

HOUSE AMENDMENT NO. _____
TO
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Offered By

1 AMEND House Amendment No. _____ to House Committee Substitute for Senate Committee
2 Substitute for Senate Bill No. 187, Page 6, Line 35, by inserting after all of said section and line the
3 following:

4
5 "Further amend said bill, Page 46, Section 361.715, Line 14, by inserting after all of said section and
6 line the following:

7
8 "361.749. 1. As used in this section, unless the context clearly indicates otherwise, the
9 following terms mean:

10 (1) "Commissioner", the commissioner of the division of finance;

11 (2) "Consumer", any individual;

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

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

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

24 (6) "Earned wage access services", the business of providing consumer-directed wage
25 access services, employer-integrated wage access services, or both;

26 (7) "Employer":

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

28 (b) Any other person who is contractually obligated to pay a consumer earned but unpaid
29 income in exchange for a consumer's provision of services to the employer or on behalf of the

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1 employer, including on an hourly, project-based, piecework, or other basis and including where the
2 consumer is acting as an independent contractor with respect to the employer.

3
4 "Employer" does not include a customer of an employer or any other person whose obligation to
5 make a payment of salary, wages, compensation, or other income to a consumer is not based on the
6 provision of services by that consumer for or on behalf of such person;

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

10 (9) "Fee":

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

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

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

17
18 A voluntary tip, gratuity, or donation shall not be deemed a fee;

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

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

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

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

27 2. (1) No person shall engage in the business of earned wage access services in this state
28 without first registering as an earned wage access services provider with the division.

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

32 (3) Registration shall be made on forms prepared by the commissioner and shall contain the
33 following information:

34 (a) Name, business address, and telephone number of the earned wage access services
35 provider;

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

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

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

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

4
5 If any material change occurs in the information contained in the registration form, a revised
6 statement shall be submitted to the commissioner.

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

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

12 3. This section shall not apply to:

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

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

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

19 4. Each provider shall:

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

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

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

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

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

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

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

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

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

38 (b) Reimburse the consumer for the full amount of any overdraft or nonsufficient funds fees
39 imposed on a consumer by the consumer's depository institution that were caused by the provider

1 attempting to seek payment of any outstanding proceeds, fees, voluntary tips, gratuities, or other
2 donations on a date before, or in an incorrect amount from, the date or amount disclosed to the
3 consumer.

4
5 The provisions of this subdivision shall not apply with respect to payments of outstanding proceeds,
6 fees, tips, gratuities, or other donations incurred by a consumer through fraudulent or other means;
7 and

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

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

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

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

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

20 5. A provider shall not:

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

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

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

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

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

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

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

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

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

38
39 The provisions of this subdivision shall not apply to payments of outstanding proceeds, fees, tips,

1 gratuities, or other donations incurred by a consumer through fraudulent or other means or preclude
2 a provider from pursuing an employer for breach of its contractual obligations to the provider.

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

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

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

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

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

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

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

18 8. (1) An earned wage access services provider shall maintain records of its earned wage
19 access services transactions and shall preserve its records for at least two years after the final date on
20 which it provides proceeds to a consumer.

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

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

30 10. (1) Any provider registered pursuant to this section who fails, refuses, or neglects to
31 comply with the provisions of this section or commits any criminal act may have its registration
32 suspended or revoked by the commissioner, after a hearing before the commissioner on an order of
33 the commissioner to show cause why such order of suspension or revocation should not be entered
34 specifying the grounds therefor, which shall be served on the registrant at least ten days prior to the
35 hearing.

36 (2) Whenever it shall appear to the commissioner that any provider registered pursuant to
37 this section is failing, refusing, or neglecting to make a good faith effort to comply with the
38 provisions of this section, the commissioner may issue an order to cease and desist, which order may
39 be enforceable by a civil penalty of not more than one thousand dollars per day for each day that the

1 neglect, failure, or refusal shall continue. The penalty shall be assessed and collected by the
 2 commissioner. In determining the amount of the penalty, the commissioner shall take into account
 3 the appropriateness of the penalty with respect to the gravity of the violation, the history of previous
 4 violations, and such other matters as justice may require.

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

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

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

12
 13 Further amend said amendment, Page 8, Line 23, by inserting after all of said line the following:

14
 15 "Further amend said bill, Page 58, Section 427.300, Line 214, by inserting after all of said section
 16 and line the following:

17
 18 "436.550. Sections 436.550 to 436.572 shall be known and may be cited as the "Consumer
 19 Legal Funding Act".

