

By Senator Burton

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30 be filed under seal and issue protective orders to
31 safeguard proprietary or confidential information;
32 prohibiting a foreign litigation financier or person
33 acting on its behalf from using a domestic entity or
34 affiliate to conceal or evade such disclosure
35 requirements or from receiving, transmitting, or
36 sharing certain information obtained through
37 litigation financing with certain foreign persons,
38 foreign principals, or sovereign wealth funds;
39 providing applicability; providing for sanctions;
40 providing construction; creating s. 69.109, F.S.;
41 providing that a litigation financing agreement is
42 void and unenforceable in specified circumstances;
43 providing for enforcement of specified violations
44 under the Florida Deceptive and Unfair Trade Practices
45 Act; authorizing any court, agency, or tribunal of
46 competent jurisdiction to impose fines or other
47 sanctions it deems appropriate for violations of
48 certain provisions; providing severability; providing
49 retroactive applicability; providing applicability;
50 providing an effective date.

51
52 Be It Enacted by the Legislature of the State of Florida:

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54 Section 1. This act may be cited as the "Litigation
55 Investment Safeguards and Transparency Act."

56 Section 2. Sections 69.011, 69.021, 69.031, 69.041, 69.051,
57 69.061, 69.071, and 69.081, Florida Statutes, are designated as
58 part I of chapter 69, Florida Statutes, and entitled "General

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59 Provisions."60 Section 3. Part II of chapter 69, Florida Statutes,
61 consisting of ss. 69.101, 69.103, 69.105, 69.107, and 69.109,
62 Florida Statutes, is created and entitled "Litigation
63 Financing," to read:

64

65 PART II66 LITIGATION FINANCING67 69.101 Definitions.—As used in this part, the term:68 (1) "Foreign person" means a person or an entity that is
69 not:70 (a) A citizen of the United States;71 (b) An alien lawfully admitted for permanent residence in
72 the United States;73 (c) An unincorporated association, a majority of members of
74 which are citizens of the United States or aliens lawfully
75 admitted for permanent residence in the United States; or76 (d) A corporation incorporated in the United States.77 (2) "Foreign principal" means:78 (a) The government or a government official of any country
79 other than the United States;80 (b) A political subdivision or political party, or the
81 officials thereof, of a country other than the United States; or82 (c) Any partnership, association, corporation,
83 organization, or other combination of persons organized under
84 the laws of, or having its principal place of business in, a
85 country other than the United States whose shares or other
86 ownership interest is owned by the government or a government
87 official of a country other than the United States or owned by a

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88 political subdivision or political party, or the officials
89 thereof, of a country other than the United States.

90 (3) "Foreign funder" means a foreign person, foreign
91 principal, or sovereign wealth fund that provides funding
92 directly or indirectly under a litigation financing agreement.

93 (4) "Health care practitioner" has the same meaning as in
94 s. 456.001.

95 (5) "Litigation financier" means a person engaged in the
96 business of providing litigation financing.

97 (6) "Litigation financing agreement" or "litigation
98 financing" means a transaction in which a litigation financier
99 agrees to provide financing to a person who is a party to, or an
100 attorney or law firm representing a party, in a civil action, an
101 administrative proceeding, a claim, or other legal proceeding in
102 exchange for a right to receive payment, which right is
103 contingent in any respect on the outcome of such action, claim,
104 or proceeding or on the outcome of any matter within a portfolio
105 that includes such action, claim, or proceeding and involves the
106 same counsel or affiliated counsel. However, the term does not
107 apply to any of the following:

108 (a) An agreement to provide funds for or to a party to a
109 civil action, an administrative proceeding, a claim, or other
110 legal proceeding for such person's use in paying his or her
111 costs of living or other personal or familial expenses during
112 the pendency of such action, claim, or proceeding which funds
113 are not used to finance any litigation or other legal costs.

114 (b) An agreement wherein an attorney consents to provide
115 legal services on a contingency fee basis or to advance his or
116 her client's legal costs, and where such services or costs are

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117 provided by the attorney in accordance with the Florida Rules of
118 Professional Conduct.

119 (c) An entity with a preexisting contractual obligation to
120 indemnify or defend a party to a civil action, an administrative
121 proceeding, a claim, or other legal proceeding.

