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**IN THE SUPREME COURT
STATE OF ARIZONA**

In the matter of:	)	
	)	Supreme Court No. R-25-0003
PETITION TO AMEND	)	
RULE 8, RULES OF CIVIL	)	Comment to Petition to Amend
PROCEDURE	)	Rule 8, Rules of Civil Procedure
	)	
	)	
	)	

Pursuant to Rule 28(D), Rules of the Supreme Court, the Arizona Chamber of Commerce and Industry and the Greater Phoenix Chamber with support from undersigned business community stakeholders respectfully submits this Comment for the Court’s consideration. Because third-party litigation funding (“TPLF”) exposes the undersigned and/or their members to amplified lawsuit-related dangers, including the greater risk of frivolous litigation, more protracted litigation, harassment litigation as a competitive business practice, corporate espionage (or sovereign espionage), and other potential dangers, the undersigned fully adopt the comments and recommendations filed on this Petition by the United States Chamber of Commerce Institute for Legal Reform (“ILR”).

I. Proposed Rule Amendments Should Be Adopted & Further Amended

The proposed changes constitute a bare minimum of necessary regulation on TPLF. ILR's comment proposes amendments to the Petition, which the undersigned also support. We agree that the proposed definition is narrow and will likely let some major funding activity slip through the cracks. In addition, the *ex parte* enforcement mechanism may be insufficient to fully address the potential abuses inherent in TPLF. For many of the same reasons that courts meticulously decline to offer advisory opinions, the benefits that would come from an adversarial threshing of potential TPLF risks in any given case would far outweigh the burden on funders and litigants. On the other side, the adversarial sunlight would do no harm to legitimately funded litigants' access to the courts. Moreover, the light that is shed on funding arrangements through full discovery would benefit the courts' core interest in regulating non lawyer control of the legal process, and continue to ensure that the justice system is used solely for its intended purpose.

In its efforts to promote access to justice, this Court recently instituted an Alternative Business Structure ("ABS") system that allows non-lawyer investment and/or ownership interest in law practices. With the new approach, the Court instituted firm safeguards to ensure the integrity and ethical operation of ABS practices. Among other things, this Court, through the Administrative Office of the Courts, exerts a licensing authority providing for a comprehensive review of applications for ABS standing. That review includes in-depth analyses of the structure of the business, the business's management-process plans, the financial health of the business, and an investigation of the non-lawyer owner or investor in the law firm (not unlike a bar applicant's character and fitness assessment). The Court also maintains an ongoing authority to monitor ABS compliance, requiring semi-annual compliance audits. These and other review and oversight authorities were established to protect against abuse of the legal process by non-lawyer financial interests that are not otherwise bound by the ethics presumed where bar members, bound by the rules of professional conduct, exercise exclusive ownership and control.

In contrast, even under the minimal regulatory standards in the proposed rule (which the undersign support), TPLF will provide opportunities for investors, who might not otherwise subject themselves to the rigor of this Court's ABS review and monitoring, to do an end-run around the ABS rules. TPLF allows these investors to maintain the

equivalent power and control over a single lawsuit, or group of lawsuits, with little to no oversight. Instead of the initial and ongoing review by a staff of compliance officers with expertise on the subject matter, review of TPLF is left to a single judge, a judge not ordinarily engaged in comprehensive review of funding and character/fitness review. And this single judge is left to conduct that review as an *ex parte* matter, without the benefit of an adversarial exposure of potential red flags. The provision of funding agreements to all parties would represent an additional and necessary step toward maintaining the integrity of the justice system and court process.

We strongly support the proposed rule. We also strongly support the proposed amendments urged by ILR.

RESPECTFULLY SUBMITTED this 1st day of May, 2025.

Submitted by:

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Supported by the following stakeholders:

Altria Client Services, LLC

Arizona Bankers Association

Arizona Farm Bureau Federation

Arizona Lodging and Tourism Association

Arizona Small Business Association (ASBA)

Arizona Technology Council

Arizona Trucking Association

Bayer

CopperPoint Insurance Companies

East Valley Chambers of Commerce Alliance (EVCCA)

- Apache Junction Chamber of Commerce

- Carefree Cave Creek Chamber of Commerce

- Chandler Chamber of Commerce

- Gilbert Chamber of Commerce

- Mesa Chamber of Commerce

- Queen Creek Chamber of Commerce

- Scottsdale Chamber of Commerce

- Tempe Chamber of Commerce

Greater Flagstaff Chamber of Commerce

Health System Alliance of Arizona

Home Builders Association of Central Arizona (HBACA)

Intel Corporation

National Association of Mutual Insurance Companies (NAMIC)

National Federation of Independent Business (NFIB)

Nogales-Santa Cruz Chamber of Commerce

Specialized Services Company (SSC)

Southern Arizona Leadership Council (SALC)

West Valley Chamber of Commerce Alliance

- Buckeye Chamber of Commerce

- Glendale Chamber of Commerce

- Peoria Chamber of Commerce

Northwest Valley Chamber of Commerce
Surprise Regional Chamber of Commerce
West Valley Regional Chamber
Wickenburg Chamber of Commerce

Yuma County Chamber of Commerce

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