BigIMD2026sb894Fav.pdf
Uploaded by: Brett Lininger
Position: FAV

INDEPENDENT INSURANCE AGENTS OF MARYLAND, INC.

DBA BIG I MARYLAND

Senate Finance Committee
Senate Bill 894
Position: Favorable

Dear Chair Beidle, Vice Chair Hayes and the Members of the Senate Finance Committee,

The Independent Insurance Agents of Maryland supports Senate Bill 894, a crucial and timely piece of legislation addressing the pervasive and unregulated practice of third-party litigation financing (TPLF). This bill offers an appropriate and overdue response to an issue that has increasingly turned our legal system into a speculative financial market rather than a forum for justice.

The Independent Insurance Agents of Maryland is the State's oldest trade association of independent insurance agents. It represents 200 independent agencies, which employ over 2000 people in the state. We represent independent insurance agents and brokers who present consumers with a choice of policy options from a variety of different insurance companies. These small, medium, and large businesses offer a variety of insurance products – including property, casualty, life, health, employee benefit plans, and retirement products.

Our legal system is intended for the fair, just, and efficient resolution of disputes between parties. However, TPLF has distorted this fundamental principle, allowing hedge funds, sovereign funds, and other investors to profiteer off lawsuits, turning them into financial assets. This practice often incentivizes frivolous claims, needlessly prolongs litigation, and improperly inflates damages. The unfortunate reality is that plaintiffs in these cases frequently become an afterthought, ultimately receiving only a fraction of any award or settlement as lawyers and financiers get paid first.

The explosion of TPLF is alarming. These lawsuit lenders now manage assets totaling over $16 billion in the U.S. alone, a number significantly grow in the coming years.[1] This unchecked growth has led to the abuse and misuse of our legal system, impacting all of us. TPLF raises the

[1] Regulatory Compliance Watch, February 4, 2026 article, "*Litigation funding goes mainstream*."

prices of products and services, reduces economic growth, and threatens unfairly targeted businesses.

Moreover, the effects of TPLF on insurance premiums are undeniable. Rates have been driven to higher levels than they would otherwise be. A recent study by Ernst & Young estimated that TPLF could impose up to $50 billion in additional costs on the U.S. insurance industry over the next five years. These increases in claims costs will inevitably be passed on to consumers, families, and businesses in the form of higher premiums.

Currently, TPLF operates in a completely unregulated environment. Senate Bill 894 would establish reasonable regulations and common-sense guardrails, bringing much-needed sanity back to our legal system. It is important to emphasize that this proposal does not ban third-party litigation financing or hinder the ability of injured parties to be made whole. Instead, it introduces essential safeguards, transparency, and accountability to lawsuit loans of this nature.

This bill is not unprecedented. A rapidly growing number of states have begun to consider and enact similar transparency proposals, and individual federal district courts are increasingly requiring the disclosure of TPLF agreements.

Therefore, I urge you to vote favorably on Senate Bill 894. This thoughtful legislation is a vital step toward protecting the integrity of our legal system, safeguarding consumers, and ensuring a more just and equitable environment for all Marylanders.

Thank you for your time and consideration.

SB 894_MAMIC_FAV.pdf
Uploaded by: Bryson Popham
Position: FAV

MAMIC
Maryland Association of
Mutual Insurance Companies

191 Main Street, Suite 310 – Annapolis MD 21401 – 410-268-6871

February 25, 2026

The Honorable Pam Beidle, Chair
Senate Finance Committee
3 East Miller Senate Office Building
Annapolis, Maryland 21401

RE: Senate Bill 894 - *Third-Party Litigation Financing - Licensing and Regulation*- **FAVORABLE**

Dear Chair Beidle and Members of the Committee,

On behalf of the Maryland Association of Mutual Insurance Companies (MAMIC), we strongly support Senate Bill 894.

MAMIC is comprised of 12 mutual insurance companies that are headquartered in Maryland and neighboring states. Approximately one-half of our members are domiciled in Maryland, and are key contributors and employers in our local communities. Together, MAMIC members offer a wide variety of insurance products and services and provide coverage for thousands of Maryland citizens.

Since 1977, lawyers have been permitted to advertise their services in all states. Insurers are frequent targets for litigation by personal injury attorneys. This bill, however, is not about lawyer advertising. Rather, it addresses a little-known but growing phenomenon: third-party litigation financing. This practice permits plaintiff attorneys to secure personal injury clients by offering their services at no or very low cost to the client.

Litigation, however, is expensive to conduct and maintain. Costs are inevitable, and for that reason many plaintiff attorneys have begun to use sophisticated methods to pay for the cost of litigation. These methods include financing by third parties with no stake in the litigation outcome other than sharing in the proceeds of the litigation itself. One results is that the real stakeholder – the injured party who employs an attorney to pursue a claim – may have his interests subordinated to the person or entity providing the funds for the litigation.

The bill does not prohibit the practice of third-party litigation financing. Rather, it requires a "litigation financier," as defined in the bill, to be licensed under the Financial Institutions Article of the Maryland Code. The bill also includes robust disclosure requirements for litigation financing contracts. The purpose of Senate Bill 894 is both to require appropriate regulation of litigation financing and, equally important, notification to all necessary parties of its existence.

MAMIC respectfully believes that the protections set forth in Senate Bill 894 are both appropriate and timely, and provide necessary protection for those persons engaged in civil litigation where insurance proceeds represent a primary source of recovery.

For these reasons, MAMIC respectfully requests a favorable report on Senate Bill 894.

Thank you for your consideration.

Melissa Shelley
President, MAMIC

cc: Bryson Popham

SB 894 Support.pdf
Uploaded by: Carville Collins
Position: FAV

SAUL EWING
LLP

Carville B. Collins
Phone: (410) 332-8627
carville.collins@saul.com
www.saul.com

MARYLAND EMPLOYERS FOR CIVIL JUSTICE REFORM COALITION

SUPPORTS SB 894

Third-Party Litigation Financing – Licensing and Regulation

Maryland Employers for Civil Justice Reform Coalition, comprised of many of the largest employers, businesses, and health care providers in Maryland, supports SB 894. The bill takes a simple but effective approach to provide consumer protection for plaintiffs in civil lawsuits and contractual transparency for defendants. That approach is to license, regulate, and establish disclosure requirements for third-party litigation financing (TPLF).

The primary provision in the legislation is licensure. An entity that is financing a litigation under the clear definitions set forth in the bill cannot do so unless it is licensed under Subtitle 2 or 3 of Title 11 of the Financial Institutions Article. This means that the litigation financier must be licensed under the Consumer Loans Licensing Provisions or the Installment Loans Licensing Provisions of Maryland law. This is consistent with the bill's further provision that all litigation financing is to be considered a loan, subject to all of the consumer protections and safeguards in Maryland's Commercial Law Article.

A significant further feature of SB 894 requires that a party in a civil action must provide -- to all other parties and each insurer defending other parties in the civil action -- a copy of the litigation financing contract (including any updated contracts) in effect. This common-sense provision will provide full disclosure to defendants and all parties. In addition, the bill sets forth the permissible subjects of discovery in any civil action for which there is a litigation financing in place. These provisions and safeguards afford material and much-needed protections for all parties who enter into these contracts.

Notably, other than licensure and disclosure, which are grounded in common sense to give fair notice to all interested parties, there are no other requirements on litigation financiers. If any further requirements are found to be needed, those and other refinements are to be promulgated under regulations to be implemented by the Commissioner of Financial Regulation. Contrary to what some opponents might contend, SB 894 is by no means prescriptive or limiting to litigation financiers, plaintiffs, or plaintiff lawyers.

TPLF's defenders often portray this practice as a benevolent business model aimed at increasing access to justice. After years of TPLF activity, it is now apparent that such a rationale is an utterly false narrative. The claim that TPLF provides financial support to plaintiffs who might otherwise be unable to pursue their claims is simply false, as our current system already allows plaintiffs' lawyers to work on a contingency fee basis, and the American rule against fee shifting has long protected plaintiffs from bearing the costs of losing claims. TPLF is primarily a profit-driven enterprise designed to maximize returns for investors, often at the expense of the plaintiffs it purports to help. Requiring licensing, regulation, and disclosure of these activities is a minimal, measured, and overdue public policy that will ensure protection of consumers and all interested parties to a civil litigation claim.

For all these reasons, the Coalition urges a favorable report on SB 894.

Carville B. Collins
carville.collins@saul.com
410-847-5598

Counsel for Maryland Employers for
Civil Justice Reform Coalition

February 27, 2026

SB0894 - MBA - FAV - GR26.pdf
Uploaded by: Evan Richards
Position: FAV

SB 894 – Third-Party Litigation Financing - Licensing and Regulation
Committee: Senate Finance Committee
Date: February 27, 2026
Position: Favorable

The Maryland Bankers Association (MBA) **SUPPORTS** SB 894. This legislation regulates third-party litigation financing by requiring licensing, treating litigation financing as a form of lending, and mandating disclosure and discovery of financing agreements in civil cases. SB 894 is designed to bring transparency, oversight, and accountability to a growing, yet largely unregulated, industry.

Third-party litigation financing agreements—where private companies like investment firms provide funds to plaintiffs in exchange for a portion of any future settlement or judgment—operate effectively as high-cost, non-traditional loans. Unlike licensed financial institutions, litigation financing companies operate outside the regulatory structures designed to ensure fair treatment of Maryland consumers. Without a clear regulatory framework, consumers may unknowingly enter into high-cost financing agreements that impact court strategy and settlement agreements to their detriment.

Maryland banks are among the most heavily regulated and transparent providers of consumer and commercial credit. Our members comply with stringent federal and state oversight, extensive disclosure obligations, and rigorous consumer protection standards. MBA believes all entities offering financing—regardless of structure—should be held to comparable standards. SB 894 ensures that litigation financiers who effectively act as lenders must meet the same basic expectations of fairness and transparency that apply across the financial system.

