



June 24, 2025

The Honorable John Thune
Majority Leader
United States Senate
Washington, DC 20510

Re: Support of the Tackling Predatory Litigation Funding Act, S. 1821

Dear Majority Leader Thune,

The paint and coatings industry is grateful for your support of the Tackling Predatory Litigation Funding Act, S. 1821. This language helps to preserve the right of all litigants to control their own destiny and does not allow foreign investors to negatively offset the balance between parties in litigation. Ensuring transparency and appropriate tax treatment in these arrangements is key.

The American Coatings Association (ACA) is the premier trade association dedicated to advancing the interests of the coatings industry and represents paint and coatings manufacturers, suppliers, distributors, and technical professionals. This \$32 billion industry employs approximately 312,000 U.S. worker and over 5,500 employees in the state of Indiana. Many of today's paints and coatings may go unnoticed by the consumer, but they play immeasurably valuable roles in delivering high-quality foodstuffs, durable goods, housing, furniture, and thousands of other products to market.

ACA is a strong supporter of Senator Tillis's Tackling Predatory Litigation Funding Act, which Senate GOP leadership has included in the reconciliation package. This important legislation closes a tax loophole that incentivizes foreign investors—including unsavory characters and sovereign wealth funds—to siphon billions of dollars out of the U.S. economy by funding expensive and burdensome litigation against U.S. businesses. There is no justifiable reason why litigation funders need to receive more favorable tax treatment than the actual victims in lawsuits. Legislative action is needed now to prevent this harmful abuse of the U.S. court system. Parties utilizing the courts should be seeking justice, not profits.



ACA greatly appreciates your steadfast support of this important legislation to protect American businesses and consumers and we urge you to remain diligent in the face of pushback by the plaintiff's bar and others who claim that this language supports "woke" environments. Nothing could be further from the truth -- this legislation merely requires appropriate tax treatment for investors.

Please let me know if you have questions or if I can provide additional information.

Best regards,

A handwritten signature in black ink, appearing to read "M. Johnson", with a long horizontal flourish extending to the right.

Michael M. Johnson
CEO and President