

House _____ Amendment NO. _____

Offered By

1 AMEND House Committee Substitute for Senate Committee Substitute for Senate Bill No. 103,
2 Page 1, Section A, Line 4, by inserting after said section and line the following:

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4 "210.1360. 1. Any personally identifiable information regarding any child under eighteen
5 years of age receiving child care from any provider or applying for or receiving any services through
6 a state program shall not be subject to disclosure except as otherwise provided by law.

7 2. This section shall not prohibit any state agency from disclosing personally identifiable
8 information to governmental entities or its agents, vendors, grantees, and contractors in connection
9 to matters relating to its official duties. The provisions of this section shall not apply to any state,
10 county, or municipal law enforcement agency acting in its official capacity.

11 3. This section shall not prevent a parent or legal guardian from accessing the parent's or
12 legal guardian's child's records.

13 361.749. 1. As used in this section, unless the context clearly indicates otherwise, the
14 following terms mean:

15 (1) "Consumer", any individual;

16 (2) "Consumer-directed wage access services", the business of offering or providing earned
17 wage access services directly to a consumer based on the consumer's representation and the
18 provider's reasonable determination of the consumer's earned but unpaid income;

19 (3) "Director", the director of the division of finance within the department of commerce
20 and insurance;

21 (4) "Division", the Missouri division of finance within the department of commerce and
22 insurance;

23 (5) "Earned but unpaid income", salary, wages, compensation, or other income that a
24 consumer or an employer has represented, and that a provider has reasonably determined, has been
25 earned or has accrued to the benefit of the consumer in exchange for the consumer's provision of
26 services to the employer or on behalf of the employer, including on an hourly, project-based,
27 piecework, or other basis and including where the consumer is acting as an independent contractor
28 of the employer, but has not, at the time of the payment of proceeds, been paid to the consumer by
29 the employer;

30 (6) "Earned wage access services", the business of providing consumer-directed wage

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1 access services, employer-integrated wage access services, or both;

2 (7) "Employer":

3 (a) A person who employs a consumer; or

4 (b) Any other person who is contractually obligated to pay a consumer earned but unpaid
 5 income in exchange for a consumer's provision of services to the employer or on behalf of the
 6 employer, including on an hourly, project-based, piecework, or other basis and including where the
 7 consumer is acting as an independent contractor with respect to the employer.

8
 9 "Employer" does not include a customer of an employer or any other person whose obligation to
 10 make a payment of salary, wages, compensation, or other income to a consumer is not based on the
 11 provision of services by that consumer for or on behalf of such person;

12 (8) "Employer-integrated wage access services", the business of delivering to consumers
 13 access to earned but unpaid income that is based on employment, income, and attendance data
 14 obtained directly or indirectly from an employer;

15 (9) "Fee":

16 (a) A fee imposed by a provider for delivery or expedited delivery of proceeds to a
 17 consumer;

18 (b) A subscription or membership fee imposed by a provider for a bona fide group of
 19 services that includes earned wage access services; or

20 (c) An amount paid by an employer to a provider on a consumer's behalf, which entitles the
 21 consumer to receive proceeds at reduced or no cost to the consumer.

22
 23 A voluntary tip, gratuity, or donation shall not be deemed a fee;

24 (10) "Outstanding proceeds", a payment of proceeds to a consumer by a provider that has
 25 not yet been repaid to that provider;

26 (11) "Person", a partnership, corporation, association, sole proprietorship, limited liability
 27 company, or nonprofit or governmental entity;

28 (12) "Proceeds", a payment of funds to a consumer by a provider that is based on earned but
 29 unpaid income;

30 (13) "Provider", a person who is in the business of offering and providing earned wage
 31 access services to consumers.

32 2. (1) No person shall engage in the business of earned wage access services in this state
 33 without first registering as an earned wage access services provider with the division.