122 (d) A health insurer that has paid, or is obligated to pay,
123 any sums for health care for an injured person under the terms
124 of a health insurance plan or agreement.

125 (e) The repayment of a financial institution as defined in
126 s. 655.005 for loans made directly to a party to a civil action,
127 an administrative proceeding, a claim, or other legal
128 proceeding, or to such party's attorney, when repayment of the
129 loan is not contingent upon the outcome of such action, claim,
130 or proceeding or on the outcome of any matter within a portfolio
131 that includes such action, claim, or proceeding and involves the
132 same counsel or affiliated counsel.

133 (f) Funding provided to a nonprofit organization exempt
134 from federal income tax under s. 501(c) (3) of the United States
135 Internal Revenue Code, provided that the nonprofit organization
136 uses the funding only to provide pro bono legal representation
137 on behalf of a client or to engage in litigation on behalf of
138 itself, its members, or a client and does not seek punitive
139 damages, regardless of whether the nonprofit organization seeks
140 an award of costs or attorney fees.

141 (g) Funding provided by a nonprofit organization exempt
142 from federal income tax under s. 501(c) (3) of the United States
143 Internal Revenue Code, by grant or otherwise, to cover the costs
144 and expenses of pro bono legal representation or litigation that
145 does not seek punitive damages, regardless of whether the

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146 recipient of the funding seeks an award of costs or attorney
147 fees. The nonprofit organization may, contingent upon the
148 outcome of the litigation, receive repayment not to exceed the
149 amount of funding provided.

150 (7) "National security interests" means those interests
151 relating to the national defense, foreign intelligence and
152 counterintelligence, international and domestic security, or
153 foreign relations.

154 (8) "Proprietary information" means information developed,
155 created, or discovered by a person, or which became known by or
156 was conveyed to a person, which has commercial value in the
157 person's business. The term includes, but is not limited to,
158 domain names; trade secrets; copyrights; ideas; techniques;
159 inventions, regardless of whether patentable, and other
160 information of any type relating to designs; configurations;
161 documentation; recorded data; schematics; circuits; mask works;
162 layouts; source code; object code; master works; master
163 databases; algorithms; flow charts; formulae; works of
164 authorship; mechanisms; research; manufacture; improvements;
165 assembly; installation; intellectual property, including patents
166 and patent applications; and information concerning the person's
167 actual or anticipated business, research, or development or
168 received in confidence by or for the person from any other
169 source.

170 (9) "Sovereign wealth fund" means an investment fund owned
171 or controlled by a foreign principal or an agent thereof.

172 69.103 Litigation financing agreement; representation of
173 client interests; adequate representation.—A court may take the
174 existence of a litigation financing agreement into account:

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175 (1) In a class action lawsuit brought in the courts of this
176 state, when determining whether a class representative or class
177 counsel would adequately and fairly represent the interests of
178 the class.

179 (2) In actions involving a common question of law or fact
180 pending before the court which may be or has been consolidated,
181 when determining whether the lead counsel or any co-lead counsel
182 would adequately and fairly represent the interests of the
183 parties to such actions.

184 69.105 Prohibited conduct.—A litigation financier may not:

185 (1) Direct, or make any decisions with respect to, the
186 course of any civil action, administrative proceeding, claim, or
187 other legal proceeding for which the litigation financier has
188 provided financing, or any settlement or other disposition
189 thereof. This prohibition includes, but is not limited to,
190 decisions in appointing or changing counsel, choice or use of
191 expert witnesses, and litigation strategy. All rights to make
192 decisions with respect to the course and settlement or other
193 disposition of the subject civil action, administrative
194 proceeding, claim, or other legal proceeding remain solely with
195 the parties to such action, claim, or proceeding and their
196 counsel of record.

