

STATE OF NEVADA

STEVE SISOLAK  
*Governor*



TERRY REYNOLDS  
*Director*

SANDY O'LAUGHLIN  
*Commissioner*

DEPARTMENT OF BUSINESS AND INDUSTRY

**FINANCIAL INSTITUTIONS DIVISION**

**NOTICE OF INTENT TO ACT UPON A REGULATION  
AND HEARING AGENDA**

**Notice of Hearing for the Adoption of Regulations**

The Department of Business and Industry, Nevada Financial Institutions Division Chapter 604C of the Nevada Administrative Code- Consumer Litigation Funding Company.

The State of Nevada, Department of Business and Industry, Financial Institutions ("Division") will hold a public hearing on **December 9, 2020, at 1:00 p.m.** via Webex videoconference and teleconference. The purpose of the hearing is to receive comments from all interested persons regarding the adoption of permanent regulations that pertain to Chapter 604C of the Nevada Administrative Code ("NAC").

Date: December 9, 2020

Time: 1:00 p.m. – 3:00 p.m.

When it's time, join the Webex meeting by clicking on "Join meeting" link below:

[Join meeting](#)

Meeting number (access code): 146 439 0274

Meeting password: SB432HEARING

Or join by phone: 1-844-621-3956 United States Toll Free

Additional options to join:

Join from a video system or application

Dial 1464390274@businessnv2.webex.com

You can also dial 173.243.2.68 and enter your meeting number.

Join using Microsoft Lync or Microsoft Skype for Business

Dial 1464390274.businessnv2@lync.webex.com

Governor Steve Sisolak signed an emergency directive related to how public bodies in the state of Nevada must operate public meetings to ensure the safety of all Nevadans during the COVID-19 crisis. The directive suspends the requirement that there must be a physical location designated for meetings of a public body where members of the public are permitted to attend and participate in-person. Any public body that holds a meeting pursuant to this Executive Order must find an alternative way for the public to participate without having to be physically present. In addition, the directive states that if a public body holds a meeting by teleconference or videoconference, there must be a way for members of the public to provide public comment.

The purpose of this public hearing is to receive final comments from all interested persons regarding this permanent regulation and the adoption of Chapter 604C of the Nevada Administrative Code (“NAC”), LCB File No. R036-20, dated September 14, 2020.

The following information is provided pursuant to the requirements of the Nevada Revised Statutes (“NRS”) 233B.0603:

**LCB File No. R036-20**

A regulation relating to financial services; interpreting the term “promptly,” as used in existing law; authorizing a consumer to have more than one consumer litigation funding contract per legal claim; providing that only one document preparation fee be paid per legal claim, regardless of the number of consumer litigation funding contracts taken on the legal claim; requiring the consumer litigation funding company to forward certain notices received from the consumer to the attorney or law firm representing the consumer; requiring the attorney retained by the consumer and the consumer litigation funding company to sign certain acknowledgements; prohibiting a consumer litigation funding company from collecting proceeds from a consumer in certain situations; prohibiting consumer litigation funding companies from participating in false, misleading or deceptive advertising; setting forth the process for how a consumer litigation funding contract is approved by the Commissioner of Financial Institutions; authorizing a consumer litigation funding company to communicate through electronic mail with a consumer; requiring certain documents written in a language other than English to be translated into English; requiring a consumer litigation funding company with offices or other places of business within this State to make its books and records available to the Commissioner or his or her representative; establishing certain fees; requiring a licensee to prominently display his or her license at each location he or she conducts business; requiring the licensee to give notice to the Commissioner upon certain changes in management; requiring certain persons involved with a business entity that applies for a license to engage in the business of a consumer litigation funding company to satisfy certain requirements; prohibiting a person from engaging in the business of a consumer litigation funding company without a license; establishing the renewal, suspension, reinstatement and revocation process for a license; establishing the hourly fee paid by a licensee to the Commissioner for supervision, examinations and audits; establishing the assessment for costs related to audits and examinations; providing for the assessment to cover the costs of legal services provided by the Attorney General to the Commissioner and the Division of Financial Institutions of the Department of Business and Industry; requiring certain reports to satisfy certain requirements; providing that certain information is confidential; requiring a licensee to answer certain complaints within a certain period of time; requiring a licensee to notify certain persons that they have a right to file a written complaint with the Commissioner; authorizing the Commissioner to require a licensee to deliver an audited financial statement prepared by a certified public accountant in certain situations; and providing other matters properly relating thereto.

1. Need for and purpose of the proposed regulation

The regulation is required as a result of the passage of Senate Bill (“SB”) 432 during the 80<sup>th</sup> Session of the Nevada Legislature. Existing law governs transactions in which a person provides not more than \$500,000 to a consumer with a pending legal claim in this State in exchange for the right to receive a portion of the proceeds of a settlement, judgment, award or verdict obtained as a result of the legal claim of the consumer and designates this type of transaction a consumer litigation funding transaction. Existing law authorizes the Commissioner of Financial Institutions to adopt regulations for the administration and enforcement of existing law.

This regulation is needed for the Division to administer, carry out and enforce the provisions of S.B.432, which is now codified NRS 604C. It will provide consumer protection for Nevadans seeking litigation funding and fair and consistent rules for licensees in providing such a transaction.

2. Description of proposed regulation and the manner in which approved or revised text of the proposed regulation prepared by the Legislative Counsel Bureau (“LCB”) may be obtained Authority: SB 432-NRS 604C.

The regulation proposed for adoption is stated in the attached Proposed Regulation of the Commissioner of the Financial Institutions Division, LCB File No. R036-20. The proposed regulation includes measures to implement the requirements of SB 432 to administer, carry out and enforce the provisions of SB 432. This includes:

- Defining “promptly” for the purposes of this chapter;
- Sets forth certain requirements for a licensee relating to business practices involving consumer litigation funding contracts;
- Sets forth certain funding and fee limits of a transaction;
- Sets forth certain requirements for a licensee to notify the consumer’s attorney or law firm;
- Establishes fees charged by the Division for licensing and regulation;
- Establishes due dates for license renewals and certain assessments and reporting;
- Sets forth the requirements to approval an application for licensure;
- Requires certain changes made by a licensee to notify and receive prior approval from the Division; and
- Other matters properly related thereto.

Access to the approved or revised text of the proposed regulation prepared by the LCB pursuant to NRS 233B.063 may be obtained by visiting the website of the Nevada Legislature at <http://www.leg.state.nv.us>, hovering over the term “Law Library,” hovering over the term “Nevada Register,” clicking upon the term “Browse,” and then clicking upon the term “Numerical Index” appearing under the category “2020 Regulations.” Access may then be obtained by scrolling down the list of LCB File Numbers to seek “R036-20” or by performing a search function specifying LCB File Number “R036-20” and clicking upon the item(s).

3. Statement of estimated economic effect of the proposed regulation on the business of financial product or service providers and upon the public

The estimated economic effect of the proposed regulation on the business which it is to regulate:

- a. Adverse effect:
  - i. Immediate effect- The consumer litigation funding community did not provide adverse comments regarding the fees and costs, imposed by the Division, associated with doing business as a licensed consumer litigation funding company.
  - ii. Long-term effect- The Division understands consumer litigation funding small businesses may have financial burdens such as surety bond premiums, payroll, rent, and other costs to do business, as well as fees imposed by the Division. The legislation passed the maximum fee amounts and gives the Division discretion to set the fee amounts. Through internal analysis, the Division has determined the minimum fee amounts to cover the basic costs for the Division to implement and carry out the legislation. The Division set the fees at a reasonable amount in line with other entities the Division regulates.
- b. Beneficial effect:
  - i. Immediate effect- The Division has determined the most prominent positive direct effect from the passage of S.B. 432 will be the ability to ensure consistency in the consumer litigation funding community as well as reduce any potential harm to the public. Another positive attribute is any concerned party will be able to call the Division and verify the license is current and file a complaint if necessary.
  - ii. Long-term effect- Will ensure consistency in the consumer litigation funding community as well as reduce any potential harm to the public. Another positive attribute is any concerned party will be able to call the Division and verify the license is current and file a complaint if necessary. It will provide consumer protection for Nevadans seeking litigation funding and fair and consistent rules for licensees in providing such a transaction.

The Division has determined that the proposed regulation does not have an adverse economic impact on small business.

4. Statement identifying the methodology used by the Division in determining the impact of the proposed regulation upon a small business

The Division reviewed the proposed regulation and preliminarily determined that it will not impose a direct and significant economic burden upon a small business, or directly restrict the formation, operation or expansion of a small business, because the proposed regulation does not require additional expense for the licensee to operate the database.

The Division vetted this preliminary determination by soliciting comments on the issue as part of the small business impact questionnaire and of its notice of workshop for the proposed regulation and in its e-mail notification to current licensees under NRS Chapter 675 and the Division's regulatory action contact list. Additionally, the notice of workshop and small business impact statement was posted on the Division's website, the State's official website, the Nevada Legislature's website and at the public locations of the Division's offices in Las Vegas and Reno, and all other public locations required by NRS 233B. Following the conducted workshop and consideration of the comments received during the workshop and comments from twenty-five entities who responded to the small business impact questionnaire, the Commissioner concluded that the proposed regulation does not

impose a significant and direct burden upon a small business or restrict the formation, operation, or expansion of a small business.

5. The estimated cost to the agency for enforcement of the proposed regulation

The Division anticipates the cost of enforcement of the proposed regulation to be absorbed into the workloads of existing staff and should be covered by the proposed fees to be collected by the Division. The Division does not anticipate the need for any additional funding or a budget increase.

