

Department of Consumer Credit announces consumer litigation funder license

OKLAHOMA CITY, OK- The Oklahoma Department of Consumer Credit has announced the establishment of a consumer litigation funder license, effective November 1, 2013. The new license was created by Oklahoma Senate Bill 1016, The Consumer Litigation Funding Act (the Act).

Any person that enters into a consumer litigation funding agreement with a consumer is required to obtain a consumer litigation funder license. A consumer litigation funding agreement is defined by the Act as an agreement under which money is provided to or on behalf of a consumer by a consumer litigation funder for a purpose other than prosecuting a consumer's legal claim and the repayment of the money provided to a consumer is in accordance with a litigation funding transaction, the terms of which are included as part of the consumer litigation funding agreement.

The Act further defines a consumer litigation funding transaction as a non-recourse transaction in which a consumer litigation funder purchases, and a consumer assigns to a consumer litigation funder, a contingent right to receive an amount of the potential proceeds of a settlement, judgment, award or verdict obtained in a consumer's legal claim. Attorneys, accountants and immediate family members of a consumer are generally excluded from the licensing requirements of the Act.

Consumer litigation funders will be required to pay a \$290.00 license fee that is renewable every two (2) calendar years on or before December 1. Consumer litigation funders will be required to file a \$50,000.00 bond to ensure compliance with the Act. License applications and additional information regarding the consumer litigation funder license will be available on the Department's Internet website, www.ok.gov/okdocc, after August 1, 2013.