

AMENDMENT IN THE NATURE OF A SUBSTITUTE
TO H.R. _____
OFFERED BY M. _____

Strike all that follows after the enacting clause and
insert the following:

1 SECTION 1. SHORT TITLE.

2 This Act may be cited as the “Protecting Third Party
3 Litigation Funding From Abuse Act of 2026” or the
4 “Protecting TPLF From Abuse Act of 2026”.

5 SEC. 2. TRANSPARENCY AND OVERSIGHT OF THIRD-PARTY
6 BENEFICIARIES IN CIVIL CASES.

7 (a) IN GENERAL.—Chapter 111 of title 28, United
8 States Code, is amended by adding at the end the fol-
9 lowing:

10 “§ 1660. Initial disclosures regarding third-party
11 beneficiaries

12 “(a) IN GENERAL.—Except as provided in subsection
13 (b), in any civil action, a party or any counsel of record
14 for a party shall—

15 “(1) disclose in writing to the court and all
16 other named parties to the civil action the identity
17 of any person (other than counsel of record) that
18 has a legal right to receive any payment or thing of

1 value that is contingent in any respect on the out-
2 come or proceeds of the civil action or a group of
3 civil actions of which the civil action is a part, in-
4 cluding—

5 “(A) any portion of a settlement, a judg-
6 ment, or an award of attorney’s fees from the
7 civil action or group of civil actions; or

8 “(B) any other proceeds from the civil ac-
9 tion or group of civil actions;

10 “(2) produce to the court, for in camera review,
11 any agreement creating a legal right described in
12 paragraph (1), including any ancillary agreement or
13 document; and

14 “(3) after the review conducted under para-
15 graph (2), produce to each other named party to the
16 civil action, for inspection and copying, each docu-
17 ment produced under paragraph (2), subject to any
18 protective order, use limitation, or any other limita-
19 tion or exclusion ordered by the court, including—

20 “(A) any limitation or exclusion relating to
21 attorney-client privilege, the attorney work
22 product doctrine, or any other applicable privi-
23 lege; or

24 “(B) any limitation or exclusion to protect
25 from disclosure to any party or non-party the

1 identity of any member, donor, or associate of
2 the person that has a legal right described in
3 paragraph (1), except to the extent that the
4 member, donor, or associate also has a legal
5 right to receive any payment or thing of value
6 described in subsection (a)(1) and is not ex-
7 cepted from disclosure under subsection (b)(1).

8 “(b) EXCEPTIONS AND LIMITATIONS.—

9 “(1) IN GENERAL.—The requirements under
10 subsection (a) shall not apply with respect to a per-
11 son that has a legal right to receive any payment or
12 thing of value described in subsection (a)(1) if the
13 legal right is solely regarding—

14 “(A) the repayment of the principal of a
15 loan;

16 “(B) the repayment of the principal of a
17 loan plus interest that does not exceed the high-
18 er of 10 percent or a rate three times the an-
19 nual average 30-year constant maturity Treas-
20 ury yield, as published by the Board of Gov-
21 ernors of the Federal Reserve System, for the
22 year preceding the date on which the relevant
23 agreement was executed;

1 “(C) the reimbursement of attorney’s fees
2 paid to counsel of record for services provided
3 in the civil action; or

4 “(D) the reimbursement of a grant.

5 “(2) DONOR, MEMBER, AND ASSOCIATE IDEN-
6 TITY.—The requirements under subsection (a)(1)
7 shall not apply with respect to any donor, member,
8 or associate of the person that has a legal right de-
9 scribed in subsection (a)(1) unless the donor, mem-
10 ber, or associate also has a legal right to receive any
11 payment or thing of value described in subsection
12 (a)(1) and is not excepted from disclosure under
13 subsection (b)(1).

14 “(3) DONOR AND MEMBER LIST.—The require-
15 ments under subsections (a)(2) and (a)(3) shall not
16 require the production of lists of members, donors,
17 or associates, and the court shall permit redactions
18 of the identity of any member, donor, or associate
19 from materials disclosed pursuant to subsection
20 (a)(3), unless that member, donor, or associate also
21 has a legal right to receive any payment or thing of
22 value described in subsection (a)(1) and is not ex-
23 cepted from disclosure under subsection (b)(1).

24 “(4) ADMISSIBILITY AND DISCOVERY.—Nothing
25 in this Section may be construed to render admis-

1 sible any disclosure, document, or thing provided
2 under this Section, or any information therein, or to
3 affect whether any disclosure, document, or thing is
4 discoverable except as expressly provided in this sec-
5 tion.

6 “(c) TIMING.—The disclosures required by subsection
7 (a) shall be made not later than the later of—

8 “(1) 10 days after the execution of any agree-
9 ment described in subsection (a)(2);

10 “(2) the time of initial disclosures made pursu-
11 ant to Federal Rule of Civil Procedure 26(a)(1); or

12 “(3) the time set by the court for such disclo-
13 sures.

14 “(d) DUTY TO CORRECT.—A party or counsel of
15 record that made a disclosure required by this section shall
16 supplement or correct each such disclosure in a timely
17 manner—

18 “(1) if such party or counsel of record learns
19 that the disclosure is or has become incomplete or
20 incorrect in some material respect, if the additional
21 or corrective information has not otherwise been
22 made known to the other parties during the dis-
23 covery process or in writing; or

24 “(2) as ordered by the court.”.

1 (b) CLERICAL AMENDMENT.—The table of sections
2 for chapter 111 of title 28, United States Code, is amend-
3 ed by adding at the end the following:

“1660. Third-party beneficiary disclosure.”.

4 **SEC. 3. APPLICABILITY.**

5 The amendments made by this Act shall apply to any
6 civil action pending on or commenced after the date of
7 enactment of this Act.

