

JOHN CORNYN, TEXAS
MICHAEL S. LEE, UTAH
TED CRUZ, TEXAS
JOSH HAWLEY, MISSOURI
THOM TILLIS, NORTH CAROLINA
JOHN KENNEDY, LOUISIANA
MARSHA BLACKBURN, TENNESSEE
ERIC SCHMITT, MISSOURI
KATIE BOYD BRITT, ALABAMA
ASHLEY MOODY, FLORIDA
DARLINE GRAHAM, SOUTH CAROLINA

RICHARD J. DURBIN, ILLINOIS
SHELDON WHITEHOUSE, RHODE ISLAND
AMY KLOBUCHAR, MINNESOTA
CHRISTOPHER A. COONS, DELAWARE
RICHARD BLUMENTHAL, CONNECTICUT
MAZIE HIRONO, HAWAII
CORY A. BOOKER, NEW JERSEY
ALEX PADILLA, CALIFORNIA
PETER WELCH, VERMONT
ADAM B. SCHIFF, CALIFORNIA

United States Senate

COMMITTEE ON THE JUDICIARY
WASHINGTON, DC 20510-6275

Carolyn A. Dubay
Secretary
Committee on Rules of Practice and Procedure
Administrative Office of the U.S. Courts
One Columbus Circle, NE, Room 7-300
Washington, D.C. 20544
October 21, 2026

Dear Ms. Dubay:

I write in support of the inquiry into third party litigation funding issues by the Advisory Committee on Civil Rules and encourage the Committee to recommend an amendment to the Federal Rules of Civil Procedure to increase public disclosure of third party funding in litigation.

Third party litigation funding can allow our courts to be misused in several ways.

First, the third party litigation funding industry is booming and lucrative. This global market was valued at \$26.58 billion in 2025.¹ Some of these companies, funds, and other entities use our courts as investment opportunities and revenue generators. To fulfill their fiduciary duty and maximize their return on investment, funders often prioritize using the courts for monetary return rather than for obtaining justice for the parties involved in the cases. The litigation between Sysco and Burford Capital shows that, in some cases, funders require parties to reject settlement offers with instructions to instead pursue settlements that have more money for them and for the attorneys.²

Additionally, third party litigation funding by foreign actors and sovereign wealth funds, both overtly and covertly, has national security implications. These lawsuits take money from our economy by tying U.S. companies up in long court battles. They slow down U.S. technology development by requiring our companies to spend money on attorneys that should be going into research and product development. Foreign entities even file lawsuits for the sole purpose of learning U.S. company trade secrets during the discovery process. These trade secrets are then used by foreign countries to enhance their military using our technology, and by foreign companies to manufacture and sell products that compete with ours.³

¹ *Litigation Funding Investment Market Size, Share & Industry Analysis*, Fortune Business Insights (Oct. 5, 2026), <https://www.fortunebusinessinsights.com/litigation-funding-investment-market-118163>.

² Jonathan Bilyk, *Lawsuit Investor Burford Can Upend Sysco's \$50M Chicken Price Settlement*, Legal Newsline (Feb. 6, 2026), https://www.legalnewsline.com/cook-county-record/lawsuit-investor-burford-can-upend-sysco-s-50m-chicken-price-settlement/article_1ef2cf8e-7f29-4321-8c57-7d5225d26fdb.html.

³ Emily Siegel & John Holland, *Putin's Billionaires Dodge Sanctions by Financing Lawsuits*, Bloomberg Law (Mar. 28, 2024), <https://news.bloomberglaw.com/litigation-finance/putins-billionaires-sidestep-sanctions-by-financing-lawsuits>; Emily Seigel, *China Firm Funds US Suits Amid Push to Disclose Foreign Ties*, Bloomberg Law (Nov. 6, 2023), <https://news.bloomberglaw.com/business-and-practice/china-firm-funds-us-lawsuits-amid-push-to-disclose-foreign-ties>.

Transparency would help address the problems with abusive third party litigation funding. In December 2022, GAO released a study reporting that third party litigation funding experts identified data gaps and that, “addressing these data gaps could help researchers answer important questions about the TPLF industry, such as what effect TPLF has on litigation and the extent to which conflicts of interest arise for judges who hear cases funded by TPLF and have ownership interests in litigation funders.”⁴ In addition to providing this data so the practice could be evaluated fairly, required disclosure would help ensure fairness in the courts by providing judges and opposing counsel notice that third parties that may have a financial interest in the outcome of the case are involved. Finally, requiring public disclosure would serve as a deterrent to questionable litigation funding by parties that have nefarious intent. If a third party funding arrangement cannot stand up to public scrutiny, it likely should not occur.

I am a longtime believer that sunshine brings accountability. This is true for all branches of government, the courts included. The American people deserve to know of outside influences in their courts.

Thank you for your consideration.

Sincerely,

A handwritten signature in blue ink that reads "Chuck Grassley". The signature is fluid and cursive, with the first name "Chuck" being more prominent than the last name "Grassley".

Charles E. Grassley

Chairman

United States Senate Committee on the Judiciary

⁴ *Third-Party Litigation Financing: Market Characteristics, Data, and Trends*, U.S. Government Accountability Office (Dec. 2022) at p. 15. <https://www.gao.gov/assets/gao-23-105210.pdf>; See also Blake Brittain, *U.S. Patent Plaintiff Drops Media Lawsuits After Funding-Disclosure Fight*, *Reuters*, (Oct. 27, 2023), <https://www.reuters.com/legal/litigation/us-patent-plaintiff-drops-media-lawsuits-after-funding-disclosure-fight-2023-10-27/>.