

By the Committee on Rules; and Senator Burton

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

49 Be It Enacted by the Legislature of the State of Florida:

50
51 Section 1. This act may be cited as the "Litigation
52 Investment Safeguards and Transparency Act."

53 Section 2. Sections 69.011, 69.021, 69.031, 69.041, 69.051,
54 69.061, 69.071, and 69.081, Florida Statutes, are designated as
55 part I of chapter 69, Florida Statutes, and entitled "General
56 Provisions."

57 Section 3. Part II of chapter 69, Florida Statutes,
58 consisting of ss. 69.101, 69.103, 69.105, 69.107, and 69.109,

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59 Florida Statutes, is created and entitled "Litigation
60 Financing," to read:

PART II

LITIGATION FINANCING

69.101 Definitions.—As used in this part, the term:

(1) "Foreign person" means a person or an entity that is not:

(a) A citizen of the United States;

(b) An alien lawfully admitted for permanent residence in United States;

(c) An unincorporated association, a majority of members of which are citizens of the United States or aliens lawfully admitted for permanent residence in the United States; or

(d) A corporation incorporated in the United States.

(2) "Foreign principal" means:

(a) The government or a government official of any country
other than the United States:

(b) A political subdivision or political party, or the
officials thereof, of a country other than the United States; or

(c) Any partnership, association, corporation

organization, or other combination of persons organized under the laws of, or having its principal place of business in, a

country other than the United States whose shares or other ownership interest is owned by the government or a government official of a country other than the United States or owned by a political subdivision or political party, or the officials thereof, of a country other than the United States.

(3) "Foreign funder" means a foreign person, foreign

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88 principal, or sovereign wealth fund that provides funding
89 directly or indirectly under a litigation financing agreement.

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

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

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

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

111 (b) An agreement wherein an attorney consents to provide
112 legal services on a contingency fee basis or to advance his or
113 her client's legal costs, and where such services or costs are
114 provided by the attorney in accordance with the Florida Rules of
115 Professional Conduct or equivalent professional conduct rules
116 applicable in the attorney's licensing jurisdiction.

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

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

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

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

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

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146 outcome of the litigation, receive repayment not to exceed the
147 amount of funding provided.

148 (h) Funding provided in a foreign class action lawsuit
149 where the party domiciled in the United States is a member of
150 the class.

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

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

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

173 69.103 Litigation financing agreement; representation of
174 client interests; adequate representation.—A court may take the

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175 existence of a litigation financing agreement into account:

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

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

185 69.105 Prohibited conduct.—A litigation financier may not:

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

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

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204 attorney fees and costs owed in connection to such action,
205 claim, or proceeding.

206 (3) Pay or offer to pay a commission, referral fee, or
207 other consideration to any person, including an attorney, a law
208 firm, or a health care practitioner, for referring a person to
209 the litigation financier.

210 (4) Assign or securitize a litigation financing agreement,
211 in whole or in part.

212 (5) Be assigned rights to or in any civil action,
213 administrative proceeding, claim, or other legal proceeding for
214 which the litigation financier provided financing, other than
215 the right to receive a share of the proceeds of such action,
216 claim, or proceeding pursuant to the litigation financing
217 agreement.

218 69.107 Transparency for foreign litigation financiers.—

219 (1) If a party to any civil action, administrative
220 proceeding, claim, or other legal proceeding filed in the United
221 States, or that party's counsel of record, has entered into a
222 litigation financing agreement with a foreign person, foreign
223 principal, or sovereign wealth fund, the party, or the party's
224 counsel of record, must, within 14 days after execution of the
225 agreement or within 7 days after filing such action, whichever
226 occurs first, file and serve a notice with the court, agency, or
227 tribunal, and all other parties to the proceeding, which
228 identifies:

229 (a) The existence of the funding relationship;

230 (b) The foreign person, foreign principal, or sovereign
231 wealth fund by legal name and the jurisdiction under whose laws
232 it is organized; and

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233 (c) Each foreign person, foreign principal, or sovereign
234 wealth fund that, directly or indirectly, owns or controls 3
235 percent or more of the capital, equity, or other beneficial
236 ownership interests in the litigation financier, including the
237 legal name, address, and citizenship or country of incorporation
238 or registration of each such person or entity.

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

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

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

252 (a) Use a domestic entity or an affiliate to conceal or
253 evade the disclosure requirements of this section; or
254 (b) Receive, transmit, or share proprietary, privileged, or
255 national security-related information obtained through
256 litigation financing with any foreign person, foreign principal,
257 or sovereign wealth fund not a party or attorney to the action.

258 (5) The requirements of this section apply to a litigation
259 financing agreement entered into with any litigation financier
260 if a foreign person, foreign principal, or sovereign wealth fund
261 has provided or will provide funds, whether directly or

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262 indirectly, to the litigation financier which amount to 5
263 percent or more of the funds the financier has provided or is
264 committed to provide under the litigation funding agreement.

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

269 69.109 Violations; enforcement.—

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

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

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

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

283 Section 5. The disclosure requirements in s. 69.107,
284 Florida Statutes, as created by this act, apply to any civil
285 action, administrative proceeding, claim, or other legal
286 proceeding pending or commenced on or after July 1, 2026. Any
287 party to or counsel of record for any civil action,
288 administrative proceeding, claim, or other legal proceeding
289 pending on July 1, 2026, who would have been required to make a
290 disclosure under s. 69.107, Florida Statutes, had it been in

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291 effect at the time the relevant action occurred must make the
292 disclosure under that section by July 31, 2026. Failure to do so
293 is sanctionable as provided in s. 69.109, Florida Statutes.

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

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