6. Overlap or duplication with other state, local governmental or federal agencies

To our knowledge, the proposed regulation does not duplicate any existing federal, state, or local standards regulating the same activity.

7. Existence of federal law requirement for proposed regulation or whether proposed regulation includes more stringent provisions than required by federal regulation governing same activity

To our knowledge, there is not a federal law for the proposed regulation governing the same activity.

8. Establishment of new fee or increase to existing fee

The proposed regulation provides new fees established by the passage of the legislation and the total amount the Division expects to collect based on the number of companies that communicated with the Division (approximately 15 entities):

1) The 1st Year → \$30,000 (Based on the application fee of \$1,000 and initial licensing fee of \$1,000 for 15 entities).

2) The 2nd Year → \$37,500 (Based on Yearly Renewal Fee of \$1,000 and Hourly examination Fee of \$75 with the average exam projected to take approximately 20 hours to complete). It is also expected that the following yearly exams will not take 20 hours to complete thus lowering this cost in future years.

In addition, the proposed regulation requires for the Division to assess licensees for the Certified Public Accountant (“CPA”) costs that is employed by the Division and for costs relating to legal services provided by the Nevada Attorney General’s (“AG”) office. Both the CPA and AG are assessed evenly among all the Division’s licensees and is only assessed an amount to cover the costs. This amount changes from year-to-year. The CPA assessment will not exceed \$300.

## COMMENTS AND WRITTEN SUBMISSIONS

Persons wishing to comment upon the proposed action of the Financial Institutions Division may appear at the scheduled public hearing or may address their comments, data, views, or arguments, in written form, to the Financial Institutions Division at [fidmaster@fid.state.nv.us](mailto:fidmaster@fid.state.nv.us) or at 3300 West Sahara Avenue, Suite 250, Las Vegas, Nevada, 89102. Written submissions must be received by the Division on or before **November 17, 2020**. If no person who is directly affected by the proposed action appears to request time to make an oral presentation, the Financial Institutions Division may proceed immediately to act upon any written submissions.

## COPIES OF PROPOSED REGULATION

A copy of this notice and the proposed regulation to be adopted will be on file at the Nevada State Library & Archives, 100 N. Stewart Street, Carson City, Nevada, 89701, for inspection by members of the public during business hours. Additional copies of the notice and the proposed regulation to be adopted will be available at the Division's website at [www.fid.nv.gov](http://www.fid.nv.gov) and at the Division's offices at:

Southern Nevada  
Financial Institutions Division  
3300 West Sahara Avenue, Suite 250  
Las Vegas, NV 89102

Northern Nevada  
Financial Institutions Division  
1755 East Plumb Lane, Suite 243  
Reno, NV 89502

It will also be made available in all counties in which an office of the agency is not maintained, at the main public library, for inspection and copying by members of the public during business hours. This notice and the text of the proposed regulation are also available in the State of Nevada Register of Administrative Regulations, which is prepared and published monthly by the Legislative Counsel Bureau pursuant to NRS 233B.0653, and on the Internet at <http://www.leg.state.nv.us>. Copies of this notice and the proposed regulation will also be mailed to members of the public upon request. A reasonable fee may be charged for copying.

Note that NRS 233B.064(2) provides as follows:

Upon adoption of any regulation, the agency, if requested to do so by an interested person, either before adoption or within 30 days thereafter, shall issue a concise statement of the principal reasons for and against its adoption, and incorporate therein its reason for overruling the consideration urged against its adoption.

This Hearing Notice has been sent to all interested persons on the Division's mailing list for administrative regulations and posted at the following locations:

Attn: Public Posting  
Legislative Building  
401 South Carson Street  
Carson City, Nevada 89701

Nevada State Business Center  
3300 W. Sahara Avenue  
Las Vegas, Nevada 89102

Attn: Public Posting  
Blasdel Building  
209 East Musser Street  
Carson City, Nevada 89701

Attn: Public Posting  
Nevada Dept. of Business & Industry  
1830 College Parkway, Suite 100  
Carson City, Nevada 89706

Attn: Public Posting  
Capital Building, Main Floor  
101 North Carson Street  
Carson City, Nevada 89701

Attn: Public Posting  
Grant Sawyer Building  
555 E. Washington Avenue  
Las Vegas, Nevada 89101

Attn: Public Posting  
Nevada State Library & Archives  
100 North Stewart Street  
Carson City, Nevada 89701

Attn: Public Posting  
Nevada DETR  
2800 E. St. Louis Avenue  
Las Vegas, Nevada 89104

Attn: Public Posting

Attn: Public Posting  
Douglas County Public Library

Churchill County Library  
553 S. Maine Street  
Fallon, Nevada 89406

Attn: Public Posting  
Las Vegas – Clark County Library  
7060 W. Windmill Lane  
Las Vegas, Nevada 89113

Attn: Public Posting  
Elko County Library  
720 Court Street  
Elko, Nevada 89801

Attn: Public Posting  
Goldfield Public Library  
Corner of Crook Ave. & Fourth St  
P.O. Box 430  
Goldfield, Nevada 89013

Attn: Public Posting  
Goldfield Public Library  
Corner of Crook Ave. & Fourth St  
P.O. Box 430  
Goldfield, Nevada 89013

Attn: Public Posting  
Eureka Branch Library  
80 S. Monroe Street  
P.O. Box 293  
Eureka, Nevada 89316

Attn: Public Posting  
Humboldt County Library  
85 East 5th Street  
Winnemucca, Nevada 89445

Attn: Public Posting  
Lincoln County Library  
63 Main Street  
P.O. Box 330  
Pioche, Nevada 89043

Attn: Public Posting  
Lyon County Library  
20 Nevin Way  
Yerington, Nevada 89447

Attn: Public Posting  
Pershing County Library  
1125 Central Avenue  
P.O. BOX 781  
Lovelock, Nevada 89419

1625 Library Lane  
P.O. BOX 337  
Minden, Nevada 89423

Attn: Public Posting  
Tonopah Public Library  
167 S. Central Street  
P.O. Box 449  
Tonopah, Nevada 89049

Attn: Public Posting  
Storey County Clerk  
26 S. B Street, Drawer D

Attn: Public Posting  
Downtown Reno Library/Washoe County  
301 S. Center Street  
P.O. Box 2151  
Reno, Nevada 89501 Virginia City, Nevada 89440

Attn: Public Posting  
White Pine County Library  
950 Campton St.  
Ely, Nevada 89301

Attn: Public Posting  
Lander County  
625 South Broad Street  
P.O. Box 141  
Battle Mountain, Nevada 89820

Attn: Public Posting  
Carson City Library  
900 N. Roop Street  
Carson City, Nevada 89701

Attn: Public Posting  
Mineral County Public Library  
110 1st Street  
Hawthorne, Nevada 89415

Nevada Public Notice website:  
[www.notice.nv.gov](http://www.notice.nv.gov)

Nevada Legislature website:  
[www.leg.state.nv.us/App/Notice/A/](http://www.leg.state.nv.us/App/Notice/A/)

**NOTICE OF PUBLIC MEETING  
TO CONDUCT A HEARING FOR ADOPTION  
OF REGULATIONS OF THE COMMISSIONER OF THE FINANCIAL  
INSTITUTIONS DIVISION  
LCB FILE No. R036-20  
AND  
MEETING AGENDA**

The State of Nevada, Financial Institutions Division (“Division”), 3300 W. Sahara Avenue, Suite 250, Las Vegas, Nevada 89102, (702) 486-4120 is proposing the adoption of regulations to Chapter 604C of the Nevada Administrative Code (“NAC”). The proposed regulations are required as a result of the passage of Senate Bill 432 (S.B.432) during the 80th Session of the Nevada Legislature adjourned sine die on June 3, 2019. A public meeting on this matter has been set for **1:00 p.m. on December 9, 2020**, via Webex videoconference and teleconference:

Date: December 9, 2020

Time: 1:00 p.m. – 3:00 p.m.

When it’s time, join the Webex meeting by clicking on “Join meeting” link below:

[Join meeting](#)

Meeting number (access code): 146 439 0274

Meeting password: SB432HEARING

Or join by phone: 1-844-621-3956 United States Toll Free

Additional options to join:

Join from a video system or application

Dial 1464390274@businessnv2.webex.com

You can also dial 173.243.2.68 and enter your meeting number.

Join using Microsoft Lync or Microsoft Skype for Business

Dial 1464390274.businessnv2@lync.webex.com

The purpose of the meeting is to conduct a hearing of all interested persons regarding the following proposed regulation and for the Division to take possible action on the regulation’s adoption. Please submit any written comments no later than **November 17, 2020**.