34 (2) The annual registration fee shall be one thousand dollars payable to the division as of the
 35 first day of July of each year. The division may establish a biennial registration arrangement, but in
 36 no case shall the registration fee be payable for more than one year at a time.

37 (3) Registration shall be made on forms prepared by the director and shall contain the
 38 following information:

39 (a) Name, business address, and telephone number of the earned wage access services

1 provider;

2 (b) Name and business address of corporate officers and directors or principals or partners;

3 (c) A sworn statement by an appropriate officer, principal, or partner of the earned wage
4 access services provider that:

5 a. The provider is financially capable of engaging in the business of earned wage access
6 services; and

7 b. If a corporation, that the corporation is authorized to transact business in this state.

8
9 If any material change occurs in the information contained in the registration form, a revised
10 statement shall be submitted to the director.

11 (4) A certificate of registration shall be issued by the director within thirty calendar days
12 after the date on which all registration materials have been received by the director and shall not be
13 assignable or transferable, except as approved by the director.

14 (5) Each certificate of registration shall remain in full force and effect until surrendered,
15 revoked, or suspended.

16 3. This section shall not apply to:

17 (1) A bank or savings and loan association whose deposits or accounts are eligible for
18 insurance by the Federal Deposit Insurance Corporation, or a subsidiary of such a bank or savings
19 and loan association;

20 (2) A credit union doing business in this state; or

21 (3) A person authorized to make loans or extensions of credit under the laws of this state or
22 the United States, who is subject to regulation and supervision by this state or the United States.

23 4. Each provider shall:

24 (1) Develop and implement policies and procedures to respond to questions raised by
25 consumers and address complaints from consumers in an expedient manner;

26 (2) Before entering into an agreement with a consumer for the provision of earned wage
27 access services, provide a consumer with a written paper or electronic document, which can be
28 included as part of the contract to provide earned wage access services and which meets all of the
29 following requirements:

30 (a) Informs the consumer of his or her rights under the agreement; and

31 (b) Fully and clearly discloses all fees associated with the earned wage access services;

32 (3) Inform the consumer of the fact of any material changes to the terms and conditions of
33 the earned wage access services before implementing those changes for that consumer;

34 (4) Provide proceeds to a consumer by any means mutually agreed upon by the consumer
35 and provider;

36 (5) Comply with all local, state, and federal privacy and information security laws;

37 (6) In any case in which the provider will seek repayment of outstanding proceeds, fees, or
38 other payments, including voluntary tips, gratuities, or other donations from a consumer's account at
39 a depository institution and including via electronic funds transfer:

1 (a) Comply with applicable provisions of the federal Electronic Funds Transfer Act and its
 2 implementing regulations; and

3 (b) Reimburse the consumer for the full amount of any overdraft or nonsufficient funds fees
 4 imposed on a consumer by the consumer's depository institution that were caused by the provider
 5 attempting to seek payment of any outstanding proceeds, fees, voluntary tips, gratuities, or other
 6 donations on a date before, or in an incorrect amount from, the date or amount disclosed to the
 7 consumer.

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 9 The provisions of this subdivision shall not apply with respect to payments of outstanding proceeds,
 10 fees, tips, gratuities, or other donations incurred by a consumer through fraudulent or other means;
 11 and

12 (7) If a provider solicits, charges, or receives a tip, gratuity, or donation from a consumer:

13 (a) Clearly and conspicuously disclose to the consumer immediately prior to each
 14 transaction that a tip, gratuity, or donation amount may be zero and is voluntary;

15 (b) Clearly and conspicuously disclose in its service contract with the consumer and
 16 elsewhere that tips, gratuities, or donations are voluntary and that the offering of earned wage access
 17 services, including the amount of the proceeds a consumer is eligible to request and the frequency
 18 with which proceeds are provided to a consumer, is not contingent on whether the consumer pays
 19 any tip, gratuity, or donation or on the size of any tip, gratuity, or donation;

20 (c) Refrain from misleading or deceiving consumers about the voluntary nature of such tips,
 21 gratuities, or donations; and

22 (d) Refrain from making representations that tips or gratuities will benefit any specific,
 23 individual person.

