Standing Order 1.75
Standing Order Regarding Third-Party Litigation Funding

(a) Purpose.

This rule is intended to promote transparency, assist in the identification of potential conflicts of interest, and ensure the fair administration of justice by requiring disclosure of certain third-party litigation funding arrangements.

(b) Definitions.

(1) "Third-Party Litigation Funding" means any agreement, arrangement, or understanding under which a person or entity that is not a party to the action provides funds, directly or indirectly, to a party or its counsel in connection with the prosecution or defense of the action, in exchange for:

(A) a contingent financial interest in the outcome of the litigation;
(B) a non-recourse right to receive payment that is dependent on the outcome of the litigation;
(C) any other interest that could be substantially affected by the outcome of the litigation.

(2) "Funder" means any person or entity providing Third-Party Litigation Funding.

(c) Disclosure Requirement.

(1) Each party must file in the record a disclosure statement identifying any Funder.
(2) The disclosure must include:
(A) the name and address of the Funder;
(B) whether the Funder has a contingent interest in the outcome;
(C) whether the Funder has any right to approve or influence litigation decisions, including settlement decisions; and
(D) a brief description of the nature of the funding arrangement.
(3) The disclosure statement shall not require production of the funding agreement itself unless ordered by the Court.

(d) Timing.

(1) A party must file in the record a disclosure statement:

(A) within 14 days after filing its first appearance, pleading, or motion; or

(B) within 14 days after entering into a Third-Party Litigation Funding arrangement, whichever is earlier.

(2) A party has a continuing obligation to supplement the disclosure within 14 days of any material change.

(e) Exclusions.

This rule does not apply to:

(1) contingent fee arrangements between a party and its counsel;

(2) insurance policies providing coverage for the claims at issue;

(3) routine commercial loans not contingent on the outcome of the litigation; or

(4) shareholders of a publicly traded company.

(f) In Camera Review.

Upon motion or on its own, the Court may order submission of funding agreements for in camera review to determine whether additional disclosure is warranted.

(g) Sanctions.

Failure to comply with this rule may result in appropriate sanctions, including but not limited to:

(1) monetary sanctions;

(2) preclusion of evidence;

(3) dismissal of claims or defenses; or

(4) any other relief the Court deems appropriate.

(h) Relation to Other Rules.

This rule supplements, and does not limit, any disclosure obligations under applicable rules, statutes, or court orders.