**LCB File No. R036-20.**  
**NRS 604C Consumer Litigation Funding Company**

A regulation relating to financial services; interpreting the term “promptly,” as used in existing law; authorizing a consumer to have more than one consumer litigation funding contract per legal claim; providing that only one document preparation fee be paid per legal claim, regardless of the number of consumer litigation funding contracts taken on the legal claim; requiring the consumer litigation funding company to forward certain notices received from the consumer to the attorney or law firm representing the consumer; requiring the attorney retained by the consumer and the consumer litigation funding company to sign certain acknowledgements; prohibiting a consumer litigation funding company from collecting proceeds from a consumer in certain situations; prohibiting consumer litigation funding companies from participating in false, misleading or deceptive advertising; setting forth the process for how a consumer litigation funding contract is approved by the Commissioner of Financial Institutions; authorizing a consumer litigation funding company to communicate through electronic mail with a consumer; requiring certain documents written in a language other than English to be translated into English; requiring a consumer litigation funding company with offices or other places of business within this State to make its books and records available to the Commissioner or his or her representative; establishing certain fees; requiring a licensee to prominently display his or her license at each location he or she conducts business; requiring the licensee to give notice to the Commissioner upon certain changes in management; requiring certain persons involved with a business entity that applies for a license to engage in the business of a consumer litigation funding company to satisfy certain requirements; prohibiting a person from engaging in the business of a consumer litigation funding company without a license; establishing the renewal, suspension, reinstatement and revocation process for a license; establishing the hourly fee paid by a licensee to the Commissioner for supervision, examinations and audits; establishing the assessment for costs related to audits and examinations; providing for the assessment to cover the costs of legal services provided by the Attorney General to the Commissioner and the Division of Financial Institutions of the Department of Business and Industry; requiring certain reports to satisfy certain requirements; providing that certain information is confidential; requiring a licensee to answer certain complaints within a certain period of time; requiring a licensee to notify certain persons that they have a right to file a written complaint with the Commissioner; authorizing the Commissioner to require a licensee to deliver an audited financial statement prepared by a certified public accountant in certain situations; and providing other matters properly relating thereto.

A copy of all materials relating to the proposal(s) may be obtained at the meeting or by visiting the Division's Internet Web site at <http://fid.nv.gov/> or by contacting the Division, 3300 W. Sahara Avenue, Suite 250, Las Vegas, Nevada 89102, (702) 486-4120. A reasonable fee for copying may be charged. Members of the public who would like additional information about the proposed regulation may contact Mary Young, Deputy Commissioner, at (702) 486-4120, or via e-mail to [fidmaster@fid.state.nv.us](mailto:fidmaster@fid.state.nv.us)

Notice of the meeting was provided via electronic means to all persons on the e-mail lists for noticing of administrative regulations maintained by the Division and licensees this regulation affects. This *Notice of Public Meeting* was posted to the agency's Internet Web site at [http://fid.nv.gov/Opinion/Proposed\\_Regulations/](http://fid.nv.gov/Opinion/Proposed_Regulations/), the Nevada Legislature's Internet Web site at <http://www.leg.state.nv.us>, and at the following locations:

Southern Nevada  
Financial Institutions Division  
3300 West Sahara Avenue, Suite 250  
Las Vegas, NV 89102

Attn: Public Posting  
Legislative Building  
401 South Carson Street  
Carson City, Nevada 89701

Attn: Public Posting  
Blasdel Building  
209 East Musser Street  
Carson City, Nevada 89701

Attn: Public Posting  
Capital Building, Main Floor  
101 North Carson Street  
Carson City, Nevada 89701

Attn: Public Posting  
Nevada State Library & Archives  
100 North Stewart Street  
Carson City, Nevada 89701

Attn: Public Posting  
Churchill County Library  
553 S. Maine Street  
Fallon, Nevada 89406

Attn: Public Posting  
Las Vegas – Clark County Library  
7060 W. Windmill Lane  
Las Vegas, Nevada 89113

Attn: Public Posting  
Elko County Library  
720 Court Street  
Elko, Nevada 89801

Attn: Public Posting  
Goldfield Public Library  
Corner of Crook Ave. & Fourth St  
P.O. Box 430  
Goldfield, Nevada 89013

Northern Nevada  
Financial Institutions Division  
1755 East Plumb Lane, Suite 243  
Reno, NV 89502

Nevada State Business Center  
3300 W. Sahara Avenue  
Las Vegas, Nevada 89102

Attn: Public Posting  
Nevada Dept. of Business & Industry  
1830 College Parkway, Suite 100  
Carson City, Nevada 89706

Attn: Public Posting  
Grant Sawyer Building  
555 E. Washington Avenue  
Las Vegas, Nevada 89101

Attn: Public Posting  
Nevada DETR  
2800 E. St. Louis Avenue  
Las Vegas, Nevada 89104

Attn: Public Posting  
Churchill County Library  
553 S. Maine Street  
Fallon, Nevada 89406

Attn: Public Posting  
Douglas County Public Library  
1625 Library Lane  
P.O. BOX 337  
Minden, Nevada 89423

Attn: Public Posting  
Tonopah Public Library  
167 S. Central Street  
P.O. Box 449  
Tonopah, Nevada 89049

Attn: Public Posting  
Storey County Clerk  
26 S. B Street, Drawer D  
Virginia City, Nevada 89440

Attn: Public Posting  
Goldfield Public Library  
Corner of Crook Ave. & Fourth St  
P.O. Box 430  
Goldfield, Nevada 89013

Attn: Public Posting  
Eureka Branch Library  
80 S. Monroe Street  
P.O. Box 293  
Eureka, Nevada 89316

Attn: Public Posting  
Humboldt County Library  
85 East 5th Street  
Winnemucca, Nevada 89445

Attn: Public Posting  
Lincoln County Library  
63 Main Street  
P.O. Box 330  
Pioche, Nevada 89043

Attn: Public Posting  
Lyon County Library  
20 Nevin Way  
Yerington, Nevada 89447

Attn: Public Posting  
Pershing County Library  
1125 Central Avenue  
P.O. BOX 781  
Lovelock, Nevada 89419

Attn: Public Posting  
Downtown Reno Library/Washoe County  
301 S. Center Street  
P.O. Box 2151  
Reno, Nevada 89501

Attn: Public Posting  
White Pine County Library  
950 Campton St.  
Ely, Nevada 89301

Attn: Public Posting  
Lander County  
625 South Broad Street  
P.O. Box 141  
Battle Mountain, Nevada 89820

Attn: Public Posting  
Carson City Library  
900 N. Roop Street  
Carson City, Nevada 89701

Attn: Public Posting  
Mineral County Public Library  
110 1st Street  
Hawthorne, Nevada 89415

Nevada Public Notice website:  
[www.notice.nv.gov](http://www.notice.nv.gov)

Nevada Legislature website:  
[www.leg.state.nv.us/App/Notice/A/](http://www.leg.state.nv.us/App/Notice/A/)

## **HEARING AGENDA**

The State of Nevada, Department of Business and Industry, Financial Institutions  
Division

**December 9, 2020 • 1:00 p.m.**

Governor Steve Sisolak signed an emergency directive related to how public bodies in the state of Nevada must operate public meetings to ensure the safety of all Nevadans during the COVID-19 crisis. The directive suspends the requirement that there must be a physical location designated for meetings of a public body where members of the public are permitted to attend and participate in-person. Any public body that holds a meeting pursuant to this Executive Order must find an alternative way for the public to participate without having to be physically present. In addition, the directive states that if a public body holds a meeting by teleconference or videoconference, there must be a way for members of the public to provide public comment.

The purpose of this public hearing is to receive final comments from all interested persons regarding this permanent regulation and the adoption of Chapter 604C of the Nevada Administrative Code (“NAC”), LCB File No. R036-20, dated September 14, 2020.

1. Open Hearing: R036-20.
2. Public comment.
3. Presentation and Discussion of Proposed Regulation. (For Possible Action)

LCB File No. R036-20  
NRS 604C Consumer Litigation Funding Company

4. Adoption of Proposed Regulation R036-20 (For Possible Action)
5. Public Comment.
6. Close Hearing: R036-20. (Adjournment)

Supporting public material for this workshop may be requested from Mary Young, Deputy Commissioner, Financial Institutions Division, 3300 W. Sahara Avenue, Suite 250, Las Vegas, Nevada 89102, (702) 486-4120 or [fidmaster@fid.state.nv.us](mailto:fidmaster@fid.state.nv.us)

Note: Any agenda item may be taken out of order; items may be combined for consideration by the public body; items may be pulled or removed from the agenda at any time; and, discussion relating to an item may be delayed or continued at any time. The Hearing Officer, within his/her discretion, may allow for public comment on individual agenda items. Public comment may be limited to three minutes per speaker. Members of the public are encouraged to submit written comments for the record.

**PROPOSED REGULATION OF THE  
COMMISSIONER OF FINANCIAL INSTITUTIONS**

**LCB File No. R036-20**

September 14, 2020

EXPLANATION – Matter in *italics* is new; matter in brackets ~~omitted material~~ is material to be omitted.

AUTHORITY: §§1-11, 13-16 and 21-25, NRS 604C.200; §§12 and 17, NRS 604C.200 and 604C.540; §18, NRS 604C.200, 604C.610, 604C.630 and 658.101; §19, NRS 604C.200 and 604C.620; §20, NRS 604C.200 and 658.098.

A REGULATION relating to financial services; interpreting the term “promptly,” as used in existing law; authorizing a consumer to have more than one consumer litigation funding contract per legal claim; providing that only one document preparation fee be paid per legal claim, regardless of the number of consumer litigation funding contracts taken on the legal claim; requiring the consumer litigation funding company to forward certain notices received from the consumer to the attorney or law firm representing the consumer; requiring the attorney retained by the consumer and the consumer litigation funding company to sign certain acknowledgements; prohibiting a consumer litigation funding company from collecting proceeds from a consumer in certain situations; prohibiting consumer litigation funding companies from participating in false, misleading or deceptive advertising; setting forth the process for how a consumer litigation funding contract is approved by the Commissioner of Financial Institutions; authorizing a consumer litigation funding company to communicate through electronic mail with a consumer; requiring certain documents written in a language other than English to be translated into English; requiring a consumer litigation funding company with offices or other places of business within this State to make its books and records available to the Commissioner or his or her representative; establishing certain fees; requiring a licensee to prominently display his or her license at each location he or she conducts business; requiring the licensee to give notice to the Commissioner upon certain changes in management; requiring certain persons involved with a business entity that applies for a license to engage in the business of a consumer litigation funding company to satisfy certain requirements; prohibiting a person from engaging in the business of a consumer litigation funding company without a license; establishing the renewal, suspension, reinstatement and revocation process for a license; establishing the hourly fee paid by a licensee to the Commissioner for supervision, examinations and audits; establishing the assessment for costs related to audits and examinations; providing for the assessment to cover the costs of legal services provided by the Attorney General to the Commissioner and the Division of Financial Institutions of the Department of Business and Industry; requiring certain reports to satisfy certain requirements; providing that certain information is confidential; requiring a licensee to

answer certain complaints within a certain period of time; requiring a licensee to notify certain persons that they have a right to file a written complaint with the Commissioner; authorizing the Commissioner to require a licensee to deliver an audited financial statement prepared by a certified public accountant in certain situations; and providing other matters properly relating thereto.

