

**As Introduced**

**136th General Assembly**

**Regular Session**

**2025-2026**

**H. B. No. 105**

**Representatives Craig, Thomas, J.**

**Cosponsors: Representatives Lampton, Daniels, Thomas, D.**

---

**A BILL**

To enact sections 1357.01, 1357.011, 1357.02, 1  
1357.03, 1357.04, 1357.05, 1357.06, 1357.07, and 2  
1357.08 and to repeal section 1349.55 of the 3  
Revised Code to revise and supplement state 4  
regulations concerning non-recourse litigation 5  
funding agreements. 6

**BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:**

**Section 1.** That sections 1357.01, 1357.011, 1357.02, 7  
1357.03, 1357.04, 1357.05, 1357.06, 1357.07, and 1357.08 of the 8  
Revised Code be enacted to read as follows: 9

**Sec. 1357.01.** As used in this chapter: 10

(A) (1) "Advertise" means directly or indirectly 11  
publishing, disseminating, circulating, or placing before the 12  
public any written, oral, electronic, or printed communication 13  
for the purpose of inducing a consumer to enter into a consumer 14  
litigation funding agreement. 15

(2) For the purposes of division (A) (1) of this section, 16  
"written, oral, electronic, or printed communication" includes 17  
communication by means of recorded telephone messages and 18

transmission or broadcast on radio, television, the internet, or 19  
other similar media of audio recordings, film strips, motion 20  
pictures, or videos. 21

(B) (1) "Charges" means the amount of money to be paid to 22  
the consumer litigation funding company by or on behalf of a 23  
consumer in excess of the funded amount. 24

(2) "Charges" include interest and all administrative, 25  
origination, underwriting, and other fees, no matter how 26  
denominated. 27

(C) (1) "Commercial litigation financier" means a person 28  
engaged in the business of entering into commercial litigation 29  
financing agreements with claimants or with lawyers or law firms 30  
asserting legal claims on behalf of claimants. 31

(2) "Commercial litigation financier" does not include a 32  
nonprofit organization determined by the internal revenue 33  
service to be tax exempt pursuant to section 501(c) (3) of the 34  
"Internal Revenue Code of 1986," 26 U.S.C. 1, or a person that 35  
funds such a nonprofit organization, if the nonprofit 36  
organization represents the claimant on a pro bono basis. 37  
Seeking or accepting a settlement or judgment that includes 38  
costs or attorney's fees does not, in itself, make a nonprofit 39  
organization or an attorney contracted by a nonprofit 40  
organization a "commercial litigation financier." 41

(D) (1) "Commercial litigation financing agreement" means, 42  
with respect to any civil action or group of civil actions, a 43  
written agreement that meets all of the following: 44

(a) A third party agrees to provide funds to a named party 45  
or a law firm that represents a named party in the civil action 46  
or group of civil actions. 47

(b) The agreement creates a direct or collateralized interest in the proceeds of a civil action or group of civil actions, by settlement, verdict, judgment, or otherwise. 48  
49  
50

(c) The interest created by the agreement is based, in whole or part, on a funding obligation incurred in connection with the action or group of actions, the appearing counsel, any contractual co-counsel, or the law firm of the counsel or co-counsel, executed with any of the following: 51  
52  
53  
54  
55

(i) Any attorney representing a party; 56

(ii) Any co-counsel in the civil action or group of actions with a contingent fee interest in representing a named party; 57  
58  
59

(iii) Any third-party who has a collateral-based interest in the contingency fees of the counsel or co-counsel, or the law firm of the counsel or co-counsel, related in whole or part to the fees derived from representing that party. 60  
61  
62  
63

(2) "Commercial litigation financing agreement" includes a contract, such as an option, forward contract, futures contract, short position, swap, or similar agreement, that is substantially similar to an agreement described in division (D) (1) of this section. 64  
65  
66  
67  
68

(3) "Commercial litigation financing agreement" does not include any of the following: 69  
70

