



THE SENATE OF MARYLAND  
ANNAPOLIS, MARYLAND 21401

**Testimony in Support of Senate Bill 985- Consumer Protection- Third-Party Litigation Financing**

SB 985 seeks to regulate the actions of Third-Party Litigation Financing (TPLF) groups regarding litigation financing contracts. This bill enshrines in law the right for all Marylanders to make decisions regarding the conduct of their court cases no matter who is responsible for funding them, imposes a fiduciary duty on TPLF firms in certain class-action circumstances, and establishes a framework for penalizing TPLF groups that engage in usury.

This bill also mandates ten simple disclosures which will protect Marylanders from predatory agreements. Most important among these disclosures are an explanation of the consumer's rights under Maryland law as well as an explanation of the total amount the consumer will have to repay if their litigation is successful.

No citizen of Maryland should be prevented from having their day in court because of a lack of financial resources. Similarly, no citizen of Maryland should be preyed upon because of this lack of resources. Senate Bill 985 will ensure that Marylanders who choose to seek out TPLF will have all the knowledge they need to make an informed decision. By imposing disclosures on TPLF providers, this bill will uphold the accessibility and fairness which are the central pillars of our judicial system.

**Effects of Gaps in Current Law**

Current Law allows Marylanders to be taken advantage of by wealthy TPLF firms who use opaque contracts to disguise how much the consumer is paying for the services they receive and to ensure that Marylanders remain ignorant of their rights.

**State-Level Precedents**

Wisconsin, Montana, Indiana, Louisiana, and West Virginia have already passed legislation mandating TPLF disclosures, and Arizona, Georgia, New Hampshire, Ohio, and Oklahoma all have pending legislation that will introduce some variation of the same mandatory disclosures contained in this bill.

By passing SB 985, Maryland will ensure that its residents know their rights and can more effectively engage with TPLF groups without falling victim to an onerous contract. This is a necessary step to protect the central values of accessibility and fairness which underpin the Maryland Justice system.

Therefore, I respectfully request a favorable report on SB 985.