Ohio Revised Code

Section 1357.03 Consumer legal funding agreement requirements.

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

(A) A consumer legal funding company shall not enter into, or seek to enter into, a consumer legal funding agreement unless all of the following apply:

(1) The agreement is completely filled-in when presented to the consumer for signature.

(2) The agreement includes space on each page for the consumer's initials.

(3) The front page of the agreement includes all of the following disclosures under appropriate headings:

(a) The funded amount to be paid to the consumer under the agreement;

(b) An itemized list of all one-time and recurring charges under the agreement, subject to section 1357.04 of the Revised Code, and an explanation for how those charges accrue;

(c) The maximum amount that may be assigned by the consumer to the company under the agreement, including the funded amount and all charges, but excluding penalties that may apply in the case of a material breach, fraud, or misrepresentation by or on behalf of the consumer;

(d) If the consumer seeks to enter into more than one consumer legal funding agreement with the same company, the cumulative amount that may be assigned to the company under all such agreements, including the funded amount and all charges, but excluding penalties that may apply in the case of a material breach, fraud, or misrepresentation by or on behalf of the consumer.

(4) The agreement allows the consumer to cancel the agreement, without penalty or further obligation, by returning the full amount of disbursed funds to the company within ten business days after the funding date. The consumer may do either of the following to effectuate the cancellation:

(a) Deliver the company's uncashed check to the company's offices in person, within ten business days after the disbursement of funds;

(b) Mail a notice of cancellation and include in that mailing a return of the full amount of disbursed funds in the form of the company's uncashed check, or a registered or certified check or money order, by insured, registered, or certified United States mail, postmarked within ten business days after receiving funds from the company, at the address specified in the agreement for cancellation.

(5) The body of the agreement includes all of the following statements:

(a) "CONSUMER'S RIGHT TO CANCELLATION: YOU MAY CANCEL THIS AGREEMENT WITHOUT PENALTY OR FURTHER OBLIGATION WITHIN TEN BUSINESS DAYS AFTER THE FUNDING DATE IF YOU RETURN THE FULL AMOUNT OF THE DISBURSED FUNDS TO [insert name of company]."

(b) "THE COMPANY HAS NO ROLE IN DECIDING WHETHER, WHEN, AND HOW MUCH THE LEGAL CLAIM IS SETTLED FOR, HOWEVER, YOU OR YOUR ATTORNEY MUST NOTIFY THE COMPANY OF THE OUTCOME OF THE LEGAL CLAIM BY SETTLEMENT OR ADJUDICATION ON OR BEFORE THE RESOLUTION DATE. THE COMPANY MAY SEEK UPDATED INFORMATION ABOUT THE STATUS OF THE LEGAL CLAIM BUT IN NO EVENT SHALL THE COMPANY ATTEMPT TO INTERFERE WITH, CONTROL, OR INFLUENCE THE INDEPENDENT PROFESSIONAL JUDGMENT OF YOUR ATTORNEY IN THE HANDLING OF THE LEGAL CLAIM OR ANY SETTLEMENT THEREOF."

(c) "THE FUNDED AMOUNT AND AGREED UPON CHARGES SHALL BE PAID FROM THE PROCEEDS OF YOUR LEGAL CLAIM, AND SHALL BE PAID ONLY TO THE EXTENT THAT THERE ARE AVAILABLE PROCEEDS FROM YOUR LEGAL CLAIM. YOU WILL NOT OWE [insert name of company] ANYTHING IF THERE ARE NO PROCEEDS FROM YOUR LEGAL CLAIM, UNLESS YOU HAVE VIOLATED ANY MATERIAL TERM OF THIS AGREEMENT OR YOU HAVE COMMITTED FRAUD AGAINST [insert name of company]."

(d) Immediately above the place on the agreement where the consumer's signature is required: "DO NOT SIGN THIS AGREEMENT BEFORE YOU READ IT COMPLETELY. DO NOT SIGN THIS AGREEMENT IF IT CONTAINS ANY BLANK SPACES. YOU ARE ENTITLED TO A COMPLETELY FILLED-IN COPY OF THIS AGREEMENT BEFORE YOU SIGN IT. BEFORE YOU SIGN THIS AGREEMENT, YOU SHOULD OBTAIN THE ADVICE OF AN ATTORNEY. DEPENDING ON THE CIRCUMSTANCES, YOU MAY WANT TO CONSULT A TAX, PUBLIC OR PRIVATE BENEFIT PLANNING, OR FINANCIAL PROFESSIONAL. YOU ACKNOWLEDGE THAT YOUR ATTORNEY IN THE LEGAL CLAIM HAS PROVIDED NO TAX, PUBLIC OR PRIVATE BENEFIT PLANNING, OR FINANCIAL ADVICE REGARDING THIS TRANSACTION. YOU FURTHER ACKNOWLEDGE THAT YOUR ATTORNEY HAS EXPLAINED THE TERMS AND CONDITIONS OF THIS AGREEMENT."

(6) The agreement contains a written acknowledgement by the attorney retained by the consumer in the legal claim that attests to all of the following:

(a) The attorney has reviewed the agreement and all disclosures required by this section with the consumer.

(b) The attorney is being paid on a contingency basis pursuant to a written fee agreement.

(c) All proceeds of the legal claim will be disbursed via the trust account of the attorney or a settlement fund established to receive the proceeds of the legal claim on behalf of the consumer.

(d) The attorney agrees to disburse funds from the legal claim and take any other steps necessary to ensure that the terms of the consumer legal funding agreement are fulfilled.

(e) The attorney has not received a referral fee or other consideration from the consumer legal funding company in connection with the consumer legal funding, nor will the attorney receive such a fee or other consideration in the future.

(f) The attorney agrees to follow all applicable rules of professional conduct adopted by the supreme court in all aspects of the transaction.

(B)(1) A violation of this section or section 1357.04 of the Revised Code by a consumer legal funding company constitutes an unfair or deceptive act or practice in violation of section 1345.02 of the Revised Code.

(2) A consumer injured by such a violation has a cause of action and is entitled to the same relief available to a consumer under section 1345.09 of the Revised Code.

(3) All powers and remedies available to the attorney general to enforce sections 1345.01 to 1345.13 of the Revised Code are available to the attorney general to enforce this section.

(C) In addition to remedies set forth in division (B) of this section, any willful violation of this section, including omission of the attorney acknowledgement required by division (A)(6) of this section, renders the consumer legal funding agreement unenforceable by the company, the consumer, or any successor in interest to the agreement. A consumer terminating the attorney who made the acknowledgment required by division (A)(6) of this section or retaining a new attorney with respect to the legal claim does not, in itself, render the agreement unenforceable under this division.