

2025 Regular Session

HOUSE BILL NO. 432

BY REPRESENTATIVE CHENEVERT

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

CIVIL/PROCEDURE: Provides relative to disclosure of financing agreements

1 AN ACT

2 To amend and reenact R.S. 9:3580.13(B) and (C) and to enact R.S. 9:3580.13(D) and (E),
3 relative to third-party litigation financing; to provide relative to the funds recoverable
4 by litigation financiers; to provide relative to disclosure of litigation financing
5 contracts or agreements; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 9:3580.13(B) and (C) are hereby amended and reenacted and R.S.
8 9:3580.13 (D) and (E) are hereby enacted to read as follows:

9 §3580.13. Disclosure of financing agreements; discovery

10 * * *

11 B. A litigation financier with a litigation financing contract or agreement
12 shall not receive or recover, whether directly or indirectly, any amount greater than
13 an amount equal to the share of the proceeds collectively recovered by the plaintiffs
14 or claimants in a civil action, administrative proceeding, legal claim, or other legal
15 proceeding seeking to recover monetary damages financed by a litigation financing
16 contract or agreement after the payment of any attorney fees and costs owed in
17 connection to such action, claim, or proceedings.

18 ~~B. C.~~ The existence of a litigation financing contract or agreement is subject
19 to discovery in accordance with the Code of Civil Procedure and Code of Evidence
20 in all civil actions.

1 D. An attorney who enters into a litigation financing contract or agreement
2 shall disclose the existence of the contract or agreement and deliver a copy of the
3 contract or agreement to the client he represents in the civil action, administrative
4 proceeding, claim, or other legal proceeding financed by the agreement within thirty
5 days after being retained as counsel by such client, or within thirty days after
6 entering into the litigation financing agreement, whichever is earlier.

7 ~~E.~~ E. This Chapter shall not apply to nonprofit legal organizations funded
8 by private donors that represent clients on a pro bono basis. Awards of costs or
9 attorney fees to nonprofit legal organizations shall not be affected by this Chapter.
10 This Chapter shall not be interpreted to require a nonprofit legal organization to
11 disclose its donors or sources of funding.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 432 Original

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Chenevert

Abstract: Provides a limitation of recovery under third party litigation financing agreements, and provides for disclosure of such agreements.

Proposed law provides that a litigation financier with a litigation financing contract shall not receive any amount greater than an amount equal to the share of the proceeds collectively recovered by the plaintiffs seeking to recover monetary damages financed by a litigation financing contract or agreement after the payment of any attorney fees and costs.

Proposed law provides that an attorney who enters into a litigation financing contract or agreement shall disclose the existence and deliver the copy of the agreement to the client he represents within 30 days after being retain as counsel by such client, or within 30 days after entering into the litigation financing agreement, whichever is earlier.

(Amends R.S. 9:3580.13(B) and (C); Adds R.S. 9:3580.13(D) and (E))