[COMPANY] DISCLOSURE STATEMENT

This is a non-recourse transaction and is not a loan. This disclosure statement (the “Disclosure Statement”), dated [Date], summarizes the material financial terms contained in the funding agreement (the “Funding Agreement” or “Agreement”), dated [Date] between [Customer] (“Customer” or “me”), residing at [Address], and [Company] (“[Company]”), having its principal place of business at [Address].

|  |  |  |  |
| --- | --- | --- | --- |
| Annual Percentage RateThis is the cost of my Funded Amount as a yearly rate, assuming payment occurs one (1) year from the date of this Agreement.\_\_\_% | Finance ChargeThis is the dollar amount of what this transaction will cost me, assuming payment occurs one (1) year from the date of this Agreement.$\_\_\_\_ | Amount FinancedThis is equal to the Funded Amount, which is the money advanced to me by [Company].$\_\_\_\_ | Total Payment AmountThis will vary, depending upon the amount of time that elapses between the time of funding and time of re-payment. Please reference the table below. |

Schedule of Amounts Due [COMPANY TO FILL OUT]

The maximum amount I may be obligated to pay under this Agreement is: $\_\_\_\_\_\_.

I \_\_ HAVE \_\_ HAVE NOT executed previous Funding Agreements with [COMPANY], with respect to this Claim.

(If Customer has executed previous Funding Agreements, then Customer will also receive the Multiple Fundings Disclosure, which will include a statement of cumulative amounts due from Customer for all Funded Amounts.)

|  |  |  |  |
| --- | --- | --- | --- |
| Payment Intervals (Starting from the date of this Agreement.) | Annual Percentage Rate | Accrued Interest(the interest rate is \_\_\_%, compounded monthly)[[1]](#footnote-2) | Total Payment Amount if paid during this interval(Funded Amount + Accrued Interest + One-time Charges) |
| 0 to 180 Days[DATE to DATE] |  |  |  |
| 181 Days to 360 Days[DATE to DATE] |  |  |  |
| 361 Days to 540 Days[DATE to DATE] |  |  |  |
| 541 Days to 700 Days[DATE to DATE] |  |  |  |

Itemization of One-time Charges.

Application Fee: $\_\_\_\_\_

[Fee #2]: $\_\_\_\_\_\_

[Fee #3]: $\_\_\_\_\_\_

Total One-time Charges: $\_\_\_\_\_\_

There are no fees or charges to be paid by me other than what is disclosed on this Disclosure Statement.

Buy Out or Payments Prior to Claim Resolution (Prepayment). This payment schedule assumes [Customer] makes no payment before resolution of the Claim. If any prepayments are made, the total amount to which [Company] is entitled will be lower. There are no penalty fees associated with making any prepayments.

Late Payment. If payment is late because it is not made as directed in the Agreement after the Claim is resolved, the accrued use fee will continue accruing until [Company] is paid. [Customer] may also be subject to additional fees associated with legal action to recover any amounts owed to [Company].

Security Interest. [Customer] is granting [Company] a security interest in the Proceeds of the Claim.

\* Please see the Agreement for any additional information about nonpayment, default, or any required repayment in full before resolution of the Claim. Except as otherwise defined in this Disclosure Statement, all capitalized terms herein shall have the meanings assigned in the Funding Agreement.

**[COMPANY] Customer Acknowledgment**

Please review and initial by each enumerated statement below.

I UNDERSTAND AND AGREE AS FOLLOWS:

1. This is a non-recourse transaction and is not a loan. \_\_\_\_
2. I am using the amount received from [Company] under this Agreement solely to fund my immediate economic needs. I have been advised to explore alternatives for funding my immediate economic needs, prior to signing this Agreement. \_\_\_\_
3. I understand that [Company] has no right to decide or influence whether, when, and for how much my Claim is settled and may not interfere with the independent professional judgment of my attorney in handling my Claim or settlement of such Claim. \_\_\_\_
4. Except as otherwise described in the Agreement, [Company] will be paid only from the proceeds of my Claim. \_\_\_
5. If the proceeds of my Claim are not enough to cover the amount to which [Company] is entitled, then, after (a) payment of the attorneys’ fees and costs and (b) payment to any lienholders with legal priority, [Company] is entitled to the remainder of the proceeds of my Claim. \_\_\_\_
6. I am not obligated to pay [Company] anything if there are no proceeds arising from my Claim, or if the proceeds from my Claim are not sufficient to cover the total amounts I am required to pay [Company], except in the case of fraud or my material breach of the Agreement, dated [DATE], as described further in the Agreement. \_\_\_\_
7. I have not assigned—and shall not assign—any portion of my right to receive the proceeds of my Claim to any person, corporation, or entity other than to [Company]. \_\_\_\_
8. I understand that in the event of any conflict between any language contained in this Customer Acknowledgment and a term of the Agreement, the term of the Agreement will control. \_\_\_\_