SB 894 represents a balanced, responsible, and forward-looking approach to regulating a growing financial activity. It protects consumers, improves transparency in litigation, enhances fairness in the marketplace, and aligns litigation financing with Maryland's established regulatory standards for lending. Accordingly, the Maryland Bankers Association respectfully urges a **FAVORABLE** report on SB 894.

The Maryland Bankers Association (MBA) represents FDIC-insured community, regional, and national banks, employing thousands of Marylanders and holding $194.8 billion in deposits in over 1,100 branches across our State. The Maryland banking industry serves customers across the State and provides an array of financial services including residential mortgage lending, business banking, estates and trust services, consumer banking, and more.

NAMIC Letter SB 894.pdf
Uploaded by: Gina Rotunno
Position: FAV

NAMIC®
NATIONAL ASSOCIATION OF MUTUAL INSURANCE COMPANIES

317.875.5250 | [F] 317.879.8408
3601 Vincennes Road, Indianapolis, Indiana 46268

202.628.1558 | [F] 202.628.1601
20 F Street N.W., Suite 510 | Washington, D.C. 20001

February 24, 2026

The Honorable Pam Beidle, Chair
Senate Finance Committee
3 East Miller Senate Office Building
Annapolis, Maryland 21401

Re: NAMIC Support for SB 894 - Third–Party Litigation Financing – Licensing and Regulation

Chair Beidle and Members of the Committee:

The National Association of Mutual Insurance Companies (NAMIC) is reaching out to express our support for Senate Bill 894 - Third–Party Litigation Financing – Licensing and Regulation by Senator Dawn Gile.

The National Association of Mutual Insurance Companies (NAMIC) is the foremost trade association representing the property/casualty insurance industry. Serving more than 1,300 member companies—including local and regional insurers as well as some of the nation's largest carriers—NAMIC members collectively write $467 billion in annual premiums, representing 61% of the homeowners and 53% of the automobile insurance markets. For more than 130 years, NAMIC has been the leading voice advancing public policy solutions and regulatory frameworks that promote a strong, competitive market and protect our members and their policyholders.

The insurance industry is navigating a new era of heightened risk, driven by a convergence of challenges including extreme weather events, litigation abuse, inflation, rising reinsurance costs, and broader economic pressures. In light of these realities, it is essential for the industry and policymakers to work collaboratively to address the factors that are contributing to unnecessary costs within the market.

Third-party litigation funding arrangements are contributing to unnecessary increases in litigation costs. These agreements have countless impacts on the civil justice system and insurance market by making it difficult and more costly to settle cases and increasing the length of time for a case to settle which, in turn, drives up the cost of litigation and insurance claims. This increased cost is then passed down through the insurance market to all consumers.

SB 894 intends to provide a level of transparency in the litigation process by requiring disclosure of third-party litigation arrangements. This allows parties, insurers, and the courts to understand when a third-party financier has a financial stake in the case - information that is critical for evaluating damages, assessing settlement positions, and ensuring that litigation is not influenced by outside profit motives.

SB 894 also establishes a clear regulatory structure for third-party litigation financing by requiring litigation financiers to be licensed under the Maryland Consumer Loan Law or relevant installment loan provisions. This requirement ensures that entities engaging in litigation financing are subject to the same oversight and accountability as other lenders in the state.

The bill further strengthens Maryland's legal framework by defining litigation financing as a loan for legal purposes, which brings these products under existing consumer-protection safeguards. This

helps protect consumers from excessive fees, unclear repayment obligations, and predatory terms that may be embedded in litigation financing contracts. The bill also makes litigation financing agreements discoverable, increasing transparency around financial incentives. This helps prevent inflated settlement demands and reduces unnecessary or prolonged disputes.

Together, these measures promote a more predictable and efficient legal environment for insurers and the business community, while aligning Maryland with the broader national trend toward regulating third-party litigation financing. SB 894 will strengthen Maryland's civil justice system by restoring balance to the legal system and begin to mitigate the inflationary impact of unnecessary lawsuit abuse.

For these reasons, NAMIC strongly supports SB 894 and respectfully requests a favorable report.

Sincerely.

Gina Rotunno

Gina Rotunno
Regional Vice President
Mid-Atlantic Region

NICB Letter of Support_MD SB 0894.pdf
Uploaded by: Hannah Burriss
Position: FAV

February 25, 2026

Hon. Pam Beidle and Members of the Committee
Committee on Finance
Maryland Senate

RE: NCIB Support for Senate Bill 0894

Dear Chair Beidle and Members of the Committee:

On behalf of the National Insurance Crime Bureau (NICB), I'm writing to express NICB's strong support for Senate Bill 0894. NICB is a national, century-old, not-for-profit organization supported by approximately 1,200 property and casualty insurance companies, including many who write business in Maryland. Working hand-in-hand with our member companies and Maryland state and local law enforcement, we help to detect, prevent, and deter insurance crimes.

Insurance fraud is not a victimless crime. A 2022 study placed total U.S. insurance fraud at $308.6 billion. Fraudsters will exploit every avenue, forum, and opportunity to bilk consumers and their insurers to line their own pockets, which ultimately increases costs for everyone. Unfortunately, the courtroom is not immune. Fraudsters and their affiliates have engaged in predatory and abusive litigation tactics and employed tools to advance—and conceal—their aims. NICB is concerned that, absent additional transparency and accountability, litigation financing can serve as a facilitator of fraud.

For example, NICB recently assisted the U.S. Department of Justice's investigation and prosecution of a massive trip-and-fall fraud scheme in New York, which defrauded businesses and their insurance providers of more than $31 million. This organized insurance fraud scheme included deliberate, unnecessary surgeries performed on victims simply to drive insurance claims and lawsuits upward. The surgeries, as well as other medical procedures, were funded by litigation financing companies. The financiers also paid the fraud scheme organizers and participants referral fees for each patient who signed a funding agreement, charged the patients (who were overwhelmingly low income) absurdly high interest rates, and the majority of the proceeds awarded in the fraudulent lawsuits went right back to the financiers themselves.

Most recently, a new joint analysis conducted by NICB and 4WARN—a digital risk intelligence company—has uncovered a strong connection between third-party litigation financing (TPLF) and excessive litigation instigated by fraudulent digital tactics and opportunistic marketing. In one case, a single funder supported 13 law firms that targeted 66 different insurers to drive claims litigation and maximize the investor's return. NICB's assessment shows that funders targeted U.S. insurers at significant scale—with nearly 75% of insurance companies assessed being directly targeted by opportunistic litigation marketing campaigns, many of which were resourced by outside funders. Some of the digital manipulation tactics used in TPLF-facilitated fraud include search engine diversion, brand impersonation through cloned portals and misleading domains, and AI-generated content. The schemes often include "runners" that coach, recruit and coordinate plaintiffs, law firms, complicit medical providers, and digital marketing firms.

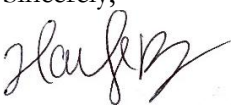
To combat TPLF-facilitated fraud, NICB calls upon lawmakers to adopt pro-transparency and accountability measures to help reveal funding sources—including beneficial ownership and foreign participation—and combat the improper incentives that attract fraudsters.

Senate Bill 0894 would increase consumer protection and transparency in the legal system by creating a regulatory framework for TPLF in Maryland, requiring financiers to be licensed and classifying such financing as a loan subject to existing lending laws. Further, it would mandate disclosure of litigation financing contracts to all parties in a civil case and

makes these contracts discoverable in legal proceedings. **Accordingly, NICB strongly supports Senate Bill 0894 and urges passage of this legislation.**

Thank you for your time and consideration of our views. As always, please consider NICB a resource and partner in the fight against insurance crime. If you have any questions or need additional information, please contact me at hburriss@nicb.org or 847-707-2554.

Sincerely,



Hannah Burriss
Director, Strategy, Policy and Government Affairs
National Insurance Crime Bureau

SB 894-TPLF Licensing and Regulation- Support.pdf
Uploaded by: Jake Whitaker
Position: FAV

Maryland
Hospital Association

Senate Bill 894- Third-Party Litigation Financing - Licensing and Regulation

Position: *Support*
February 27, 2026
Senate Finance Committee

MHA Position

On behalf of the Maryland Hospital Association's (MHA) member hospitals and health systems, we appreciate the opportunity to comment in support of Senate Bill 894.

Third-party litigation financing (TPLF) is an arrangement where third parties, such as hedge funds or private equity firms, provide capital to plaintiffs to fund legal claims in exchange for a share of the damages. TPLF can support plaintiff expenses like medical bills, rent, and other necessities until their claim is resolved. TPLF can also enable attorneys to pursue complex resource-intensive cases by funding discovery costs, expert witness fees, and other expenses.

However, these agreements raise consumer protection concerns as there is frequently a significant power imbalance between funders and plaintiffs. Despite their ability to influence litigation strategy, settlement dynamics, and overall case costs, these arrangements also currently lack any transparency or regulatory oversight.

SB 894 would protect hospital patients and consumers by placing third-party litigation financing under clear, safeguards. It prohibits funders from operating in Maryland unless they are properly licensed under state lending laws and treats these cash advances as loans so that standard borrower protections and oversight apply. The bill also makes the existence, parties, and terms of a financing agreement discoverable so fees and repayment obligations are in the open rather than hidden in fine print.

Together, these protections help patients understand costs and risks before they commit, reduce the chance that excessive or opaque charges will drain a settlement intended for care, and support faster, fairer case resolutions that preserve more of a patient's recovery for treatment and long-term needs.

