

§12-106. Registration of litigation funding provider; fees

1. Unless a litigation funding provider has first registered pursuant to this article, the litigation funding provider may not engage in the business of legal funding. [PL 2007, c. 394, §1 (NEW); PL 2007, c. 394, §3 (AFF).]

2. Registration must be filed in the manner prescribed by the administrator and must contain the information the administrator requires to make an evaluation of the character, fitness and financial responsibility of the applicant. The administrator may require registration through the nationwide mortgage licensing system and registry as defined in section 13-102, subsection 8. The administrator is authorized to participate in the nationwide mortgage licensing system and registry.

In all cases, whether registration is through the nationwide mortgage licensing system and registry or otherwise, the administrator may establish, by rule, requirements for registration, including but not limited to:

A. Background checks for:

- (1) Criminal history through fingerprint or other databases;
- (2) Civil or administrative records;
- (3) Credit history; or
- (4) Any other information determined necessary by the nationwide mortgage licensing system and registry; [PL 2021, c. 245, Pt. D, §3 (NEW).]

B. The payment of fees to apply for or renew registrations, except that the fee for an initial application may not exceed \$800 and for a renewal may not exceed \$500. If registration is through the nationwide mortgage licensing system and registry, an applicant must also pay a nationwide mortgage licensing system and registry processing fee in an amount to be determined by the administrators of the nationwide mortgage licensing system and registry. Renewal applications received after the due date are subject to an additional fee of \$100; [PL 2021, c. 245, Pt. D, §3 (NEW).]

C. The setting or resetting as necessary of renewal or reporting dates; and [PL 2021, c. 245, Pt. D, §3 (NEW).]

D. Other requirements for application for, amendment of or revocation of a registration or any other such activities as the administrator considers necessary. [PL 2021, c. 245, Pt. D, §3 (NEW).]

Rules adopted pursuant to this subsection are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

[PL 2021, c. 245, Pt. D, §3 (AMD).]

3. Registration may not be issued unless the administrator, upon investigation, finds that the character and fitness of the applicant, and of the members thereof if the applicant is a copartnership or association, and of the officers and directors thereof if the applicant is a corporation, are such as to warrant belief that the business will be operated honestly and fairly within the purposes of this article. [PL 2007, c. 394, §1 (NEW); PL 2007, c. 394, §3 (AFF).]

4. For purposes of this section, an applicant demonstrates financial responsibility if:

A. The applicant has available for the operation of the registered business net assets of at least \$25,000; and [PL 2007, c. 394, §1 (NEW); PL 2007, c. 394, §3 (AFF).]

B. Following the issuance of a registration under this section, the registrant maintains net assets of at least \$25,000 that are either used or readily available for use in the conduct of the business of

each office of the registrant in which a legal funding is made. [PL 2007, c. 394, §1 (NEW); PL 2007, c. 394, §3 (AFF).]

[PL 2007, c. 394, §1 (NEW); PL 2007, c. 394, §3 (AFF).]

5. Every applicant shall also, at the time of filing such an application, file with the administrator, if the administrator so requires, a bond satisfactory to the administrator in an amount not to exceed \$50,000. In lieu of the bond at the option of the registrant, the registrant may post an irrevocable letter of credit. The terms of the bond must run concurrent with the period of time during which the registration will be in effect. The bond must run to the State for the use of the State and of any person who may have a cause of action against the registrant under this article. The bond must be conditional that the registrant will faithfully conform to this article and to all rules made by the administrator under this article and will pay to the State and to any person all money that may become due or owing to the State or to such a person from the registrant under and by virtue of this article during the period for which the bond is given.

[PL 2007, c. 394, §1 (NEW); PL 2007, c. 394, §3 (AFF).]

6. A separate registration is required for each place of business. A registration fee of \$200 may be imposed for any registration issued for a place of business other than that of the first registered location of the registrant.

[PL 2007, c. 394, §1 (NEW); PL 2007, c. 394, §3 (AFF).]

7. A registrant may conduct the business of legal funding only at or from any place of business for which the registrant holds a license, including the names of other "doing business as" entities listed on the registration, and not under any other name than that on the registration.

[PL 2007, c. 394, §1 (NEW); PL 2007, c. 394, §3 (AFF).]

8. Upon written request, the applicant is entitled to a hearing on the question of the applicant's qualifications for a registration if:

A. The administrator has notified the applicant in writing that the application has been denied; or
[PL 2007, c. 394, §1 (NEW); PL 2007, c. 394, §3 (AFF).]

B. The administrator has not issued a registration within 60 days after the application for the registration was filed. [PL 2007, c. 394, §1 (NEW); PL 2007, c. 394, §3 (AFF).]

A request for a hearing may not be made more than 15 days after the administrator has mailed a written notice to the applicant that the application has been denied and stating in substance the administrator's findings supporting denial of the application.

[PL 2007, c. 394, §1 (NEW); PL 2007, c. 394, §3 (AFF).]

SECTION HISTORY

PL 2007, c. 394, §1 (NEW). PL 2007, c. 394, §3 (AFF). PL 2021, c. 245, Pt. D, §3 (AMD).

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