I confirm that I have read, understand, and agree to each of the above statements by initialing each of them and signing below.

|  |  |  |
| --- | --- | --- |
| Signature |  | Date |
|  |  |  |

[COMPANY] FUNDING AGREEMENT

This funding agreement (“Agreement”) is made as of [Date], between [Customer], residing at [Address] (“I” or “Customer”), and \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ having its principal place of business at [Address] (“[Company]”).

RECITALS

WHEREAS, I am currently involved in a pending legal claim and/or lawsuit (the “Claim”), [BRIEFLY DESCRIBE CAUSE OF ACTION OR PROVIDE DOCKET NUMBER AND COURT]. For purposes of this Agreement, this Claim will include, without limitation, any other related claims, lawsuits, or actions resulting from the Claim, whether against the original defendants or any others.

WHEREAS, I agree to assign [Company] a portion of my right to receive Proceeds from my Claim, in exchange for the Funded Amount. I will use the Funded Amount solely to meet my immediate economic needs.

WHEREAS, except as expressly provided herein, [Company] will be paid the Payment Amount only from Proceeds of the Claim. [Company] will not seek recovery from me directly if the Claim does not result in any Proceeds or results in insufficient Proceeds.

NOW, THEREFORE, in consideration of the above recitals and mutual covenants contained herein, and other good and valuable consideration, [Company] and [Customer], intending to be legally bound, hereby agree as follows:

# DEFINITIONS

1. “Attorney” means my current or any future attorney[s] representing me in the Claim.
2. “Claim” has the meaning set forth in the first paragraph of the Recitals.
3. “Disclosure Statement” means the attached disclosure statement, dated [DATE], summarizing the material financial terms related to this Agreement.
4. “Event of Default” has the meaning set forth in Section [7] of this Agreement.
5. “Funded Amount” means the amount of money [Company] is advancing me pursuant to this Agreement and as set forth in the Disclosure Statement.
6. “Funding Date” means the date on which the Funded Amount is transferred to Customer by Company either by personal delivery or via wire, ACH or other electronic means or mailed by insured, certified or registered United States mail.
7. “Claim” has the meaning set forth in the first paragraph of the Recitals.
8. “One-time Charges” means the application fee, and any other charges itemized in the Disclosure Statement.
9. “Payment Amount” means the amount [Company] is entitled to receive from the Proceeds, as described in this Agreement and disclosed in the Disclosure Statement. The Payment Amount is equal to the Funded Amount plus any accrued use fee and, if applicable, any unpaid One-time Charges, upon which use fees do not accrue.
10. “Prepayment” means any payment made to [Company] before any Proceeds are paid to me.
11. “Proceeds” means any money or other thing of value, other than attorneys’ fees and costs, paid as a consequence of the Claim whether by settlement, judgment, or otherwise. For an avoidance of doubt, the term “Proceeds” shall include, but not be limited to, any monies disbursed by or through an insurance company or other third party on behalf of a party to the Claim.

# TERMS OF THE TRANSACTION

**Agreement to Receive the Funded Amount**

[Company] agrees to accept my assignment of, on the Funding Date, a portion of Proceeds from the Claim in exchange for my receipt of the Funded Amount of [zero and xx/100 dollars ($0.00)]. [Company] shall remit the Funded Amount to me on the Funding Date. Any One-time Charges I have agreed to pay that remain unpaid as of the Funding Date [, such as the application fee,] will be deducted from the Funded Amount. For the avoidance of doubt, the Funded Amount does not include attorney’s fees. [The Funded Amount shall not exceed two-thirds of the amount of Proceeds, or such other maximum portion of the Proceeds as allowed by law.]

[Company’s] assignment of a portion of my right to receive Proceeds from the Claim does NOT assign my Claim to [Company].

