**Section 170.20 Definitions**

For purposes of this Part, the following definitions apply:

“Act” means the Consumer Legal Funding Act [815 ILCS 121].

*“Advertise” means publishing or disseminating any written, electronic, or printed communication, or any communication by means of recorded telephone messages or transmitted on radio, television, the Internet, or similar communications media, including film strips, motion pictures, and videos, published, disseminated, circulated, or placed before the public, directly or indirectly, for the purpose of inducing a consumer to enter into a consumer legal funding.* (Section 5 of the Act)

“Applicant” means a person or entity applying for a license pursuant to the Act.

“Cancellation Date” means the Resolution Date or if there is no Resolution Date, the date the licensee determines the consumer is not required to repay the company the consumer legal funding amount or charges.

*“Charges” means the fees, as set forth in Section 25* of the Act, *to be paid to the consumer legal funding company by or on behalf of the consumer above the funded amount provided by or on behalf of the company to an Illinois consumer pursuant to the Act.* (Section 5 of the Act)

*“Consumer” means a natural person who has a pending legal claim and who resides or is domiciled in Illinois.* (Section 5 of the Act)

*“Consumer legal funding” or “funding” means a nonrecourse transaction in which a company purchases and a consumer transfers to the company an unvested, contingent future interest in the potential net proceeds of a settlement or judgment obtained from the consumer’s legal claim; if no proceeds are obtained from the consumer’s legal claim, the consumer is not required to repay the company the consumer legal funding amount or charges.* (Section 5 of the Act)

*“Consumer legal funding company” or “company” means a person or entity that enters into, purchases, or services a consumer legal funding transaction with an Illinois consumer. “Consumer legal funding company” does not include:*

*an immediate family member of the consumer;*

*a bank, lender, financing entity, or other special purpose entity:*

*that provides financing to a consumer legal funding company; or*

*to which a consumer legal funding company grants a security interest or transfers any rights or interest in a consumer legal funding; or*

*an attorney or accountant who provides services to a consumer.* (Section 5 of the Act)

“Controlling person” means

a person, entity, or ultimate equitable owner that owns or controls, directly or indirectly, 10% or more of any class of stock of the licensee or applicant;

a person, entity, or ultimate equitable owner that is not a depository institution, as defined in Section 1007.50 of the Savings Bank Act, that lends, provides, or infuses, directly or indirectly, in any way, funds to or into a licensee or applicant in an amount equal to or more than 10% of the license applicant’s net worth;

a person, entity, or ultimate equitable owner that controls, directly or indirectly, the election of 25% or more of the members of the board of directors of a licensee or applicant; or

a person, entity, or ultimate equitable owner that the Secretary finds influences management of the license or applicant, the provisions of this subpart shall not apply to a public official serving on the board of directors of a State guaranty agency.

*“Department” means the Department of Financial and Professional Regulation.* (Section 5 of the Act)

“Director” means the Director of the Department of Financial and Professional Regulation – Division of Financial Institutions or the Director’s designee.

“Division” means the Department of Financial and Professional Regulation – Division of Financial Institutions.

*“Funded amount” means the amount of moneys provided to, or on behalf of, the consumer in the consumer legal funding. “Funded amount” does not include charges except for charges that are deducted from the funded amount.* (Section 5 of the Act)

*“Funding date” means the date on which the funded amount is transferred to the consumer by the consumer legal funding company either by*:

*personal delivery;*

*via wire, ACH, or other electronic means; or*

*mailed by insured, certified, or registered United States mail.* (Section 5 of the Act)

*“Immediate family member” means a parent; sibling; child by blood, adoption, or marriage; spouse; grandparent; or grandchild.* (Section 5 of the Act)

“Licensee” means a person, partnership, association, limited liability company, corporation or other legal entity licensed under the Act. Any person or entity who holds himself, herself, or itself out as a licensee or who is accused of unlicensed practice is considered a licensee for purposes of enforcement, investigation, hearings, and the Illinois Administrative Procedure Act [5 ILCS 100].

“Net Proceeds” means the amount of proceeds of the consumer’s legal claim remaining after all liens of a higher priority on the consumer’s legal claim are paid.

“Other Business Authorization” means the authorization in writing as required by Section 105 of the Act to conduct another business in a location licensed under the Act.

*“Resolution amount” means the funded amount plus the agreed-upon charges that are delivered to the consumer legal funding company on the resolution date.* (Section 5 of the Act)

*“Resolution date” means the date the resolution amount is delivered to the consumer legal funding company.* (Section 5 of the Act)

*“Secretary” means the Secretary of Financial and Professional Regulation or the Secretary’s designee.* (Section 5 of the Act)