

TITLE 160. DEPARTMENT OF CONSUMER CREDIT
CHAPTER 75. CONSUMER LITIGATION FUNDING

SUBCHAPTER 1. GENERAL PROVISIONS

160:75-1-1. Purpose

The rules in this chapter implement the Consumer Litigation Funding Act.

160:75-1-2. Severability

If any provision of this chapter or the application thereof to any person or circumstance is for any reason held to be invalid, the remainder of the chapter and the application of such provision to persons or circumstances other than those as to which it is held invalid shall not be affected thereby.

160:75-1-3. Definitions

Except as otherwise specifically defined in this chapter, the definitions set forth in the Consumer Litigation Funding Act are incorporated herein and made a part of this chapter. The following words or terms, when used in this chapter, shall have the following meaning, unless the context clearly indicates otherwise:

"Administrator" means the Administrator of Consumer Credit.

"Applicant" means an entity or individual that submits an application to the Department for licensure as a consumer litigation funder.

"Complainant" means an entity or individual that submits a written complaint to the Department regarding a licensee.

"Consumer Litigation Funding Act" means the provisions of the Uniform Consumer Credit Code regarding consumer litigation funding at 14A O.S. §§ 3-801 through 3-817.

"Department" means the Oklahoma Department of Consumer Credit.

"Entity" means a corporation, limited liability company, partnership or other type of business entity authorized by the laws of the State of Oklahoma or any district, possession, state or territory of the United States of America.

"Foreign business entity" means a business entity formed under the laws of any state of the United States of America other than the State of Oklahoma or a business entity formed under the laws of any district, possession or territory of the United States of American or any foreign country.

"Individual" means a natural person or a sole proprietor.

"Licensee" means a consumer litigation funder that is either licensed by the Department or is subject to the Consumer Litigation Funding Act.

SUBCHAPTER 3. LICENSING

160:75-3-1. License application package

(a) A complete license application package shall consist of the following information and documentation:

(1) License application. The license application shall consist of the following information:

- (A) The legal name of the applicant.
- (B) The trade name(s) of the applicant in the State of Oklahoma, if applicable.
- (C) The fictitious name of the applicant in the State of Oklahoma, if applicable.
- (D) The name of the applicant that will be identified on the license.
- (E) The Internet website address of the applicant, if applicable.
- (F) The type of business entity of the applicant.
- (G) The principal place of business of the applicant.
- (H) The date of the application.
- (I) The contact person of the applicant. The contact person shall be the representative of the applicant that is responsible for all correspondence with the Department, including but not limited to, licensing, complaints and enforcement matters. The applicant shall specify the full name and title of the contact person. The applicant shall specify the telephone number, mailing address, facsimile number and electronic mail address of the contact person.
- (J) The registered agent of the applicant for the receipt of service of process within the State of Oklahoma. The applicant shall specify the full name of the registered agent, the street address, telephone number and electronic mail address of the registered agent.
- (K) An applicant that is a limited liability company shall provide contact information as directed in the application for each member and manager, as applicable.
- (L) An applicant that is a corporation shall provide contact information as directed in the application for each director and officer, as applicable.
- (M) An applicant that is a partnership shall provide contact information as directed in the application for each partner, as applicable, and any agent(s), if applicable.
- (2) **Disclosures.** The applicant must respond to disclosure questions regarding the background of the applicant and the officers, directors, members, partners, managers or agents of the applicant, as applicable. The disclosure questions address the character and fitness of the applicant for purposes of determining whether or not the applicant will operate honestly and fairly in accordance with the Consumer Litigation Funding Act. The disclosure questions address the following matters:
 - (A) **Pending administrative, civil or criminal actions.** An applicant is required to provide a certified copy of a petition or other document that initiated a pending administrative, civil or criminal action against the applicant and/or any officer, director, member, partner, manager or agent, as applicable.
 - (B) **Business or professional license suspensions and revocations.** An applicant is required to provide a certified copy of an order imposing the suspension or revocation of a business or professional license of the applicant and/or any officer, director, member, partner, manager or agent, as applicable, by any federal, municipal or state agency in the United States of America.
 - (C) **Previous monetary penalties in connection with activities conducted under a business or professional license.** An applicant is required to provide a certified copy of an order imposing a monetary penalty that has been issued against the applicant and/or any officer, director, member, partner, manager or agent, as applicable, by a federal, municipal or state agency in the United States of America regarding activities conducted under a business or professional license.