**What Do I Owe [Company] In Exchange for the Funded Amount?**

In exchange for assigning to [Company] a portion of my right to receive Proceeds, the Payment Amount that I will owe [Company], as set forth on the Disclosure Statement and as subject to the terms and conditions of this Agreement, is:

1. The Funded Amount of [zero and xx/100 dollars ($0.00)], plus
2. Any other One-time Charges (including the application fee) as set forth in the Disclosure Statement, plus
3. An accrued use fee of [0.00]% of the Funded Amount, compounded monthly, as set forth in the Disclosure Statement.

The Funded Amount will not include any fees, costs or other charges not disclosed on the Disclosure Statement.

[Company] has no right to decide or influence whether, when, and how much the Claim is settled for and will not interfere with the independent professional judgment of my Attorney in handling the Claim or settlement of the Claim. [Company] has no obligations related to or arising from the Claim, including but not limited to collecting Proceeds on my behalf.

THE FUNDED AMOUNT AND AGREED UPON CHARGES SHALL BE PAID ONLY FROM THE PROCEEDS OF YOUR CLAIM, AND SHALL BE PAID ONLY TO THE EXTENT THAT THERE ARE AVAILABLE PROCEEDS FROM YOUR CLAIM. YOU WILL NOT OWE [COMPANY] ANYTHING IF THERE ARE NO PROCEEDS FROM YOUR CLAIM, UNLESS YOU HAVE VIOLATED ANY MATERIAL TERM OF THIS CONTRACT OR YOU HAVE COMMITTED FRAUD AGAINST [COMPANY].

**How Will the Payment Amount be Calculated?**

The Payment Amount [Company] is entitled to equals the Funded Amount plus the accrued use fee, which is compounded monthly. The accrued use fee is calculated at the beginning of each [one hundred-eighty (180) day interval], starting on the Funding Date and ending on the date [Company] receives the full Payment Amount, or as much of the Payment Amount as Proceeds from the Claim allow.

If [Company] receives the Payment Amount within the first [one-hundred-eight (180) day] interval after the Funding Date, the Payment Amount will be calculated as if [Company] received it at the end of the first [one-hundred-eight (180) day] interval and each successive interval, thereafter.

Any Prepayments that I make will be deducted from the Payment Amount.

**What Happens After the Claim is Resolved?**

I AM ONLY OBLIGATED TO PAY THE FUNDED AMOUNT AND AGREED UPON CHARGES AND FEES FROM THE PROCEEDS OF MY CLAIM, AND SUCH AMOUNTS AND CHARGES SHALL BE PAID ONLY TO THE EXTENT THAT THERE ARE AVAILABLE PROCEEDS FROM MY CLAIM. I WILL NOT OWE [COMPANY] ANYTHING IF THERE ARE NO PROCEEDS FROM MY CLAIM, UNLESS I OR MY ATTORNEY HAVE VIOLATED ANY MATERIAL TERM OF THIS CONTRACT OR I HAVE COMMITTED FRAUD AGAINST [COMPANY].

**How Will [Company] be Paid?**

The Payment Amount will be withheld from Proceeds and paid to [Company] immediately after:

1. Payment of my Attorneys’ fees and costs; and
2. Payment is made to any lien holders of record existing as of the date of this Agreement, or which may have priority by law.

I understand and acknowledge that I will not receive any Proceeds, including under a structured settlement, until [Company] has been paid the Payment Amount. If Proceeds are not sufficient to cover the Payment Amount, then [Company] is entitled to the remainder of the Proceeds after the payment of Attorneys’ fees and costs and to any lien holders with priority. I acknowledge that my receipt or use of any of the Proceeds before [Company] is paid in full is an illegal conversion.

If there is a dispute about the amount [Company] is owed after the Claim is resolved, my Attorney will not distribute any of the Proceeds to me or on my behalf, except for attorneys’ fees and costs, until the dispute is resolved.

I will instruct my Attorney to mail all payments to:

[Company Address]

**When Proceeds Are Sufficient for the Full Payment Amount, What Happens If [Company] Has Not Received the Full Payment Amount?**

If [Company] receives an amount for less than the full Payment Amount, I acknowledge that [Company] will obtain immediate right to possess and retain such amount upon receipt, and in the case of a check, [Company] may deposit such check. [Company’s] taking possession of such amount, and/or depositing of such a check, will not signify that [Company] has been paid in full or that I am released from paying [Company] the full Payment Amount actually due, notwithstanding any markings on the check or accompanying notation to the contrary.