24 5. A provider shall not:

25 (1) Share with an employer any fees, voluntary tips, gratuities, or other donations that were
 26 received from or charged to a consumer for earned wage access services;

27 (2) Charge interest for failure to repay outstanding proceeds, fees, voluntary tips, gratuities,
 28 or other donations;

29 (3) Report any information about the consumer regarding the inability of the provider to be
 30 repaid outstanding proceeds, fees, voluntary tips, gratuities, or other donations to a consumer credit
 31 reporting agency or a debt collector;

32 (4) Require a consumer's credit report or credit score to determine a consumer's eligibility
 33 for earned wage access services;

34 (5) Accept payment from a consumer of outstanding proceeds, fees, voluntary tips,
 35 gratuities, or other donations via credit card or charge card; or

36 (6) Compel or attempt to compel repayment by a consumer of outstanding proceeds, fees,
 37 voluntary tips, gratuities, or other donations through any of the following means:

38 (a) A suit against the consumer in a court of competent jurisdiction;

39 (b) Use of a third party to pursue collection from the consumer on the provider's behalf; or

1 (c) Sale of outstanding amounts to a third-party collector or debt buyer for collection from
2 the consumer.

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4 The provisions of this subdivision shall not apply to payments of outstanding proceeds, fees, tips,
5 gratuities, or other donations incurred by a consumer through fraudulent or other means or preclude
6 a provider from pursuing an employer for breach of its contractual obligations to the provider.

7 6. For purposes of the laws of this state:

8 (1) Earned wage access services offered and provided by a registered provider shall not be
9 considered to be any of the following:

10 (a) A violation of or noncompliance with the laws governing the sale or assignment of or an
11 order for earned but unpaid income;

12 (b) A loan or other form of credit, and the provider shall not be considered a creditor or a
13 lender;

14 (c) Money transmission, and the provider shall not be considered a money transmitter;

15 (2) Fees, voluntary tips, gratuities, or other donations shall not be considered interest or
16 finance charges.

17 7. The director, or his or her duly authorized representative, may make such investigation as
18 is deemed necessary and, to the extent necessary for this purpose, may examine the registrant or any
19 other person having personal knowledge of the matters under investigation, and shall have the
20 power to compel the production of all relevant books, records, accounts, and documents by
21 registrants.

22 8. (1) An earned wage access services provider shall maintain records of its earned wage
23 access services transactions and shall preserve its records for at least two years after the final date on
24 which it provides proceeds to a consumer.

25 (2) Records required by this section may be maintained electronically.

26 9. The division may promulgate rules as may be necessary for the administration of this
27 section. Any rule or portion of a rule, as that term is defined in section 536.010, that is created
28 under the authority delegated in this section shall become effective only if it complies with and is
29 subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and
30 chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to
31 chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently
32 held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after
33 August 28, 2023, shall be invalid and void.

34 10. (1) Any provider registered pursuant to this section who fails, refuses, or neglects to
35 comply with the provisions of this section or commits any criminal act may have its registration
36 suspended or revoked by the director, after a hearing before the director on an order of the director
37 to show cause why such order of suspension or revocation should not be entered specifying the
38 grounds therefor, which shall be served on the registrant at least ten days prior to the hearing.

39 (2) Whenever it shall appear to the director that any provider registered pursuant to this

1 section is failing, refusing, or neglecting to make a good faith effort to comply with the provisions
 2 of this section, the director may issue an order to cease and desist, which order may be enforceable
 3 by a civil penalty of not more than one thousand dollars per day for each day that the neglect,
 4 failure, or refusal shall continue. The penalty shall be assessed and collected by the director. In
 5 determining the amount of the penalty, the director shall take into account the appropriateness of the
 6 penalty with respect to the gravity of the violation, the history of previous violations, and such other
 7 matters as justice may require.