20 436.552. As used in sections 436.550 to 436.572, the following terms mean:

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

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

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

31 (4) "Commissioner", the commissioner of the division of finance within the department of
 32 commerce and insurance;

33 (5) "Consumer", a natural person who has a legal claim and resides or is domiciled in
 34 Missouri;

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

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

39 (b) A bank, lender, financing entity, or other special purpose entity;

- 1 a. That provides financing to a consumer legal funding company; or
2 b. To which a consumer legal funding company grants a security interest or transfers any
3 rights or interest in a consumer legal funding; or
4 (c) An attorney or accountant who provides services to a consumer;
5 (7) "Consumer legal funding contract", a nonrecourse contractual transaction in which a
6 consumer legal funding company purchases and a consumer assigns to the company a contingent
7 right to receive an amount of the potential proceeds of a settlement, judgment, award, or verdict
8 obtained in the consumer's legal claim, so long as all of the following apply:
9 (a) The consumer, at their sole discretion, shall use the funds to address personal needs or
10 household expenses;
11 (b) The consumer shall not use the funds to pay for attorneys' fees, legal filings, legal
12 marketing, legal document preparation or drafting, appeals, expert testimony, or other litigation-
13 related expenses;
14 (8) "Division", the division of finance within the department of commerce and insurance;
15 (9) "Funded amount", the amount of moneys provided to or on behalf of the consumer in the
16 consumer legal funding contract. "Funded amount" shall not include charges;
17 (10) "Funding date", the date on which the funded amount is transferred to the consumer by
18 the consumer legal funding company either by personal delivery, via wire, automated clearing house
19 transfer, or other electronic means, or by insured, certified, or registered United States mail;
20 (11) "Immediate family member", a parent; sibling; child by blood, adoption, or marriage;
21 spouse; grandparent; or grandchild;
22 (12) "Legal claim", a bona fide civil claim or cause of action;
23 (13) "Medical provider", any person or business providing medical services of any kind to a
24 consumer including, but not limited to, physicians, nurse practitioners, hospitals, physical therapists,
25 chiropractors, or radiologists as well as any of their employees or contractors or any practice groups,
26 partnerships, or incorporations of the same;
27 (14) "Resolution date", the date the amount funded to the consumer, plus the agreed-upon
28 charges, is delivered to the consumer legal funding company.
29 436.554. 1. All consumer legal funding contracts shall meet the following requirements:
30 (1) The contract shall be completely filled in when presented to the consumer for signature;
31 (2) The contract shall contain, in bold and boxed type, a right of rescission allowing the
32 consumer to cancel the contract without penalty or further obligation if, within ten business days
33 after the funding date, the consumer either:
34 (a) Returns the full amount of the disbursed funds to the consumer legal funding company
35 by delivering the company's uncashed check to the company's office in person; or
36 (b) Mails a notice of cancellation by insured, certified, or registered United States mail to
37 the address specified in the contract and includes a return of the full amount of disbursed funds in
38 such mailing in the form of the company's uncashed check or a registered or certified check or
39 money order;

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

2 (4) The contract shall require the consumer to give nonrevocable written direction to the
3 consumer's attorney requiring the attorney to notify the consumer legal funding company when the
4 legal claim has been resolved. Once the consumer legal funding company confirms in writing the
5 amount due under the contract, the consumer's attorney shall pay, from the proceeds of the
6 resolution of the legal claim, the consumer legal funding company the amount due within ten
7 business days.

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

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

14 436.556. No consumer legal funding company shall:

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

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

20 (3) Intentionally advertise materially false or misleading information regarding its products
21 or services;

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

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

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

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

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

36 (8) Knowingly pay or offer to pay for court costs, filing fees, or attorney's fees either during
37 or after the resolution of the legal claim by using funds from the consumer legal funding contract.

38 The consumer legal funding contract shall include a provision advising the consumer that the
39 funding shall not be used for such costs or fees; or

1 (9) Sell a consumer litigation funding contract in whole or in part to a third party. However,
2 if the consumer legal funding company retains responsibility for collecting payment, administering,
3 and otherwise enforcing the consumer legal funding contract, the provisions of this subdivision shall
4 not apply to any of the following:

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

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

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

10 436.558. 1. The contracted amount to be paid to the consumer legal funding company shall
11 be set as a predetermined amount based upon intervals of time from the funding date to the
12 resolution date and shall not be determined as a percentage of the recovery from the legal claim.

