Ohio Revised Code

Section 1357.01 Definitions.

Effective: October 06, 2026
Legislation: House Bill 105 - 136th General Assembly

As used in this chapter:

(A)(1) "Advertise" means directly or indirectly publishing, disseminating, circulating, or placing before the public any written, oral, electronic, or printed communication for the purpose of inducing a consumer to enter into a consumer legal funding agreement.

(2) For the purposes of division (A)(1) of this section, "written, oral, electronic, or printed communication" includes communication by means of recorded telephone messages and transmission or broadcast on radio, television, the internet, or other similar media of audio recordings, film strips, motion pictures, or videos.

(B)(1) "Charges" means the amount of money to be paid to the consumer legal funding company by or on behalf of a consumer in excess of the funded amount.

(2) "Charges" include interest and all administrative, origination, underwriting, and other fees, no matter how denominated.

(C)(1) "Commercial litigation financier" means a person engaged in the business of entering into commercial litigation financing agreements with claimants or with lawyers or law firms asserting legal claims on behalf of claimants.

(2) "Commercial litigation financier" does not include a nonprofit organization determined by the internal revenue service to be tax exempt pursuant to section 501(c) of the "Internal Revenue Code of 1986," 26 U.S.C. 1, or a person that funds such a nonprofit organization, if the nonprofit organization represents the claimant on a pro bono basis. Seeking or accepting a settlement or judgment that includes costs or attorney's fees does not, in itself, make a nonprofit organization or an attorney contracted by a nonprofit organization a "commercial litigation financier."

(D)(1) "Commercial litigation financing agreement" means, with respect to any civil action or group of civil actions, a written agreement that meets all of the following:

(a) A third party agrees to provide funds to a named party or a law firm that represents a named party in the civil action or group of civil actions.

(b) The agreement creates a direct or collateralized interest in the proceeds of a civil action or group of civil actions, by settlement, verdict, judgment, or otherwise.

(c) The interest created by the agreement is based, in whole or part, on a funding obligation incurred in connection with the action or group of actions, the appearing counsel, any contractual co-counsel, or the law firm of the counsel or co-counsel, executed with any of the following:

(i) Any attorney representing a party;

(ii) Any co-counsel in the civil action or group of actions with a contingent fee interest in representing a named party;

(iii) Any third-party who has a collateral-based interest in the contingency fees of the counsel or co-counsel, or the law firm of the counsel or co-counsel, related in whole or part to the fees derived from representing that party.

(2) "Commercial litigation financing agreement" includes a contract, such as an option, forward contract, futures contract, short position, swap, or similar agreement, that is substantially similar to an agreement described in division (D)(1) of this section.

(3) "Commercial litigation financing agreement" does not include any of the following:

(a) A consumer legal funding agreement;

(b) An agreement by an attorney or law firm to provide legal services on a contingency fee basis to the claimant or to advance the claimant's legal costs in accordance with the rules of professional conduct adopted by the supreme court;

(c) A health insurer, medical provider, or assignee that has paid, is obligated to pay, or is owed sums for a claimant's health care under the terms of a health insurance plan or agreement;

(d) A financial institution providing loans to the claimant or the claimant's attorney or law firm, the repayment of which is not contingent upon the outcome of the legal claim or on the outcome of any matter within a portfolio that includes the legal claim and involves the same attorney or law firm or affiliated attorney or law firm;

(e) A person with a preexisting contractual obligation to indemnify or defend a party to a legal claim.

(E) "Consumer" means a natural person who has a pending legal claim and who resides or is domiciled in Ohio.

(F)(1) "Consumer legal funding agreement" means a nonrecourse agreement in which a consumer legal funding company purchases, and a consumer assigns to the company, a contingent right to receive an amount of the potential proceeds of any settlement, judgment, award, or verdict obtained in the consumer's legal claim.

(2) "Consumer legal funding agreement" does not include any agreement involving a cash payment by the consumer legal funding company of four hundred thousand dollars or more.

(G)(1) "Consumer legal funding company" means a person or entity that enters into a consumer legal funding agreement with a consumer.

(2) "Consumer legal funding company" does not include any of the following:

(a) A family member of the consumer;

(b) A bank, lender, financing entity, or other special purpose entity that provides financing to a consumer legal funding company and to which a consumer legal funding company grants a security interest or transfers any rights or interest in a consumer legal funding agreement;

(c) An attorney or accountant who provides services to a consumer.

(H) "Funded amount" means the amount of money provided to, or on behalf of, the consumer in a consumer legal funding agreement. "Funded amount" excludes charges.

(I) "Funding date" means the date on which the funded amount is transferred to the consumer by the consumer legal funding company by personal delivery; via wire, automated clearing house, or other electronic means; or by certified or registered mail.

(J) "Family member" means a spouse; sibling; child, including adopted children and stepchildren; parent; grandparent; aunt; uncle; cousin; or grandchild.

(K) "Legal claim" means a civil claim or cause of action.

(L) "Resolution date" means the date the funded amount, plus the agreed upon charges, are delivered to the consumer legal funding company by the consumer, the consumer's attorney, or otherwise.