SB 894 would help contain the escalating costs of medical professional liability by promoting transparency in the legal process. By requiring the mandatory disclosure of third-party financing agreements, the bill prevents anonymous financiers from artificially prolonging litigation and obstructing reasonable settlements to satisfy their own aggressive internal rates of return.

For these reasons, we request a favorable report on SB 894.

For more information, please contact:
Jake Whitaker, Assistant Vice President, Government Affairs & Policy
Jwhitaker@mhaonline.org

Allstate testimony in favor of TPLF S. 894 2.27.26
Uploaded by: Lauren Pachman
Position: FAV

February 25, 2026

The Honorable Pamela Beidle, Chair
The Honorable Antonio Hayes, Vice Chair
Senate Finance Committee
3 East Miller Senate Office Building
Annapolis, Maryland 21401

Re: Supporting Senate Bill 894: Third-Party Litigation Financing – Licensing and Regulation

Dear Chair Beidle, Vice Chair Hayes, and members of the Senate Finance Committee:

Thank you for the opportunity to submit written testimony in support of Senate Bill (SB) 894, a bill concerning the licensing and regulation of third-party litigation financing (TPLF). We especially appreciate our partnership with SB 894's sponsor, Senator Gile.

TPLF is a method of advancing funds to plaintiffs in civil tort litigation in exchange for a percentage of their ultimate monetary award, whether issued via a settlement or a judgment. TPLF is a vehicle for plaintiffs to borrow money up front from litigation "investors" that are otherwise uninvolved in the underlying lawsuit.[1]

I. Background

Repayment terms often include predatory and compounding interest rates. For that reason, several states cap the interest rates that financiers can collect; some states also cap the total amount "lenders" can recover from the plaintiff's monetary award. Depending on the nature of the TPLF contract, litigation financiers may be repaid, in part or in full, even if the plaintiff loses their underlying case.[2] SB 894 would require plaintiffs to repay such loans only on the contingency that they receive compensation in connection with their suit.

In some cases, plaintiffs in receipt of third-party funds may have unfettered discretion as to how they use the "borrowed" funds; in other arrangements, the TPLF contract may circumscribe the

[1] TPLF "lenders" may be individuals or commercial enterprises. Frequent lenders may opt to spread their "investment risks" across multiple suits, referred to as "portfolio funding." Financiers may limit plaintiffs' use of the funds to expenses associated with the suit itself, like lawyers' fees and/or expert witness fees and expenses. TPLF agreements directing the use of up-front monies to satisfy costs associated with litigation could encourage attorneys to prolong lawsuits because they could do so without absorbing the accompanying expenses.

[2] This outcome is most often achieved with TPLF agreements that include origination fees, specified breach triggers, diligence costs, or monitoring fees. Financiers whose TPLF agreements include such provisions retain those funds irrespective of the outcome of the suit, subject to the terms of the agreement and applicable law.

use of these funds. Absent applicable statutory or contractual restraints on plaintiffs' use of borrowed funds, plaintiffs can use the money as they wish.[3]

SB 894 would, among other provisions, require litigation financiers to obtain litigation financing licenses, which would be issued pursuant to the Maryland Consumer Loan Law; deem litigation financing a form of loan; require disclosure of the existence of litigation financing contracts in civil actions; and require information concerning litigation financing contracts to be discoverable in civil actions. The bill, which emphasizes consumer protection and transparency, is similar to TPLF legislation adopted in other states around the country. Passage of SB 894 will protect consumers and reduce litigation disputes among parties over TPLF disclosures, particularly because it requires disclosure without a discovery request.

On behalf of the Allstate Insurance Company enterprise, I urge the members of this Committee to issue a favorable report on SB 894.

II. Protecting consumers and holding TPLF financiers accountable

By virtue of their greater economic power, TPLF financiers enter into negotiations already at an advantage over the plaintiffs with whom they are contracting. Financiers' ability to exert leverage over plaintiffs, especially economically disadvantaged plaintiffs, has been unencumbered in Maryland to date. Passage of SB 894 would protect consumers by limiting TPLF financiers' ability to recover to cases in which plaintiffs recover.

In the absence of statutory intervention, TPLF financiers largely operate unseen, fundamentally unencumbered by legislative prohibitions or regulatory attention. Their goal is generally to maximize the profits they can extract from each financed lawsuit, essentially transforming the judicial system into an unregulated, unmonitored betting market.

The bill would also protect consumers by creating a licensing regime for litigation financiers, ensuring some degree of uniformity and reliability for consumers interacting with financiers and permitting the state to demand that bad actors be held to account for TPLF-related misbehavior.

Crucially, SB 894 would also codify and formalize the application of Maryland consumer lending laws to TPLF financiers.

III. Leveling the playing field for parties to litigation

Under current Maryland law, plaintiffs can enter into TPLF agreements without other parties even knowing they exist. This leaves parties outside the TPLF agreement at a disadvantage, without information about who may be literally invested in the suit and may be influencing its trajectory. Passage of SB 894 would allow all parties to know the identity of the primary stakeholders to the litigation.

[3] Plaintiffs may use the funds they are advanced to pay for their living expenses or costs associated with the litigation itself, for example.

IV. Acknowledging the presence of litigation financiers in Maryland

Several third-party litigation financing companies are active in Maryland, and, while the state legislature has not acted on this issue in the past, at the federal level, the U.S. District Court for the District of Maryland has promulgated a local rule requiring parties to disclose the presence of TPLF during litigation.[4] In passing SB 894, Maryland would join a number of states that have already passed TPLF statutes; similar bills are pending in about 20 states this year.

Writ large, the existence of unregulated TPLF financiers prolongs litigation, discourages settlements, and increases the cost, in both time and money, of lawsuits. Passage of SB 894 would promote consumer protection and transparency among parties and address many of the problems presently associated with TPLF financiers.

Allstate appreciates the opportunity to provide written comments in support of the bill, and we respectfully urge Committee members to issue a favorable report on SB 894. Thank you for your time and consideration of this important issue.

Sincerely,

Lauren G. Pachman
Legislative & Regulatory Senior Counsel

Government & Industry Relations
Allstate Insurance Company
3100 Sanders Road
Northbrook, IL 60062

Lauren.Pachman@allstate.com

[4] See District of Maryland L. R. 103.3(b), available at LocalRules.pdf.

SB894 - Support - Maryland Motor Truck Association

Uploaded by: Louis Campion

Position: FAV

Maryland Motor Truck Association

HEARING DATE: February 27, 2026

BILL NO/TITLE: SB894: Third-Party Litigation Financing - Licensing and Regulation

COMMITTEE: Senate Finance Committee

POSITION: **Support**

Maryland Motor Truck Association offers its support for SB894, which would require licensure and disclosure of third-party companies funding lawsuits.

SB894 does not stop litigation financing; however, it adds transparency and provides a layer of consumer protection from these companies that buy a stake in a lawsuit by lending to plaintiffs — often at excessive interest rates — in exchange for a return from the lawsuit proceeds.

Without the remedies proposed in SB894, judges, defendants, and even plaintiffs (particularly in class actions) often do not know that a hidden third party has a stake in—and an expectation to profit from—the case in front of them. According to the U.S. Chamber of Commerce, among the risks of third-party litigation financing are:

1. Funders often exercise significant control over litigation as opposed to being passive investors.
2. There are growing concern that a large volume of foreign money may be pouring into United States funding civil litigation against U.S. companies and industries.
3. Significant portions of settlements and judgments being siphoned off by funders, leaving actual claimants with greatly reduced recoveries.

This common-sense measure will bring lawsuit lenders out from the shadows and make the fact finders aware that a disinterested third party has a financial stake in any verdict. MMTA believes that third-party litigation disincentivizes reasonable civil litigation settlements, and pressures plaintiffs to seek outsized verdicts to provide investment returns for lenders.

For the reasons noted above, Maryland Motor Truck Association asks for a favorable report.

About Maryland Motor Truck Association: Maryland Motor Truck Association is a non-profit trade association that has represented the trucking industry since 1935. In service to its 900 members, MMTA is committed to support, advocate and educate for a safe, efficient and profitable trucking industry in Maryland.

For further information, contact: Louis Campion, (c) 443-623-5663

SB 894 Written Testimony - Sen. Gile.docx.pdf
Uploaded by: Dawn Gile
Position: FWA

Dawn D. Gile
Legislative District 33
Anne Arundel County

Finance Committee

Chair

Anne Arundel County
Senate Delegation

THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

Miller Senate Office Building
11 Bladen Street, Suite 3 East
Annapolis, Maryland 21401
410-841-3568 · 301-858-3568
800-492-7122 *Ext.* 3568
Dawn.Gile@senate.state.md.us

Testimony In Support of SB 894

Third–Party Litigation Financing – Licensing and Regulation

Madam Chair, Mr. Vice Chair, and Members of the Committee:

Senate Bill 894 addresses the growing practice of third party litigation financing, or TPLF, and its impact on Maryland consumers and our civil justice system.

TPLF generally takes two forms: commercial financing and consumer financing. Both involve advancing funds in exchange for a portion of the proceeds from a settlement, judgment, or verdict, and both often include significant interest rates and fees.

Commercial TPLF typically consists of non-recourse funding provided directly to a plaintiff's attorney or law firm. SB 894 does not address commercial litigation financing. Instead, this bill is narrowly focused on consumer TPLF.

Consumer TPLF involves non-recourse funding provided directly to an individual claimant, usually to cover living expenses while a tort or personal injury claim is pending. If the case is unsuccessful, the consumer has no obligation to repay the advance. If the consumer prevails, however, repayment includes not only the principal advance but also interest and fees, which can be substantial.

Maryland's Office of Financial Regulation has already determined that these consumer litigation funding transactions constitute loan products under Maryland law. SB 894 codifies that determination and ensures these transactions are regulated consistently within Maryland's existing consumer lending framework.