(a) A consumer litigation funding agreement; 71

(b) An agreement by an attorney or law firm to provide legal services on a contingency fee basis to the claimant or to advance the claimant's legal costs in accordance with the rules of professional conduct adopted by the supreme court; 72  
73  
74  
75

(c) A health insurer, medical provider, or assignee that 76  
has paid, is obligated to pay, or is owed sums for a claimant's 77  
health care under the terms of a health insurance plan or 78  
agreement; 79

(d) A financial institution providing loans to the 80  
claimant or the claimant's attorney or law firm, the repayment 81  
of which is not contingent upon the outcome of the legal claim 82  
or on the outcome of any matter within a portfolio that includes 83  
the legal claim and involves the same attorney or law firm or 84  
affiliated attorney or law firm; 85

(e) A person with a preexisting contractual obligation to 86  
indemnify or defend a party to a legal claim. 87

(E) "Consumer" means a natural person or estate for a 88  
decendent with a legal claim. 89

(F) (1) "Consumer litigation funding agreement" means a 90  
nonrecourse agreement in which a consumer litigation funding 91  
company purchases, and a consumer assigns to the company, a 92  
contingent right to receive an amount of the potential proceeds 93  
of any settlement, judgment, award, or verdict obtained in the 94  
consumer's legal claim. 95

(2) "Consumer litigation funding agreement" does not 96  
include any agreement involving a cash payment by the consumer 97  
litigation funding company of four hundred thousand dollars or 98  
more. 99

(G) (1) "Consumer litigation funding company" means a 100  
person or entity that enters into a consumer litigation funding 101  
agreement with a consumer. 102

(2) "Consumer litigation funding company" does not include 103  
any of the following: 104

<u>(a) An immediate family member of the consumer;</u>	105
<u>(b) A bank, lender, financing entity, or other special</u>	106
<u>purpose entity that provides financing to a consumer litigation</u>	107
<u>funding company and to which a consumer litigation funding</u>	108
<u>company grants a security interest or transfers any rights or</u>	109
<u>interest in a consumer litigation funding;</u>	110
<u>(c) An attorney or accountant who provides services to a</u>	111
<u>consumer.</u>	112
<u>(H) "Funded amount" means the amount of money provided to,</u>	113
<u>or on behalf of, the consumer in a consumer litigation funding</u>	114
<u>agreement. "Funded amount" excludes charges.</u>	115
<u>(I) "Funding date" means the date on which the funded</u>	116
<u>amount is transferred to the consumer by the consumer litigation</u>	117
<u>funding company by personal delivery; via wire, automated</u>	118
<u>clearing house, or other electronic means; or by certified or</u>	119
<u>registered mail.</u>	120
<u>(J) "Immediate family member" means a spouse; sibling;</u>	121
<u>child, including adopted children and stepchildren; parent;</u>	122
<u>grandparent; or grandchild.</u>	123
<u>(K) "Legal claim" means a civil claim or cause of action.</u>	124
<u>(L) "Resolution date" means the date the funded amount,</u>	125
<u>plus the agreed upon charges, are delivered to the consumer</u>	126
<u>litigation funding company by the consumer, the consumer's</u>	127
<u>attorney, or otherwise.</u>	128
<u>Sec. 1357.011. The general assembly, in enacting sections</u>	129
<u>1357.01 to 1357.08 of the Revised Code pursuant to this act,</u>	130
<u>hereby declares its intent to adopt regulations concerning a</u>	131
<u>narrow range of consumer and commercial litigation financing</u>	132

agreements as contemplated in the holding of the Ohio Supreme 133  
Court in *Rancman v. Interim Settlement Funding Corp.*, 99 Ohio 134  
St.3d 121 (2003). The general assembly intends to preserve and 135  
reinforce the general public policy expressed in that holding 136  
against champerty and maintenance. 137

**Sec. 1357.02.** (A) A consumer litigation funding company 138  
shall not enter into, or seek to enter into, a consumer 139  
litigation funding agreement unless all of the following apply: 140