If [Company] must engage an attorney to collect the full Payment Amount, then I will be responsible for the reasonable attorney’s fees and costs involved. If I engage an attorney to defend myself against such a claim by [Company] that is adjudged to be improper or unlawful by a court of law, then I will be entitled to reimbursement from [Company] for reasonable attorney’s fees and costs actually incurred while defending such claim.

# CUSTOMER AUTHORIZATIONS

**Consumer Report Authorization**

I authorize [Company], its agents, or designees to request and receive my consumer report from any consumer reporting agency pursuant to the Fair Credit Reporting Act, and to conduct any other consumer report searches [Company] determines are necessary or reasonable in conjunction with this Agreement.

**Additional Authorizations**

I expressly authorize [Company], its agents, or designees to:

1. Contact me by phone (including by cell phone), email, fax and regular mail to send offers and information for potential future transactions.
2. Conduct any background and other searches that may be necessary to confirm my Personal Representations and Warranties.
3. Receive or complete all searches that [Company] may require in its discretion. These searches may include state and local Uniform Commercial Code (“UCC”) searches, federal and state tax lien searches, and bankruptcy searches.
4. Provide a copy of this Agreement to my Attorney.
5. File, in its sole discretion, a UCC Form 1 instrument (or equivalent thereof) in whatever jurisdiction it chooses and notify any party of the security interest and lien in the Proceeds that is established pursuant to Section 6, below.

In addition, I authorize [Company] to perform or have performed any and all other acts as may be necessary for [Company] to enforce its rights and obligations pursuant to this Agreement.

# CUSTOMER’S REPRESENTATIONS AND WARRANTIES

**Personal Representations and Warranties**

I represent and warrant that:

1. I reside at [address]. If I move to a new address, I will notify [Company] of my new address in writing within five (5) business days of moving.
2. I have full power and authority to enter into this Agreement and do not require the consent of any other party, including any present or former spouse, to do so, except as required by law. To the extent such consent is required by applicable law, I have obtained such consent.
3. I am of sound mind and not acting under duress.
4. I have not assigned and shall not assign any portion of my right to the Proceeds to any person, corporation, or entity other than to [Company] as provided under this Agreement or to those specifically listed in the Disclosure Statement.
5. I am not delinquent in my payments to any present or former spouse for support, maintenance, or similar obligations.
6. I am not delinquent in my payments to any child, or the guardian of any child, for any child support or similar payments.
7. The Proceeds are not subject to any lien by any government agency that might be owed any of the payments described in this provision.
8. I have either paid or made adequate arrangements to pay all federal, state, and local taxes that are due as of the Date of this Agreement.
9. I have no outstanding federal, state, or local tax liens against me.
10. I am not currently in bankruptcy.
11. I am not subject to or liable under any outstanding and/or unsatisfied judgments, levies, or claims.
12. There are no lawsuits, actions, or cases pending or threatened against me or my properties, and I know of no basis for any claim against me.
13. I am not entering into this Agreement to evade creditors.

**Representations and Warranties Regarding This Transaction**

I represent and warrant that:

1. I have not relied on any representations or statements made by [Company], its agents, or its attorneys in connection with this Agreement, including any of its tax or financial consequences.
2. I am using the Funded Amount under this Agreement for my immediate, personal economic needs.
3. I have been advised to assess my alternatives to funding my immediate economic needs prior to signing this Agreement.
4. I have been advised to seek my own independent tax, financial, and legal advice concerning this transaction. Further, I acknowledge [Company] has not provided me with tax, financial or legal advice of any kind and that I am not relying on any such advice from [Company].
5. I have provided and instructed my Attorney to provide [Company] with all available information reasonably necessary for [Company] to fully assess the merits of the Claim.
6. I will and have instructed my Attorney to promptly respond to all inquiries from [Company] about the status of the Claim.
7. I have provided irrevocable instructions to my Attorney under an Irrevocable Letter of Instruction (the form of which is appended to this Agreement as Exhibit A) and promise not to issue additional instructions to my Attorney that are inconsistent with those irrevocable instructions.
8. I will cooperate with [Company] in enforcing its rights under this Agreement.
9. I will not seek to avoid payment of any money due to [Company] under this Agreement.
10. I will not create additional liens that are similar in nature to the Company’s liens against the Proceeds without [Company’s] prior written consent; any attempted or successful assignment, sale, conveyance, hypothecation, encumbrance, security interest, or lien against the Proceeds that I create without [Company’s] prior written consent in violation of this paragraph will be wholly void and of no effect.
11. I will not change the fee agreement between me and my Attorney in any way that would reduce the amount paid to [Company] out of the Proceeds.
12. I will notify [Company] in writing within five (5) business days if I terminate the services of my Attorney or if my Attorney decides not to proceed with the Claim.
13. If I retain new counsel to represent me in the Claim, I acknowledge that this Agreement is still in effect. Nevertheless, I will notify [Company] within seven (7) days of any new counsel accepting my representation of this Claim.
14. I shall notify [Company] or cause my Attorney to notify [Company] of the outcome of the Claim, whether by settlement or adjudication, within five (5) business days of first learning the resolution of the Claim.
15. This Agreement and its principal terms have been fully explained to me, and all questions that I might have about this transaction have been fully explained to me in English or the language that I speak best.
16. All the statements I make in this Agreement and all other documents executed and delivered by me or on my behalf to [Company] in connection with this Agreement are true, accurate, and complete as of the date of this Agreement, and do not omit anything that make any of the statements incomplete or materially misleading.