Specifically, the bill:

- Requires litigation financiers to be licensed under Maryland lending laws
- Clarifies that consumer litigation financing constitutes a loan for purposes of Maryland law

- Requires disclosure of litigation financing agreements in civil actions
- Permits the existence and contents of those agreements to be subject to discovery
- Authorizes the Commissioner to adopt regulations necessary to implement these provisions

SB 894 does not prohibit litigation funding, nor does it interfere with contingency fee arrangements between attorneys and their clients. It simply ensures that when funds are advanced directly to Maryland consumers, those transactions are transparent and subject to the same consumer protections that apply to other lending products.

SB 894 promotes transparency in civil litigation and protects Maryland consumers from unregulated, high cost lending practices presented as litigation advances. I have submitted a minor sponsor amendment which is a simple deletion of language that does not apply to consumer TPLF.

For these reasons, I respectfully request a favorable report on Senate Bill 894.

SB 894_MDCC_Third-Party Litigation Financing-Licen
Uploaded by: Hannah Allen
Position: FWA

MARYLAND
Chamber of Commerce

Senate Bill 894

Date: February 27, 2026
Committee: House Environment & Transportation
Position: Favorable with Amendments

Founded in 1968, the Maryland Chamber of Commerce (the Chamber) is the leading voice for business in Maryland. We are a statewide coalition of more than 7,000 members and federated partners, and we work to develop and promote strong public policy that ensures sustained economic growth for Maryland businesses, employees, and families.

Senate Bill 894 (SB 894) takes an important step toward bringing transparency and consumer protections to the growing practice of third-party litigation financing. As litigation funding continues to expand, particularly in the consumer context, it is critical that Maryland establish clear guardrails to ensure that lawsuits are driven by the interests of the parties to the case—not by outside investors seeking to maximize returns. Codifying licensure, disclosure, and regulatory oversight will help protect consumers and preserve the fair and efficient administration of justice.

The Maryland Chamber supports the bill's focus on consumer litigation financing and its alignment with existing interpretations and enforcement actions of the Office of Financial Regulation. Clarifying in statute that these arrangements are subject to Maryland's consumer lending laws provides certainty for consumers, courts, and the regulated community.

We respectfully request adoption of a clarifying amendment to ensure the bill is narrowly tailored to consumer third-party litigation financing and does not inadvertently extend to commercial litigation financing arrangements. Specifically, the amendment would remove language on page 3, lines 17–21, which does not apply to consumer litigation funding. This clarification will help ensure the bill achieves its intended purpose without unintended consequences.

For these reasons, the Chamber respectfully requests a **favorable with amendments report** on **HB 894**.

SB 894 TPLF combined 022726 FWA.pdf
Uploaded by: Nancy Egan
Position: FWA

Testimony of

American Property Casualty Insurance Association (APCIA)

Senate Finance Committee

Senate Bill 894- Third-Party Litigation Financing - Licensing and Regulation

February 27, 2026

Favorable with Amendment

The American Property Casualty Insurance Association (APCIA) is the primary national trade organization representing nearly 67.4% of the personal auto market, 81.5% of commercial auto, and 75.5% of commercial general liability.in the Maryland property casualty insurance market. House Bill 1298 would put into statute the regulation of third-party litigation financing (TPLF) including that this type of consumer lending is subject to the Maryland consumer lending laws as well as the disclosures of the TPLF agreements in civil cases.

Third party litigation financing is where outsiders invest in lawsuits in exchange for a portion of the recovery. With respect to consumer litigation financing. Lenders provide immediate cash to individuals who are awaiting settlements or verdicts, typically in personal injury lawsuits. Unlike commercial TPLF, which funds the litigation expenses themselves, consumer TPLF provides money directly to a claimant or plaintiff (rather than a lawyer or law firm) and funds the claimant or plaintiff's personal expenses during litigation, rather than funds the litigation itself. They are sometimes advertised as "cash for lawsuits."

The consumer litigation funding industry representatives say that the average lawsuit loan is about $2,000,[1] but the amounts can be far greater. A quick internet search for companies offering consumer litigation financing in Maryland found that one company offered up to $2 million. This type of TPLF is regulated by the Office of Financial Regulation (OFR) but has not been specified in statute though it is the OFR's practice. The Office of Financial Regulation reached a settlement agreement with Oasis Legal Finance, LLC in August of 2009 regarding this type of loan and stated that Oasis could not operate unless licensed with the OFR and any lending rate of return was subject to CL Section 12-306. (See attached). In 2016, the OFR reached a settlement with "LawCash" finding that they were similarly subject to Maryland's consumer lending laws. (See attached).

There is another form of litigation financing, commercial TPLF, which funds the litigation expenses themselves. We have seen a proliferation of third parties investing money in litigation, viewing the civil justice system not as a way of resolving disputes and providing fair compensation, but purely as a profit-making opportunity. Dedicated litigation finance firms, hedge funds, institutional investors, foreign sovereign wealth funds, and wealthy individuals are investing billions of dollars each year into funding U.S. lawsuits in exchange for a portion of a settlement or verdict. **This commercial TPLF is not covered by this legislation**.

This bill protects consumers by putting into statute what is already the policy of Maryland. The actual contract language and specified language has been left to OFR to determine in regulation.

Most importantly, the bill requires disclosure of litigation financing contracts, treating such agreements in the

[1] *See, e.g.*, Testimony of Eric Schuller, President, The Alliance for Responsible Consumer Legal Funding (ARC), Before the Kansas House Committee on Judiciary, H.B. 2694, Feb. 15, 2022.

same manner as how Maryland requires disclosure of insurance agreements which includes the entire contents of the insurance agreements, including policy limits and the policy terms. This allows all parties to have an understanding of who has a financial interest in the litigation and is potentially influencing its direction and settlement, and allowing them to alert the court if the agreement raises such conflict of interest, or other ethical issues.

In the consumer lawsuit loan context, this transparency will inform the consumer as well. In requiring disclosure of third-party litigation funding and adopting other safeguards, Maryland will join other states that have taken similar steps in recent years, such as Indiana, Louisiana, Montana, West Virginia, and Wisconsin.[2] Legislation is also pending in 19 other states this year. The US District Court for the District of Maryland has a rule requiring that TPLF be disclosed during litigation.[3]

There is one clarifying amendment:

Amendment: Page 3 Delete Lines 17-21. This language does not apply to consumer TPLF.

APCIA supports this legislation and urges the Committee to issue a favorable report. Thank you for your consideration

Nancy J. Egan,

State Government Relations Counsel, DC, DE, MD, VA, WV

Nancy.egan@APCIA.org Cell: 443-841-4174

Attachments: Oasis consent decree; LawCash consent decree

[2] Approximately 8 other states require oversight of consumer litigation funding, including New York, Maine, Illinois and Missouri, but without disclosure.

[3] District of Maryland L.R. 103.3(b) ("When filing an initial pleading… counsel shall file a statement (separate from any pleading) containing…[t]he identity of any corporation, unincorporated association, partnership, or other business entity, not a party to the case, which may have any financial interest whatsoever in the outcome of the litigation, and the nature of its financial interest.").

IN THE MATTER OF: **PLAINTIFF FUNDING HOLDING, INC. d/b/a LAWCASH,** **PLAINTIFF HOLDING V LLC,** **DENNIS SHIELDS,** **HARVEY R. HIRSCHFELD, and** **JASON YOUNGER,** **Respondents.**	**BEFORE THE MARYLAND** **COMMISSIONER OF** **FINANCIAL REGULATION** **CFR-FY2014-0052**

SETTLEMENT AGREEMENT AND CONSENT ORDER

This Settlement Agreement and Consent Order (this "Agreement") is entered into this 18th day of July, 2016, by and between the Maryland Commissioner of Financial Regulation (the "Commissioner") and Plaintiff Funding Holding, Inc. d/b/a LawCash, Plaintiff Holding V LLC, Dennis Shields, Harvey R. Hirschfeld, and Jason Younger (the "Respondents"). The Commissioner and the Respondents ("the Parties") consent to the entry of this Agreement as a final resolution of this matter. All paragraphs below are intended to be part of the contractual obligations of the Parties hereto, so far as they may be so construed, and are not mere recitals to this Agreement.

1. Pursuant to the Maryland Consumer Loan Law (Md. Code Ann., Fin Inst. § 11-201 *et seq.* and Md. Code Ann., Com. Law § 12-301 *et seq.*) and the Interest and Usury Law (Md. Code Ann., Com. Law § 12-101 *et seq.*), the Commissioner is charged with the responsibility of licensing and regulating advances and other consumer loans in the State of Maryland (the "State").

2. As a result of an investigation by the Office of the Commissioner of Financial Regulation (the "Agency"), it was alleged that Respondents had engaged in the business of making

litigation funding advances or other loans to Maryland consumers without the proper licenses under Maryland law, that they had failed to make required disclosures under Maryland law, and that such loans exceeded the permissible interest rate caps under Maryland law, (the "Alleged Violations").

3. In connection with these Alleged Violations, the Commissioner issued a Summary Order to Cease and Desist and Order to Produce on August 18, 2015 (the "Summary Order"), in which the Respondents were ordered to cease and desist from engaging in the business of making advances or other loans to Maryland consumers.

4. The Respondents do not admit to the Alleged Violations set forth herein, and deny any liability under the Maryland Consumer Loan Law, the Interest and Usury Law, or any other State laws or regulations applicable to lending in Maryland. Respondents, nonetheless, wish to resolve the Alleged Violations without the need for an administrative hearing and any potential appeals, thereby avoiding the costs associated with such hearing and potential appeals, and Respondents, therefore, agree to resolve this matter fully, finally, and completely without an administrative hearing as set forth in this Agreement, and further accept without condition, and fully agree to abide by, each and every term set forth in this Agreement.

