



litigation, attorneys, and law firms.

Proposed law provides that no later than 30 days after the date on which a third-party litigation funder knew that the disclosure required pursuant to proposed law is incomplete or inaccurate in any material respect, the third-party litigation funder shall supplement or correct the disclosure.

Proposed law provides that it shall be unlawful for any foreign third-party litigation funder to engage in any of the following:

- (1) Knowingly enter into an agreement creating a right for anyone, other than the named parties, counsel of record, or law firm of record, to receive or make any payment that is contingent on the outcome of a civil action or any matter within a portfolio that includes the civil action and involves the same counsel of record or affiliated counsel, the terms of which are to be satisfied by funds directly sourced, in whole or in part, from a foreign state or foreign sovereign wealth fund.
- (2) Direct or make any decisions with respect to the course of any civil action for which the litigation funder has provided funding intended to defray litigation expenses or the financial impact of a negative judgment related to the civil action. This prohibition includes, but is not limited to, decisions in appointing or changing counsel, choice or use of expert witnesses, litigation strategy, and settlement or other disposition.
- (3) Be assigned rights to or in a civil action for which the litigation funder has provided funding intended to defray litigation expenses related to the civil action or the financial impact of a negative judgment, other than the right to receive a share of the proceeds pursuant to the litigation financing agreement.

Proposed law provides that any agreement in violation of this proposed law shall be null and void.

Proposed law provides that a violation of this proposed law by a foreign third-party litigation funder or a third-party litigation funder is a deceptive and unfair trade practice actionable pursuant to the applicable laws of the state of La.

Proposed law provides that the attorney general may institute a legal action in a court of competent jurisdiction to enforce compliance, impose fines, or prohibit a foreign third-party litigation funder from operating within this state, or any other appropriate sanctions for violation of any provision of proposed law.

Proposed law provides that the attorney general shall, at least once each calendar year, report to the president of the Senate and the speaker of the House of Representatives describing foreign involvement in litigation financing agreements in the preceding calendar year.

Proposed law provides that the report shall include:

- (1) The name, citizenship or the country of incorporation or registration of any foreign person,

foreign state, or foreign sovereign wealth fund and whether they were providing funds indented to defray litigation expenses or the financial impact of a negative judgment.

- (2) Whether any third-party litigation funder violated the prohibitions of proposed law, and if the attorney general took any enforcement action under proposed law.
- (3) Any determinations or analysis of the disclosures received.

Proposed law provides that the report shall not identify the parties to the civil action, the counsel of record, or the law firm of record.

Proposed law provides that the attorney general shall distribute the reports pursuant to proposed law in compliance with the provisions of proposed law.

Proposed law provides that the provisions of proposed law shall have prospective application.

Effective August 1, 2024.

(Adds R.S. 9:3580.1-3580.7)

#### Summary of Amendments Adopted by Senate

##### Committee Amendments Proposed by Senate Committee on Judiciary A to the original bill

1. Makes technical changes.
2. Clarifies "third-party" to mean "foreign third-party" in certain instances.

##### Senate Floor Amendments to engrossed bill

1. Clarifies the definition of "third-party litigation funder".