- (D) **Felony convictions.** An applicant is required to provide a certified copy of a Judgment and Sentence imposed against the applicant and/or any officer, director, member, partner, manager or agent of the applicant regarding a felony crime. The law of the federal, state or military court in which the applicant and/or any officer, director, member, partner, manager or agent was convicted determines whether a particular crime is classified as a felony.
- (3) **Bond or irrevocable letter of credit.** The applicant must furnish a certified copy of a bond or an irrevocable letter of credit in the amount of Fifty Thousand Dollars (\$50,000.00). The bond or irrevocable letter of credit shall include the terms mandated by the Consumer Litigation Funding Act.
- (4) **Business documents.** An entity must furnish business documents to verify the identity and business structure of the applicant. An entity must also provide documentation from the Oklahoma Secretary of State regarding the authority of the applicant to transact business in the State of Oklahoma. The business documents required to be furnished to the Department are specified in the application.
- (A) **Foreign business entity.** A foreign business entity that is exempt from obtaining a Certificate of Authority, Registration or Qualification from the Oklahoma Secretary of State, as applicable, shall provide to the Department the exemption that is applicable and a certified copy of a document issued by an authorized officer of the jurisdiction in which the foreign business entity was formed or incorporated evidencing the existence and good standing of the foreign business entity in such jurisdiction.
- (5) **Fees.** The applicant shall submit all applicable fees as required by the Consumer Litigation Funding Act and/or any applicable administrative rules of the Department.
- (6) **Affidavit verifying lawful presence in the United States of America.** A notarized affidavit must be submitted for individuals or sole proprietors to verify the lawful presence of the individual in the United States of America. Information and forms are included with the application.
- (7) **Attestation.** An authorized officer, member, manager, director, or agent, as applicable, of the applicant must sign the application and attest to the information submitted in the application. The attestation shall include an acknowledgment that the applicant understands and will comply with the laws of the State of Oklahoma regarding consumer litigation funding.

160:75-3-2. License renewal

- (a) A complete license renewal package shall consist of the following information:
- (1) **License renewal application.** The license renewal application shall consist of the following information and documentation:
- (A) The name of the licensee identified on the license.
- (B) The license number of the licensee.
- (C) The date of the license renewal application.
- (D) The licensee shall specify if any information submitted in the initial license application has changed since the date of the initial license application submission. If any information submitted in the initial license application has changed since the date of the initial license application submission, the licensee shall specify if the changes

have been reported as required by the rules of this chapter regarding license and address changes. If the licensee has not complied with the rules of this chapter regarding license and address changes, the licensee shall submit any revised information and any applicable documentation in the license renewal application.

(b) Fees. The licensee shall submit a renewal fee determined by the Administrator to be Five Hundred Eighty Dollars (\$580.00).

(c) Bond or irrevocable letter of credit. The licensee must furnish a certified copy of a current bond or an irrevocable letter of credit in the amount of Fifty Thousand Dollars (\$50,000.00). The bond or irrevocable letter of credit shall include the terms mandated by the Consumer Litigation Funding Act.

(d) Business documents. A business entity licensee shall submit a current Certificate of Good Standing issued by the Oklahoma Secretary of State. A current Certificate of Good Standing means a Certificate of Good Standing or other applicable document issued within thirty (30) days of the license renewal application.

(1) Foreign business entity. A foreign business entity that is exempt from obtaining a Certificate of Authority, Registration or Qualification from the Oklahoma Secretary of State shall provide a current Certificate of Good Standing or other applicable document by an authorized official of the jurisdiction in which the foreign business entity was formed or incorporated evidencing the existence and good standing of the foreign business entity.

(e) Affidavit verifying lawful presence in the United States of America. A notarized affidavit of lawful presence in the United States of America shall be submitted for individuals or sole proprietorships that are qualified aliens.