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

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

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

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

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

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

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

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

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

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

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

1 (4) Within the body of the contract, in all capital letters and in at least twelve-point bold-
 2 type font contained within a box: "THE FUNDED AMOUNT AND AGREED-UPON CHARGES
 3 SHALL BE PAID ONLY FROM THE PROCEEDS OF YOUR LEGAL CLAIM AND SHALL BE
 4 PAID ONLY TO THE EXTENT THAT THERE ARE AVAILABLE PROCEEDS FROM YOUR
 5 LEGAL CLAIM. IF THERE IS NO RECOVERY OF ANY DAMAGES FROM YOUR LEGAL
 6 CLAIM OR IF THERE IS NOT ENOUGH MONEY TO PAY BACK THE CONSUMER LEGAL
 7 FUNDING COMPANY IN FULL, YOU WILL NOT BE OBLIGATED TO PAY THE
 8 CONSUMER LEGAL FUNDING COMPANY ANYTHING IN EXCESS OF YOUR RECOVERY
 9 UNLESS YOU HAVE VIOLATED THIS CONTRACT. YOU WILL NOT OWE (INSERT NAME
 10 OF THE CONSUMER LEGAL FUNDING COMPANY) ANYTHING IF THERE ARE NO
 11 PROCEEDS FROM YOUR LEGAL CLAIM UNLESS YOU OR YOUR ATTORNEY HAVE
 12 VIOLATED ANY MATERIAL TERM OF THIS CONTRACT OR UNLESS YOU HAVE
 13 COMMITTED FRAUD AGAINST THE CONSUMER LEGAL FUNDING COMPANY."; and

14 (5) Located immediately above the place on the contract where the consumer's signature is
 15 required, in twelve-point font: "Do not sign this contract before you read it completely or if it
 16 contains any blank spaces. You are entitled to a completely filled-in copy of the contract. Before
 17 you sign this contract, you should obtain the advice of an attorney. Depending on the
 18 circumstances, you may want to consult a tax, public or private benefits planning, or financial
 19 professional. You acknowledge that your attorney in the legal claim has provided no tax, public or
 20 private benefit planning, or financial advice regarding this transaction.".

21 436.562. 1. Nothing in sections 436.550 to 436.572 shall be construed to restrict the
 22 exercise of powers or the performance of the duties of the state attorney general that he or she is
 23 authorized to exercise or perform by law.

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

27 436.564. 1. The contingent right to receive an amount of the potential proceeds of a legal
 28 claim is assignable.

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

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

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

3 436.566. An attorney or law firm retained by the consumer in the legal claim shall not have
4 a financial interest in the consumer legal funding company offering consumer legal funding to that
5 consumer. Additionally, any practicing attorney who has referred the consumer to his or her
6 retained attorney shall not have a financial interest in the consumer legal funding company offering
7 consumer legal funding to that consumer.

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

13 436.570. 1. A consumer legal funding company shall not engage in the business of
14 consumer legal funding in this state unless it has first obtained a license from the division of
15 finance.

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

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

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

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

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

36 7. To ensure the effective supervision and enforcement of sections 436.550 to 436.572, the
37 commissioner may, under chapter 536:

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

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

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

9 (4) Order or direct such other affirmative action as the commissioner deems necessary.

10 8. Any letter issued by the commissioner and declaring grounds for denying or declining to
 11 grant or renew a license may be appealed to the circuit court of Cole County. All other matters
 12 presenting a contested case involving a licensee may be heard by the commissioner under chapter
 13 536.

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

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

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

37 12. (1) The division shall conduct an examination of each consumer funding company at
 38 least once every twenty-four months and at such other times as the commissioner may determine.

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

5 (3) The commissioner may also make such special investigations or examination as the
6 commissioner deems necessary to determine whether any consumer legal funding company has
7 violated any of the provisions of sections 436.550 to 436.572 or rules promulgated thereunder, and
8 the commissioner may assess the reasonable costs of any investigation or examination incurred by
9 the division to the company.

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

18 436.572. A consumer legal funding contract is a fact subject to the usual rules of
19 discovery."; and"; and

20
21 Further amend said bill by amending the title, enacting clause, and intersectional references
22 accordingly.

23
24 THIS AMENDS 0845H03.05H.