funding.

Third-party litigation funding is when companies and hedge funds “invest” in a pending civil lawsuit by making cash advances to consumers and attorneys. This is in exchange for the “right” to receive an amount of any potential proceeds from a lawsuit. No one should be able to buy a lottery ticket to win in litigation. This conduct has created a hostile business environment due, in part, to unreasonably high costs from frivolous lawsuits. With these increased costs, many Ohio businesses are unable to grow and thrive. A recent US Chamber of Commerce survey found that Ohio was the 15th worst state for lawsuit abuse. This nefarious practice also makes it difficult to reach settlements, due to the presence of a secret party with a stake in the outcome. Simply put, third party litigation funding is bad for business and bad for Ohioans.

Under the proposed legislation, which is based on a model act adopted by the National Council of Insurance Legislators, we would not be eliminating third-party litigation funding. Simply put, this bill brings much-needed transparency and balance to the practice, which will benefit all parties involved. I will now turn it over to my joint sponsor, Senator Lang.

Senator Lang

-Unlike current law, this bill restricts the fees and interest allowed to be charged to 10% of the original amount provided to the consumer. This will protect consumers from what often results in exorbitant fees and interest payments.

-It requires that the consumer files a copy of the contract of these advances with the court and that they are received by the opposing party, thus creating a more-equal playing field.

-This legislation does not allow these litigation funding companies to refer consumers to specific attorneys, medical providers, or other professional services.

-It also prohibits these groups from effecting arbitration in any way.

-It protects Ohio courts from the potential of insidious foreign actors that likely wish to destabilize Ohio's judicial system.

-Lastly, the legislation strengthens the enforcement and penalties for breaking these laws by use of the Consumer Sales Practice Act.

Ohio has always been a strong state for business. Malicious actors have caused Ohio to lose businesses to other, more litigation-friendly states. This bill will protect Ohioans, consumers, and businesses. We urge support and stand ready to answer any questions the Committee may have.