8 11. All revenues collected by or paid to the director pursuant to this section shall be
 9 forwarded immediately to the director of revenue, who shall deposit them in the division of finance
 10 fund.

11 12. Any earned wage access services provider knowingly and willfully violating the
 12 provisions of this section shall be guilty of a class A misdemeanor.

13 13. If there is a conflict between the provisions of this section and any other state statute, the
 14 provisions of this section shall control.

15 436.550. Sections 436.550 to 436.572 shall be known and may be cited as the "Consumer
 16 Legal Funding Act".

17 436.552. As used in sections 436.550 to 436.572, the following terms mean:

18 (1) "Advertise", publishing or disseminating any written, electronic, or printed
 19 communication or any communication by means of recorded telephone messages or transmitted on
 20 radio, television, the internet, or similar communications media, including film strips, motion
 21 pictures, and videos, published, disseminated, circulated, or placed before the public, directly or
 22 indirectly, for the purpose of inducing a consumer to enter into a consumer legal funding contract;

23 (2) "Affiliate", as defined in section 515.505;

24 (3) "Charges", the amount of moneys to be paid to the consumer legal funding company by
 25 or on behalf of the consumer above the funded amount provided by or on behalf of the company to a
 26 consumer under sections 436.550 to 436.572. Charges include all administrative, origination,
 27 underwriting, or other fees, no matter how denominated;

28 (4) "Consumer", a natural person who has a legal claim and resides or is domiciled in
 29 Missouri;

30 (5) "Consumer legal funding company" or "company", a person or entity that enters into a
 31 consumer legal funding contract with a consumer for an amount less than five hundred thousand
 32 dollars. The term shall not include:

33 (a) An immediate family member of the consumer;

34 (b) A bank, lender, financing entity, or other special purpose entity:

35 a. That provides financing to a consumer legal funding company; or

36 b. To which a consumer legal funding company grants a security interest or transfers any
 37 rights or interest in a consumer legal funding; or

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

39 (6) "Consumer legal funding contract", a nonrecourse contractual transaction in which a

1 consumer legal funding company purchases and a consumer assigns to the company a contingent
 2 right to receive an amount of the potential proceeds of a settlement, judgment, award, or verdict
 3 obtained in the consumer's legal claim, so long as all of the following apply:

4 (a) The consumer, at their sole discretion, shall use the funds to address personal needs or
 5 household expenses;

6 (b) The consumer shall not use the funds to pay for attorneys' fees, legal filings, legal
 7 marketing, legal document preparation or drafting, appeals, expert testimony, or other litigation-
 8 related expenses;

9 (7) "Director", the director of the division of finance within the department of commerce
 10 and insurance;

11 (8) "Division", the division of finance within the department of commerce and insurance;

12 (9) "Funded amount", the amount of moneys provided to or on behalf of the consumer in the
 13 consumer legal funding contract. "Funded amount" shall not include charges;

14 (10) "Funding date", the date on which the funded amount is transferred to the consumer by
 15 the consumer legal funding company either by personal delivery, via wire, automated clearing house
 16 transfer, or other electronic means, or by insured, certified, or registered United States mail;

17 (11) "Immediate family member", a parent; sibling; child by blood, adoption, or marriage;
 18 spouse; grandparent; or grandchild;

19 (12) "Legal claim", a bona fide civil claim or cause of action;

20 (13) "Medical provider", any person or business providing medical services of any kind to a
 21 consumer including, but not limited to, physicians, nurse practitioners, hospitals, physical therapists,
 22 chiropractors, or radiologists as well as any of their employees or contractors or any practice groups,
 23 partnerships, or incorporations of the same;

24 (14) "Resolution date", the date the amount funded to the consumer, plus the agreed-upon
 25 charges, is delivered to the consumer legal funding company.

