



# SENATE MOTION

**MADAM PRESIDENT:**

**I move** that Engrossed House Bill 1127 be amended to read as follows:

- 1           Page 13, delete lines 15 through 28, begin a new line block indented  
2           and insert:
- 3           **"(i) Notwithstanding section 110(3) of this chapter, this**  
4           **subdivision applies to a CPAP transaction offered or entered**  
5           **into after June 30, 2016. With respect to a CPAP transaction,**  
6           **a CPAP provider may impose the following charges and fees:**
- 7                 **(i) This clause applies only to a CPAP transaction for an**  
8                 **amount less than two thousand five hundred dollars**  
9                 **(\$2,500). Not more than one (1) time with respect to any**  
10                **one (1) CPAP transaction, a charge that does not exceed**  
11                **two hundred fifty dollars (\$250) for obtaining and**  
12                **preparing documents.**
- 13               **(ii) This clause applies only to a CPAP transaction for an**  
14                **amount that is at least two thousand five hundred dollars**  
15                **(\$2,500). Not more than one (1) time with respect to any**  
16                **one (1) CPAP transaction, a charge that does not exceed**  
17                **five hundred dollars (\$500) for obtaining and preparing**  
18                **documents.**
- 19                **(iii) A fee calculated at an annual rate that does not exceed**  
20                **thirty-eight percent (38%) of the funded amount.**
- 21                **(iv) A deferral charge as set forth in section 204 of this**  
22                **chapter that is calculated at an annual amount that does**  
23                **not exceed thirty-eight percent (38%) of the deferred**  
24                **amount.**
- 25            **A CPAP provider may not assess, or collect from the**  
26            **consumer claimant, any other fee or charge in connection**  
27            **with a CPAP transaction."**
- 28            Page 16, between lines 34 and 35, begin a new line block indented

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31

and insert:

**"(4) If the consumer claimant is represented by an attorney in the civil proceeding on which a CPAP transaction is based, the CPAP contract must contain a written acknowledgment by the attorney that attests to the following:**

**(A) That to the best of the attorney's knowledge, all costs and charges relating to the CPAP transaction have been disclosed to the consumer claimant.**

**(B) That the attorney is being paid by the consumer claimant on a contingency basis under a written fee agreement.**

**(C) That all proceeds of the civil proceeding will be disbursed through a trust account of the attorney, or through a settlement fund established to receive the proceeds of the civil proceeding on behalf of the consumer claimant.**

**(D) That the attorney is following the instructions of the consumer claimant with respect to the CPAP transaction.**

**(E) That the attorney has not received a referral fee or other consideration from the CPAP provider, and agrees not to receive a referral fee or other consideration from the CPAP provider at any time, in connection with the CPAP transaction.**

**If the attorney retained by the consumer claimant in the consumer claimant's civil proceeding does not complete the acknowledgment required by this subdivision, the contract, and the CPAP transaction to which it pertains, are void. However, the contract, and the CPAP transaction to which it pertains, remain valid and enforceable if the consumer claimant or the attorney terminates the representation."**

Page 19, delete lines 39 through 42.

(Reference is to EHB 1127 as printed February 24, 2016.)

---

Senator HEAD