# CONDITIONS PRECEDENT

The following conditions must be fully satisfied before any of [Company’s] or my obligations become due **under this Agreement:**

1. [Company] must receive the properly executed Agreement, Irrevocable Letter of Instruction (the form of which is appended to this Agreement as Exhibit A), Attorney Acknowledgment (the form of which is appended to this Agreement as Exhibit B) and any other document that [Company] requests as a condition for this transaction, to the extent the form of the documents are acceptable to [Company], in its discretion.
2. [Company] has the right to request copies of case documents, including the Complaint and Answer, if applicable.

# GRANT OF SECURITY INTEREST

I hereby grant [Company] a security interest and lien in the full Proceeds of the Claim. [Company] has all the rights and remedies of a secured party under applicable law.

I authorize [Company], in its sole discretion, to file a UCC Form 1 instrument (or equivalent thereof) in whatever jurisdiction it chooses and notify any party of its security interest and lien in the Proceeds. I appoint [Company] my attorney-in-fact solely for purposes of filing, perfecting, and maintaining its security interest and lien in the Proceeds. I agree to take any steps reasonably required by [Company] to perfect and maintain the perfection of [Company’s] security interest and lien.

If I am not permitted by applicable law to grant [Company] a security interest or lien in the Proceeds, that shall be deemed a material breach of this agreement AND I SHALL immediately pay TO [Company] the amounts due under this Agreement as a separate and independent obligation**.**

#  EVENTS OF DEFAULT

In the event of any of the following events of default (“Events of Default”), I shall be personally and immediately liable to [Company] for the Payment Amount, plus [Company’s] reasonable attorneys’ fees and costs, **regardless of whether I receive Proceeds of the Claim**:

1. I or my attorney made a material misstatement in connection with: (i) my application, (ii) any representation or warranty in this Agreement, or (iii) with the Claim.
2. I committed a fraudulent or criminal act in connection with this transaction or in a matter that would adversely and significantly impact the Claim.
3. [Company] is not paid the Payment Amount within five (5) days of such Proceeds becoming available.
4. I or my attorney fail to perform or comply with any of the material obligations or agreements contained in this Agreement.

If an Event of Default occurs, I understand that [Company] may contact and advise any insurance company, claims adjuster, or attorney then handling the Claim that (1) [Company] has an interest in the Proceeds and (2) [Company] must be included as a payee on settlement or award checks. [Company] will not be liable to me for any damages I may suffer as a result of these actions.

Nothing in this Section prevents [Company] from exercising any other right or remedy arising under applicable law or in equity.

# WAIVERS

After consulting with my Attorney, I expressly and unconditionally waive any and all of the following except to the extent prohibited by applicable law:

1. Any claims that the Proceeds are not assignable or that this transaction is a loan or constitutes champerty or maintenance, or is subject to usury laws.
2. Any defense to payment of the amount due to [Company].
3. ANY AND ALL RIGHTS I MAY HAVE TO BRING ANY CLAIM AGAINST [COMPANY] AS A CLASS ACTION OR TO JOIN OR OTHERWISE PARTICIPATE IN A CLASS ACTION AGAINST [COMPANY].

# ASSIGNMENT

This Agreement is binding on [Company] and me, and each of our respective heirs, executors, administrators, successors, and assigns, as applicable. I understand that I have no right or power to assign my rights or obligations under this Agreement.