26 436.554. 1. All consumer legal funding contracts shall meet the following requirements:

27 (1) The contract shall be completely filled in when presented to the consumer for signature;

28 (2) The contract shall contain, in bold and boxed type, a right of rescission allowing the
 29 consumer to cancel the contract without penalty or further obligation if, within ten business days
 30 after the funding date, the consumer either:

31 (a) Returns the full amount of the disbursed funds to the consumer legal funding company
 32 by delivering the company's uncashed check to the company's office in person; or

33 (b) Mails a notice of cancellation by insured, certified, or registered United States mail to
 34 the address specified in the contract and includes a return of the full amount of disbursed funds in
 35 such mailing in the form of the company's uncashed check or a registered or certified check or
 36 money order;

37 (3) The contract shall contain the initials of the consumer on each page; and

38 (4) The contract shall require the consumer to give nonrevocable written direction to the
 39 consumer's attorney requiring the attorney to notify the consumer legal funding company when the

1 legal claim has been resolved. Once the consumer legal funding company confirms in writing the
2 amount due under the contract, the consumer's attorney shall pay, from the proceeds of the
3 resolution of the legal claim, the consumer legal funding company the amount due within ten
4 business days.

5 2. The consumer legal funding company shall provide the consumer's attorney with a
6 written notification of the consumer legal funding contract provided to the consumer within three
7 business days of the funding date by way of postal mail, courier service, facsimile, or other means of
8 proof of delivery method.

9 3. A consumer legal funding contract shall be entered into only if the contract involves an
10 existing legal claim in which the consumer is represented by an attorney.

11 436.556. No consumer legal funding company shall:

12 (1) Pay or offer to pay commissions, referral fees, or other forms of consideration to any
13 attorney, law firm, medical provider, chiropractor, or physical therapist or any of their employees for
14 referring a consumer to the company;

15 (2) Accept any commissions, referral fees, rebates, or other forms of consideration from an
16 attorney, law firm, medical provider, chiropractor, or physical therapist or any of their employees;

17 (3) Intentionally advertise materially false or misleading information regarding its products
18 or services;

19 (4) Refer, in furtherance of an initial legal funding, a customer or potential customer to a
20 specific attorney, law firm, medical provider, chiropractor, or physical therapist or any of their
21 employees. However, the company may refer the customer to a local or state bar association referral
22 service if a customer needs legal representation;

23 (5) Fail to promptly supply a copy of the executed contract to the consumer's attorney;

24 (6) Knowingly provide funding to a consumer who has previously assigned or sold a portion
25 of the right to proceeds from the consumer's legal claim unless the consumer legal funding company
26 pays or purchases the entire unsatisfied funded amount and contracted charges from the prior
27 consumer legal funding company or the two companies agree to a lesser amount in writing.

28 However, multiple companies may agree to contemporaneously provide funding to a consumer,
29 provided that the consumer and the consumer's attorney consent to the arrangement in writing;

30 (7) Receive any right to or make any decisions with respect to the conduct of the underlying
31 legal claim or any settlement or resolution thereof. The right to make such decisions shall remain
32 solely with the consumer and the attorney in the legal claim;

33 (8) Knowingly pay or offer to pay for court costs, filing fees, or attorney's fees either during
34 or after the resolution of the legal claim by using funds from the consumer legal funding contract.
35 The consumer legal funding contract shall include a provision advising the consumer that the
36 funding shall not be used for such costs or fees; or

37 (9) Sell a consumer litigation funding contract in whole or in part to a third party. However,
38 if the consumer legal funding company retains responsibility for collecting payment, administering,
39 and otherwise enforcing the consumer legal funding contract, the provisions of this subdivision shall

1 not apply to any of the following:

2 (a) An assignment to a wholly owned subsidiary of the consumer legal funding company;

3 (b) An assignment to an affiliate of the consumer legal funding company that is under
4 common control;

5 (c) The granting of a security interest under Article 9 of the Uniform Commercial Code, or
6 as otherwise permitted by law.

