

(c) Conducts the organization's activities in a manner that serves public or charitable purposes.

(d) Receives funding and revenue and charges fees in a manner that does not encourage the organization or the organization's employees to act other than in the best interests of the organization's clients.

(e) Compensates the organization's employees in a manner that does not encourage employees to act other than in the best interests of the organization's clients.

(f) Provides to, or identifies for, debtors mortgage transactions with terms that are favorable to the debtor (as described in section 202(b)(15) of this chapter) and comparable to mortgage transactions and housing assistance provided under government housing assistance programs.

(g) Maintains certification by the United States Department of Housing and Urban Development or employs counselors who are certified by the Indiana housing and community development authority.

(46) *"Civil proceeding advance payment transaction", or "CPAP transaction", has the meaning set forth in IC 24-4.5-3-110.*

(47) *"Civil proceeding", with respect to a CPAP transaction, has the meaning set forth in IC 24-4.5-3-110.5.*

(48) *"Civil proceeding advance payment contract", or "CPAP contract", has the meaning set forth in IC 24-4.5-3-110.5.*

(49) *"Civil proceeding advance payment provider", or "CPAP provider", has the meaning set forth in IC 24-4.5-3-110.5.*

(50) *"Consumer claimant", with respect to a CPAP transaction, has the meaning set forth in IC 24-4.5-3-110.5.*

(51) *"Funded amount", with respect to a CPAP transaction, has the meaning set forth in IC 24-4.5-3-110.5.*

SECTION 95. IC 24-4.5-3-110.5, AS ADDED BY P.L.153-2016, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 110.5. (1) "Civil proceeding", with respect to a CPAP transaction, means:

(a) a civil action;

(b) a mediation, an arbitration, or any other alternative dispute resolution proceeding; or

(c) an administrative proceeding before:

(i) an agency or instrumentality of the state; or

(ii) a political subdivision, or an agency or instrumentality of a political subdivision, of the state;

that is filed in, or is under the jurisdiction of, a court with jurisdiction



in Indiana, a tribunal in Indiana, or an agency or instrumentality described in subdivision (c) in Indiana. The term includes all proceedings arising out of or relating to the proceeding, including any proceedings on appeal or remand, and any enforcement, ancillary, or parallel proceedings.

(2) "Civil proceeding advance payment contract", or "CPAP contract", means a contract for a CPAP transaction that a CPAP provider enters into, or offers to enter into, with a consumer claimant.

(3) "Civil proceeding advance payment provider", or "CPAP provider", means a person that:

(a) enters into, or offers to enter into, a CPAP transaction with a consumer claimant in connection with a civil proceeding; and

(b) notwithstanding section 110(3) of this chapter, and subject to IC 24-12-9, is licensed with the department in accordance with this chapter and IC 24-12-9.

(4) "Consumer claimant", **with respect to a CPAP transaction**, means an individual:

(a) who is or may become a plaintiff, a claimant, or a demandant in a civil proceeding; and

(b) who:

(i) is offered a CPAP transaction by a CPAP provider; or

(ii) enters into a CPAP transaction with a CPAP provider;

regardless of whether the individual is a resident of Indiana.

(5) "Funded amount", with respect to a CPAP transaction, means the amount of money:

(a) that is provided to the consumer claimant by the CPAP provider; and

(b) the repayment of which is:

(i) required only if the consumer claimant prevails in the consumer claimant's civil proceeding; and

(ii) sourced from the proceeds of the civil proceeding, whether the proceeds result from a judgment, a settlement, or some other resolution;

regardless of the term used by the CPAP provider in the CPAP contract to identify the amount.

SECTION 96. IC 24-12-1-1, AS ADDED BY P.L.153-2016, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. The following definitions apply throughout this article:

(1) "Advertise" means publishing or disseminating any written, electronic, or printed communication, or any communication by means of recorded telephone messages or transmitted on radio,



television, the Internet, or similar communications media, including film strips, motion pictures, and videos, published, disseminated, circulated, or placed before the public, directly or indirectly, for the purpose of inducing a consumer to enter into a CPAP transaction.