I understand that [Company] may assign or transfer its obligations or rights under this Agreement to any third party assignee without my prior approval, as long as such assignee expressly agrees to be bound by this Agreement. I understand that such assignee of [Company] will rely on the truth and accuracy of my representations and warranties in this Agreement and in connection with this transaction. When requested by [Company] or its assignee, I will sign and deliver all documents reasonably required to confirm any rights and obligations of this Agreement.

# NOTIFICATION REQUIRED OF ME

1. I will notify [Company] within five (5) business days if I decide not to pursue my case.
2. I will notify [Company] in writing within five (5) business days if I terminate the services of my Attorney or if my Attorney decides not to proceed with the Claim.
3. If I retain new counsel to represent me in the Claim, I acknowledge that this Agreement is still in effect. Nevertheless, I will notify [Company] within five (5) days of any new counsel accepting my representation.
4. If I move, I will notify [Company] within five (5) business days of my new address.
5. My Attorney and I will notify [Company] of the outcome of the Claim by settlement or adjudication before the date the Claim is officially resolved.

# MISCELLANEOUS

This Agreement is the entire agreement and contains the only representations, warranties, or obligations agreed to between the parties. It may be executed in separate counterparts and any modifications to it must be in writing.

This Agreement supersedes all of the parties’ prior and contemporaneous agreements, understandings, negotiations, or discussions, written or oral, that relate to the transaction in the Agreement, except for any previously executed Funding Agreements between the parties with respect to this Claim. This Agreement binds the parties and their successors and assigns.

An electronic or photocopy of any of the Agreement’s signatures has the same force and effect as an original signature.

Section headings and other similar headings are not to be considered part of this Agreement, are solely for convenience of reference, and shall not affect the meaning or interpretation of this Agreement or any of its provisions.

If any provision of this Agreement is deemed invalid or unenforceable, it will not affect the validity or enforceability of any other provision. This Agreement will be construed in accordance with the laws of the State of [State]. I understand that if [Company] does not receive payment as required by this Agreement and if [Company] needs to take action to pursue such payment, [Company] may collect, in addition to the amount [Company] is owed, reasonable attorney’s fees and costs in enforcing [Company’s] rights. Notwithstanding this, the prevailing party in any action will be entitled to reasonable attorney’s fees and costs.

This Agreement will be deemed to have been executed and delivered in the State of New York and will be governed by and construed in accordance with the internal law of the State of New York, excluding any conflicts or choice of law rule or principle that might otherwise refer construction or interpretation of this Agreement to the substantive law of another jurisdiction. The parties hereby consent to the exclusive jurisdiction and venue of the courts of the State of New York located in the Borough of Manhattan, The City of New York for the purpose of any action or proceeding brought by either of them and involving, directly or indirectly, any matter in any way arising out of, related to or connected with this Agreement.

# RIGHT OF RESCISSION

CUSTOMER’S RIGHT OF RESCISSION

**I may cancel this Agreement without penalty or further obligation within five (5) business days after the Funding Date.**

**To cancel the Agreement, I will send a notice in the form of a written statement signed by me and stating my intention to cancel AND either:**

**1. Return to [Company] the full amount of the disbursed funds by delivering in person the uncashed check from [Company] to the office of [Company], at [address], or**

**2. Send, by insured, certified, or registered United States mail, to [Company] at [address], a notice of cancellation and a return of the full amount of the disbursed funds in the form of the uncashed check from [Company], a registered or certified check, or a money order.**

I hereby accept the terms of this Agreement, grant [Company] a security interest and lien as per the terms hereof, and assign the Proceeds of my Claim to the extent specified in this Agreement on \_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_\_, 20\_\_.

**NOTE TO CUSTOMER: Do not sign this agreement before you read it completely or if it contains any blank space. You are entitled to a completely filled in copy of this Agreement. Before you sign this agreement, you should obtain the advice of an attorney. Depending on the circumstances, you may want to consult a tax, public or private benefits planning, or financial professional. You acknowledge that your Attorney in the Claim has provided no tax, public or private benefit planning, or financial advice regarding this transaction.**

 Customer’s Signature

 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 [Spouse’s Signature]

State of [State] )

County of ) ss.:

On the \_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_\_, 20\_\_, before me personally came [Customer], (each) known to me, and known to me to be the individual(s) described in and who executed the within document and duly acknowledged to me that [s]he executed the same.