197 (2) Contract for or receive, whether directly or
198 indirectly, a larger share of the proceeds of any civil action,
199 administrative proceeding, claim, or other legal proceeding
200 financed by a litigation financing agreement than the share of
201 the proceeds collectively recovered by the plaintiffs to any
202 such action, claim, or proceeding after the payment of any
203 attorney fees and costs owed in connection to such action,

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204 claim, or proceeding.205 (3) Pay or offer to pay a commission, referral fee, or
206 other consideration to any person, including an attorney, a law
207 firm, or a health care practitioner, for referring a person to
208 the litigation financier.209 (4) Assign or securitize a litigation financing agreement,
210 in whole or in part.211 (5) Be assigned rights to or in any civil action,
212 administrative proceeding, claim, or other legal proceeding for
213 which the litigation financier provided financing, other than
214 the right to receive a share of the proceeds of such action,
215 claim, or proceeding pursuant to the litigation financing
216 agreement.217 69.107 Transparency for foreign litigation financiers.—218 (1) If a party to any civil action, administrative
219 proceeding, claim, or other legal proceeding, or that party's
220 counsel of record, has entered into a litigation financing
221 agreement with a foreign person, foreign principal, or sovereign
222 wealth fund, the party, or the party's counsel of record, must,
223 within 14 days after execution of the agreement or within 7 days
224 after filing such action, whichever occurs first, file and serve
225 a notice that identifies:226 (a) The existence of the funding relationship;227 (b) The foreign person, foreign principal, or sovereign
228 wealth fund by legal name and the jurisdiction under whose laws
229 it is organized; and230 (c) Each foreign person, foreign principal, or sovereign
231 wealth fund that, directly or indirectly, owns or controls 3
232 percent or more of the capital, equity, or other beneficial

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233 ownership interests in the litigation financier, including the
234 legal name, address, and citizenship or country of incorporation
235 or registration of each such person or entity.

236 (2) The notice required in subsection (1) must be filed
237 with the court, agency, or tribunal in which the action is
238 pending, served on all parties, and provided to the Department
239 of Financial Services and the Office of the Attorney General.

240 (3) The dollar amounts, financing terms, and other
241 proprietary or trade secret information contained in or related
242 to the litigation financing agreement are not required to be
243 disclosed. The court, agency, or tribunal may order the notice
244 or supporting documentation to be filed under seal and may issue
245 protective orders as necessary to safeguard proprietary or
246 confidential information.

247 (4) A foreign litigation financier or any person acting on
248 its behalf may not:

249 (a) Use a domestic entity or affiliate to conceal or evade
250 the disclosure requirements of this section; or

251 (b) Receive, transmit, or share proprietary, privileged, or
252 national security-related information obtained through
253 litigation financing with any foreign person, foreign principal,
254 or sovereign wealth fund not a party or attorney to the action.

255 (5) The requirements of this section apply to a litigation
256 financing agreement entered into with any litigation financier
257 if a foreign person, foreign principal, or sovereign wealth fund
258 has provided or will provide funds, whether directly or
259 indirectly, to the litigation financier which amount to 5
260 percent or more of the funds the financier has provided or is
261 committed to provide under the litigation funding agreement.

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262 (6) Failure to comply with this section may subject the
263 noncomplying party to appropriate sanctions under s. 69.109 or
264 the applicable rules of civil procedure. This section does not
265 create a private cause of action.

266 69.109 Violations; enforcement.—

267 (1) A litigation financing agreement executed in violation
268 of this part is void and unenforceable.

269 (2) A violation of s. 69.105 is a deceptive and unfair
270 trade practice actionable under part II of chapter 501.

271 (3) A court, an agency, or a tribunal of competent
272 jurisdiction may impose fines or any other sanction it deems
273 appropriate upon any person who violates s. 69.107.

274 Section 4. If any provision of this act or its application
275 to any person or circumstance is held invalid, the invalidity
276 does not affect other provisions or applications of the act
277 which can be given effect without the invalid provision or
278 application, and to this end the provisions of this act are
279 severable.

280 Section 5. The disclosure requirements in s. 69.107,
281 Florida Statutes, as created by this act, apply to any civil
282 action, administrative proceeding, claim, or other legal
283 proceeding pending or commenced on or after July 1, 2026. Any
284 party to or counsel of record for any civil action,
285 administrative proceeding, claim, or other legal proceeding
286 pending on July 1, 2026, who would have been required to make a
287 disclosure under s. 69.107, Florida Statutes, had it been in
288 effect at the time the relevant action occurred must make the
289 disclosure under that section by July 31, 2026. Failure to do so
290 is sanctionable as provided in s. 69.109, Florida Statutes.

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291 Section 6. Except as otherwise provided in this act, this
292 act applies to a litigation financing agreement entered into on
293 or after July 1, 2026.

294 Section 7. This act shall take effect July 1, 2026.