(1) The agreement is written in a clear and coherent 141  
manner using common language that enables the average consumer 142  
who makes a reasonable effort under ordinary circumstances to 143  
read and understand the terms of the agreement without having to 144  
obtain the assistance of an attorney or other professional. 145

(2) The agreement is completely filled-in when presented 146  
to the consumer for signature. 147

(3) The agreement includes space on each page for the 148  
consumer's initials. 149

(4) The front page of the agreement includes all of the 150  
following disclosures under appropriate headings and in at least 151  
twelve-point bold type: 152

(a) The funded amount to be paid to the consumer under the 153  
agreement; 154

(b) An itemized list of all one-time and recurring charges 155  
under the agreement, subject to section 1357.03 of the Revised 156  
Code, and an explanation for how those charges accrue; 157

(c) The maximum amount that may be assigned by the 158  
consumer to the company under the agreement, including the 159  
funded amount and all charges, but excluding penalties that may 160

apply in the case of a material breach, fraud, or 161  
misrepresentation by or on behalf of the consumer; 162

(d) If the consumer seeks to enter into more than one 163  
consumer litigation funding agreement with the same company, the 164  
cumulative amount that may be assigned to the company under all 165  
such agreements, including the funded amount and all charges, 166  
but excluding penalties that may apply in the case of a material 167  
breach, fraud, or misrepresentation by or on behalf of the 168  
consumer. 169

(5) The agreement allows the consumer to cancel the 170  
agreement, without penalty or further obligation, by returning 171  
the full amount of disbursed funds to the company within ten 172  
business days after the funding date. The consumer may do either 173  
of the following to effectuate the cancellation: 174

(a) Deliver the company's uncashed check to the company's 175  
offices in person, within ten business days after the 176  
disbursement of funds; 177

(b) Mail a notice of cancellation and include in that 178  
mailing a return of the full amount of disbursed funds in the 179  
form of the company's uncashed check, or a registered or 180  
certified check or money order, by insured, registered, or 181  
certified United States mail, postmarked within ten business 182  
days after receiving funds from the company, at the address 183  
specified in the agreement for cancellation. 184

(6) The body of the agreement includes all of the 185  
following statements in at least twelve-point boldface type: 186

(a) "CONSUMER'S RIGHT TO CANCELLATION: YOU MAY CANCEL THIS 187  
AGREEMENT WITHOUT PENALTY OR FURTHER OBLIGATION WITHIN TEN 188  
BUSINESS DAYS AFTER THE FUNDING DATE IF YOU RETURN THE FULL 189

AMOUNT OF THE DISBURSED FUNDS TO [insert name of company]." 190

(b) "THE COMPANY HAS NO ROLE IN DECIDING WHETHER, WHEN, 191  
AND HOW MUCH THE LEGAL CLAIM IS SETTLED FOR, HOWEVER, YOU OR 192  
YOUR ATTORNEY MUST NOTIFY THE COMPANY OF THE OUTCOME OF THE 193  
LEGAL CLAIM BY SETTLEMENT OR ADJUDICATION ON OR BEFORE THE 194  
RESOLUTION DATE. THE COMPANY MAY SEEK UPDATED INFORMATION ABOUT 195  
THE STATUS OF THE LEGAL CLAIM BUT IN NO EVENT SHALL THE COMPANY 196  
ATTEMPT TO INTERFERE WITH, CONTROL, OR INFLUENCE THE INDEPENDENT 197  
PROFESSIONAL JUDGMENT OF YOUR ATTORNEY IN THE HANDLING OF THE 198  
LEGAL CLAIM OR ANY SETTLEMENT THEREOF." 199

