



Structured Settlement Factoring

Panacea or the Road to Ruin?

Consider the following dire situation.

Your 2-year old daughter, Sarah, has a potentially life-threatening condition. The condition is a result of medical malpractice during her birth. Your personal injury attorney settled Sarah's claim against the doctor and hospital for \$1,048,000. Acting in what you believed to be in Sarah's best interest, you arranged for \$787,000 of her settlement to be structured in a life contingent annual payment annuity over 26 years (an average payment of \$25,500 per year). It would begin when she was age 18, subject to termination upon her death.

As sometimes happens during the teenage years, Sarah¹ rebelled, left home without graduating from high school, and moved in with Fred, a methamphetamine addict currently on probation for selling drugs. They now have three children under age 5, and neither has a job. Sarah has received her first five annual annuity payments, and life is a financial struggle.

Late one night, Fred sees a television ad placed by Rapacious Factors, L.L.C., a factoring company offering lump-sum payments for structured settlement annuities. The next morning, Fred excitedly explains to Sarah how they can solve their financial woes. He convinces her to call Rapacious' office that day.

On the phone, all is made easy. Rapacious staff tell a delighted Sarah and Fred that it will give her \$145,000—in cash!—for her settlement. All she has to do is sign some papers, talk to a lawyer, and appear briefly with them in court to obtain approval.



The paperwork discloses that in return for the \$665,400 annual payments left on her annuity, Sarah will receive \$237,000. It also reveals that from her \$237,000 share, Sarah will have to pay \$91,650 for a paid-up \$665,000 life insurance policy to protect Rapacious in case she does not survive the term of the annuity. She also must pay a \$500 processing fee. This all leaves her with a net of \$145,350.

With visions of a new car, down payment on a house, and paid-off bills dancing in her head, Sarah eagerly signs the papers while Fred happily looks on.

To ease the rigors of an already-easy process, Rapacious even recommends an attorney for Sarah to consult about the arrangement. Sarah telephones the recommended lawyer. He listens to her briefly, asks her if she's sure she wants to do this, and tells her it is a good deal.

A month later, Sarah appears in Superior Court with Rapacious' lawyer to obtain approval of the arrangement, pursuant to state law.² She testifies that she and her fiancé, Fred, have a lot of bills and want to buy a new car, make a down payment on a house, and invest the rest for their children's education.

Fred sits in the back of the courtroom. He is thinking about how much fun it will be to spend the money.

The kindly judge asks Sarah if she realizes that she is giving up \$428,000 and that she will have another \$91,650 taken from her share to pay for a life insurance policy. The judge also asks Sarah if she has discussed this arrangement with an attorney. Sarah replies affirmatively to both questions.

When the judge asks her if her parents know she is doing this, she snaps, "No, I'm over 18 and I don't have to tell them!" When the judge asks Sarah how she will make the payments on the house she plans to buy, Sarah hesitates and then tells her she'll probably have to get a job.

The disclosure statement given to Sarah states that the discounted present value of her \$665,000 annuity at 5.60 percent is \$365,867. After deducting the \$91,650 insurance premium and the \$500 processing fee, Sarah will receive 39.6 percent of

the discounted present value of her annuity in cash. Sarah will receive her money at an effective annual discount rate of 18.46 percent. On a gross undiscounted basis, Sarah will receive only 21.8 percent of her remaining annuity payments.

Should the judge approve this arrangement?



Does this scenario happen in real life? In the first eight months of 2007, 176 applications for approval of these sales were filed in the Maricopa County Superior Court. That is a 66 percent increase over the same period in 2006. The applications were filed under the Structured Settlement provisions of A.R.S. § 12-2901, et seq.

What is the purpose of this act? Whom does it protect? And what standard should courts apply in evaluating these contracts?

Why Settlements Are Structured

A structured settlement is "an arrangement for periodic payment of damages for personal injuries or sickness that is established by settlement or judgment in resolution of a tort claim or for periodic payments in settlement of a workers' compensation claim."³ They typically are funded by an annuity contract purchased and held for the claimant's benefit by an insurance company.

