The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Lebra R. Bias.

DIGEST 2022 Regular Session

Peacock

Proposed law creates the Litigation Financing Disclosure Act.

SB 415 Original

<u>Proposed law</u> provides for definitions of "consumer", "legal representative", "litigation financer", "litigation financing", "litigation financing transaction", and "medical provider".

<u>Proposed law</u> provides that except as otherwise stipulated by the parties or ordered by the court, a consumer or their legal representative shall, without awaiting a discovery request and no later than 60 days after the entry of such agreement, provide to all parties to the litigation, including their insurer if prior to litigation, any litigation financing contract or agreement under which anyone, other than a legal representative permitted to charge a contingent fee representing a party, has received or has a right to receive compensation or proceeds that are contingent on and sourced from any proceeds of the civil action, by settlement, judgment, or otherwise. <u>Proposed law</u> further provides that the existence of litigation financing, litigation financing transactions and all participants in such financing arrangements are permissible subjects of discovery in all civil cases, including personal injury litigation or matters arising out of personal injuries.

<u>Proposed law</u>, relative to class action suits, provides that in addition to the disclosure requirements set forth in <u>proposed law</u>, the legal representative of the putative class shall disclose to all parties, putative class members, and the court any legal, financial, or other relationship between the legal representative and the litigation financer.

<u>Proposed law</u> provides that a litigation financer is jointly liable for costs assessed by the court relative to the payment or recovery of attorney fees, or any monetary sanction imposed pursuant to the <u>present law</u>, on the consumer whose claim or action the litigation financer is funding pursuant to a litigation financing transaction.

<u>Proposed law</u> provides that any violation of <u>proposed law</u> shall make the litigation financing contract unenforceable by the litigation financer, the consumer, or any successor-in-interest to the litigation financing contract.

Proposed law provides that proposed law shall become effective on January 1, 2023.

(Adds R.S. 9:3580.1-3580.6)