(f) Attestation. An authorized officer, member, manager, director, or agent, as applicable, of the applicant must sign the application and attest to the information submitted in the license renewal application. The attestation shall include an acknowledgment that the applicant understands and will comply with the laws of the State of Oklahoma regarding consumer litigation funding. The attestation must also acknowledge that the licensee has reported any revised information to the Department since the initial license application submission.

160:75-3-3. License changes.

A licensee shall notify the Department in writing within thirty (30) days of any change in information provided in the license application package other than an address change. The written notification shall also include any documentation relating to the change of information as applicable. Written notification may be submitted by electronic mail, United States mail or courier service and shall be directed to the attention of the Administrator.

160:75-3-4. Address changes.

A licensee shall notify the Department in writing at least thirty (30) days in advance of any change in the principal place of business and/or mailing address of the licensee. Written notification may be submitted by electronic mail, United States mail or courier service and shall be directed to the attention of the Administrator.

SUBCHAPTER 5. RECORDS

160:75-5-1. Records

A licensee shall maintain records regarding a consumer litigation funding transaction for a period of four (4) years from the resolution date. A licensee may maintain records regarding consumer litigation funding transactions in an electronic format.

SUBCHAPTER 7. COMPLAINTS AND INVESTIGATIONS

160:75-7-1. Complaints

(a) **Content and format.** A complaint submitted to the Department regarding a consumer litigation funding transaction shall be in writing and shall contain the following information:

(1) The full name of the complainant.

(2) The address of the complainant.

(3) The telephone number of the complainant.

(4) The electronic mail address of the complainant, if applicable.

(5) The name of the entity or individual that is the subject of the complaint.

(6) The address of the entity or individual that is the subject of the complaint.

(7) The telephone number of the entity or individual that is the subject of the complaint, if available to the complainant.

(8) The alleged violation of law.

(9) The details of the complaint.

(10) The desired resolution of the complaint.

(11) The date of the complaint.

(12) Documentation necessary to establish the basis of the complaint.

(b) **Private controversy.** Action shall not be taken regarding a complaint if the complaint involves a matter of private controversy and does not adversely affect the public interest.

(c) **Submission of information.** By submitting a complaint, the complainant agrees that the Department may submit any information provided by the complainant to the entity or individual that is the subject of the complaint.

(d) **Purpose of the complaint process.** The purpose of the complaint process is to facilitate the exchange of information between a complainant and a licensee. The complaint process is also utilized to determine if any violations of law affecting the public interest are at issue.

(e) **Time.** A licensee shall provide a written response to the Department within thirty (30) days of the submission of a complaint from the Department. The response from a licensee shall include any documentation requested by the Department. A licensee may request in writing an extension of time in which to submit a response to a complaint.

160:75-7-2. Investigations.

(a) **Authority.** The Administrator has the authority to conduct investigations of consumer litigation funding transactions in accordance with 14A O.S. §§ 3-815 and 6-106.

(b) **Production of information.** The Administrator may, in addition to or in lieu of other available methods of production specified in 14A O.S. § 6-106, require a licensee to produce information relevant to an investigation to the Department by electronic mail, certified United States Mail, return receipt requested, or courier service.

(c) **Time.** A licensee shall produce information requested by the Department that is relevant to an investigation within thirty (30) days of the submission of a request by the Department.

A licensee may request in writing an extension of time in which to submit the production of information that is relevant to an investigation.

SUBCHAPTER 9. FORMS

160:75-9-1. Model consumer litigation funding agreement

(a) Publication and usage. The Administrator may publish a model consumer litigation funding agreement for utilization by a consumer litigation funder. A consumer litigation funder may, but is not required to, utilize a model consumer litigation funding agreement for consumer litigation funding transactions in the State of Oklahoma. A model consumer litigation funding agreement published by the Administrator shall also be published as an appendix to the rules of this chapter.

(b) Presumption of compliance. The utilization of a model consumer litigation funding agreement published as an appendix to the rules of this chapter shall create a presumption that a consumer litigation funder has provided the required disclosures of the Consumer Litigation Funding Act.