**Legislative Counsel's Digest:**

Existing law: (1) governs transactions in which a person provides not more than \$500,000 to a consumer with a pending legal claim in this State in exchange for the right to receive a portion of the proceeds of a settlement, judgment, award or verdict obtained as a result of the legal claim of the consumer; and (2) designates this type of transaction a "consumer litigation funding transaction" (Chapter 604C of NRS, NRS 604C.100) Existing law authorizes the Commissioner of Financial Institutions to adopt regulations for the administration and enforcement of existing law. (NRS 604C.200).

**Sections 2-10** of this regulation relate to business practices involving consumer litigation funding contracts. Existing law requires a consumer litigation funding contract to contain certain disclosures, which are material terms of the contract, including a disclosure within the body of the contract which says "a copy of the executed contract must be promptly delivered to the attorney for the consumer." (NRS 604C.360) If a consumer cancels a consumer litigation funding contract, existing law requires the consumer litigation funding company to promptly forward notice of the cancellation to the attorney or law firm retained by the consumer in the legal claim of the consumer. (NRS 604C.380) **Section 2** of this regulation interprets "promptly" to mean that the action must occur within 1 business day.

Existing law defines "consumer litigation funding transaction" to mean a nonrecourse transaction in which a consumer litigation funding company provides up to \$500,000 of consumer litigation funding to a consumer. (NRS 604C.100) **Section 3** of this regulation authorizes a consumer to seek more than one consumer litigation funding contract per legal claim with the total amount of consumer litigation funding provided to a consumer not exceeding \$500,000. Existing law defines "document preparation fee" to mean a one-time fee per legal claim, not to exceed \$500, assessed for services related to the preparation of a consumer litigation funding contract. (NRS 604C.110) **Section 3** provides that a consumer may pay only one document preparation fee per legal claim, regardless of the number of consumer litigation funding contracts taken on the legal claim.

Existing law requires a consumer to notify the consumer litigation funding company if the consumer decides to cancel the consumer litigation funding contract within a certain period of time. (NRS 604C.350, 604C.360) Existing law additionally requires a consumer and the attorney of the consumer to notify the consumer litigation funding company of the outcome of the legal claim. (NRS 604C.360) **Section 4** of this regulation requires the consumer litigation funding company to notify the attorney or law firm who represents the consumer that the notices were received.

Existing law requires a consumer litigation funding contract to include an acknowledgement, signed by the consumer, that the consumer was fully informed and

aware of the charges and fees and the full cost of the consumer litigation funding transaction at the time the contract was executed. (NRS 604C.370) **Section 5** of this regulation requires the attorney retained by the consumer and the litigation funding company to also sign the acknowledgement.

Existing law requires a consumer litigation funding contract to provide a disclosure that the funded amount and agreed upon charges shall be paid only from the proceeds of the legal claim and shall be paid only to the extent that there are available proceeds from the legal claim. Existing law provides that a consumer will not owe anything to the consumer litigation funding company if there are no proceeds. (NRS 604C.360) Accordingly, **section 6** of this regulation prohibits a consumer litigation funding company from collecting: (1) anything if there are no proceeds from the legal claim; and (2) any amount above available proceeds from the legal claim.

Existing law prohibits a consumer litigation funding company from intentionally advertising materially false or misleading information regarding the products or services it offers. (NRS 604C.300) **Section 7** of this regulation clarifies that materially false or misleading information includes false or deceptive statements, results or testimonials. **Section 7** additionally prohibits advertising that: (1) may tend to confuse the identity of the company with another consumer litigation funding company; or (2) states or implies that the amount owed on an existing consumer litigation funding contract will be paid off or reduced if transferred. **Section 7** further provides that the Commissioner may require all consumer litigation funding companies to submit proposed advertising for approval before dissemination.

Existing law prohibits a consumer litigation funding company from using any form of consumer litigation funding contract in this State unless the contract has been filed with the Commissioner as prescribed by the Commissioner. (NRS 604C.300) **Section 8** of this regulation sets forth: (1) when a consumer litigation funding company is required to submit a consumer litigation funding contract to the Commissioner for his or her approval; (2) the requirements with which the contract must comply; and (3) when the contract is deemed approved by the Commissioner.

Existing law requires a consumer litigation funding contract to contain a provision advising the consumer of his or her right to cancel the contract. To cancel a contract, the consumer may mail a notice of cancellation to the consumer litigation funding company. (NRS 604C.350, 604C.360) **Section 9** of this regulation provides that, except for when the consumer is mailing such a notice of cancellation, the consumer litigation funding company may communicate through electronic mail with the consumer once the consumer litigation funding contract is entered into if the consumer consents in writing.

**Section 10** of this regulation requires a licensee who uses a form or consumer litigation funding contract written in a language other than English to have the document translated into English and to maintain a copy of the document and its English translation. **Section 10** sets forth the qualifications that must be met when translating the document.

**Sections 11-25** of this regulation relate to the licensing of consumer litigation funding companies.

Existing law requires each consumer litigation funding company that operates an office or other place of business outside of this State which is licensed pursuant to existing law to make available the books, accounts, papers, records and files of the office or place of business to the Commissioner or a representative of the Commissioner. (NRS 604C.600) **Section 11** of this regulation establishes a similar requirement for consumer litigation funding companies that operate offices or other places of businesses within this State.

Existing law requires the Commissioner to consider an application for a license to engage in the business of a consumer litigation funding company to be withdrawn if the Commissioner does not receive all the required information and fees within the required period of time. (NRS 604C.500) Existing law requires an application to be accompanied by: (1) a nonrefundable fee of not more than \$1,000 for the application and the survey; (2) any additional expenses incurred in the process of investigation as the Commissioner deems necessary; and (3) a fee of not less than \$200 and not more than \$1,000. Existing law requires the Commissioner to adopt regulations establishing the amounts of the fees. (NRS 604C.540) **Section 12** of this regulation establishes the fees in the following amounts: (1) a nonrefundable fee of \$1,000 for the application and survey; (2) a nonrefundable investigation fee of \$50 per individual owner, partner, officer, director and manager of the entity applying to become a consumer litigation funding company; and (3) an initial licensing fee of \$1,000. **Section 12** additionally provides that if the application is withdrawn or denied, the Commissioner will refund the initial licensing fee of \$1,000 to the applicant.

Existing law requires an applicant for a license to engage in the business of a consumer litigation funding company to include in the application the address of each location at which the applicant proposes to do business under the license. (NRS 604C.500) If the Commissioner approves an application for a license, existing law requires the Commissioner to issue and deliver a license to the applicant. (NRS 604C.560) **Section 13** of this regulation provides that upon granting an application for a license, the Commissioner will issue and deliver a license to the licensee for each location proposed by the licensee in his or her application. **Section 13** also requires the licensee to prominently display the license at each location.

Existing law requires a licensee who wishes to change the address of an office or other place of business for which he or she has a license to give written notice of the proposed change to the Commissioner at least 10 days before changing the address. Existing law requires the Commissioner, upon receipt of the proposed change of address, to provide written approval of the change and the date of the approval. (NRS 604C.570) **Section 14** of this regulation requires a licensee who wishes to change the name of the licensee or change an officer, director or manager or member who acts in a managerial capacity for the licensee to, at least 10 days before making such a change, give written notice of the proposed change to the Commissioner who, upon receipt of the proposed change, will provide written approval of the change and the date of the approval.



Existing law requires the application of a business for a license to engage in the business of a consumer litigation funding company to include the name and address of each partner, officer, director, manager or member who acts in a managerial capacity and registered agent of the business entity. (NRS 604C.500) Existing law also requires each applicant to satisfy certain additional requirements. (NRS 604C.510) **Section 15** of this regulation requires each partner, officer, director, manager or member who acts in a managerial capacity and registered agent of a business entity that is applying for a license to satisfy these additional requirements and provides that the Commissioner will not issue a license if the additional requirements are not satisfied.

Existing law provides how a person can apply for and receive a license to engage in the business of a consumer litigation funding company. (NRS 604C.500-604C.580) **Section 16** of this regulation provides that a person shall not engage in the business of a consumer litigation funding company unless: (1) the person has the applicable license; and (2) the location of the business complies with any applicable planning and zoning ordinances.

Existing law authorizes the Commissioner to suspend or revoke a license if the licensee has failed to pay the annual license fee. (NRS 604C.830) **Section 17** of this regulation provides that a license expires January 31 and that a licensee may renew his or her license on or before January 31 by: (1) submitting a renewal application; and (2) paying a renewal fee of \$1,000. **Section 17** provides that if the licensee fails to renew his or her license on or before January 31, the Commissioner will deem the license to be suspended. **Section 17** further provides that a licensee may reinstate his or her license within 10 business days after the license is suspended by: (1) notifying the Commissioner of his or her intent to reinstate the license; (2) submitting a renewal application; and (3) submitting the \$1,000 renewal fee. If a licensee fails to reinstate his or her license, the Commissioner will deem the license to be revoked.