5. The Commissioner desires to ensure that Respondents comply with all applicable statutes, regulations, and others laws governing the making of loans to Maryland consumers, and further wishes to avoid the costs to the taxpayers of an administrative hearing and any potential appeals. The Commissioner notes that the Respondents have acted in good faith in resolving the present matter with the Agency.

6. Respondents represent that they have fully complied with the Summary Order, and that they have ceased making advances or other loans to Maryland consumers.

7. Respondents agree to take each and every one of the following actions in exchange for a final resolution of this matter:

a. Respondents will pay a voluntary penalty of $140,000 (ONE HUNDRED FORTY THOUSAND DOLLARS) in the form of three checks made payable to the "Commissioner of Financial Regulation," as follows: the first check, in the amount of $10,000 shall be paid upon execution of this Agreement; the second check, in the amount of $65,000, shall be paid on or before December 31, 2017; the third check, in the amount of $65,000, shall be paid on or before June 30, 2018.

b. Respondents shall send a refund to [redacted] in the amount of $8,867.94 upon execution of this Agreement.

c. For Maryland consumers (as of the date of their agreement with Respondents) who obtained litigation funding advances or other loans from the Respondents on or after August 18, 2012 and who have already satisfied their account with Respondents (whether through repayment of the contract amount or of a negotiated settlement amount), Respondents shall provide refunds as follows:

(1). For each advance or other loan made to these consumers, Respondents shall provide a full refund of any amounts collected by Respondents above 24% annual interest rate (with the original underwriting and origination fees, as well as any other charges or fees beyond the amount actually disbursed to the consumer, being considered interest for purposes of the annual interest rate calculation).

(2). Attachment 1 is a spreadsheet providing the name of each consumer entitled to a refund under this provision, the consumer's last known home address and telephone number, and the amount of the refund due to the consumer for each advance or other loan (*i.e.*,

each "transaction") subject to this provision. There are 292 transactions, involving 240 different consumers, for which a refund is due under this provision, and the amount of refunds to be paid to all consumers under this provision totals $195,842.02 (ONE HUNDRED NINETY–FIVE THOUSAND EIGHT HUNDRED FORTY-TWO DOLLARS AND TWO CENTS).

d. For each advance or other loan made to any Maryland consumer who has not yet satisfied their account with Respondents prior to the date this Agreement is fully executed, the Respondents shall waive all interest, fees, and any other charges stated in the litigation funding agreement above 24% annual interest rate (with the original underwriting and origination fees, as well as any other charges or fees beyond the amount actually disbursed to the consumer, being considered interest for purposes of the annual interest rate calculation). Within 30 days of this Agreement being fully executed, Respondents shall provide the Agency with a spreadsheet, labeled as "Attachment 2" and which shall then become Attachment 2 to this Agreement, identifying each transaction entitled to a waiver under this provision, the name of the consumer, the consumer's last known home address and telephone number, and the amount of the original advance or other loan made to the Maryland consumer for each transaction. There are 100 transactions, involving 77 different consumers, for which a waiver is due under this provision.

e. The Respondents shall issue refunds to the Maryland consumers indicated in paragraph 7.c, above, in accordance with the following:

(1). Respondents shall mail a check for the amount of money to be refunded to each consumer via First Class U.S. Mail, to each affected consumer's last known address, or to an updated address as can be identified through customary address verification means no later than June 30, 2017. Each refund shall be accompanied by a letter indicating that that the refund is being issued pursuant to a Settlement Agreement between the Respondents and the Commissioner of

Financial Regulation, and that the Settlement Agreement does not in any way affect the consumer's legal rights; the form of such letters shall be pre-approved by the Agency prior to mailing.

(2). On or before July 31, 2017, the Respondents shall furnish evidence to the Agency that refunds were tendered to each affected consumer in the agreed amount by providing a copy of the front and back of the cancelled check for each refund payment that was negotiated by the affected consumer.

(3). On or before August 31, 2017, if any refund payment checks mailed by the Respondents to Maryland consumers in accordance with this Agreement are either not cashed or are returned to the Respondents as non-deliverable (collectively, the "Undeliverable Refunds"), such Undeliverable Refunds will escheat to the State of Maryland. The Respondents will stop payment on such undeliverable refund payment checks, and shall pay the total amount of all Undeliverable Refunds in the form of a single check made payable to the "Comptroller of Maryland," which shall be submitted to the Agency, and accompanied by an update to the applicable spreadsheet referenced above as Attachment 1, which spreadsheet shall be submitted in both hard copy and in an electronic format mutually agreeable to both Parties, and which shall be supplemented with the following additional information for each affected consumer: the social security number of the consumer (if known), the date of birth of the consumer (if known), the date on which each refund check was mailed, and an indication of which refund checks were cashed, and which refund checks were either not cashed or were returned to the Respondents as non-deliverable. Such action on the part of the Respondents shall relieve the Respondents of any further obligation to make refunds to these consumers.

(4). The Respondents shall not seek releases from consumers in conjunction with these refunds.

f. If the Agency or Respondents become aware that any consumer was omitted from Attachments 1 or 2, but who meets the entitlement for a refund under paragraph 7.c. or waiver under 7.d., above, then Respondents shall provide a refund or waiver within two weeks of Respondents or their counsel being made aware of the omission, as appropriate based on the circumstances. The Parties shall attempt to informally resolve any disagreements or disputes on this issue, but the Agency will have the authority to make the final determination about whether a refund or waiver is required pursuant to this subparagraph.

g. The Respondents, as well as the owners, directors, officers, members, partners, managers, employees, and agents of the Respondents, agree not to offer or provide advances in Maryland or to Maryland consumers, or to otherwise engage in lending activities in Maryland or involving Maryland consumers, without first obtaining the appropriate lending licenses from the Commissioner.

h. The Respondents represent that they will submit applications for the appropriate lending licenses to the Agency as soon as practical.

8. Respondents acknowledge that they have voluntarily entered into this Agreement with full knowledge of their right to a hearing pursuant to FI § 11-518 and the Maryland Administrative Procedure Act – Contested Cases (at SG § 10-201 *et seq.*) arising from any charges brought by the Agency based on the Alleged Violations, and that Respondents hereby waive their right to a hearing. Respondents further acknowledge that they have had an opportunity to consult with independent legal counsel in connection with the waiver of this right and with the negotiation and execution of this Agreement, and that they have in fact consulted with independent legal counsel.

9. The Parties hereto agree that this Agreement shall be binding and enforceable in court by the Commissioner and by the Respondents, shall be admissible in court if relevant, and shall be binding upon and inure to any of the Respondents' present and future owners, directors, officers, members, partners, managers, employees, agents, successors, and assigns.

10. The Parties hereto acknowledge that this Agreement does not in any way relate to, impact, or otherwise effect the legal rights of, or preclude the Commissioner from bringing actions against, persons not Parties to this Agreement, except as set forth in Paragraph 11, below.

11. The Commissioner agrees that he will not bring an enforcement action of any kind, civil or administrative, against the Respondents, or against any of Respondents' owners, directors, officers, members, partners, managers, or employees, for any matter arising out of or related to any advance which Respondents made to Maryland consumers prior to the date on which this Agreement is fully executed related to the investigation referred to in the Summary Order or otherwise covered by this Agreement.

12. The Parties hereto agree that any notices hereunder shall be effectively "delivered" when sent via overnight delivery or certified mail as follows:

a. To the Commissioner:

Commissioner of Financial Regulation
500 North Calvert Street, Suite 402
Baltimore, Maryland 21202-3651
Attention: Jedd Bellman, Assistant Commissioner

Copy to:

W. Thomas Lawrie, Assistant Attorney General
Department of Labor, Licensing, and Regulation
500 North Calvert Street, Suite 406
Baltimore, Maryland 21202-3651

b. To the Respondents:

Denise M. Bowman, Esq.
Managing Partner
Alexander & Cleaver, PA, Attorneys at Law

11414 Livingston Road
Fort Washington, Maryland 20744

NOW, THEREFORE, it is, by the Commissioner of Financial Regulation, HEREBY

ORDERED that this Agreement fully supersedes the Summary Order to Cease and Desist and Order to Produce issued to Respondents on August 18, 2015 (the "Summary Order"), and said Summary Order is no longer in effect as of the date this Agreement is fully executed; and it is further

ORDERED that the Respondents shall adhere to all terms of this Agreement; and it is further

ORDERED that, in the event the Respondents, or any of the owners, directors, officers, members, partners, managers, employees, or agents of the Respondents, violates any provision of this Agreement, the Maryland Consumer Loan Law, the Interest and Usury Law, or any other State law or regulation applicable to lending in Maryland, the Commissioner may, at the Commissioner's discretion, take any enforcement actions available under FI § 2-115, under the Maryland Consumer Loan Law, and/or under the Interest and Usury Law, as well as take any other enforcement actions as permitted by, and in accordance with, applicable State law; and it is further

ORDERED, that this matter shall be resolved in accordance with the terms of this Agreement and the same shall be reflected among the records of the Office of the Commissioner of Financial Regulation; and it is further

ORDERED that this document shall constitute a Final Order of the Maryland Commissioner of Financial Regulation, and that the Commissioner may consider this Agreement and the facts set forth herein in connection with, and in deciding, any action brought by or

proceeding before the Commissioner; and that this Agreement may, if relevant, be admitted into evidence in any matter brought by or proceeding before the Commissioner.

It is so ORDERED.

IN WITNESS WHEREOF, this Agreement is executed on the day and year first above written.