Structured settlements are attractive to liability insurance carriers. As one court has said, "In addition to providing the payee with a secure source of income, structured settlements also provide insurance carriers with a less expensive means of settling a personal injury claim because it allows them to pay the obligation over many years."⁴

Such settlements do benefit the injured person. When structured properly, the full amount of the future payments, including the interest earned on the annuity, is excludable from the claimant's gross income under § 104(a) of the Internal Revenue Code. Thus, a structured settlement can be substantially more valuable to

a claimant than an all-cash payment.⁵

Consider the plight of Natasha, a 50-year-old Russian widow. She has an eighth-grade education, a poor command of English and no job skills or experience. Tragically, her husband is killed by the negligence of another driver. A structured settlement of her \$333,000 settlement paid her, after costs and attorneys' fees, \$71,000 in cash and a \$180,000 lifetime annuity payable in monthly payments of \$500. With her social security survivor's benefits, the structured payments will help her live out her life with a modicum of comfort.

The Role of Factoring Companies

By 1997 concerns were being expressed about the increasing involvement of factoring companies in purchasing structured settlements from financially unsophisticated and unsuspecting persons.⁶

A well-known Illinois trial attorney, Phillip Corboy, wrote:

Recently a growing number of factoring companies have used aggressive advertising, plus the allure of quick and easy cash, to induce settlement recipients to cash out future payments, often at substantial discounts, depriving victims and their families of the long-term financial security their structured settlements were designed to provide.

...

Because the underlying purpose of a structured settlement is not only to compensate an injured party but also to protect that party from his own improvidence, a number of commentators, courts, and legislatures have become concerned by the growing number of companies, sometimes called "factoring companies," that purchase structured settlements from a personal injury victim by paying him immediate cash for the right to future payments under the settlement. Recipients are induced to sell, even though these transactions are a clear breach of their structured settlements agreements and the advance payment companies exploit their customers to sell at unconscionable rates that would

be deemed usurious if the transactions were treated as loans.⁷

Congress took note and in 2002 amended the Internal Revenue Code to impose “on any person or entity who acquires directly or indirectly structured settlement payments rights in a structured settlement factoring transaction a tax equal to 40 percent of the factoring discount.”⁸ A statutory exception was created for any transfer of structured settlement payment rights that is approved in advance by a qualified state court order.⁹

The order must expressly find that the proposed transfer does not contravene any federal or state law, regulation or order, and that the sale “is in the best interest of the payee, taking into account the welfare and support of the payee’s dependents.”¹⁰

Currently 46 states, including Arizona, have enacted statutes regulating the transfer of structured settlement payments and requiring court approval of any such transfer.¹¹ Many of these acts are titled “Structured Settlement Protection” acts.¹²

This leads to the question: Who is being protected? The injured annuitants from their own folly—or the factoring companies from the 40 percent federal excise tax?

How the Acts Work

Many structured settlement contracts contain an anti-assignment clause. In finding that the payee had waived that clause, a Texas appellate court said, “It appears that the various legislatures have determined that the solution is not to prohibit the assignment of structured settlements payments, but to require certain precautionary mechanisms that will safeguard recipients from possible abuse by factoring companies.”¹³

Arizona’s statute was enacted in 2002. The minutes of the House Appropriations Committee reflect that only one person spoke on the bill—a representative of the Alliance of American Insurers:

The bill will require a court process to make sure the recipients of structured settlements receive the benefit of the value they secured through the court process.” In response to a question he

said: “Congress passed a law last year that says all structured settlement transactions must have court approval. States were given a small window of time to implement similar legislation. If settlements are sold without going through the court process, an excise tax is imposed. Having the courts involved in the process will help prevent the potential fleecing of victims.”¹⁴

In the Senate hearing, he said, “The intent is to make sure that the long-term interests of the participants are carried out and protected.”¹⁵

Arizona’s law, like those of other states, requires that eight items be provided to the proposed payee at least three days before the payee signs the transfer agreement.¹⁶ The factor must advise a payee in writing to seek independent, professional advice regarding the transfer; the payee must have either received the advice or knowingly waived the advice in writing.¹⁷

Standards Applied by the Court

Let’s return to Natasha, our Russian widow, who subsequently spent her \$71,000 cash payment in four years. She responds to the Rapacious’ TV ad and is offered \$18,250 for \$54,000 of her annuity payments. The present value of the payments, discounted at 5.6 percent, is \$30,820. From her proposed payment of \$18,250, Natasha will have to pay \$11,000 for a life insurance policy on her life for Rapacious.

This leaves her with \$7,250, or 13.4 percent of the gross value of her annuity. She wants to use the money to purchase more equipment for her business, which grosses \$25,000 per year.

Does Arizona’s law protect Natasha? Should a court approve her application?

To uphold the sale, the court

must find that it “is in the best interest of the payee, taking into account the welfare and support of the payee’s dependents.”¹⁸ Which of the following questions should a court weigh?

