

MONETIZATION FOR CLAIM OWNERS

What is Monetization?

Monetization is a type of litigation funding where a funder makes a **payment directly to claim owner** in exchange for a portion of future litigation recovery. This differs from more traditional forms of funding where the funder pays fees and expenses *to claim owner's attorneys*—on behalf of claim owner—to pursue the claims.

Not a loan. The funder is making a non-recourse investment in the outcome of the case, and receives a return only if the case is successful (e.g., settlement, award, or judgment). **If the case is unsuccessful, the funder is owed nothing.**

Claims monetization (immediate cash infusion). The funder makes a lump-sum payment (or series of payments) directly to claim owner in exchange for a portion of future litigation recovery, if any.

Catch-up payments (for previously incurred fees and expenses). For pending cases, the funder can make claim owner whole with a one-time up-front payment. Catch-up payments can also be made directly to the law firm for any unpaid bills.

Covering operating expenses (ongoing payment of non-litigation business expenses). The funder pays certain of claim owner's operating expenses on a monthly basis. This is typically used in conjunction with other types of funding arrangements (e.g., where the funder is also paying litigation fees and expenses).

Post-judgment monetization (to hedge risk when an appeal is pending). The funder purchases a portion of a favorable judgment while the case is on appeal.

What Types of Monetization are Available?

What is the Funder's Role?

Longford is a **passive investor**—claim owner and counsel retain complete control. Longford **does not control** strategy or settlement decisions. Longford **does not interfere** with counsel. Longford **does not practice** law or provide legal advice.

Why Monetize?

Provides an **immediate capital infusion** with **no financial risk** to claim owner.

Guarantees a financial return even if the case is unsuccessful.

Allows claim owner to book an **accelerated recovery** before resolution of the case.

Structured to ensure claim owner retains a **significant upside stake in the outcome.**

Rigorous due diligence process. Because of the elevated risks associated with monetizations, we conduct extensive diligence before deciding whether to monetize.

Profit-sharing. Because a monetization (which is typically paid out as an up-front lump-sum) is a higher-risk investment when compared to a traditional litigation funding arrangement (where fees and expenses are paid-out over the life of the case), Longford seeks a return commensurate with risk, in the event of a favorable outcome.

What's the Catch?

Not a buyout. Because it is important for claim owner to remain engaged and incentivized throughout the litigation, Longford requires claim owners to retain a substantial stake in the outcome.

Not a good fit for every situation. Whether monetization makes sense typically comes down to case strength, as well as the claim owner's risk tolerance and value placed on certainty, guaranteed returns, and timing.

Who is Longford Capital?

Longford was one of the first litigation funds in the U.S. and is among the largest litigation finance companies in the world. We have more than \$1 billion in assets under management for investment in meritorious legal claims and have deployed capital to support more than 300 cases.



LONGFORD shorthand