



Legal finance for securities litigation

Institutional investors around the world with substantial losses caused by corporate misconduct are pursuing securities litigation more frequently.

In the US, investors are increasingly “opting out” of class actions to improve recoveries and gain greater control of case strategy. In Europe and Asia, they typically must “opt in” to a group action to recover anything, and case filings and claimant participation have both risen steadily in recent years. With the growing volume and breadth of securities litigation, more investors are searching for tools that support an approach to pursuing recoveries globally that is more systematic, cost-effective and consistent with their investment objectives. Burford is uniquely positioned to help institutional investors identify, evaluate and pursue meritorious securities litigation on their own terms anywhere in the world, leveraging several financing models.

PORTFOLIO FINANCE

Burford can provide capital across multiple matters on a portfolio basis, allowing investors to pursue recoveries globally under an umbrella agreement and unitary fee structure. Portfolio financing can relieve the considerable burdens placed on in-house counsel who must otherwise evaluate competing proposals from multiple law firms or funders for every new claim. Further, this approach offers more favorable economics than single-case funding or engaging a law firm on contingency, and thus investors can retain more of the proceeds than they would under these traditional “one size fits all” arrangements.

One of the unique advantages of portfolio financing is the flexibility it offers around the use of Burford’s capital. A single capital commitment can finance an investor’s fees and expenses for affirmative claims, due diligence of a claim by the investor’s counsel of choice, or even defense costs in unrelated litigation. However it is used, financing is entirely non-recourse: Burford’s entitlement is paid and payable solely from the proceeds of the investor’s affirmative litigation claims. If the investor recovers nothing, neither does Burford.

SINGLE CASE FINANCE

Burford can provide single case financing to investors litigating individually or as part of a group of similarly situated claimants. To help investors evaluate a potential claim, Burford provides complimentary damages estimates prepared by qualified, independent economic experts consistent with the laws of the relevant jurisdiction. In fee shifting jurisdictions, Burford can also offer investors “after the event” insurance through its own wholly owned Guernsey-based insurer, Burford Worldwide Insurance Ltd (BWIL). Burford’s resources and relationships with the best law firms in the world help ensure investors work with the most qualified counsel wherever they may have a need to litigate.

CLAIM MONETIZATION

In certain cases, investors may prefer to accelerate an anticipated litigation recovery by fully or partially monetizing the claim, either to hedge against the risk of a loss in court or to generate additional liquidity. Burford’s access to capital is unmatched in the legal finance industry, as is our ability to monetize claims of even the largest institutional investors. For asset managers, claim monetization can generate immediately available cash to pay fund expenses, meet shareholder redemptions or purchase additional securities at an attractive valuation, all without increasing leverage or selling fund assets at a loss. Because monetization capital is provided on a non-recourse basis, it does not increase a fund’s leverage or exposure to fluctuating interest rates.

CASE STUDY

Burford worked with a global asset manager to develop a multi-year, multi-jurisdictional financing structure to fund securities claims globally. Before working with Burford, the asset manager had to review competing proposals from multiple law firms and funders for each new securities claim—creating both cost and time inefficiencies. In searching for a more efficient solution, the asset manager entered into a financing arrangement with Burford that enabled its funds to pursue claims globally under a master agreement with a unitary fee structure and more favorable terms. With its unmatched size and expertise, only Burford could have facilitated such an arrangement.

Why Burford?

- **Expertise:** With over 10 years of extensive legal finance experience assessing and investing in matters throughout the US, UK, Europe, Asia and Australia, Burford is uniquely positioned to deliver a truly global investor recovery solution.
- **Trust:** 71% of Burford’s clients return for repeat business. As the world’s leading provider of legal finance, Burford stands ready to be a trusted partner to the world’s largest and most sophisticated investors.
- **Scale:** With a current investment portfolio of US\$4.8 billion in commercial litigation and arbitration finance, Burford is by far the largest provider of legal finance.
- **Capital:** We have readily available permanent capital that enables us to finance USD \$100 million+ in a single portfolio vehicle.
- **Expertise:** More highly ranked than any other legal finance company and with more permanent capital to fund large and complex matters, Burford gives firms and clients the security of knowing they’re working with a partner that will be there for the duration.