MARYLAND COMMISSIONER OF FINANCIAL REGULATION

By: _____
Gordon M. Cooley
Commissioner

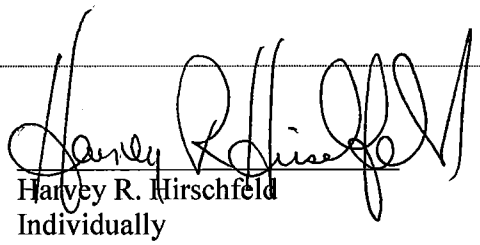
PLAINTIFF FUNDING HOLDING, INC. d/b/a LAWCASH

By: _____
Harvey R. Hirschfeld
President
Authorized Representative

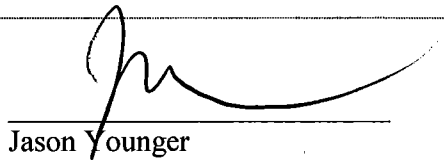
PLAINTIFF HOLDING V LLC

By: _____
Harvey R. Hirschfeld
Managing Member
Authorized Representative

_____
Dennis Shields
Individually



Harvey R. Hirschfeld
Individually



Jason Younger
Individually

Attachments 1 and 2

Redacted in Full

IN THE MATTER OF:	*	**BEFORE THE MARYLAND**
	*	**COMMISSIONER OF**
OASIS LEGAL FINANCE, LLC	*	**FINANCIAL REGULATION**
Respondent	*	
	*	**DFR-EU-2008-241**
	*	

* * * * * * * * * * * * *

SETTLEMENT AGREEMENT AND CONSENT ORDER

This Settlement Agreement and Consent Order ("Agreement") is entered into this **6th** day of **August, 2009**, by and between the Maryland Commissioner of Financial Regulation (the "Commissioner") and Oasis Legal Finance, LLC ("Oasis"), 40 North Skokie Boulevard, Suite 500, Northbrook, Illinois 60062.

WHEREAS, the Commissioner is charged under the Maryland Consumer Loan Law, Commercial Law Article ("CL"), Title 12, Subtitle 3, Annotated Code of Maryland, and Financial Institutions Article ("FI"), Title 11, Subtitle 2, Annotated Code of Maryland, with the responsibility of licensing and regulating consumer loans and advances in this State; and

WHEREAS, as a result of two complaints and an investigation by the Office of the Commissioner, it was alleged that Oasis engaged in the business of making loans or advances to Maryland consumers without the proper licenses under Maryland law; and

WHEREAS, in connection with these allegations, the Commissioner of Financial Regulation issued a Summary Order to Cease and Desist to Oasis on March 9, 2009, in which Oasis was ordered to cease and desist from engaging in the business of making advances to Maryland residents; and

WHEREAS, the Commissioner desires to ensure that Oasis will comply with all applicable licensing requirements and other provisions of Maryland law and regulations applicable to the making of advances in this State, and desires to avoid the cost to the taxpayers of lengthy hearings, court proceedings and appeals resulting from a litigated disposition of these allegations; and

WHEREAS, Oasis denies the allegations in the Summary Order to Cease and Desist issued to Oasis on March 9, 2009, and denies any liability under the Maryland Consumer Loan Law, or any other State laws or regulations applicable to lending in Maryland, and continues to assert that these transactions are non-recourse civil litigation funding transactions, that these are not "loans or advances" under the Commissioner's jurisdiction under current Maryland law, but has voluntarily entered into this Settlement Agreement and also desires to avoid the cost of a hearing and potential court proceedings resulting from a litigated disposition of these allegations; and

WHEREAS, Oasis acknowledges that it has voluntarily entered into this Agreement with full knowledge of its right to a hearing on the allegations set forth herein, pursuant to FI §§ 2-115(a) and 11-215(b), and the Maryland Administrative

Procedures Act (Md. Code Ann., State Gov't Article § 10-201 *et seq.*), and hereby waives its right to a hearing, and Oasis further acknowledges that it had an opportunity to consult with independent counsel in connection with its waiver of rights and negotiation and execution of this Agreement and has, in fact, consulted with its own counsel; and

NOW, THEREFORE, in consideration of the mutual promises contained herein, it is by the Maryland Commissioner of Financial Regulation, on the day and year first above written, hereby ORDERED that:

1. The Recitals set forth above are and shall form a part of this Agreement.

2. The Commissioner hereby vacates the Summary Cease and Desist Order issued to Oasis on March 9, 2009, and will withdraw the currently scheduled hearing from the Office of Administrative Hearings docket.

3. The Commissioner agrees that she will not bring an enforcement action of any kind, civil or administrative, against Oasis or against its officers, Board of Managers, employees, or investors, for any conduct related to the investigation referred to in the Summary Order to Cease and Desist issued to Oasis on March 9, 2009.

4. Oasis acknowledges that, as of the date it received the Summary Order to Cease and Desist, it has not engaged in any new transactions of the type described in the Summary Order to Cease and Desist, and it agrees that it will not

do business in Maryland as long as the current law is in effect in Maryland (or unless it chooses to get licensed as the Commissioner currently alleges that it must do).

5. Oasis will pay a settlement amount of $105,000.00 in full and complete satisfaction of all penalties that could have been assessed in connection with the facts and circumstances that were the subject of the investigation and Summary Order to Cease and Desist.

6. Oasis acknowledges that, in the event it violates any provision of this Agreement, the Maryland Consumer Loan Law, or any other State laws or regulations applicable to lending in Maryland, the Commissioner may, at the Commissioner's discretion, take such enforcement actions as are permitted by, and are in accordance with, applicable law.

7. The Commissioner will permit Oasis to conclude all pending transactions with Maryland consumers [which Oasis characterizes as non-recourse civil litigation funding transactions], including those currently in escrow, by collecting the funded amount plus a rate of return not to exceed the rates set forth in CL §12-306. As defined herein, "Maryland consumers" and "do business in Maryland" shall refer to transactions involving Maryland residents only.

8. This Agreement constitutes the complete resolution of a disputed matter and does not constitute nor shall it be deemed an admission by Oasis, or by its officers, Board of Managers, employees, or investors, of liability or a violation,

willful or otherwise, of Maryland law.

9. Oasis acknowledges that this Agreement is considered a Final Order of the Commissioner for the purposes of any future action by the Commissioner under the appropriate regulatory laws of the State of Maryland.

IN WITNESS WHEREOF, this Agreement is executed on the day and year first above written.

COMMISSIONER OF FINANCIAL REGULATION

By: Mark Kaufman
Deputy Commissioner

OASIS LEGAL FINANCE, LLC

By: Gary D. Chodes
Chief Executive Officer,
Oasis Legal Finance, LLC

SB894 OAG CPD Written Testimony - Support with Ame

Uploaded by: Nora Nichols

Position: FWA

CAROLYN A. QUATTROCKI
Chief Deputy Attorney General

LEONARD J. HOWIE III
Deputy Attorney General

CARRIE J. WILLIAMS
Deputy Attorney General

SHARON S. MERRIWEATHER
Deputy Attorney General

ZENITA WICKHAM HURLEY
Deputy Attorney General

STATE OF MARYLAND
OFFICE OF THE ATTORNEY GENERAL
CONSUMER PROTECTION DIVISION

ANTHONY G. BROWN
Attorney General

WILLIAM D. GRUHN
Division Chief

STEVEN M. SAKAMOTO-WENGEL
Deputy Division Chief

PETER V. BERNS
General Counsel

CHRISTIAN E. BARRERA
Chief of Staff

WILSON MEEKS
Assistant Attorney General

February 27, 2026

To: The Honorable Pamela Beidle
Chair, Senate Finance Committee

From: Wilson Meeks
Nora Nichols
Consumer Protection Division
Office of the Attorney General

Re: Senate Bill 894 – Third-Party Litigation Financing - Licensing and Regulation–
(SUPPORT WITH AMENDMENTS)

The Consumer Protection Division ("Division") of the Office of the Attorney General supports with amendments Senate Bill 894, sponsored by Senator Dawn D. Gile. Senate Bill 894 defines third-party litigation financing ("TPLF") as lending and requires providers to be licensed and regulated by the Office of Financial Regulation ("OFR"), a concept that the Division supports. However, Senate Bill 894 also contains provisions that require that TPLF contracts be disclosed to opposing parties and insurance companies and deems the contracts and the parties thereto permissible subjects of discovery. The Division respectfully requests that these provisions, proposed sections 12-1304 and 12-1305, be removed from Senate Bill 894 as they will likely harm consumers and give well-funded defendants an unfair advantage in litigation.

As defined in the bill, TPLF is the lending of money to an individual that is contingent on the outcome of litigation or derived from proceeds that result from the litigation. It is unclear what TPLF lenders typically charge for their loans as it appears to be a guarded secret in the industry. TPLF providers market themselves as increasing "access to justice" with little to no risk to consumers since their lending services are contingent and non-recourse—consumers only repay TPLF providers if there is recovery in the litigation. Despite TPLF providers' argument that their products are not loans, the Division and the Commissioner of Financial Regulation have viewed these products as loans for many decades. Thus, the Division believes that Section 12-1303 is consistent with current law and supports this legislation as it relates to confirming that TPLF is lending and confirming that TPLF providers are subject to licensing and regulation in Maryland.

As stated, the Division is concerned with proposed sections 12-1304 and 12-1305 of Senate Bill 894 that subjects TPLF contracts to mandatory disclosure requirements and deems the TPLF contracts and parties thereto a permissible subject of discovery in a civil action. Providing litigation financing contracts to opposing parties and insurance companies could reveal information that is not relevant to the merits of a case such as litigation strategy, risk tolerance, or the expected damages range. Disclosure of such information could lead to aggressive defense tactics such as intentional delay to force settlements below a case's value. As a result, there may be a chilling effect, and consumers may forgo needed funding to avoid signaling weakness or otherwise providing confidential information to the opposing party. This scenario is most likely to affect plaintiffs relying on TPLF to fund litigation expenses incurred against defendants backed by companies with deep pockets. Moreover, litigation finance contracts and the parties thereto are already potentially discoverable should a moving party be able to successfully argue its relevance to a civil action. The Division sees no benefit of the proposed sections 12-1304 and 12-1305 and believes they will only serve to give defendant parties and insurance companies an unfair advantage in litigation.