- Is the standard paternalistic?
- Is this strictly an economic test?
- If so, where should the court draw the line on the proposed discount rate?
- In evaluating whether a discount rate is unconscionable, should the court consider that Arizona has no usury law?

Who is being protected?
The injured annuitants from their own folly—or the factoring companies from the federal excise tax?



- Should the court evaluate the facts as though the payee were incompetent?
- Should the court inquire about and consider prior applications for sale of the payee's structured settlement payments?
- If so, what weight, if any, should the court give to those prior applications?
- How important is economic hardship or the dire straits of the applicant?
- What is the standard for independent financial advice or a knowing waiver thereof?
- Should it matter to the court that the "independent professional" is an attorney recommended by the factor?
- Should the court inquire as to who paid the attorney?
- Can the court consider that a payee who recently turned 18 has not advised her parents of the application?
- Is the court obliged to point out to the payee that there is a developing market in this area and he or she might get a better deal by looking on the Internet?
- Should the court consider the amount of the annuity that will remain if the application is approved?
- Can the court ask the payee to explore other financial means of solving a current financial situation?
- How does the court weigh the welfare and support of the payee's dependents?
- How can the court balance the payee's long-term financial security against alleged immediate needs?
- Should the court require or review the payee's business plan for the money?
- Does the payee have the financial sophistication to obtain a return on her funds equal to the discount rate she will pay by accepting the offer?

There is scant appellate guidance in this

area—none in Arizona—for a few reasons. First, the cost of an appeal is high. Second, there really is no one to contest an approval. Finally, a claimant who is denied can simply apply again to another judge.

Courts in Texas, New Jersey and Pennsylvania have characterized their obligation as paternalistic.¹⁹ A Pennsylvania judge denied an application, reasoning:

To date, [the payee] has sold \$330,000.00 worth of structured settlement payments for \$158,600.00 in cash payments. The instant petition represents her third request in slightly more than two years and, if approved, will result in the aggregate sale of \$480,000.00 in structured settlement payments for \$208,850.00 in cash. On each occasion, [the factoring company] has offered [the payee] fewer cents on the dollar. By way of illustration, [the factoring company's] payments in March 2004 and June 2005 constituted 79.7% and 62.4% respectively of the discounted present value of the annuity payments purchased. The latest offer of \$50,250.00 represents a mere 57% of the discounted present value of the structured settlement payments to be acquired.

An offer to purchase structured settlement payments for 57% of their discounted present value is unconscionable under the Structured Settlement Protection Act.²⁰

The court concluded:

Absent exigent circumstances justifying a compelling need for immediate cash, such as a pending ejectment action following a mortgage foreclosure judgment or possible or actual incarceration for failure to make court-ordered child or spousal support payments, a parsimonious offer of 57% of the discounted present value should not be sanctioned by the court.²¹

A New York trial court said, "The State Legislature in enacting the SSPA ... did not intend for the courts to be mere rubber stamps."²²

Another New York court emphasized

the impact of structured settlement factoring on persons of color and persons of limited income:

This case involves a significant, yet often overlooked, statute which appears to have a disproportionate impact on persons of color and persons of limited income.

...

Not surprisingly, in virtually all the cases throughout the State in which the standard has been applied and the court has chosen to publish its reasoning, the court has denied the petition on the ground that the proposed transfer did not serve the best interest of the payee. [citations omitted]

The primary reasons for the denials are twofold. First, the discount rate offered by the factoring company is so significant that the payee is oftentimes selling his payment rights for a fraction of their value, contrary to his "best interest." Secondly, the payee oftentimes lacks a viable, concrete plan for the use of the funds, or a more viable alternative exists which better serves his interests.

...

In a transparent attempt to satisfy the statutory requirement that the factoring company advise the payee to seek "independent professional advice" about the sale, the petition was also accompanied by a pro forma letter from an attorney to the petitioner professing that the attorney had discussed the details of the proposed transaction with Mr. Martinez and "believes Pedro understands and agrees."²³

Deciding these cases is difficult. That difficulty was described by a Connecticut judge in a case where the payee proposed to transfer her rights to an asset with a discounted present value of \$31,039.83 for \$10,019.88, which amounted to paying the factor interest at a rate of approximately 20 percent per year. The court said:

Masotta is a thirty-eight-year-old mother of three minor children. She is separated from her husband. She is currently employed as a waitress and earns approximately \$10,000.00 per year. She informed the court that she needs the money to help pay off some of her debt and she wants to use some of the money to send her daughter to college. She also informed the court that she is having other financial difficulties, specifically mentioning that her car is in disrepair and that she needs the money to make the vehicle drivable.