7 436.558. 1. The contracted amount to be paid to the consumer legal funding company shall
8 be set as a predetermined amount based upon intervals of time from the funding date to the
9 resolution date and shall not be determined as a percentage of the recovery from the legal claim.

10 2. No consumer legal funding contract shall be valid if its terms exceed a period of forty-
11 eight months. No consumer legal funding contract shall be automatically renewed.

12 436.560. All consumer legal funding contracts shall contain the disclosures specified in this
13 section, which shall constitute material terms of the contract. Unless otherwise specified, the
14 disclosures shall be typed in at least twelve-point bold-type font and be placed clearly and
15 conspicuously within the contract, as follows:

16 (1) On the front page under appropriate headings, language specifying:

17 (a) The funded amount to be paid to the consumer by the consumer legal funding company;

18 (b) An itemization of one-time charges;

19 (c) The total amount to be assigned by the consumer to the company, including the funded
20 amount and all charges; and

21 (d) A payment schedule to include the funded amount and charges, listing all dates and the
22 amount due at the end of each six-month period from the funding date until the date the maximum
23 amount due to the company by the consumer to satisfy the amount due pursuant to the contract;

24 (2) Within the body of the contract, in accordance with the provisions under subdivision (2)
25 of subsection 1 of section 436.554: "Consumer's Right to Cancellation: You may cancel this contract
26 without penalty or further obligation within ten business days after the funding date if you either:

27 (a) Return the full amount of the disbursed funds to the consumer legal funding company by
28 delivering the company's uncashed check to the company's office in person; or

29 (b) Mail a notice of cancellation by insured, certified, or registered United States mail to the
30 company at the address specified in the contract and include a return of the full amount of disbursed
31 funds in such mailing in the form of the company's uncashed check or a registered or certified check
32 or money order.";

33 (3) Within the body of the contract, a statement that the company has no influence over any
34 aspect of the consumer's legal claim or any settlement or resolution of the consumer's legal claim
35 and that all decisions related to the consumer's legal claim remain solely with the consumer and the
36 consumer's attorney;

37 (4) Within the body of the contract, in all capital letters and in at least twelve-point bold-
38 type font contained within a box: "THE FUNDED AMOUNT AND AGREED-UPON CHARGES
39 SHALL BE PAID ONLY FROM THE PROCEEDS OF YOUR LEGAL CLAIM AND SHALL BE

PAID ONLY TO THE EXTENT THAT THERE ARE AVAILABLE PROCEEDS FROM YOUR LEGAL CLAIM. IF THERE IS NO RECOVERY OF ANY DAMAGES FROM YOUR LEGAL CLAIM OR IF THERE IS NOT ENOUGH MONEY TO PAY BACK THE CONSUMER LEGAL FUNDING COMPANY IN FULL, YOU WILL NOT BE OBLIGATED TO PAY THE CONSUMER LEGAL FUNDING COMPANY ANYTHING IN EXCESS OF YOUR RECOVERY UNLESS YOU HAVE VIOLATED THIS CONTRACT. YOU WILL NOT OWE (INSERT NAME OF THE CONSUMER LEGAL FUNDING COMPANY) ANYTHING IF THERE ARE NO PROCEEDS FROM YOUR LEGAL CLAIM UNLESS YOU OR YOUR ATTORNEY HAVE VIOLATED ANY MATERIAL TERM OF THIS CONTRACT OR UNLESS YOU HAVE COMMITTED FRAUD AGAINST THE CONSUMER LEGAL FUNDING COMPANY."; and

(5) Located immediately above the place on the contract where the consumer's signature is required, in twelve-point font: "Do not sign this contract before you read it completely or if it contains any blank spaces. You are entitled to a completely filled-in copy of the contract. Before you sign this contract, you should obtain the advice of an attorney. Depending on the circumstances, you may want to consult a tax, public or private benefits 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.".