Accordingly, for the reasons set forth, the Consumer Protection Division supports Senate Bill 894 with amendments addressing the concerns set forth herein.

cc. The Honorable Dawn D. Gile
Members, Senate Finance Committee

SB894HB1298- 2026 - MAJ Written Testimony [3].pdf
Uploaded by: Alison Dodge
Position: UNF

2026 WRITTEN TESTIMONY

THIRD-PARTY LITIGATION FINANCING - LICENSING AND REGULATION

SB 894 / HB 1298 - UNFAVORABLE

SB894/HB1298, Third-Party Litigation Financing – Licensing and Regulation, undermines consumers' ability to seek justice by imposing excessive restrictions on third-party litigation financing (TPLF). This bill creates unnecessary barriers for consumers who rely on litigation financing to afford legal representation and access the courts. If enacted, SB894/HB1298 would disproportionately harm individuals facing financial hardship while benefiting corporate defendants and insurance companies.

1. Restricting Consumer Access to Justice

Litigation financing allows consumers—particularly those with limited resources—to pursue valid claims by providing them and their attorneys access to necessary financial resources. SB894/HB1298 places undue burdens on this practice by imposing excessive disclosure requirements and fiduciary duties on lawyers representing injured consumers and litigation financiers, which will discourage much-needed financial support. Without access to these resources, many consumers will be unable to afford representation, effectively denying them their right to justice.

2. Unwarranted Disclosure Mandates Invade Consumer Privacy

SB894/HB1298 mandates that litigation financing contracts be disclosed to opposing parties and insurers, an unnecessary intrusion into consumers' financial arrangements. This requirement not only violates privacy, but also provides strategic advantages to well-funded defendants, allowing them to exploit a plaintiff's financial position during litigation. **The Maryland Association for Justice (MAJ)** opposes this provision, noting that it grants defense counsel undue leverage, improperly positioning them as arbiters of compliance, rather than the judge.

3. Protecting Corporations and Insurers at the Expense of Consumers

SB894/HB1298 serves the interests of deep-pocketed corporate defendants and insurers who want to minimize their financial liability. Many consumers face powerful adversaries with extensive legal teams and resources. Without litigation financing, these individuals will be unable to sustain lengthy legal battles, preventing them from obtaining the true value of their claims.

4. Improperly Invades the Province of the Court

SB894/HB1298 requires disclosure of information without determination by the court as to the discoverability of such information. The court's role in litigation includes discovery issues. The legislation would improperly invade the province of the court and perhaps unconstitutionally violate the separation of powers doctrine. Further, the disclosure only places a burden on the consumer, not the defendant and/or insurance company, demonstrating the one-sided intent of this legislation.

Conclusion

SB894/HB1298 is framed as a consumer protection measure, but its practical effect will be to deny consumers the financial tools they need to fight for their rights in court. This bill will widen the justice gap, favoring wealthy defendants at the expense of everyday Marylanders. State and federal judges already have the authority to regulate TPLF through discovery rules, making these new disclosure mandates redundant and harmful. For these reasons, MAJ strongly opposes SB894/HB1298 and urges policymakers to reject this anti-consumer legislation.

Maryland Association for Justice urges an UNFAVORABLE Report on SB 894 / HB 1298.

About Maryland Association for Justice

The Maryland Association for Justice (MAJ) represents over 1,250 trial attorneys throughout the state of Maryland. MAJ advocates for the preservation of the civil justice system, the protection of the rights of consumers and the education and professional development of its members.

10440 Little Patuxent Parkway, Suite 250
Columbia, MD 21044
(410) 872-0990 | FAX (410) 872-0993
info@mdforjustice.com
mdforjustice.com

2026 02 25 ILFA Testimony (SB 894).pdf
Uploaded by: Dai Wai Chin Feman
Position: UNF

ILFA | INTERNATIONAL LEGAL FINANCE ASSOCIATION

SB 894: Third-Party Litigation Financing – Licensing and Regulation
Maryland Senate Finance Committee, February 27, 2026

Dai Wai Chin Feman | International Legal Finance Association
UNFAVORABLE

Chair Beidle, Vice-Chair Hayes, and Members of the Finance Committee, thank you for allowing me to provide written testimony in opposition to SB 894. My name is Dai Wai Chin Feman,[1] and I am the United States Chapter Chair of the International Legal Finance Association ("ILFA"). ILFA is the trade association for the commercial litigation funding industry.

Overview of Commercial Litigation Funding

Commercial litigation funding is distinct from consumer legal funding. It involves non-recourse capital provided to parties and law firms pursuing high-value commercial disputes such as breach of contract, antitrust, and intellectual property matters. Funders are passive investors and do not control litigation strategy or settlement decisions. Recipients are sophisticated entities represented by independent counsel, and individual matters commonly require several million dollars in legal investment.

Commercial litigation funding is beneficial to claimholders ranging from inventors and startups to Fortune 100 companies. In many instances, commercial litigation funding gives smaller parties the resources to pursue valid claims. Countless funded commercial matters are "David vs. Goliath" in nature, in which a smaller party is engaged in litigation against a larger well-resourced company. Without access to this financing, many meritorious claims would not go forward.

Commercial litigation funding also supports Maryland's legal economy by enabling law firms to pursue complex matters, retain experts, and compete with larger adversaries that might otherwise outspend them.

To be clear, commercial funders are purely interested in meritorious cases—cases the legal system should undeniably address. Because these are non-recourse investments, commercial litigation funding providers do not receive any compensation if the case is not successful. Therefore, business necessity dictates that commercial litigation funding firms fund only those cases that have a high likelihood of success, *i.e.*, those with meritorious claims.

Consumer Protection Concerns

SB 894 states that its intent is to "promote consumer protection and transparency." The commercial legal finance industry does not oppose consumer protection for *consumers*. However, SB 894 appears to apply consumer-oriented lending frameworks to sophisticated commercial transactions between represented parties. Applying consumer credit statutes to multi-million-dollar commercial litigation

[1] I am also a Managing Director at Parabellum Capital, an ILFA member. Over nearly a decade in commercial litigation funding, I have worked on dozens investments involving claimholders and law firms nationwide. I have also engaged closely with policymakers, academics, government officials, and members of the judiciary to help develop sensible litigation funding policy at the state, local, federal, and international levels.

investments would create regulatory mismatch, increase compliance costs, and reduce the availability of capital without advancing consumer protection goals.

Specifically, commercial litigation funding should not be subject to the Maryland Consumer Loan Law. Non-recourse litigation funding investments are not loans because they lack the essential element that defines a loan: an absolute obligation to repay. In a litigation funding transaction, the funder assumes the risk of total loss. The recipient has no repayment obligation if the case is unsuccessful. That risk allocation is the opposite of a loan.

Courts across the country have consistently held that because litigation funding is non-recourse, usury and consumer lending laws do not apply. State legislatures have also codified that litigation funding is a distinct product separate from lending. Applying consumer loan laws to a contingent, non-recourse transaction where the funder, not the consumer, bears the risk of total loss, would mischaracterize the fundamental nature of litigation funding and conflict with the weight of judicial authority nationwide.

Disclosure Concerns

SB 894 requires the production of funding agreements to opposing parties. Courts already possess the authority to order disclosure when funding information is genuinely relevant, making a categorical statutory mandate unnecessary.

Automatic forced disclosure would disadvantage plaintiffs and their counsel by requiring, among other things, the disclosure of privileged strategic work product and budget information. Critically, this would require disclosure of sensitive information about the case at hand, but also *other unrelated cases that attorneys have financed.*

Disclosure allows opposing parties to weaponize the financing agreement to their advantage, which disadvantages funded parties. There is no need for a special rule for the litigation funding industry and no basis for one litigant to have to disclose their confidential financial arrangements to an opposing party in litigation.

We do not oppose disclosure because we have something to hide. It is because we have something to protect: namely, highly sensitive information that would be ripe for exploitation by defendants. Indeed, defendants regularly seek this very information through document requests, interrogatories, deposition questions, and subpoenas to funders (even potential funders). These new pages in the defense playbook cause unnecessary discovery and motion practice that only add delay and expense—an effective tax on plaintiffs, defendants, and the courts.

Courts have consistently held that the details of litigation funding agreements are irrelevant and protected by work-product and other legal protections, and should not be turned over to opposing parties in litigation. In addition, in the vast majority of cases, funding agreements have been deemed irrelevant to the case's underlying claims and defenses. Courts across jurisdictions have repeatedly found that litigation funding agreements are not relevant to pending cases.[2] And when they are relevant (such as in certain patent cases), courts already have the inherent authority to disclose some,

[2] *See In re Hair Relaxer Mktg. Sales Pracs. & Prods. Liab. Litig.*, 2024 U.S. Dist. LEXIS 88186, at * 590-91(N.D. Ill., Apr. 9, 2024).

or all, of the agreement, depending on the facts of a particular case. Furthermore, even when disclosure occurs, courts routinely hold that funding-related materials are inadmissible at trial.

The bill's automatic disclosure provisions would unfairly prejudice funded parties and counsel, and undermine work-product protections. They would also lead to unnecessary satellite litigation regarding litigation funding, increasing legal costs for all parties and needlessly congesting the courts. As a result, funders would be deterred from financing disputes in Maryland, reducing competition to the detriment of claimholders.

***

Commercial litigation funding contributes to a fairer legal system. There is no evidence that commercial litigation funding has caused harm in Maryland that would justify the misaligned regulatory approach proposed in SB 894. If passed, SB 894 would burden courts and deprive Maryland claimholders and law firms of critical capital.

