



Capital City Office

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Wednesday, April 13, 2022

Honorable J.B. Pritzker
Governor of Illinois
Office of the Governor
207 State House
Springfield, IL 62706

Dear Governor J.B. Pritzker,

The Illinois Chamber opposes SB 1099 and respectfully urges an amendatory veto. Illinois' judicial climate is a frequent source of concern of the business community and this legislation only worsens that challenge. The Chamber is not opposed to third party litigation funding per se; rather, we seek basic protections found in the statutes of other nearby states.

This legislation is flawed in two ways:

- 1) The most egregious failing of the law is the lack of disclosure and discovery. Allowing the plaintiff this knowledge but not the defense creates asymmetrical knowledge of very material facts between the parties to the case. Disclosure creates fundamental fairness, equity, and transparency for all the litigants. Companies are learning, usually only after the fact, that use of TPLF dramatically changes the litigation paradigm – cases take longer to settle and are costlier. TPLF is not an uncle helping with some medical bills after an auto accident while the injured party waits for a settlement check. If involvement of a TPLF is known up-front, defendants can better manage cases, be it related to settlement terms, defense experts, or reserving funds. Disclosure is required in our neighboring state of Wisconsin.
- 2) The second problem with the bill is the interest rate. The rate is so high as to be both punitive to the consumer and prohibitive towards settlements. The language allows an interest rate of 18% to be charged in 6 month increments up to 7 times. That means a person that borrows \$10,000 could end up owing over \$12,600 in interest under this statutory framework. That's an interest rate of 126%. When a person owes this much to an unknown, but interested party to the litigation, they are unable to accept good faith settlement offers. This further bogs down our judicial system.

The Chamber asks that you veto or amendatory veto this legislation to remedy these two concerns.

A handwritten signature in black ink that reads "Todd C. Maisch". The signature is written in a cursive, flowing style.

Todd Maisch- President and CEO, Illinois Chamber of Commerce