(c) "THE FUNDED AMOUNT AND AGREED UPON CHARGES SHALL BE 200  
PAID ONLY FROM THE PROCEEDS OF YOUR LEGAL CLAIM, AND SHALL BE 201  
PAID ONLY TO THE EXTENT THAT THERE ARE AVAILABLE PROCEEDS FROM 202  
YOUR LEGAL CLAIM. YOU WILL NOT OWE [insert name of company] 203  
ANYTHING IF THERE ARE NO PROCEEDS FROM YOUR LEGAL CLAIM, UNLESS 204  
YOU HAVE VIOLATED ANY MATERIAL TERM OF THIS AGREEMENT OR YOU 205  
HAVE COMMITTED FRAUD AGAINST [insert name of company]." 206

(d) Immediately above the place on the agreement where the 207  
consumer's signature is required: "DO NOT SIGN THIS AGREEMENT 208  
BEFORE YOU READ IT COMPLETELY. DO NOT SIGN THIS AGREEMENT IF IT 209  
CONTAINS ANY BLANK SPACES. YOU ARE ENTITLED TO A COMPLETELY 210  
FILLED-IN COPY OF THIS AGREEMENT BEFORE YOU SIGN IT. BEFORE YOU 211  
SIGN THIS AGREEMENT, YOU SHOULD OBTAIN THE ADVICE OF AN 212  
ATTORNEY. DEPENDING ON THE CIRCUMSTANCES, YOU MAY WANT TO 213  
CONSULT A TAX, PUBLIC OR PRIVATE BENEFIT PLANNING, OR FINANCIAL 214  
PROFESSIONAL. YOU ACKNOWLEDGE THAT YOUR ATTORNEY IN THE LEGAL 215  
CLAIM HAS PROVIDED NO TAX, PUBLIC OR PRIVATE BENEFIT PLANNING, 216  
OR FINANCIAL ADVICE REGARDING THIS TRANSACTION. YOU FURTHER 217  
ACKNOWLEDGE THAT YOUR ATTORNEY HAS EXPLAINED THE TERMS AND 218  
CONDITIONS OF THIS AGREEMENT." 219



(7) The agreement contains a written acknowledgement by 220  
the attorney retained by the consumer in the legal claim that 221  
attests to all of the following: 222

(a) The attorney has reviewed the agreement and all 223  
disclosures required by this section with the consumer. 224

(b) The attorney is being paid on a contingency basis 225  
pursuant to a written fee agreement. 226

(c) All proceeds of the legal claim will be disbursed via 227  
the trust account of the attorney or a settlement fund 228  
established to receive the proceeds of the legal claim on behalf 229  
of the consumer. 230

(d) The attorney agrees to disburse funds from the legal 231  
claim and take any other steps necessary to ensure that the 232  
terms of the consumer litigation funding agreement are 233  
fulfilled. 234

(e) The attorney has not received a referral fee or other 235  
consideration from the consumer litigation funding company in 236  
connection with the consumer litigation funding, nor will the 237  
attorney receive such a fee or other consideration in the 238  
future. 239

(f) The attorney has provided no tax, public or private 240  
benefit planning, or financial advice regarding this 241  
transaction. 242

(B) (1) A violation of this section or section 1357.03 of 243  
the Revised Code by a consumer litigation funding company 244  
constitutes an unfair or deceptive act or practice in violation 245  
of section 1345.02 of the Revised Code. 246

(2) A consumer injured by such a violation has a cause of 247

action and is entitled to the same relief available to a 248  
consumer under section 1345.09 of the Revised Code. 249

(3) All powers and remedies available to the attorney 250  
general to enforce sections 1345.01 to 1345.13 of the Revised 251  
Code are available to the attorney general to enforce this 252  
section. 253

(C) In addition to remedies set forth in division (B) of 254  
this section, any violation of this section, including omission 255  
of the attorney acknowledgement required by division (A) (7) of 256  
this section, renders the consumer litigation funding agreement 257  
unenforceable by the company, the consumer, or any successor in 258  
interest to the agreement. A consumer terminating the attorney 259  
who made the acknowledgment required by division (A) (7) of this 260  
section or retaining a new attorney with respect to the legal 261  
claim does not, in itself, render the agreement unenforceable 262  
under this division. 263