ILFA is committed to working with legislators on a regulatory framework that serves Maryland's interests while preserving access to funding for meritorious claims. Please consider ILFA a resource as you continue these discussions.

Respectfully,

/s/ Dai Wai Chin Feman

Dai Wai Chin Feman
United States Chapter Chair
International Legal Finance Association

ARC Written Testimony SB 894.pdf
Uploaded by: Eric Schuller
Position: UNF

ALLIANCE FOR RESPONSIBLE CONSUMER LEGAL FUNDING

Written Testimony
Before the Maryland Senate Finance Committee
Regarding SB 894

Third-Party Litigation Financing – Licensing and Regulation

Chair Beidle, Vice Chair Hayes and Members of the Committee:

My name is Eric Schuller, and I serve as President of the Alliance for Responsible Consumer Legal Funding, ARC. ARC represents companies that provide non-recourse consumer legal funding to injured individuals who are waiting for their legal claims to resolve.

Thank you for the opportunity to appear before you today regarding SB 894.

Our members operate with a shared commitment to transparency, responsible practices, and meaningful consumer protections. We believe strongly that regulation, when carefully crafted, can strengthen the marketplace and protect Maryland residents. However, it is equally important that legislation accurately reflects the nature of the product being regulated and does not unintentionally harm the consumers it seeks to protect.

I am here today to share our concerns with the bill as drafted and to offer a path forward that preserves consumer access to non-recourse funding while ensuring appropriate safeguards within Maryland's legal system.

I. The Bill Creates One-Sided Transparency That Favors Insurers

Under current Maryland practice, insurance policy limits are not automatically disclosed simply because a legal claim exists. Disclosure typically occurs through formal discovery or a structured statutory request.

SB 894, however, requires automatic disclosure of litigation financing contracts to all parties and insurers, even before litigation formally begins.

This creates a fundamental imbalance:

- Plaintiffs must immediately disclose private financial arrangements.
- Insurers are not required to automatically disclose policy limits.
- Insurers gain early insight into a plaintiff's financial vulnerability.

This asymmetrical transparency provides insurers with strategic leverage in negotiations. When a defendant or insurer knows a plaintiff has sought financial support, it signals potential financial pressure. That information can be used to delay, discount, or strategically negotiate settlements.

Requiring disclosure of a consumer's litigation funding agreement is akin to requiring a plaintiff to disclose a personal bank statement at the outset of litigation. It exposes financial hardship that is unrelated to liability or damages, and it shifts leverage away from injured Maryland residents.

II. The Bill Conflates Consumer and Commercial Litigation Finance
SB 894 sweeps together two fundamentally different markets under one regulatory framework.

Consumer Legal Funding:
- Small-dollar, non-recourse funding.
- Provided directly to injured individuals.
- Used for rent, food, utilities, and day-to-day expenses.
- Repayment only if the consumer recovers.

Commercial Litigation Finance:
- Multimillion-dollar portfolio investments.
- Institutional capital backing.
- Business-to-business transactions.
- Sophisticated corporate parties.

These markets differ in size, structure, sophistication, and risk profile. Regulating small-dollar consumer transactions based on concerns associated with institutional commercial investment risks overcorrection.

Consumer legal funding is not hedge-fund portfolio financing. It is a financial bridge for individuals who cannot work because of injury and are waiting months or years for resolution of their claims.

Conflating the two invites regulatory measures that may be appropriate for institutional investors but are disproportionate when applied to injured consumers.

III. The Bill Misclassifies a Non-Recourse Product as a Loan
SB 894 classifies litigation financing as a loan subject to Maryland lending laws.
Consumer legal funding, however, is non-recourse.

Repayment occurs only if the consumer recovers. If the case is lost, the consumer owes nothing. There is no guaranteed repayment obligation. That fundamental characteristic distinguishes it from traditional credit.

A loan requires repayment regardless of outcome. Consumer legal funding does not.
If classified as a loan and subjected to lending rate caps designed for traditional credit products, the likely result is market exit by responsible providers. The risk-based pricing that reflects the contingent nature of repayment cannot operate under lending frameworks designed for guaranteed repayment obligations.

The practical consequences would include:
- Responsible providers leaving the Maryland market.
- Consumers losing access to non-recourse financial support.
- Increased financial pressure on injured individuals.
- Earlier, lower settlements driven by necessity rather than merit.

In effect, reclassification could eliminate the product.

IV. The Real-World Impact on Maryland Consumers

Consumer legal funding is often used by individuals who:

- Cannot work due to injury.
- Face mounting medical and household expenses.
- Are waiting extended periods for case resolution.
- Have limited access to traditional credit.

Without financial support, economic hardship can dictate legal outcomes. Financial pressure may force premature settlements at discounted values, benefiting insurers rather than injured individuals.

Access to non-recourse funding helps stabilize plaintiffs so they can allow their cases to resolve on the merits.

Conclusion

Well-intended regulations should protect consumers without stripping them of lawful financial options.

SB 894, as drafted:

- Imposes automatic, one-sided disclosure.
- Conflates consumer and commercial litigation finance.
- Misclassifies a non-recourse product as a loan.

These provisions risk handing strategic advantage to insurers, eliminating access to a lawful financial tool, and reducing access to justice for financially vulnerable Maryland residents.

The Alliance for Responsible Consumer Legal Funding respectfully stands ready to work with members of this Committee, stakeholders, and other interested parties to develop thoughtful, balanced legislation that protects consumers, preserves the integrity of the legal system, and allows responsible companies to continue operating in Maryland. We believe these goals are not mutually exclusive and can be achieved through careful, collaborative policymaking.

Thank you for your time and consideration.

Eric Schuller
President
eschuller@arclegalfunding.org

2026 SB 894 -- UNF.pdf
Uploaded by: George Tolley
Position: UNF

The Hon. Pamela Beidle
3 East Miller Senate Office Building
11 Bladen Street
Annapolis, Maryland 21401

RE: SB 894 – Third Party Litigation Financing – Licensing and Regulation
UNFAVORABLE

Dear Chair Beidle, Vice Chair Hayes, and Members of the Senate Finance Committee:

As an attorney in private practice who primarily represents individuals and their families in personal injury litigation on a contingency-fee basis, I write in strong opposition to SB 894, which requires unfair, unilateral, mandatory disclosure of "financing agreements" ("TLPF") relating to consumer litigation. I request an **UNFAVORABLE** report on SB 894.

Financing currently offered to attorneys and law firms can be used to cover everything from litigation expenses to general operating expenses. Because financing obtained by law firms that represent consumers disproportionately may be repaid from earned contingency fees, SB 894 broadly applies (*per* page 2, lines 22-27) to ***every*** loan to ***any*** Maryland law firm that may ***ever*** use even a dollar of borrowed funds to finance any portion of expenses in a case.

SB 894 provides defendants with an unfair and unjustifiable litigation advantage. Under SB 894, consumers and their lawyers are compelled to produce detailed information about lines of credit and other financing, laying bare consumers' financial wherewithal to pursue cases – including how much funding may be available, any schedules of repayment, and other sensitive financial information. Even the ***absence*** of TPLF may offer defendants useful information about their adversaries' financial wherewithal.

Meanwhile, SB 894 requires defendants and their insurers to produce no comparable information of any kind.

Beyond the courtroom, corporate defendants and their insurers have in the past and likely would continue to leverage their market power to punish disclosed funders of, and investors in, claims that they would rather not have to defend against. Chubb, one of the nation's largest insurers, has threatened no longer to do business with any "asset managers, lawyers, banks and brokers" who are associated with the litigation financing industry. Adam McNestrie & Farhin Lilywala, *Chubb Threatens to Cut Off Suppliers If They Profit from Litfin Industry*, INS. INSIDER (May 7, 2025), https://www.insuranceinsiderus.com/article/2erqilzapip32rnu2y6m8/lines-of-business/casualty-gl/chubb-threatens-to-cut-off-suppliers-if-they-profit-from-litfin-industry. Corporate defendants, including multi-billion dollar international corporate hospital systems, could do the same. While corporations are entitled to do business with whomever they wish, including by not choosing to support businesses they believe operate contrary to their interests, ***corporate defendants are not entitled to complicity from the General Assembly in identifying targets for their retribution***.

Certain segments of the defense bar also seem obsessed with accessing and eliminating TPLF. The U.S. Chamber Institute for Legal Reform ("ILR") has listed "eliminating TPLF in five

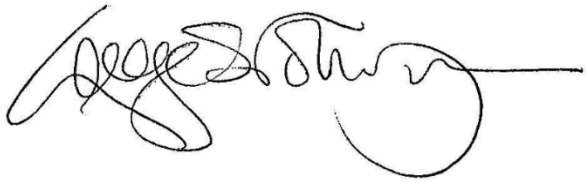
years" as one of its "bold, long-term objectives." Board of Directors Meeting Agenda, U.S. Chamber Inst. for Legal Reform (Sept. 5, 2024), https://events.uschamber.com/ilr-boardofdirectors-september-meeting-2024/5682885.

Civil litigation permits individual consumers to vindicate their rights, and obtain compensation, against conduct that is unreasonably unsafe, fraudulent, or otherwise wrongful. ***Eliminating*** the availability of funding for law firms that represent consumers in civil litigation would allow an unchecked abuse of corporate power at the expense of consumer rights and safety.

SB 894 is overly broad and unfair to consumers and the lawyers and law firms that represent consumers, by conferring an unwarranted litigation advantage to corporate defendants and their insurers.

For these reasons, I request an **UNFAVORABLE** report on SB 894.

Respectfully submitted,



GEORGE S. TOLLEY III
Dugan, Babij, Tolley & Kohler, LLC
1966 Greenspring Drive, Suite 500
Timonium, Maryland 21093
Phone: (410) 308-1600
gtolley@medicalneg.com