Existing law requires the Commissioner to make an examination of the place of business of each licensee and of the transactions, books, papers and records that pertain to the business of the consumer litigation funding company. Existing law also requires the Commissioner to establish by regulation fees for the examination and to assess and collect from each licensee the reasonable costs of auditing the books and records. (NRS 604C.610, 658.101, 604C.630) **Section 18** of this regulation establishes an hourly fee of \$75 for the supervision, examination, audit or investigation of a licensee or for a related hearing. **Section 18** also establishes that the fee must be paid within 30 days after the date on which the bill is received, provides for a penalty payment if the fee is not paid by the licensee within the 30 days and further provides that failure of a licensee to pay the fee constitutes grounds for revocation of the licensee's license.

Existing law requires each licensee to pay the assessment levied by the Commissioner as a result of employing a certified public account to review and conduct independent audits and examinations of the licensee. (NRS 604C.620, 658.055) **Section 19** of this regulation requires each licensee to pay to the Division of Financial Institutions of the Department of Business and Industry an annual assessment of \$300 to cover costs

related to the employment of a certified public accountant and the performance of such audits and examinations.

Existing law requires the Commissioner, on a quarterly or other regular basis, to collect an assessment from consumer litigation funding companies to recover the costs of legal services provided by the Attorney General to the Commissioner and to the Division. (NRS 658.098) **Section 20** of this regulation requires each licensee to pay the assessment within 30 days after the date on which the licensee receives the bill. **Section 20** imposes a charge of 10 percent of the assessment on any licensee who fails to pay the assessment within the 30 days and further provides that failure of a licensee to pay the fee constitutes grounds for revocation of the licensee's license.

Existing law requires a licensee to submit a report to the Commissioner containing certain information regarding the business of the licensee. Existing law further requires the Commissioner to make the information contained in the report available to the public upon request in a way which maintains the confidentiality of each company and consumer. (NRS 604C.640) **Section 21** of this regulation requires the report to be filed with the Commissioner with the renewal application required by **section 17** and additionally requires the report to contain certain information relating to each consumer with whom the licensee did business. **Section 22** of this regulation provides that an application for a license, any financial records of an applicant, any financial records or other documents submitted pursuant to an audit, examination or investigation and any report of examination are confidential and may only be disclosed to certain entities.

Existing law authorizes a consumer, an attorney for a consumer or any other person who believes that any provision governing consumer litigation funding has been violated to file a complaint with the Commissioner. Existing law authorizes the Commissioner to investigate and conduct hearings concerning the complaint. (NRS 604C.820) **Section 23** of this regulation requires the Commissioner to send a copy of the complaint and, if the Commissioner intends to hold a hearing, a notice of the date set for the hearing, to the licensee named in the complaint. **Section 23** authorizes the Commissioner to require the licensee to submit a verified answer within 10 business days of such notification and provides that a licensee's failure to respond shall be deemed to be an admittance to the allegations contained in the complaint. **Section 24** of this regulation requires the licensee to post on its website, at the physical location where it conducts business and in the consumer litigation funding contract a notice that alerts persons that they have a right to file a written complaint to the Commissioner.

Existing law requires each licensee to keep and use in his or her business such books and accounting records as are used with sound and accepted accounting practices. (NRS 604C.600) Existing law sets forth examination and audit practices to ensure that such records are in compliance with existing law. (NRS 604C.610-604C.640) **Section 25** of this regulation authorizes the Commissioner to require the licensee to deliver an audited financial statement prepared by a certified public accountant within a certain period of time if the Commissioner finds that the licensee's records are not maintained according to existing law.

**Section 1.** Chapter 604C of NAC is hereby amended by adding thereto the provisions set forth as sections 2 to 25, inclusive, of this regulation.

**Sec. 2.** *As used in NRS 604C.360 and 604C.380, the Commissioner interprets “promptly” to mean that the delivery of the contract or the forwarding of the notice of the cancellation, as applicable, must occur not later than 1 business day after the contract is executed or cancelled, as applicable.*

**Sec. 3. 1.** *A consumer may seek more than one consumer litigation funding contract per legal claim. The total amount of consumer litigation funding provided by a consumer litigation company to a consumer must not exceed \$500,000 per legal claim, regardless of the number of consumer litigation funding contracts taken on the legal claim.*

**2.** *If the consumer seeks more than one consumer litigation funding contract:*

*(a) With a different consumer litigation funding company than the company from which he or she obtained the original consumer litigation funding contract, the different consumer litigation funding company must comply with paragraph (e) of subsection 1 of NRS 604C.300; and*

*(b) The consumer litigation funding company with which the consumer seeks additional consumer litigation funding contracts must make the disclosure pursuant to paragraph (f) of subsection 1 of NRS 604C.350.*

**3.** *Pursuant to NRS 604C.110:*

*(a) A consumer may pay only one document preparation fee per legal claim, regardless of the number of consumer litigation funding contracts taken on the legal claim; and*

*(b) A consumer litigation funding company shall not charge a document preparation fee if the consumer has previously paid a document preparation fee with regard to the legal claim.*

*4. Pursuant to NRS 604C.310, the amount to be paid to a company under a consumer litigation funding contract must not exceed the funded amount plus charges not to exceed a rate of 40 percent annually. If, pursuant to subsection 1 of NRS 604C.360, the payment schedule in a consumer litigation funding contract contains multiple 180-day periods in 1 year, the charges for the consumer litigation funding contract for each 180-day period must not exceed a cumulative rate of 40 percent annually.*

*Sec. 4. If a consumer mails a notice of cancellation to the consumer litigation funding company pursuant to subparagraph (2) of paragraph (c) of subsection 1 of NRS 604C.350 and subsection 2 of NRS 604C.360 or if a consumer notifies the consumer litigation funding company as described in subsection 3 of NRS 604C.360, the consumer litigation funding company shall forward such notices to the attorney or law firm retained by the consumer in the legal claim of the consumer not later than 1 business day after receipt of the notice.*

*Sec. 5. The acknowledgement described in paragraph (g) of subsection 3 of NRS 604C.370 must be signed by the consumer, the attorney retained by the consumer in the legal claim and the consumer litigation funding company at the same time.*

*Sec. 6. As set forth in a consumer litigation funding contract pursuant to subsection 4 of NRS 604C.360, a consumer litigation funding company shall not collect:*

*1. Anything if there are no proceeds from the legal claim; and*

*2. Any amount above the available proceeds from the legal claim if the funded amount and agreed upon charges exceed the proceeds from the legal claim.*

*Sec. 7. 1. Intentionally advertising materially false or misleading information pursuant to paragraph (c) of subsection 1 of NRS 604C.300 includes, without limitation, advertising by use of false or deceptive statements, results or testimonials.*

*2. A consumer litigation funding company shall not advertise in any manner that: (a) May tend to confuse the identity of the company with any other consumer litigation funding company; or*

*(b) States or implies that a consumer litigation funding contract of a prospective consumer with another company will be paid off or that the charges or fees for the consumer litigation funding contract will be reduced if the consumer litigation funding contract is transferred to the consumer litigation funding company which is advertising.*

*3. No unethical advertising by consumer litigation funding companies will be permitted and the Commissioner reserves the right to require all consumer litigation funding companies to submit proposed advertising for approval before its dissemination through the press, or by radio, television or the Internet.*

*Sec. 8. 1. To file a consumer litigation funding contract with the Commissioner pursuant to subsection 5 of NRS 604C.300, a consumer litigation funding company must submit the contract to the Commissioner for approval:*

*(a) When the applicant submits his or her application to obtain a license to engage in the business of a consumer litigation funding company;*

*(b) When a consumer litigation funding company makes any changes to the consumer litigation funding contract;*

*(c) If requested by the Commissioner or his or her authorized representative when making an examination pursuant to NRS 604C.610;*

*(d) If requested by the Commissioner when the licensee submits the report required by NRS 604C. 640; and*

*(e) At the request of the Commissioner or his or her authorized representative.*

*2. The consumer litigation funding contract filed pursuant to subsection 1 is a template and must comply with NRS 604C.300 to 604C.400, inclusive, except that the provisions concerning the details of individual consumer litigation funding transactions, including, without limitation, signatures, initials and the amount of the consumer litigation funding transaction, may be left blank. Any required details left blank must be filled in when the consumer litigation funding contract is used to establish a consumer litigation funding transaction.*

*3. A consumer litigation funding contract filed:*

*(a) Pursuant to paragraph (a) of subsection 1 is deemed approved by the Commissioner when the Commissioner issues and delivers a license to the applicant pursuant to NRS 604C.560;*

*(b) Pursuant to paragraph (b) of subsection 1 is deemed approved by the Commissioner 30 days after the consumer litigation funding company files the changes to the consumer litigation funding contract with the Commissioner unless the Commissioner notifies the consumer litigation funding company in writing that the changes are not approved or need to be amended; and*

*(c) Pursuant to paragraph (c), (d) or (e) of subsection 1 is deemed approved by the Commissioner upon the filing of the consumer litigation funding contract with the*

*Commissioner. Such approval may be revoked by the Commissioner not later than 30 days after:*

*(1) Such filing if the consumer litigation funding contract fails to conform to the requirements of subsection 2; or*

*(2) An investigation or examination made at the office or place of business of the consumer litigation funding company if the consumer litigation funding company fails to comply with the provisions of this chapter and chapter 604C of NRS.*

