AMERICANS FOR LITIGATION TAX FAIRNESS

WHAT IS THIRD PARTY LITIGATION FUNDING (TPLF)?

The U.S. justice system has been plagued in recent years by a dubious, furtive, yet highly lucrative practice that has operated out of the watchful eye of U.S. Government and the American public. It's known as third-party litigation funding (TPLF) and, if left unscrutinized and unchecked, will continue to allow investors – many of them foreign entities operating in the shadows – to make windfall profits on the back of U.S. consumers and taxpayers. TPLF is a practice that occurs when an outside agent – someone not involved in a legal dispute – pays a plaintiff's legal fees, with the expectation of financially profiting off of any settlement or judgment that comes from the lawsuit. Outside of a variety of ethical concerns, TPLF essentially invites foreign investors to use the U.S. court system like a casino.

UNDISCLOSED FUNDER

Foreign and sophisticated investors contribute substantial funds, typically in the millions, to law firms to cover the expenses of case development and litigation.

CASE IS BUILT

The law firm uses investment funding to cover legal fees, plaintiff recruitment, PR campaigns, and other costs to secure a profitable outcome.

PLAINTIFF GOES TO COURT & WINS

If the plaintiff wins, the award money is divided among the plaintiff, the investor, and the attorneys.