



State of Rhode Island

**Department of State | Office of the Secretary of State**

**Gregg M. Amore, Secretary of State**

February 4, 2025

Honorable Robert E. Craven, Sr., Chair  
House Committee on Judiciary

RE: H5221 - An Act Relating to Courts and Civil Procedure – Procedure Generally – Third-Party Litigation  
Financing Consumer Protection Act

Dear Chair Craven,

I write this letter with recommended suggestions for House Bill 5221, legislation that regulates the practices of third-party litigation financiers in Rhode Island and requires explicitly that litigation financiers register with the Department of State.

The Department of State's Business Services Division maintains Rhode Island's business registry, which records new business formations and the ongoing business registration activity of the more than 104,453 active entities registered in our state. The Division also provides thoughtful guidance and comprehensive services to those looking to start and maintain a business or non-profit in Rhode Island. The Department of State does not issue licenses permitting any business activity.

The Department of Business Regulation (DBR) oversees state-chartered financial institutions, credit unions, and other related licenses within its banking division. Additionally, DBR has a multi-state licensing platform that makes it easy for businesses to obtain licensing with their office.

We recommend that litigation financiers be required to follow the same path to business registration and subsequent licensing that all other businesses are required to follow. Litigation financiers operating in Rhode Island should remain eligible to register the business entity with our office, and the additional licensing required to conduct their particular business activity should be handled, as it is with all other industries, by another state agency tasked with regulating and licensing such activity. In this case, DBR is the ideal agency to handle such licensing.

I urge the Members of the Committee to consider our abovementioned concerns and suggestions regarding House Bill 5221. Our office has been in communication with DBR, and they support this letter. Nevertheless, the Department of State is happy to work on improvements to this process with DBR and the bill sponsor.

Thank you for your consideration. If you have any questions, please feel free to contact Michelle Arias, Director of Intergovernmental Affairs, at [marias@sos.ri.gov](mailto:marias@sos.ri.gov).

Sincerely,

Gregg M. Amore  
Secretary of State

cc: The Honorable Members of the House Committee on Judiciary  
The Honorable Alex Finkelman

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