Masotta's testimony was credible. This court is therefore faced with the dilemma of either approving a transfer that appears to be a bargain [the factor] and an incredibly poor deal for Masotta; or depriving Masotta of an opportunity to resolve her financial predicament, send her daughter to college, and to provide reliable transportation for her family.

It is with great difficulty that this court comes to the conclusion that the totality of the circumstances as presented to this court leads it to believe that, upon taking into account the welfare and support of Masotta's dependents, the transfer is in her best interests.²⁴

On the other hand, a New Jersey court had no difficulty approving the sale of structured settlement payments by a payee who had exhausted his savings during his cancer treatments and planned to get married and buy a house. The payee had a business degree, had worked as a licensed financial adviser in Wall Street investment firms, had shopped around for price quotes, and received financial advice from persons he had worked with on Wall Street. The court did note that the same conclusion would not be reached for payees lacking his financial acumen.²⁵

Of the 162 applications filed in Maricopa County in 2006, 142 were approved, 19 were voluntarily dismissed

and one was denied. Through August 2007, four applications have been denied, and 15 have been dismissed.

Multiple Applications

One potential area of abuse is repeated applications by claimants to sell their future payment rights.

In Arizona, one payee, who turned 18 in 2002 and is the beneficiary of a structured settlement of more than \$13 million, filed four applications in less than two years. Her first two applications, seeking the sale of a total of \$1,3 million in structured payments for \$508,076, were approved by two different judges. Her next two applications, seeking approval of the sale of \$1,753,427 in structured payments for \$446,360, were denied by two other judges. The law does not require the factor or the beneficiary to disclose that prior applications have been filed or the rulings on those applications.

The issue of repeated applications has been addressed by some courts, including three New York trial courts. Those courts expressed concern that a claimant had systematically eroded his structured settlement and suggested in another case that the claimant's dependents were being deprived because the judge was not told of prior depletions of the structured settlement.²⁶

One Arizona judge, Hon. F. Pendleton Gaines, addressed this issue in denying an application by ordering, "If [the factoring company] makes any other application to any court anywhere in the United States in reference to [the payee's] annuity in this case, they are to supply the Judge in the new case with a copy of this order."²⁷ Unfortunately, Judge Gaines only had the power to bind one factor, and others could make an application without disclosing that payee's history.


A solution to this problem would be for the Arizona Supreme Court to adopt a Rule of Civil Procedure requiring applicants in these cases to disclose all prior applications and the results thereof so that judges will be more fully informed. This is the approach Pennsylvania has taken.²⁸

Arizona courts should carefully examine structured settlement factoring applications

and inquire about prior applications to prevent annuitants from throwing away their financial futures.²⁹

Conclusion

This article asks more questions than it answers. Without A.R.S. § 12-2901, *et seq.*, factors wanting to purchase structured settlements from Arizona residents would seek approval in other states that have acts to avoid the 40 percent federal excise tax on the factoring discount. The legislative history indicates that the reason we have A.R.S. § 12-2901 *et seq.* is to allow factoring companies to operate in Arizona without the federal excise tax penalty.

The legislation was sold to the Arizona Legislature as placing the courts in the position of protecting annuitants from "potential fleecing."³⁰ Personal injury and other attorneys who use structured settlements for their clients should counsel them carefully about the benefits and detriments of selling their structured settlements and encourage them to obtain competent and thorough financial analyses of all factoring proposals. 

endnotes

1. Of course, Sarah and all people named in this article are fictional persons.
2. A.R.S. § 12-2903.
3. *Id.* § 12-2901(13). For an Arizona case discussing structured settlements and Arizona's former statute regarding structured settlements in medical malpractice cases, see *Smith v. Myers*, 887 P.2d 541 (Ariz. 1994).
4. *R & P Capital Res., Inc. v. Metropolitan Life Ins. Co.*, 772 N.Y.S.2d 461, 462 (N.Y. Sup. Ct. 2003).
5. Leo J. Andrada, Note, *Structured Settlements: The Assignability Problem*, 9 S. CAL. L. REV. 465, 470 (2000).
6. Structured Settlement: The Ongoing Evolution From a Liability Insurer's Ploy to an Injury Victim's Boon, 36 TULSA L.J. 865, 867 (Summer 2001). *Contra*, Adam F. Scales, *Against Settlement Factoring? The Market in Tort Claims Has Arrived*, WIS. L. REV. 859, 869-874 (2002).