436.562. 1. Nothing in sections 436.550 to 436.572 shall be construed to restrict the exercise of powers or the performance of the duties of the state attorney general that he or she is authorized to exercise or perform by law.

2. If a court of competent jurisdiction determines that a consumer legal funding company has intentionally violated the provisions of sections 436.550 to 436.572 in a consumer legal funding contract, the consumer legal funding contract shall be voided.

436.564. 1. The contingent right to receive an amount of the potential proceeds of a legal claim is assignable.

2. Nothing contained in sections 436.550 to 436.572 shall be construed to cause any consumer legal funding contract conforming to sections 436.550 436.572 to be deemed a loan or to be subject to any of the provisions governing loans. A consumer legal funding contract that complies with sections 436.550 to 436.572 is not subject to any other statutory or regulatory provisions governing loans or investment contracts. To the extent that sections 436.550 to 436.572 conflict with any other law, such sections shall supersede the other law for the purposes of regulating consumer legal funding in this state.

3. Only attorney's liens related to the legal claim, Medicare, or other statutory liens related to the legal claim shall take priority over claims to proceeds from the consumer legal funding company. All other liens and claims shall take priority by normal operation of law.

4. No consumer legal funding company shall report a consumer to a credit reporting agency if insufficient funds remain from the net proceeds to repay the company.

436.566. An attorney or law firm retained by the consumer in the legal claim shall not have a financial interest in the consumer legal funding company offering consumer legal funding to that

1 consumer. Additionally, any practicing attorney who has referred the consumer to his or her
2 retained attorney shall not have a financial interest in the consumer legal funding company offering
3 consumer legal funding to that consumer.

4 436.568. No communication between the consumer's attorney in the legal claim and the
5 consumer legal funding company necessary to ascertain the status of a legal claim or a legal claim's
6 expected value shall be discoverable by a party with whom the claim is filed or against whom the
7 claim is asserted. This section does not limit, waive, or abrogate the scope or nature of any statutory
8 or common-law privilege, including the work-product doctrine and attorney-client privilege.

9 436.570. 1. A consumer legal funding company shall not engage in the business of
10 consumer legal funding in this state unless it has first obtained a license from the division of
11 finance.

12 2. A consumer legal funding company's initial or renewal license application shall be in
13 writing, made under oath, and on a form provided by the director.

14 3. Every consumer legal funding company, at the time of filing a license application, shall
15 pay the sum of five hundred fifty dollars for the period ending the thirtieth day of June next
16 following the date of payment; thereafter, a like fee shall be paid on or before June thirtieth of each
17 year and shall be credited to the division of finance fund established under section 361.170.

18 4. A consumer legal funding license shall not be issued unless the division of finance, upon
19 investigation, finds that the character and fitness of the applicant company, and of the officers and
20 directors thereof, are such as to warrant belief that the business shall operate honestly and fairly
21 within the purposes of sections 436.550 to 436.572.

22 5. Every applicant shall also, at the time of filing such application, file a bond satisfactory to
23 the division of finance in an amount not to exceed fifty thousand dollars. The bond shall provide
24 that the applicant shall faithfully conform to and abide by the provisions of sections 436.550 to
25 436.572, to all rules lawfully made by the director under sections 436.550 to 436.572, and the bond
26 shall act as a surety for any person or the state for any and all amount of moneys that may become
27 due or owing from the applicant under and by virtue of sections 436.550 to 436.572, which shall
28 include the result of any action that occurred while the bond was in place for the applicable period
29 of limitations under statute and so long as the bond is not exhausted by valid claims.

30 6. If an action is commenced on a licensee's bond, the director may require the filing of a
31 new bond. Immediately upon any recovery on the bond, the licensee shall file a new bond.