**Sec. 9.** *Except as otherwise provided in paragraph (c) of subsection 1 of NRS 604C.350 and subsection 2 of NRS 604C.360, once a consumer litigation funding contract is entered into between a consumer and a consumer litigation funding company, the consumer litigation funding company may communicate with the consumer through electronic mail if the consumer consents in writing in the consumer litigation funding contract to such communication through electronic mail.*

**Sec. 10. 1.** *A licensee that uses a form or a consumer litigation funding contract written in a language other than English shall have the document translated into English and shall maintain a copy of the document with its English translation.*

*2. A document translated pursuant to this section must be:*

*(a) Translated by an interpreter who is:*

*(1) Certified by the Court Administrator in accordance with the provisions of NRS 1.510 and regulations adopted pursuant thereto; or*

*(b) Approved in writing by the Division of Financial Institutions of the Department of Business and Industry.*

*(c) Accompanied by a certificate issued by the interpreter. The certificate must:*

- (1) Declare that the translated document is a true and complete translation of the document written in a language other than English;*
  - (2) Identify the document written in a language other than English and its English translation;*
  - (3) Include the date of the translation; and*
  - (4) Include the name, address, telephone number and electronic mail address, if any, of the interpreter.*
- 3. The Commissioner may require a licensee to provide a translation of any nonstandard document that is written in a language other than English.*
- 4. The Commissioner may assess a licensee for all costs incurred by the Commissioner to verify the licensee's compliance with this section.*

**Sec. 11.** *Each licensee who operates an office or other place of business within this State that is licensed pursuant to chapter 604C of NRS shall make available at the office or place of business within this State the books, accounts, papers, records and files of the office or place of business to the Commissioner or a representative of the Commissioner.*

**Sec. 12. 1.** *An application submitted to the Commissioner pursuant to NRS 604C.500 must be accompanied by:*

- (a) A nonrefundable fee of \$1,000 for the application and survey;*
- (b) A nonrefundable investigation fee of \$50 for investigating each individual owner, partner, officer, director and manager or member who acts in a managerial capacity of the business entity applying to be a licensee; and*



*(c) An initial licensing fee of \$1,000.*

*2. If the Commissioner considers an application withdrawn pursuant to subsection 3 of NRS 604C.500 and the initial licensing fee set forth in paragraph (c) of subsection 1 has been submitted to the Commissioner or if the Commissioner does not grant an application pursuant to NRS 604C.560, the Commissioner shall refund the fee paid pursuant to paragraph (c) of subsection 1 to the applicant not later than 30 days after the withdrawal or denial.*

**Sec. 13.** *Upon entering an order granting an application pursuant to NRS 604C.560, the Commissioner will issue and deliver a license to the licensee for each location proposed pursuant to paragraph (d) of subsection 1 of NRS 604C.500. The licensee shall prominently display the license at each location where the licensee proposed to do business pursuant to paragraph (d) of subsection 1 of NRS 604C.500.*

**Sec. 14. 1.** *A licensee who wishes to change the name of the licensee or change an officer, director or manager or member who acts in a managerial capacity of the licensee must, not later than 10 days before making the change, give written notice of the proposed change to the Commissioner.*

*2. Upon receipt of the proposed change pursuant to subsection 1, the Commissioner will provide written approval of the change and the date of the approval.*

**Sec. 15. 1.** *A partner, officer, director, manager or member who acts in a managerial capacity and registered agent of the business entity, if applicable, must satisfy the requirements of NRS 604C.510 at the time a business entity applies for a license pursuant to paragraph (b) of subsection 1 of NRS 604C.500.*

*2. If the provisions of subsection 1 are not satisfied, the Commissioner will not issue a license to the business entity pursuant to NRS 604C.560.*

**Sec. 16.** *A person shall not engage in the business of a consumer litigation funding company unless:*

- 1. The person has been issued a license pursuant to NRS 604C.560; and*
- 2. The location of each office of the business complies with the provisions of any applicable planning and zoning ordinances.*

**Sec. 17. 1.** *A license issued pursuant to NRS 604C.560 expires January 31 of the year following its issuance and expires on January 31 of each year thereafter.*

*2. On or before January 31 of each year, a licensee may renew his or her license upon the approval of the Commissioner if:*

*(a) The licensee files an application showing that the licensee conforms with the requirements for an initial application as set forth in this chapter and chapter 604C of NRS; and*

*(b) The licensee pays a fee of \$1,000 for the renewal of the license.*

*3. If a licensee fails to renew his or her license pursuant to subsection 2 on or before January 31 of each year, the Commissioner will deem the license to be suspended. A licensee shall not engage in the business of a consumer litigation funding company if his or her license is suspended.*

*4. The Commissioner may reinstate a license that is suspended pursuant to subsection 3 if the licensee whose license is suspended, within 10 business days after his or her license is suspended:*

*(a) Notifies the Commissioner of his or her intent to reinstate the license; (b) Submits an application pursuant to paragraph (a) of subsection 2; and*

*(c) Submits the fee pursuant to paragraph (b) of subsection 2.*

*5. If a licensee fails to reinstate his or her license pursuant to subsection 4, the Commissioner will deem the license to be revoked. A licensee whose license is revoked shall apply for and obtain a new license pursuant to this chapter and chapter 604C of NRS before he or she may engage in the business of a consumer litigation funding company.*

*6. It is the responsibility of the licensee to renew a license issued pursuant to this chapter and chapter 604C of NRS on or before January 31 of each year. A lack of notice from the Commissioner to any person concerning the expiration of a license or the need to renew a license is not justification or excuse for failure to renew a license on or before January 31 and does not constitute grounds for a waiver of any of the requirements of this chapter or chapter 604C of NRS.*

**Sec. 18. 1.** *The Commissioner will charge and collect a fee of \$75 per hour from each licensee for any supervision, examination, audit, investigation or hearing conducted pursuant to chapter 604C of NRS.*

*2. The Commissioner will bill each licensee upon completion of the activity for the fee established in subsection 1. The fee must be paid within 30 days after the date on which the bill is received. In addition to any other fee allowed by this chapter or chapter 604C of NRS, and except as otherwise provided in this subsection, any payment received after that date must include a penalty of 10 percent of the fee plus an additional 1 percent*

*of the fee for each month, or portion of a month, that the fee is not paid. The Commissioner may waive the penalty for good cause.*

*3. Failure of a licensee to pay the fee required in subsection 1 as provided in this section constitutes grounds for revocation of his or her license.*

**Sec. 19.** *1. Except as otherwise provided in NAC 658.030, each licensee shall pay to the Division of Financial Institutions of the Department of Business and Industry an annual assessment of \$300 to cover costs related to the employment of a certified public accountant and the performance of audits and examinations conducted by the Division.*

*2. The Division shall bill each licensee for the assessment, which must be paid within 30 days after the date on which the bill is received.*

*3. In addition to any other fee allowed by this chapter or chapter 604C of NRS, a charge of 10 percent of the assessment will be imposed on any licensee whose assessment is received by the Division after the date on which the assessment is due.*

**Sec. 20.** *1. Each licensee shall pay to the Division of Financial Institutions of the Department of Business and Industry the assessment to cover the costs of legal services provided by the Attorney General to the Commissioner and the Division which is imposed pursuant to NRS 658.098.*

*2. The Division shall bill each licensee for the assessment described in subsection 1. The licensee shall pay the assessment within 30 days after the date on which the licensee receives the bill.*

*3. A charge of 10 percent of the assessment described in subsection 1 will be imposed on any licensee if payment for an assessment described in subsection 1 is received by the Division after the date on which the assessment is due.*

*4. Failure to pay the assessment described in subsection 1 constitutes grounds for the revocation of the license of the licensee.*

**Sec. 21.** *The report due on or before January 31 pursuant to NRS 604C.640 must:*

*1. Be filed:*

*(a) With the Commissioner with the application for renewal required pursuant to section 17 of this regulation; and*

*(b) On a form prescribed by the Commissioner; and*

*2. In addition to the number of consumer litigation funding transactions in which the company engaged in this State for the immediately preceding year pursuant to paragraph (a) of subsection 1 of NRS 604C.640, contain for each consumer litigation funding transaction:*

*(a) The name of the consumer;*

*(b) The funded amount for each consumer; and*

*(c) A detail of all charges and the document preparation fee charged to each consumer.*

**Sec. 22.** *Except as otherwise provided in subsection 3 of NRS 604C.640, an application for a license and financials records, if any, submitted by an applicant pursuant to the provisions of this chapter and chapter 604C of NRS, financial records or other documents submitted by a licensee pursuant to an audit, examination or investigation conducted by the Commissioner and any report of examination made by the Commissioner are confidential and may be disclosed only to an authorized employee of the Division of Financial Institutions of the Department of Business and Industry or an agency of this State, any other state or Federal Government that is investigating the activities of an applicant or a licensee or a court upon a court order.*

**Sec. 23. 1.** *Upon the receipt of a complaint filed pursuant to NRS 604C.820, the Commissioner shall send a copy of the complaint to the licensee named in the complaint.*

**2.** *The Commissioner may require the accused licensee or authorized representative of the licensee to file a verified answer to the complaint within 10 business days after sending the copy of the complaint pursuant to subsection 1. The Commissioner may, for good cause shown, extend the time to file a verified answer for a period not to exceed 60 days.*

**3.** *If the licensee, or an authorized representative of the licensee, fails to file a verified answer within the time prescribed by the Commissioner pursuant to subsection 2, the licensee is deemed to have admitted to the allegations contained in the complaint.*

