

ONE HUNDRED FIRST LEGISLATURE - SECOND SESSION - 2010
COMMITTEE STATEMENT
LB1094

Hearing Date: Thursday February 11, 2010
Committee On: Judiciary
Introducer: Lathrop
One Liner: Adopt the Nonrecourse Civil Litigation Act

Roll Call Vote - Final Committee Action:
Advanced to General File with amendment(s)

Vote Results:

Aye: 8 Senators Ashford, Christensen, Coash, Council, Lathrop, Lautenbaugh, McGill, Rogert
Nay:
Absent:
Present Not Voting:

Proponents:

Sen. Steve Lathrop
Eric Schuller
William Mueller
John Lindsay

Representing:

Introducer
ALFA (American Legal Finance Association)
Nebraska State Bar Association
Nebraska Association of Trial Attorneys

Opponents:

Representing:

Neutral:

Colleen Byelick

Representing:

Secretary of State

Summary of purpose and/or changes:

Legislative Bill 1094 would create the Non-Recourse Civil Litigation Act. The Act would regulate civil litigation funding companies doing business in Nebraska. Regulations under the bill include: the information required in a contract for nonrecourse civil litigation funding; restrictions on paying or receiving commissions, referral fees or rebates and assessing fees; requirements for registering civil litigation funding companies with the Secretary of State and for renewing the registration; and the authority for the Secretary of State to collect fees and data and administer the Act.

Explanation of amendments:

Committee Amendment AM 1953 would replace the definition of consumer with: a person residing or domiciled in Nebraska or who elects to enter into a transaction under the act, whether it be in person, over the Internet, by facsimile, or by any other electronic means and who has a pending legal claim and is represented by an attorney at the time he or she receives the nonrecourse civil litigation funding.

The amendment would add provisions requiring the Secretary of State to request certain documents from a registration applicant to use in determining the company's character, fitness and financial responsibility. The Secretary of State must request the following documents:

1. a copy of the company's articles of incorporation, articles of organization, certificate of limited liability or other organizational documents and

2. proof of a surety bond or irrevocable letter of credit equal to double the amount of the largest funding in the past calendar year or \$50,000, whichever is greater.

Brad Ashford, Chairperson