Ohio Revised Code

Section 1357.04 Prohibited actions.

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

A consumer legal funding company shall not do any of the following:

(A) Pay or offer to pay a commission, referral fee, or other form of consideration to any attorney, law firm, health care provider, chiropractor, or physical therapist, or to any employee or agent of the foregoing, for referring a consumer to the company;

(B) Accept any commission, referral fee, rebate, or other form of consideration from an attorney, law firm, health care provider, chiropractor, or physical therapist, or from any employee or agent of the foregoing;

(C) Purposefully advertise false or misleading information regarding the company's products or services;

(D) Refer a consumer or potential consumer to a specific attorney, law firm, medical provider, chiropractor, or physical therapist, or to any employee or agent of the foregoing, except that, if a consumer does not have legal representation, the company may refer the consumer to a state or local lawyer referral service operated by a bar association or nonprofit organization, or a legal aid society, as defined in section 120.51 of the Revised Code;

(E) Fail to promptly supply copies of all complete consumer legal funding agreements to the consumer and the attorney representing the consumer in the legal claim;

(F) Knowingly enter into a consumer legal funding agreement with a consumer for a legal claim respecting which the consumer previously sold or assigned all or part of the consumer's right to the proceeds, unless the company or the consumer extinguishes the prior agreement by either repaying the entire disbursed amount plus any contracted fees, or paying a lesser amount expressly agreed to, in writing, by the consumer and all other parties to the prior agreement. More than one company may agree, contemporaneously, to enter into a consumer legal funding agreement with the same consumer for the same claim so long as the companies, the consumer, and the consumer's attorney consent to the agreements in writing.

(G) Make or influence any decision with respect to the conduct of the consumer's legal claim or the settlement or resolution of that legal claim, including appointing or changing counsel, choice or use of expert witnesses, litigation strategy, and settlement or other resolution of the claim;

(H) Attempt to obtain a waiver of any remedy, including compensatory, statutory, or punitive damages, to which the consumer might otherwise be entitled;

(I) Knowingly pay or offer to pay for court costs, filing fees, or attorney's fees before, during, or after the resolution of the legal claim;

(J)(1) Charge or collect from a consumer either of the following in connection with a consumer legal funding agreement:

(a) A prepayment penalty or fee;

(b) A one-time service fee that exceeds seven per cent of the initial funded amount.

(2) Charges in excess of the amount specified in division (A)(3)(c) of section 1357.03 of the Revised Code and fees prohibited by division (J)(1) of this section are unenforceable.

(K) Enter into a consumer legal funding agreement if an attorney or a law firm retained by the consumer for the legal claim on which the agreement is based has a financial or ownership interest in the company.

(L) Collude with or knowingly assist a lawyer or law firm that is enticing or intends to entice a consumer to bring a claim that the company knows or has reason to know is fabricated or otherwise not brought in good faith. Any consumer legal funding agreement resulting from a violation of this division is void ab initio.

(M) Knowingly offer or collude to provide funding as an inducement to a consumer who is presently represented by counsel to terminate that engagement and engage another lawyer or law firm to represent the consumer in the same matter. Any consumer legal funding agreement resulting from a violation of this division is void ab initio.