

## Morgan Stanley Exec Takes Top Job at Litigation Funding Upstart

By David Bario  
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Third-party litigation funding is always a hot topic, but the news came especially fast and furious in March. Burford Capital had a big cameo in a judge's ruling for Chevron Corporation in New York, and then capped the month by announcing a 25 percent boost in profits. The Australian litigation financier Bentham IMF Ltd teamed up with a U.S. hedge fund titan, Paul Singer's Elliott Management Corp., and launched operations in Europe. And on Monday, Chicago-based Longford Capital Management shook up the litigation funding world by announcing that a departing senior Morgan Stanley executive will serve as chairman of the fledgling firm.

William Strong, co-CEO of Morgan Stanley's Asia-Pacific operations based in Hong Kong and a member of the bank's global management committee, will take the helm at Longford on May 1. While other major banks have dabbled in litigation funding, Strong appears to be the first senior executive at a top Wall Street investment bank to make such a move.

"This is an important day for the entire industry of litigation finance in the United States," said Longford cofounder and managing director William Farrell Jr. "It really reinforces the importance and the legitimacy of this emerging asset class."

Farrell is a former litigator at Neal, Gerber & Eisenberg and at Gardner, Carton & Douglas, which merged with Drinker Biddle & Reath in 2006. He started Longford last

year with his brother Timothy Farrell (a seasoned corporate management type) and another Neal Gerber litigator, Michael Nicolas. Farrell's connection to Strong dates back to his law firm days, when Strong was based in Chicago and held positions as vice chairman of investment banking and head of the Midwest region for Morgan Stanley.

According to Farrell, Longford will commit between \$1 million and \$10 million in funding to cases with potential damages greater than \$25 million. He said the firm recently agreed to fund a breach of contract and trade secrets matter with alleged damages topping \$1 billion.

With Strong's help, Farrell said Longford would distinguish itself from other litigation funding outfits, often led by lawyers, by focusing on the "finance" side of the business. He said the firm is already exploring the secondary market for funding, and it's also looking at the potential for securitizing investments in litigation.