7. Philip H. Corboy, *Structured for A Reason*, 86 A.B.A. J. 116 (June 2000).
8. 26 U.S.C. § 5891 (a).
9. *Id.* § 5891 (b)(1)&(2).
10. *Id.* § 5891 (b)(2)(A)(i)-(ii).
11. ALA. CODE 1975 tit. 6, Ch. 11, art. 3, 6-11-50 through 6-11-59; ALASKA STAT. §§ 09.60.200 through 09.60.230; ARIZ. REV. STAT. ANN. §§ 12-2901 through 12-2904; ARK. CODE ANN. §§ 23-81-701 through 23-81-707; CAL. INS. CODE §§ 10134-10139.5; COLO. REV. STAT. ANN. §§ 13-23-101 through 13-23-108; CONN. GEN. STAT. ANN. § 52-225f through 52-225l; DEL. CODE ANN. tit. 10, §§ 6601-6604; FLA. STAT. ANN. § 626.99296; GA. CODE ANN. §§ 51-12-70 through 51-12-77; HAW. REV. STAT. § 676-1 through 676-6; IDAHO CODE § 28-9-109; 215 ILL. COMP. STAT. ANN. 153/1 through 153/35; IND. CODE ANN. §§ 34-50-2-1 through 34-50-2-11; IOWA CODE ANN. §§ 682.1 through 682.7; KAN. STAT. ANN. §§ 40-461 through 40-467; KY. REV. STAT. ANN. §§ 454.430 through 454.435; LA. REV. STAT. ANN. § 9:2715; 24-A Me. Rev. Stat. Ann. §§ 2241 through 2246; MD. CODE ANN., CTS. & JUD. PROC. §§ 5-1101 through 5-1105; MASS. GEN. LAWS ANN. ch. 231C §§ 1 through 5; MICH. COMP. LAWS ANN. §§ 691.1191 through 691.1197; MINN. STAT. ANN. §§ 549.30 through 549.34; MISS. CODE ANN. §§ 11-57-1 through 11-57-15; MO. ANN. STAT. §§ 407.1060 through 407.1068; MONT. CODE ANN. §§ 33-20-1401 through 33-20-1412; NEB. REV. STAT. ANN. §§ 25-3101 through 24-3107; NEV. REV. STAT. ANN. 42.030; N.J. STAT. ANN. §§ 2A:16-63 through 2A:16-69; N.M. STAT. ANN. §§ 39-1A-1 through 39-1A-7; N.Y. GEN. OBLIG. LAW § 5-1701 through 5-1709; N.C. GEN. STAT. ANN. §§ 1-543.10 through 1-543.15, and 1-394.1; OHIO REV. CODE ANN. §§ 2323.58 through 2323.587; OKLA. STAT. ANN. tit. 12, §§ 3238 through 3245; OR. REV. STAT. §§ 33.850 through 33.875; 40 PA. CONS. STAT. §§ 4001 through 4009; R.I. GEN. LAWS ANN. §§ 27-9.3-1 through 27-9.3-7; S.C. CODE ANN. §§ 15-50-10 through 15-50-70; S.D. CODIFIED LAWS §§ 21-3B-1 through 27-3B-12; TENN. CODE ANN. §§ 47-18-2601 through 47-18-2607; TEX. CIV. PRAC. & REM. CODE ANN. § 141.001 through 141.007; UTAH CODE ANN. §§ 78-59-101 through 78-59-108; VA. CODE ANN. §§ 59.1-475 through 59.1-477.1; WASH. REV. CODE ANN. §§ 19.205.010 through 12.205.900; W. VA. CODE ANN. §§ 46A-6H-1 through 46A-6H-8; and WYO. STAT. § 1-16-601 through 1-16-607.
12. *See, e.g.*, the Pennsylvania Structured Settlement Protection Act, 40 PA. CONS. STAT. §§ 4001-4009.
13. *Johnson v. Structured Asset Servs., LLC*, 148 S.W.3d 711, 729 (Tex. App. 2004), citing *Settlement Funding, LLC v. Jamestown Life Ins. Co.*, 78 F. Supp. 1319, 1364 (N.D. Ga. 1999). *See also* Gregory Scott Crespi, *Selling Structured Settlements: The Uncertain Effect of Anti-Assignment Clauses*, 28 PEPP. L. REV. 787, 817 n.7 (2001).
14. Minutes of a Meeting of the Arizona House of Representatives' Committee on Appropriations, April 2, 2002, 45th Legislature, 2d Regular Session.
15. Meeting of the Arizona State Senate Committee on the Judiciary, April 16, 2002, 45th Legislature, 2d Regular Session.
16. As set out in A.R.S. §12-2902(B)(2), "Not less than three days before the date on which the payee signed the transfer agreement, the transferee provided to the payee a disclosure statement in bold type, no smaller than fourteen points, setting forth":
 - a. The amounts and due dates of the structured settlement payments to be transferred.
 - b. The aggregate amount of the payments.