(2) "Charges" means the amount of money to be paid to a CPAP provider by or on behalf of a consumer **claimant** above the funded amount provided by or on behalf of the CPAP provider to a consumer claimant. The term includes all administrative, origination, underwriting, and other fees no matter how denominated.

(3) "Civil proceeding", with respect to a CPAP transaction, has the meaning set forth in IC 24-4.5-3-110.5.

(4) "Civil proceeding advance payment contract", or "CPAP contract", has the meaning set forth in IC 24-4.5-3-110.5.

~~(4)~~ (5) "Civil proceeding advance payment provider", or "CPAP provider", has the meaning set forth in IC 24-4.5-3-110.5.

~~(5)~~ (6) "Civil proceeding advance payment transaction", or "CPAP transaction", has the meaning set forth in IC 24-4.5-3-110.

~~(6)~~ (7) "Consumer claimant", with respect to a CPAP transaction, has the meaning set forth in IC 24-4.5-3-110.5.

~~(7)~~ (8) "Funded amount", with respect to a CPAP transaction, has the meaning set forth in IC 24-4.5-3-110.5.

~~(8)~~ (9) "Funding date" means the date on which the funded amount is transferred to the consumer claimant by the CPAP provider, by:

(A) personal delivery, wire, Automated Clearing House (ACH), or other electronic means; or

(B) insured, certified, or registered United States mail.

~~(9)~~ (10) "Resolution date" means the date the **funded** amount, ~~funded to the consumer claimant~~, plus the agreed upon charges, ~~are~~ **is** delivered to the CPAP provider.

SECTION 97. IC 24-12-3-1, AS ADDED BY P.L.153-2016, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. A CPAP provider may not do any of the following:

(1) Pay or offer to pay a commission, referral fee, or other form of consideration to any attorney, law firm, medical provider, chiropractor, or physical therapist, or any of their employees for referring a consumer claimant to the provider.

(2) Accept a commission, referral fee, rebate, or other form of consideration from an attorney, law firm, medical provider,



chiropractor, or physical therapist, or any of their employees.

(3) Intentionally advertise materially false or misleading information regarding the CPAP provider's products or services.

(4) Refer, in furtherance of an initial CPAP transaction, a consumer claimant or potential consumer claimant to a specific attorney, law firm, medical provider, chiropractor, or physical therapist, or any of their employees. However, if a consumer claimant needs legal representation, the ~~company~~ **CPAP provider** may refer the person to a local or state bar association referral service.

(5) Knowingly provide funding to a consumer claimant who has previously assigned or sold a part of the consumer claimant's right to proceeds from the consumer claimant's civil proceeding without first making payment to or purchasing a prior unsatisfied CPAP provider's entire funded amount and contracted charges, unless a lesser amount is otherwise agreed to in writing by the prior CPAP provider. However, multiple CPAP providers may agree to provide a CPAP transaction to a consumer claimant simultaneously if the consumer claimant and the consumer claimant's attorney consent to the arrangement in writing.

(6) Receive any right to make any decision with respect to the conduct of the underlying civil proceeding or any settlement or resolution of the civil proceeding, or make any decision with respect to the conduct of the underlying civil proceeding or any settlement or resolution of the civil proceeding. The right to make these decisions remains solely with the consumer claimant and the attorney in the civil proceeding.

(7) Knowingly pay or offer to pay for court costs, filing fees, or attorney's fees either during or after the resolution of the civil proceeding, using funds from the CPAP transaction.

SECTION 98. IC 25-1-1.1-2, AS AMENDED BY P.L.59-2016, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. Notwithstanding IC 25-1-7, a board, a commission, or a committee may suspend, deny, or revoke a license or certificate issued under this title by the board, the commission, or the committee without an investigation by the office of the attorney general if the individual who holds the license or certificate is convicted of any of the following and the board, commission, or committee determines, after the individual has appeared in person, that the offense affects the individual's ability to perform the duties of the profession:

- (1) Possession of cocaine or a narcotic drug under IC 35-48-4-6.
- (2) Possession of methamphetamine under IC 35-48-4-6.1.