**4.** *Subject to the discretion of the Commissioner and except as otherwise provided in section 22 of this regulation, a complaint filed with the Commissioner, any documents filed with the complaint and any report or information resulting from an investigation of a complaint are confidential.*

**Sec. 24. 1.** *For the purpose of NRS 604C.820, a licensee shall post the notice set forth in subsection 2. The following conditions apply to the notice:*

**(a)** *If printed, the notice shall be printed in at least 16-point bold type or font with all upper-case letters being printed in at least 18-point type or font.*

**(b)** *If handwritten or displayed digitally or by other electronic means, the notice must be in characters that are equivalent in legibility and size to the type and font required for a printed notice.*

*(c) If the licensee uses a language other than English for the consumer litigation funding contract, the notice must be posted in English and also in the language other than English.*

*2. The following notice shall be posted on the Internet website of the licensee, at the physical location where the licensee conducts business and within the body of the consumer litigation funding contract. The notice shall be in substantially the following form:*

*NOTICE OF RIGHT TO FILE A WRITTEN COMPLAINT TO THE  
COMMISSIONER OF FINANCIAL INSTITUTIONS*

*You may file a written complaint with the Commissioner of Financial Institutions by submitting a signed complaint to the Office of the Commissioner. The form required to file a complaint can be found on the following Internet website for Financial Institutions: [www.fid.nv.gov](http://www.fid.nv.gov). You can also request the form by calling the following tollfree telephone number: 1 (866) 858-8951.*

*Sec. 25. 1. If the Commissioner finds that a licensee's records are not maintained pursuant to NRS 604C.600 to 604C.640, inclusive, the Commissioner may require the licensee to deliver an audited financial statement prepared from his or her records by a certified public accountant who holds a certificate to engage in the practice of public accounting in this State.*

*2. The statement required pursuant to subsection 1 must be submitted within 60 days after the Commissioner requests the statement. The Commissioner may grant a reasonable extension for the submission if the extension is requested before the statement is due.*

**SMALL BUSINESS IMPACT STATEMENT FOR PROPOSED REGULATIONS BY THE  
FINANCIAL INSTITUTIONS DIVISION TO SB 432 (Title 52, Chapter 604C)  
CONSUMER LITIGATION FUNDING  
February 3, 2020**

**1. Small Business Impact Statement pursuant to NRS 233B.0609:**

**(a) A description of the manner in which comment was solicited from affected small businesses, a summary of their responses, and an explanation of the manner in which other interested persons may obtain a copy of the summary.**

**(I) Solicitation of affected small businesses.**

The Division sought comments in accordance with NRS 233B.0608 for the purpose of considering whether as a result of the proposed regulations, there may be a direct and significant economic burden upon small business (defined as fewer than 150 employees) or if the regulations will directly restrict the formation, operation or expansion of a small business seeking to those engaged in or who desire to engage in the business of consumer litigation funding and to ensure that there is established in this State an adequate, efficient and competitive consumer litigation funding service available to the general public.

The Division composed the solicitation list from current licensees under Nevada Revised Statutes (NRS) 675 that offer pre-settlement funding and the Division's regulatory action contact list. In turn, the Division solicited comments on the proposed regulations for SB 432 (Title 52, Chapter 604C) from the above lists by emailing a notice and questionnaire. Additionally, a copy of the full text of the proposed regulations was emailed and posted to the Division's website. The solicited comments were used to formulate this Small Business Impact Statement.

**(II) Summary of responses.**

See attached spreadsheet.

**(III) Obtain a copy of the summary.**

This Small Business Impact Statement was posted on the Division's website dated February 4, 2020 along with a Notice of Workshop for February 21, 2020. Interested persons may also obtain a copy of the Small Business Impact Statement by contacting the:

**Office of the Commissioner  
Financial Institutions Division  
3300 W. Sahara Avenue, Suite 250  
Las Vegas, NV 89102  
Email: FIDMaster@fid.state.nv.us  
Telephone: (702) 486-4120  
Fax: (702) 486-4563**



Website: <http://fid.nv.gov>

**(b) The manner in which the analysis was conducted.**

Pursuant to NRS 233B.0608(1), the Division made a concerted effort to determine whether the proposed regulations are likely to impose a direct and significant economic burden upon a small business; or directly restrict the formation, operation or expansion of a small business. For this effort, the Division sent a copy of the draft regulations and a Small Business Impact Questionnaire to all known consumer litigation funding businesses for review and invited written comment regarding the impact to the consumer litigation funding community and took all comments submitted into consideration.

Following review and analysis of the authorizing statutory language (Senate Bill 432) and written comment from the industry, the Division has determined that the majority of the regulation is unlikely to impose a direct and significant economic burden upon a small business; result in any direct or indirect adverse effects on small business; or directly restrict the formation, operation, or expansion of a small business. Notwithstanding, the Division considered all comments and removed language and/or requirements that were confusing or would cause unnecessary efforts on the part of the consumer litigation funding company, as long as it did not impact the consumer protection responsibility of the Division.

**(c) The estimated economic effect of the proposed regulation on the small businesses which it is to regulate including, without limitation:**

**(1) Both Adverse and Beneficial effects:**

**(I) ADVERSE EFFECTS:**

The consumer litigation funding community did not provide adverse comments regarding the fees and costs, imposed by the Division, associated with doing business as a licensed consumer litigation funding company.

**(II) BENEFICIAL EFFECTS:**

The consumer litigation funding community did not provide beneficial comments regarding the fees and costs, imposed by the Division, associated with doing business as a licensed consumer litigation funding company.

**(2) Both Direct and Indirect effects:**

**(I) DIRECT EFFECTS:**

The Division understands consumer litigation funding small businesses may have financial burdens such as surety bond premiums, payroll, rent, and other costs to do business, as well as fees imposed by the Division. The legislation provided the maximum fee amounts and gives the Division discretion to set the fee amounts. Through internal analysis, the Division has determined the minimum fee amounts to cover the basic costs for the Division to implement and carry out the legislation. The Division set the fees at a reasonable amount in line with other entities the Division regulates.

The Division has determined the most prominent positive direct effect from the passage of S.B. 432 will be the ability to ensure consistency in the consumer litigation funding community as well as reduce any potential harm to the public. Another positive attribute is any concerned party will be able to call the Division and verify the license is current and file a complaint if necessary.

The Division's primary role deals with monitoring the activity a consumer litigation funding company conducts through licensing and examinations.

**(II) INDIRECT EFFECTS:**

It is noted that a common concern from the consumer litigation funding community is the unknown of how the Division conducts examinations and how disciplinary action is handled. The Division will assist any licensee with questions during an examination to alleviate any concerns. The Division takes a progressive disciplinary approach and will provide ample time to a licensee to correct any violation of law or regulation prior to taking disciplinary action, unless the violation(s) is egregious and harms the public at large. The Division conducts follow-up examinations to ensure the violations have been rectified and that the licensee understands the issue at hand.

**(d) A description of the methods that the agency considered to reduce the impact of the proposed regulation on small businesses and a statement regarding whether the agency actually used any of those methods.**

The Division has received a total of eleven (11) responses to the solicitation sent to all interested parties. The Division has considered and analyzed all submitted comments and removed language and/or requirements that were confusing or would cause unnecessary efforts on the part of the consumer litigation funding company, as long as it did not impact the consumer protection responsibility of the Division.

**(e) The estimated cost to the agency for enforcement of the proposed regulation.**

The estimated cost to the Division for enforcement of the proposed regulation should be covered by the proposed fees to be collected by the Division. It is estimated the Division will not need any additional funding or a budget increase.

**(f) If the proposed regulation provides a new fee or increases an existing fee, the total annual amount the agency expects to collect, and the manner in which the money will be used.**

The proposed regulation provides new fees established by the passage of the legislation and the total amount the Division expects to collect based on the number of companies that communicated with the Division (approximately 15 entities):

- 1) **The 1<sup>st</sup> Year → \$30,000** (Based on the application fee of \$1,000 and initial licensing fee of \$1,000 for 15 entities).

- 2) **The 2<sup>nd</sup> Year → \$37,500** (Based on Yearly Renewal Fee of \$1,000 and Hourly examination Fee of \$75 with the average exam projected to take approximately 20 hours to complete). It is also expected that the following yearly exams will not take 20 hours to complete thus lowering this cost in future years.

The fees collected will be used by the Division to regulate the industry at the most economical method possible with the Division's established objective to maintain fees at a level to cover agency costs to implement/operate/enforce and not to over burden small business with high and unnecessary fees.

**(g) If the proposed regulation includes provisions which duplicate or are more stringent than federal, state, or local standards regulating the same activity, an explanation of why such duplicative or more stringent provisions are necessary.**

To our knowledge, the proposed regulations do not duplicate any existing federal, state, or local standards regulating the same activity.

**(h) The reasons for the conclusions of the agency regarding the impact of the regulation on small businesses.**

This is a result of the passage of new legislation that will require small businesses to pay state mandated yearly application fees, licensing fees, and hourly examination fees. The Division can only indirectly lessen the impact on small business by establishing an equitable fee schedule to moderate the costs to implement this new law and to be proactive in dealing with problems through efficient processes.

To the best of my knowledge, the information contained in this Small Business Impact Statement was prepared properly and accurate.

The image shows a blue ink signature of Sandy O'Laughlin written over the Great Seal of the State of Nevada. The seal is circular and features the text 'THE GREAT SEAL OF THE STATE OF NEVADA' around the perimeter. In the center, there is a depiction of a landscape with a mountain, a river, and a sun, with the words 'COMMERCE' and 'AGRICULTURE' on either side.