32 7. To ensure the effective supervision and enforcement of sections 436.550 to 436.572, the
33 director may, under chapter 536:

34 (1) Deny, suspend, revoke, condition, or decline to renew a license for a violation of
35 sections 436.550 to 436.572, rules issued under sections 436.550 to 436.572, or order or directive
36 entered under sections 436.550 to 436.572;

37 (2) Deny, suspend, revoke, condition, or decline to renew a license if an applicant or
38 licensee fails at any to time meet the requirements of sections 436.550 to 436.572, or withholds
39 information or makes a material misstatement in an application for a license or renewal of a license;

1 (3) Order restitution against persons subject to sections 436.550 to 436.572 for violations of
2 sections 436.550 to 436.572; and

3 (4) Order or direct such other affirmative action as the director deems necessary.

4 8. Any letter issued by the director and declaring grounds for denying or declining to grant
5 or renew a license may be appealed to the circuit court of Cole County. All other matters presenting
6 a contested case involving a licensee may be heard by the director under chapter 536.

7 9. Notwithstanding the prior approval requirement of subsection 1 of this section, a
8 consumer legal funding company that has applied with the division of finance between the effective
9 date of sections 436.550 to 436.572, or when the division of finance has made applications available
10 to the public, whichever is later, and six months thereafter may engage in consumer legal funding
11 while the license application of the company or an affiliate of the company is awaiting approval by
12 the division of finance and until such time as the applicant has pursued all appellate remedies and
13 procedures for any denial of such application. All funding contracts in effect prior to the effective
14 date of sections 436.550 to 436.572 are not subject to the terms of sections 436.550 to 436.572.

15 10. If it appears to the director that any consumer legal funding company is failing, refusing,
16 or neglecting to make a good faith effort to comply with the provisions of sections 436.550 to
17 436.572, or any laws or rules relating to consumer legal funding, the director may issue an order to
18 cease and desist, which may be enforceable by a civil penalty of not more than one thousand dollars
19 per day for each day that the neglect, failure, or refusal continues. The penalty shall be assessed and
20 collected by the director. In determining the amount of the penalty, the director shall take into
21 account the appropriateness of the penalty with respect to the gravity of the violation, any history of
22 previous violations, and any other matters justice may require.

23 11. If any consumer legal funding company fails, refuses, or neglects to comply with the
24 provisions of sections 436.550 to 436.572, or of any laws or rules relating to consumer legal
25 funding, its license may be suspended or revoked by order of the director after a hearing before said
26 director on any order to show cause why such order of suspension or revocation should not be
27 entered and that specifies the grounds therefor. Such an order shall be served on the particular
28 consumer legal funding company at least ten days prior to the hearing. Any order made and entered
29 by the director may be appealed to the circuit court of Cole County.

30 12. (1) The division shall conduct an examination of each consumer funding company at
31 least once every twenty-four months and at such other times as the director may determine.

32 (2) For any such investigation or examination, the director and his or her representatives
33 shall have free and immediate access to the place or places of business and the books and records,
34 and shall have the authority to place under oath all persons whose testimony may be required
35 relative to the affairs and business of the consumer legal funding company.

36 (3) The director may also make such special investigations or examination as the director
37 deems necessary to determine whether any consumer legal funding company has violated any of the
38 provisions of sections 436.550 to 436.572 or rules promulgated thereunder, and the director may
39 assess the reasonable costs of any investigation or examination incurred by the division to the

1 company.

2 13. The division of finance shall have the authority to promulgate rules to carry out the
3 provisions of sections 436.550 to 436.572. Any rule or portion of a rule, as that term is defined in
4 section 536.010, that is created under the authority delegated in this section shall become effective
5 only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable,
6 section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested
7 with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to
8 disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking
9 authority and any rule proposed or adopted after August 28, 2023, shall be invalid and void.

10 436.572. A consumer legal funding contract is a fact subject to the usual rules of
11 discovery."; and

12
13 Further amend said bill by amending the title, enacting clause, and intersectional references
14 accordingly.