 - c. The discounted present value of the payments to be transferred, which shall be identified as the calculation of current value of the transferred structured settlement payments under federal standards for valuing annuities, and the amount of the applicable federal rate used in calculating the discounted present value.
 - d. The gross advance amount that is payable to the payee in exchange for the payments.
 - e. An itemized listing of all applicable transfer expenses, other than attorney fees and related disbursements payable in connection with the transferee's application for approval of the transfer, and the transferee's best estimate of the amount of attorney fees and related disbursements.
 - f. The net advance amount that is payable to the payee after deduction of all commissions, fees, costs, expenses and charges listed in subdivision (c) of this paragraph.
 - g. A statement that the payee has the right to cancel the transfer agreement, without penalty or further obligation, not later than the third business day after the date the agreement is signed by the payee. And
 - h. The amount of any penalty and the aggregate amount of any liquidated damages inclusive of penalties that are payable by the payee in the event of any breach of the transfer agreement by the payee.
17. A.R.S. §12-2902(B)(4).
18. *Id.* §12-2902(B)(3).
19. *Johnson*, 148 S.W.3d at 729; *In re Transfer of Structured Settlement Rights by Spinelli*, 803 A.2d 172, 176 (N.J. Super. Ct. 2002); and *In re Theresa Fee*, No. 06 CV 1423, Nealon, J., at p. 13 (Pa. Com. Pl., Lacka. Co., June 30, 2006).
20. *In re Bendowski*, 2006 WL 2988465 (No. 06 CV 3056, Nealon, J., Pa. Com. Pl., Lacka. Co., Aug. 24, 2006). The court cited the following examples: *In re Hilton*, 76 D. & C.4th 78 (Mercer Co., Pa. 2005), refusing to approve sale where effective annual discount rate far exceeded interest rates at which payee could borrow money; and *In re Macumber*, 66 D. & C. 4th 249, 252 (Monroe Co., Pa. 2003) denying request to approve payment of only 55 percent of discounted present value of annuity payments.
21. *In re Bendowski*, 2006 WL 2988465..
22. *In re Ballos*, 1 Misc. 3d 446, 461, 769 N.Y.S.2d 817 (Satterfield J., Super. Ct., Queens Co. 2003).
23. *Petition of 321 Henderson Receivables, L.P. v. Martinez*, 11 Misc. 3d 892, 893, 895-97, 816 N.Y.S.2d 298 (Sup. Ct. N.Y. Co., 2006).
24. *Seneca One, LLC v. Hartford Life Ins. Co.*, 2007 WL 611201 (Conn. Super. 2007).
25. *Spinelli*, 803 A.2d at 179.
26. *In Re Application of Settlement Funding of New York (Ray Butts)*, Index No. 2007-1721 (N.Y. Sup. Ct., Broome Cty., Aug. 28, 2007), Decision and Order at 7; *Settlement Funding of New York, L.L.C. v. St. Paul Travelers Cos., (Carrie Snide)*, 2007 WL 1385025 (N.Y. Sup. Ct., Clinton Cty., April 30, 2007); and *In re 321 Henderson Receivables Origination, LLC (Liana Roman)*, 2007 N.Y. Misc. LEXIS 3476-8 (N.Y. Sup. Ct., Bronx Cty., May 14, 2007).
27. *In re Settlement Funding, L.L.C. (Dasha Jones)*, Maricopa County Superior Court No. CV 2007-008144 (June 29, 2007, Minute Entry).
28. *See* PA.R.CIV.P. 229.2 (f), effective September 1, 2007.
29. For an excellent article discussing these issues and the history of structured settlement acts, *see* Daniel W. Hindert & Craig H. Ulman, *Transfers of Structured Settlement Payment Rights: What Judges Should Know About Structured Settlement Protection Acts*, 2005 Judges J. (Spring), Vol. 44 No. 2.
30. Minutes of a Meeting of the Arizona House of Representatives' Committee on Appropriations, April 2, 2002, 45th Legislature, 2d Regular Session.