**Sec. 1357.03.** A consumer litigation funding company shall 264  
not do any of the following: 265

(A) Pay or offer to pay a commission, referral fee, or 266  
other form of consideration to any attorney, law firm, health 267  
care provider, chiropractor, or physical therapist, or to any 268  
employee or agent of the foregoing, for referring a consumer to 269  
the company; 270

(B) Accept any commission, referral fee, rebate, or other 271  
form of consideration from an attorney, law firm, health care 272  
provider, chiropractor, or physical therapist, or from any 273  
employee or agent of the foregoing; 274

(C) Purposefully advertise false or misleading information 275  
regarding the company's products or services; 276

(D) Refer a consumer or potential consumer to a specific 277  
attorney, law firm, medical provider, chiropractor, or physical 278  
therapist, or to any employee or agent of the foregoing, except 279  
that, if a consumer does not have legal representation, the 280  
company may refer the consumer to a state or local lawyer 281  
referral service operated by a bar association or nonprofit 282  
organization, or a legal aid society, as defined in section 283  
120.51 of the Revised Code; 284

(E) Fail to promptly supply copies of all complete 285  
consumer litigation funding agreements to the consumer and the 286  
attorney representing the consumer in the legal claim; 287

(F) Knowingly enter into a consumer litigation funding 288  
agreement with a consumer for a legal claim respecting which the 289  
consumer previously sold or assigned all or part of the 290  
consumer's right to the proceeds, unless the company or the 291  
consumer extinguishes the prior agreement by either repaying the 292  
entire disbursed amount plus any contracted fees, or paying a 293  
lesser amount expressly agreed to, in writing, by the consumer 294  
and all other parties to the prior agreement. More than one 295  
company may agree, contemporaneously, to enter into a consumer 296  
litigation funding agreement with the same consumer for the same 297  
claim so long as the companies, the consumer, and the consumer's 298  
attorney consent to the agreements in writing. 299

(G) Make or influence any decision with respect to the 300  
conduct of the consumer's legal claim or the settlement or 301  
resolution of that legal claim, including appointing or changing 302  
counsel, choice or use of expert witnesses, litigation strategy, 303  
and settlement or other resolution of the claim; 304

(H) Attempt to obtain a waiver of any remedy, including 305  
compensatory, statutory, or punitive damages, to which the 306

<u>consumer might otherwise be entitled;</u>	307
<u>(I) Knowingly pay or offer to pay for court costs, filing fees, or attorney's fees before, during, or after the resolution of the legal claim;</u>	308 309 310
<u>(J) (1) Charge or collect from a consumer either of the following in connection with a consumer litigation funding agreement:</u>	311 312 313
<u>(a) A prepayment penalty or fee;</u>	314
<u>(b) Charges in excess of ten per cent of the funded amount per year.</u>	315 316
<u>(2) Charges in excess of the amount specified in division (J) (1) (b) of this section and prepayment penalties prohibited by division (J) (1) (a) of this section are unenforceable.</u>	317 318 319
<u>(K) Enter into a consumer litigation finance agreement if an attorney or a law firm retained by the consumer for the legal claim on which the agreement is based has a financial or ownership interest in the company.</u>	320 321 322 323
<b>Sec. 1357.04.</b> <u>(A) An attorney retained by a consumer in a legal claim shall not disclose confidential or privileged information to a consumer litigation funding company without first obtaining written consent from the consumer and without first ensuring that the disclosure is not prohibited by court rules, a court order, or the rules of professional conduct adopted by the supreme court.</u>	324 325 326 327 328 329 330
<u>(B) (1) Within thirty days after receiving a written request from any party to the legal claim or an insurer that has a duty to defend any party to the legal claim, the consumer shall disclose to that party or insurer whether the consumer has</u>	331 332 333 334

entered into a consumer litigation funding agreement. 335

(2) If a consumer enters into a consumer litigation 336  
funding agreement pertaining to the action in question after 337  
responding to a request under division (B)(1) of this section in 338  
the negative, the consumer shall disclose that fact to the 339  
requesting party or insurer within thirty days after the 340  
consumer enters into the agreement. 341