 NOTARY PUBLIC

My Commission Number

**Exhibit A**

**[FORM OF IRREVOCABLE LETTER OF INSTRUCTION]**

[Attorney]

[Firm]

[Address]

Re: Irrevocable Letter of Instruction

Customer: [Sample Customer]

Case: [Sample Customer] for the incident that occurred on or about [Date], and any other related actions

Dear [Attorney]:

This letter, along with copies of the [Company] funding agreement, dated [DATE] (the “Funding Agreement”), will confirm that I am irrevocably assigning an interest in the Proceeds (as such term is defined in the Funding Agreement) from any settlement or judgment of my pending case or claim (as described above, “Claim”) to [Company].

I hereby instruct you and any future attorney representing me to honor and follow my irrevocable instructions to you listed below:

## Before disbursements of any settlement or judgment Proceeds from my Claim, have your office contact [Company] at [Number] to confirm the amount due under the terms of my Funding Agreement. **Please be advised that you may not disburse any Proceeds otherwise payable to me out of the settlement, collection, judgment, compromise, or any other collection resulting from this Claim without first satisfying the amount due to [Company] under the Funding Agreement.**

## Upon disbursement of any settlement or judgment Proceeds from my Claim, deduct and forward all amounts payable to [Company] before any proceeds are distributed to me, via mail to:

[Company] [Address]

## Upon request from [Company], disclose the gross settlement amount to [Company] from my Claim for internal purposes only.

## Promptly notify [Company] if there are any other assignments or liens on this Claim now or in the future.

## If in the future you are no longer representing me in this Claim, promptly notify [Company] within five (5) business days.

## Cooperate with [Company] by providing, upon reasonable request, periodic updates and any information regarding my Claim and the defendant(s) to [Company] that does not violate the attorney-client privilege.

 Customer’s Signature

State of [State] )

County of ) ss.:

On the \_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_\_, 20\_\_, before me personally came [Customer], (each) known to me, and known to me to be the individual(s) described in and who executed the within document and duly acknowledged to me that [s]he executed the same.

 NOTARY PUBLIC

My Commission Number

**Exhibit B**

**[FORM OF ATTORNEY ACKNOWLEDGMENT\*]**

As your attorney, I acknowledge receipt of your Irrevocable Letter of Instruction and a copy of the [Company] funding agreement between you and [Company], dated [DATE] (the “Funding Agreement”). I further acknowledge that you have granted [Company] a security interest and lien in the “Proceeds” of your “Claim” (as such terms are defined in the Funding Agreement) as a consequence of your Funding Agreement with [Company]. I acknowledge that pursuant to the Funding Agreement, you have assigned a portion of your Proceeds to [Company]. I further acknowledge that I will follow all of your irrevocable instructions to me as outlined in your letter and will honor the terms of your Funding Agreement. I know of no other lien in this case as a result of a funding transaction similar in nature to that with [Company] pursuant to the Funding Agreement. I acknowledge that your Funding Agreement prohibits you from creating any other liens resulting from a funding transaction similar in nature to that with [Company] pursuant to the Funding Agreement. Prior to making any distribution to you, I will contact [Company] to ascertain the amount due and will not pay any portion of the Proceeds to you or on your behalf (other than attorneys’ fees and costs for this case, any prior liens, and liens with priority by law) (the “Permitted Liens”) until [Company’s] lien is satisfied in full. After making the necessary deductions for Permitted Liens, I will forward all amounts payable to [Company] before any Proceeds are distributed to you, via mail to [address]. In the event of a dispute with [Company], I agree that the only disbursements that will be made from the Proceeds will be for the Permitted Liens, that the remainder of the Proceeds will be held by me in my attorney trust account until such dispute is resolved. I understand that marking a check or accompanying letter to the effect of a release of claim or “in full satisfaction,” absent a written confirmation that [Company] will accept a lesser sum, will not have a legal effect on [Company] and that [Company] is authorized to deposit said check without prejudice to its rights to collect payment in full.

I represent to [Company] that this case or legal claim is still pending in active status and that there presently are no appeals or motions, including but not limited to a summary judgment motion by any defendant, which, if adversely decided, could reasonably be expected to have a material effect on the Claim and [Company’s] ability to receive the Proceeds. However, I further represent that this Claim is being vigorously defended as to both liability and injury and that there is no guarantee that you will be successful or will recover sufficiently to satisfy [Company’s] lien in whole or in part.

