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**Some risk for Great Reward: Longford Capital Secure Massive
Investment for Litigation Funding**

Litigation funding appears set to continue its exponential growth, with litigation funder Longford Capital Management LP announcing in September of this year that it had managed to raise a \$500 million fund to support its litigation portfolios.

Longford Capital is a private investment company that provides funding to law firms, businesses, and individuals involved in large commercial disputes. Typically, this means claims worth between \$25 million and \$1 Billion.

Litigation funding covers lawyer's fees and expenses incurred during litigation, in return for a piece of the settlement/ judgment if the case is successful. If unsuccessful, the client does not owe the funder anything. This form of investment seems to be attracting investors from numerous sectors looking to take advantage of this new asset that isn't tied to more traditional markets.

This fund positively dwarfs Longford's previous litigation fund of \$56.5 million. In a press release, it was stated that they had, "*already committed \$100 mil for new investments*". Longford also announced the Limited Partner Advisory Committee for this fund which consists of five high profile investors:

- John A. Beirne, Jr., Founding Partner and Chief Investment Officer of Beirne Wealth Consulting Services, LLC.
- Michael D. Bills, Founder and Chief Investment Officer of Bluestem Asset Management, LLC

- T. Bondurant French, Executive Chairman of Adams Street Partners, LLC.
- Edward M. Liddy, former Chairman, President and CEO of The Allstate Corporation, former member of the Board of Directors and Chairman of the Audit Committee of The Goldman Sachs Group, Inc.
- Jeffrey N. Vinik, former manager of the Fidelity Magellan Fund.

William H. Strong, Chairman and Managing Director of Longford Capital, when speaking of “Fund II”, stated that Longford was able to attract over \$1 Billion dollars in interest and that *“enthusiasm for litigation finance is also growing among the investor community”*.

However, with such success comes competition. Other companies like Burford Capital made \$488 million in new investments in the first half of 2017 and, closed its own \$500 million fund to invest in litigation-related complex strategies in July of this year. As a result, the competition may cause the profit margin to shrink. There may also be trouble brewing on the horizon with the new Fairness in Class Action Litigation and, Furthering Asbestos Claim Transparency Act of 2017 which is currently before the US senate. This bill was introduced by The Institute for Legal Reform amidst concerns that litigation funding may be driving litigation strategy and as a result of calls for transparency relating to third party litigation funding. However, until that bill becomes law and the impacts are seen it looks like litigation funding isn’t slowing down anytime soon.

We expect to see the growth of the litigation funding market develop at double digit rate in 2018.

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