



Testimony in Opposition to HB 2510
John Federico: Federico // Duerst Consulting Group
House Judiciary Committee
January 31, 2024

Chair Humphries and House Judiciary Committee Members,

I appear today in opposition to HB 2510 on behalf of our client, the International Legal Finance Association (ILFA).

We appreciated the committee debate on this very issue last year, and were pleased that the Committee did not find a compelling reason to advance the bill. Different versions of this bill have been introduced in several states across the country and have not been passed into law.

The foundation of our opposition to this bill remains the same; 1) we do not understand the “problem” in Kansas that needs to be fixed that would necessitate putting a law on the books, and 2) what is being proposed in this bill, “disclosure” between two contracting parties serves little purpose other than to advantage one party in a lawsuit, to the detriment of the other.

This consumer litigation funding mechanism, a critical option in almost all circumstances, should not be penalized because it’s new, or at times returns a profit. It levels the legal playing field for litigants that often times pits “small” against “big.” Further, in a free market economy, people should be able to enter into contracts, freely, and with their eyes wide open, without requiring that the contract containing the details of their confidential business relationship be turned over to their legal adversary.

The Legislature seeking to put HB2510 into law, becomes even more confusing, when under our current judicial system, either party to the lawsuit can currently petition the judge to disclose this information. Should the judge find the information relevant to the case, rather than a “fishing expedition” by the opposing party, the judge can order the release of such information as deemed appropriate.

I am appreciative of the opportunity to offer testimony on this issue, and would respectfully ask that you not advance HB 2510.