(C) Consumer litigation funding agreements, and all 342  
parties to such agreements, are presumed to be subject to 343  
discovery in any civil proceeding, notwithstanding any contrary 344  
provision of the agreement. 345

(D) Consumer litigation funding agreements disclosed under 346  
divisions (A) and (B) of this section and consumer litigation 347  
funding agreements discovered pursuant to division (C) of this 348  
section are presumed to be inadmissible as evidence in a civil 349  
proceeding. 350

(E) Communications between a consumer's attorney and a 351  
consumer litigation funding company to allow the company to 352  
ascertain the status or expected value of a legal claim are not 353  
subject to discovery in any civil proceeding. 354

**Sec. 1357.05.** A consumer litigation funding agreement 355  
places a lien on the proceeds of the consumer's legal claim that 356  
supersedes all subsequently perfected liens on such proceeds 357  
other than liens directly related to the legal claim and 358  
expressly authorized by state or federal law, such as a lien for 359  
attorneys fees, a lien by the department of medicaid under 360  
section 5160.37 of the Revised Code, a medicare lien under 42 361  
U.S.C. 1395y, or a workers' compensation lien under section 362  
4123.931 of the Revised Code. 363

Sec. 1357.06. (A) No consumer litigation funding company 364  
shall enter into a consumer litigation financing agreement with 365  
a person or entity that is not domiciled in the United States or 366  
respecting a legal claim that is financed, directly or 367  
indirectly, by a person or entity not domiciled in the United 368  
States. 369

(B) No commercial litigation financier shall enter into a 370  
commercial litigation financing agreement with a person or 371  
entity that is not domiciled in the United States or respecting 372  
a legal claim that is financed, directly or indirectly, by a 373  
person or entity not domiciled in the United States. 374

(C) The general assembly declares its intent in enacting 375  
this section is to achieve the legitimate state interest of 376  
protecting due process rights for all litigants in the courts of 377  
this state by addressing the grave risk posed by foreign actors 378  
that seek to interfere with those courts by supporting meritless 379  
cases, overwhelming dockets, and profiting from litigation. 380

Sec. 1357.07. (A) No claimant, attorney or law firm 381  
representing a claimant, or affiliated attorney or law firm 382  
shall disclose or share any documents or information with a 383  
commercial litigation financier that are subject to a protective 384  
or sealing order from a court. 385

(B) A commercial litigation financier shall not make any 386  
decision, have any influence, or direct any decisions with 387  
respect to the course of a legal claim, including decisions in 388  
appointing or changing counsel, choice or use of expert 389  
witnesses, litigation strategy, and settlement or other 390  
resolution. 391

(C) A claimant or the claimant's attorney shall, without 392

<u>awaiting a discovery request, provide any commercial litigation</u>	393
<u>financing agreement at the time a legal claim is asserted or</u>	394
<u>commenced and any time thereafter that a commercial litigation</u>	395
<u>financing agreement is executed or amended, to both of the</u>	396
<u>following:</u>	397
<u>(1) All named parties to the legal claim;</u>	398
<u>(2) All insurers that have or may have a potential duty to</u>	399
<u>defend or indemnify a named party to the legal claim.</u>	400
<u><b>Sec. 1357.08.</b> The attorney general may file a complaint</u>	401
<u>seeking any equitable remedy, including barring a commercial</u>	402
<u>litigation financier from doing business in Ohio, if the</u>	403
<u>commercial litigation financier is found by a court of competent</u>	404
<u>jurisdiction to have violated this chapter.</u>	405
<b>Section 2.</b> That section 1349.55 of the Revised Code is	406
hereby repealed.	407