

1 State of Arkansas
2 88th General Assembly
3 Regular Session, 2011
4

A Bill

SENATE BILL 216

5 By: Senator J. Key
6

For An Act To Be Entitled

8 AN ACT TO REGULATE NONRECOURSE CIVIL LITIGATION
9 ADVANCES; AND FOR OTHER PURPOSES.
10

Subtitle

11 THE LAWSUIT LENDING ACT OF 2011.
12
13
14
15

16 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
17

18 SECTION 1. Arkansas Code Title 4, Chapter 70 is amended to add
19 an additional subchapter to read as follows:

20 Subchapter 4 -- Prohibited Business Practices

21 4-70-401. Nonrecourse civil litigation advances prohibited.

22 (a) As used in this section, "nonrecourse civil litigation advance"
23 means a payment of money, property, or other consideration to a person or
24 entity that has a civil claim or cause of action in exchange for the right to
25 receive a percentage or specified amount of the proceeds realized from a
26 settlement or judgment collected by the person or entity.

27 (b) A nonrecourse civil litigation advance is prohibited.

28 (c) A violation of this section is a Class D felony.

29 (d) This section does not apply to a nonrecourse civil litigation
30 advance:

31 (1) Made or a fee earned by an attorney that is permitted by the
32 Arkansas Rules of Professional Conduct; or

33 (2) Required by state or federal law.
34
35
36

