



State of Rhode Island

Department of State | Office of the Secretary of State

Gregg M. Amore, Secretary of State

March 3, 2026

The Honorable Matthew L. LaMountain, Chair
Senate Committee on Judiciary

RE: S2494 - An Act Relating to Commercial Law – General Regulatory Provisions – Third-Party Litigation
Financing Consumer Protection Act

Dear Chair LaMountain,

I write this letter with recommended suggestions for Senate Bill 2494, legislation that regulates the practices of third-party litigation financiers in Rhode Island and requires litigation financiers to register with the Department of State or the Department of Business Regulation.

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 109,000 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 for business registration and subsequent licensing as all other businesses. Litigation financiers operating in Rhode Island should be in compliance with existing statute and 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 Senate Bill 2494. Our office has been in communication with DBR, and they support this letter. Nevertheless, the Department of State is happy to work with DBR and the bill sponsor to improve this process.

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.

Sincerely,

Gregg M. Amore
Secretary of State

cc: The Honorable Members of the Senate Committee on Judiciary
The Honorable Victoria Gu

State House, Room 218, Providence, RI 02903

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