

**STATE OF NEBRASKA ♦ SECRETARY OF STATE'S OFFICE**  
1201 N STREET, SUITE 120 • LINCOLN, NE • 68508  
PHONE – (402) 471-8606 FAX – (402) 471-2530

**LICENSING DIVISION**

- Athlete Agent • Collection Agency • Debt Management •Private Detectives •
- Non-Recourse Civil Litigation Funding Companies • Truth & Deception Examiners •
- Credit Service Organizations • Home Inspectors •
- Rules and Regulations •

**ROBERT B. EVNEN**  
Secretary of State

**DAVID L. WILSON JR.**  
Licensing Director

## **Memorandum**

To: Clerk of the Legislature and Judiciary Committee  
From: David L. Wilson Jr., Licensing Director & Associate General Counsel  
Date: August 24, 2022  
Re: Annual Report to Legislature: Non-Recourse Civil Litigation Funding

### **INTRODUCTION**

Nonrecourse Civil Litigation Act, LB1094 of the One Hundred First Legislative Session, was signed by the Governor and became law on April 13, 2010, with an effective date of June 15, 2010. Neb. Rev. Stat. §25-3301 through §25-3309. As described by Senator Lathrop during the Judiciary Committee meeting held on February 11, 2010, Nonrecourse Civil Litigation Funding has always been legal in Nebraska but was unregulated before the introduction of this bill. The renewal year for Nonrecourse Civil Litigation Funding Companies (“CLFCs”) runs from October 1 through September 30.

### **NATURE OF THE BUSINESS**

After a catastrophic injury many consumers find themselves without the means to sustain their basic needs while their legal claim for damages is pending. CLFCs advance funds to consumers in return for an assignment of the claim that is currently being litigated. CLFCs evaluate the future worth of the consumers claim and advance money based on that calculation. Funds are only repaid if the consumer is awarded a monetary judgment.

### **STATUS OF THE STATE REGISTRATION PROGRAM**

Only six (6) companies were registered as CLFCs during the reporting period and renewed for the 2022 licensing year. They are:

1. Capital Now Funding Kentucky, LLC, 309 E. Market St., Ste. 103 Louisville, KY 40202
2. Oasis Legal Finance, LLC, 9525 W. Bryn Mawr Ave., Ste. 900, Rosemont, IL 60018
3. Preferred Capital Funding – Nebraska LLC, 358 W. Ontario St. #1W, Chicago, IL 60654

4. Select Legal Funding, LLC, 3112 Grand Ave. Apt 1, Kearney, NE 68847
5. Signal Funding, LLC, 1855 Griffin Road, Ste. B-354, Dania Beach, FL 33004
6. US Claims OPCO LLC, 1625 S. Congress Ave., Ste. 200, Delray Beach, FL 33445

The Secretary of State's Licensing Division sent out renewal applications in September 2021. Attached to the renewal application was a form for the Annual Report of Activity in Nebraska for each company to submit data mandated by Neb. Rev. Stat. §25-3309. The five data points are shown in the attached spreadsheet.

As reported by the registered CLFCs, \$973,345.39 was advanced to 280 Nebraska consumers and 167 consumers were expected to repay during the Reporting Period. Some of those cases on which funds were advanced were settled, paid, waived or written off during the Reporting Period. From the information provided a total of \$50,650 was written off as a loss and 72 cases were settled for less than the company contracted.

#### **Annual Percentage Fee**

The annual percentage fee being charged by CLFCs to Nebraska consumers ranges from 0% to 327%. The individually-reported figures are included on the attached spreadsheet.

Prepared and submitted by:



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David L. Wilson, Jr.  
Licensing Director and Associate General Counsel

2022 Annual Report for Non-Recourse Civil Litigation (September 2021-August 2022)	Capital Now Funding Kentucky, LLC	Oasis Legal Finance, LLC	Preferred Capital Funding Neb	Select Legal Funding, LLC	Signal Funding, LLC	US Claims OPCO LLC	Totals:
Total number of nonrecourse civil litigation fundings originated in Nebraska for the period September 1, 2020 to August 31, 2021 (the "Reporting Period"):	1	85	150	5	24	15	280
Total value (dollar amount) of nonrecourse civil litigation fundings originated in Nebraska for the Reporting Period:	\$500	\$215,243	\$575,832.39	\$29,500.00	\$54,750.00	\$97,520	\$973,345.39
Total number of nonrecourse civil litigation fundings, regardless of year funded since June 15, 2010 (the "Funding Period"), required to be repaid during the Reporting Period:	0	103	0	1	53	10	167
The amount charged to the consumer, including, but not limited, the annual percentage fee[] charged to the consumer and the itemized fees charged to the consumer in Nebraska during the Funding Period for fundings which were resolved during the Reporting Period	0	Itemized Fees = \$212,869; Annual Percentage Fee = N/A	Itemized Fees = \$0.00; Annual Percentage Fee = 50.54%	Itemized Fees = \$120.00; Annual Percentage Fee = 327%	Itemized Fees = \$73,877.50; Annual Percentage Fee = 32.24%	Itemized Fees = \$20,716.13; Annual Percentage Fee = N/A	Itemized Fees = \$307,582.63; Annual Percentage Fee= 0% to 327%
The number of cases, funded during the Funding Period, closed during the Reporting Period in which the realization to the civil litigation funding company was less than contracted and the total dollar amount of such losses:	0	50 cases for a loss of \$11,040	0	0	18 cases for a loss of \$37,460	4 cases for a loss of \$2,150	72 Closed Cases for a cumulative loss of \$50,650