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Sandy O'Laughlin  
Commissioner

<u>Consumer Litigation Funding Community Direct or Indirect Impact Item</u>	<u>Number/ and %</u>	<u>Direct or Indirect</u>	<u>Adverse or Beneficial</u>	<u>NFID Answer/Mitigation</u>
Requiring lawyers to provide two email addresses would be extremely cumbersome and discourage lawyers from helping clients get funding.	7 (64%)	Direct	Adverse	NFID removed this language from the proposed regulation
Requiring the client be copied on all electronic communications between the funding company and attorney could create friction between the client and attorney if such communication includes that the attorney feels that it's not in the best interest of the client to get funding because it would make it almost impossible to settle the case. Attorney could be fired by the client.	7 (64%)	Direct	Adverse	NFID removed this language from the proposed regulation
Requiring written consent by multiple parties before electronic communication can occur would lead to repeated unintentional violations and slow down the funding process.	5 (45%)	Direct	Adverse	NFID removed this language from the proposed regulation
Concerned that prior approval by the Commissioner of any change in control, or any transfer of interest resulting in a change of control, will slow down the change of control and disrupt business operations.	4 (36%)	Direct	Adverse	This is normal protocol of the Division to require these changes to have prior approval. The Division works with a licensee to lessen any disruption to the business the change may cause. These changes must require prior approval as these changes could affect the qualifications of licensure.

Concern if the contracts need prior approval from the Commissioner's office, it will slow down the legal funding process and burden the Commissioner's office.	3 (27%)	Direct	Adverse	The proposed regulation does not require prior approval of the contract. Changes outside of the consumers name and personal information, case information, funding amount, fees and charges must be filed with the Office of the Commissioner and will be reviewed during an examination or investigation to ensure compliance with law and regulation. This will not slow down the funding process.
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Concerned that the proposed language does not extend the attorney-client privilege or work-product doctrine to the Commissioner or his/her authorized representative and destroys the privilege.	3 (27%)	Direct	Adverse	The Division has the authority to review all records, documents, files, etc. that it deems necessary to conduct an examination. As such, the Division does not want to restrict its access to any books and records that will hinder the examination process. The Division is requesting the review of documents as it pertains to the licensee's activities under SB 432, for examination purposes only.
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Concerned by the proposed language in section 32, subsection 2 that disclosure of records is at the Commissioner's discretion.	2 (18%)	Direct	Adverse	Currently, public record law requires full disclosure of the records. This language was added to protect these records from public records request. The Division will remove subsection 2 to ease applicants and licensees' concerns.
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Consumers owe <i>nothing</i> to the funding company if there are "inadequate" proceeds from the legal claim.	2 (18%)	Direct	Adverse	Removed "inadequate" and added clarifying language
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<p>"Prompt" delivery within one business day is not feasible for consumers and attorneys without an email address. Funding companies would incur substantial costs to deliver notice of cancellation within one business day to those attorneys who do not have an email address.</p>	<p>2 (18%)</p>	<p>Direct</p>	<p>Adverse</p>	<p>Prompt delivery is required to prevent delay of any important document. For the few that don't use email, the action of placing the notice in the mail, with proof of mailing, within one business day will comply with the intent of the law.</p>
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<p>Suggests section 13 should be more specific, recommends notification should only occur after the consumer litigation company receives notice of cancellation from the consumer and receives back all the funds that were given to the consumer.</p>	<p>2 (18%)</p>	<p>Indirect</p>	<p>Adverse</p>	<p>NFID revised the proposed language, which should address the concerns.</p>
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<p>Concerned that disclosing the consumer name on the annual report to the Office of the Commissioner destroys the attorney-client and work product privilege.</p>	<p>2 (18%)</p>	<p>Direct</p>	<p>Adverse</p>	<p>NFID must maintain the confidentiality of the name of each company and consumer. Pursuant to SB 432 section 38 (3) "the Commissioner shall make the information contained in the report available to the public upon request in a manner which maintains the confidentiality of the name of each company and consumer.</p>
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<p>Each license must be displayed at the location where the licensee is authorized to operate. How does this apply to out of state licensees?</p>	<p>2 (18%)</p>	<p>Indirect</p>	<p>Adverse</p>	<p>Must be posted at the authorized licensed location, the address on the license, the location that the funding activity is taken place from.</p>
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Would like clarification to what location the department is referring to in regards to "the location of the business complies with any applicable planning and zoning ordinance"	1 (9%)	Indirect	Adverse	This is referring to the authorized licensed location, the address on the license, the location that the funding activity is taken place from.
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Recommends "promptly" should be defined as two business days	2 (18%)	Indirect	Adverse	Promptly is usually defined as "immediately" without delay. The Division believes the necessary action can occur within one business day.
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Concerned that proposed language to maintain books and records of each consumer separately will cause the licensee to retain two databases.	2 (18%)	Indirect	Adverse	This rule is simply stating that each consumer's record must be maintained separately from other consumers. This is not requiring a licensee to operate different databases. The database should be able to segregate the accounts by Nevada and/or consumer name.
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The requirement for a licensee to respond to the Office of the Commissioner within 10 business days after receipt of a consumer complaint is concern to the industry because the complaint will not be attached, and more time will be needed.	1 (9%)	Direct	Adverse	The Division will always attach the consumer complaint so the licensee can review the allegations. The Division will work with a licensee if an occasional extension is necessary.
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Only one document preparation fee per consumer. Should be each time a consumer signs a contract throughout the course of their legal claim.	1 (9%)	Direct	Adverse	S.B. 432 clearly states "Document preparation fee" means a one-time fee per legal claim, not to exceed \$500, assessed for document preparation services related to the preparation of a consumer litigation funding contract.
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Cannot refinance, rollover, extend or consolidate a funding transaction at the end of 180 day period, which would have the effect, impact, or result of compounding interest, charges, fees or the like on the transaction. Concerned this timeframe is no longer since cases take longer to settle than 180 days.	1 (9%)	Direct	Adverse	S.B.432 mandates the contracts to not exceed 180 days at rate of less than 40%
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Concerned not all customers will be qualified to receive funding because of certain price constraints allowed by the regulations.	1 (9%)	Indirect	Adverse	S.B. 432 established the price constraints. The Division cannot change the bill as written. The regulation is to further clarify the law.
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Recommends to have longer than 10 business days to respond to complaint.	1 (9%)	Indirect	Adverse	This is standard and is ample time for a response. The Division may allow occasional extensions, if needed.
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Requesting clarification of section 5, if a license is required for brokers and companies that refer consumers to other companies.	1 (9%)	Indirect	Adverse	If a person and/or entity is soliciting funding transactions, a license is required. If they are simply referring a consumer and not soliciting, advertising, etc., or making the transaction, a license is not required. It is recommended that a person and/or entity contact the Division requesting a licensure determination before conducting business in Nevada and/or with Nevada consumers.
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<p>Requesting clarification on how the document preparation fee will apply to loans made prior to October 1, 2019.</p>	<p>1 (9%)</p>	<p>Indirect</p>	<p>Adverse</p>	<p>Any and all pre-settlement/consumer litigation funding transactions, contracts, loans and the like issued with licensed companies under NRS Chapter 675 prior to October 1, 2019, shall be regulated under NRS Chapter 675 unless and until amended, renewed, consolidated, extended, or refinanced by the consumer's choice, at which time, S.B. 432 shall apply to the transactions. Otherwise, the provisions of Chapter 675 shall continue to apply to those outstanding transactions, contracts, loans, and the like. All new, renewed, consolidated, extended, refinanced, etc., transactions (by the consumer's choice) issued after October 1, 2019, shall be subject to the provisions of S.B. 432. Any companies currently licensed under Chapter 675 which desire to issue new consumer litigation funding transactions must surrender its license under NRS Chapter 675 and submit an application for licensure under S.B. 432.</p>
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<p>Can all signatures be done electronically?</p>	<p>1 (9%)</p>	<p>Indirect</p>	<p>Adverse</p>	<p>Yes, documents can be signed via DocuSign.</p>
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<p>How is "inadequate" defined?</p>	<p>1 (9%)</p>	<p>Indirect</p>	<p>Adverse</p>	<p>"Inadequate" was removed from the proposed regulation</p>
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Concerned that the word "loan" is used in section 15 that states "no licensee may advertise in any manner that a loan or transaction of a prospective consumer with another licensee will be paid or increased if the loan or transaction is transferred to the advertising licensee. This includes a license holder of any chapter regulated by the Division."	1 (9%)	Indirect	Adverse	Similar language is used in other lending statutes the Division regulates. This language uses "loan" to capture all lending besides the litigation funding company. This prohibits a S.B. 432 licensee from promising a consumer a better rate or more funding if they bring in their NRS 604A contract and/or NRS 675 contract.
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Where should a licensee post the notice for a consumer to file a complaint with the Division.?	1 (9%)	Indirect	Adverse	Needs to be posted at the approved licensed location, on the licensee's website, and as a disclosure in the contract.
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Requesting clarification to what is involved in the administrative law hearing process.	1 (9%)	Direct	Beneficial	NRS 233B governs the administrative law proceedings. The Division will provide direction to a licensee at the time disciplinary action will take place.
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The proposed regulatory framework will eliminate bad actors and authorizing precise regulations to operate under. This law should minimize confusion between the consumers and attorneys, through the removal of uncertainty about funding.	1 (9%)	Direct	Beneficial	This was a comment-no answer is needed.
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<p><b><u>SBI Response Summary:</u></b></p> <p>Total Solicited: 16  Total Responded: 11  % Responded: 69%</p>
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