**Additional Acknowledgments:**

To the best of my knowledge, all the costs and charges relating to the funding transaction arising under the Funding Agreement have been disclosed to my client;

I am being paid on a contingency basis pursuant to a written fee agreement;

All proceeds of the legal claim will be disbursed via either a trust account or a settlement fund established to receive the proceeds of the Claim on behalf of my client;

I am following the written instructions of my client with regard to
Funding Agreement;

I have not received a referral fee or other consideration from the Company in connection with the Funding Agreement, nor will I receive such fee or other consideration in the future; and

I have provided no tax, public or private benefit planning, or financial advice regarding this transaction.

I am obligated to disburse funds from the Proceeds and to take any other steps to ensure that the terms of the Agreement are fulfilled.

I am the attorney of record in the above-captioned case. I further certify that I have received a copy of and reviewed the Funding Agreement, and explained its terms to my client.

|  |  |
| --- | --- |
|  **Attorney Signature** **Print Name** |  **Date** |

**MULTIPLE FUNDINGS DISCLOSURE**

This Multiple Fundings Disclosure clear and conspicuously discloses the cumulative amount due from Customer for all Funded Amounts received by Customer from Company, including any One-time Charges, if such Funded Amounts are repaid after the applicable Agreements have been executed.

**Upon execution of this Agreement the total maximum amount due from Customer to Company, should sufficient Proceeds become available, would be $MAXIMUM and accruing.**

***Funding #1:* [REFERENCE EACH AGREEMENT, I.E., funding amount of $xx,xxx provided pursuant to the Agreement signed by the Parties on [Month] XX, 20XX.**

***Funding #2:* [REFERENCE TO AGREEMENT.]**

***Funding #3:* [REFERENCE TO AGREEMENT.]**

|  |  |
| --- | --- |
| **Total to be advanced to me under THIS agreement:**  |  |
| **Total advanced to me under ALL agreements:**  |  |
| **Maximum amount due under ALL agreements:** |  |

**3rd ADVANCE (Amount Advanced Under This Agreement)**

**Below is a chart of the payment schedule based upon your 3rd funding advance of $2,500.00 plus the $250.00 application fee, both at a cost of 2.99% per month for the first year, 2.75% per month for the 2nd year, and 2.50% per month for the 3rd year, after which interest will cease to accrue, and all compounding monthly and due in 6 month intervals:**

**Payment made between:**

 **July 12, 2016 - January 11, 2017: $3,281.73**

 **January 12, 2017 - July 11, 2017: $3,916.28**

 **July 12, 2017 - January 11, 2018: $4,608.55**

 **January 12, 2018 - July 11, 2018: $5,423.20**

 **July 12, 2018 - January 11, 2019: $6,289.25**

 **January 12, 2019 - July 11, 2019: $7,293.50**

**2nd ADVANCE**

**Below is a chart of the payment schedule based upon your 2nd funding advance of $2,000.00 plus the $250.00 application fee, both at a cost of 2.99% per month for the first year, 2.75% per month for the 2nd year, 2.50% per month for the 3rd year, after which interest will cease to accrue, and all compounding monthly and due in 6 month intervals:**

**Payment made between:**

**May      18, 2016 - November 17, 2016:  $2,685.05**

**November 18, 2016 – May      17, 2017:  $3,204.23**

**May      18, 2017 - November 17, 2017:  $3,770.63**

**November 18, 2017 - May      17, 2018:  $4,437.16**

**May      18, 2018 – November 17, 2018:  $5,145.75**

**November 18, 2018 - May      17, 2019:  $5,967.49**

**1st ADVANCE**

**Below is a chart of the payment schedule based upon your 1st funding advance of $2,000 plus the $250.00 application fee, both at a cost of 2.99% per month for the first year, 2.75% per month for the 2nd year, 2.50% per month for the 3rd year, after which interest will cease to accrue, and all compounding monthly and due in 6 month intervals:**

**Payment made between:**

**November 4, 2014 - May      3, 2015:  $ 2,685.05**

**May      4, 2015 - November 3, 2015:  $ 3,204.23**

**November 4, 2015 - May      3, 2016:  $ 3,770.63**

**May      4, 2016 - November 3, 2016:  $ 4,437.16**

**November 4, 2016 - May      3, 2017:  $ 5,145.75**

**May      4, 2017 - November 3, 2017:  $ 5,967.49**

1. This rate is technically not interest, but is provided here for purposes of demonstrating the cost of the transaction. [↑](#footnote-ref-2)