LONGFORD CAPITAL®
LITIGATION FINANCE

## FACT SHEET

- Litigation finance is a rapidly growing form of specialty finance used by public and private businesses of all sizes, leading law firms, universities, government entities, estates in bankruptcy and liquidation proceedings and other organizations. Litigation finance firms provide capital to pay attorneys' fees and expenses incurred in litigation in single cases or a portfolio of cases.

- Litigation financing is not a loan, but a non-recourse investment in the outcome of a meritorious, commercial legal claim. Typically, if the claim is resolved successfully, either through settlement or award at trial, the litigation finance company will recover its investment, plus an agreed-upon return; if the case is unsuccessful, the litigation finance company will be owed nothing.

- Litigation finance is used by public and private companies of all sizes, law firms and many other types of entities for many different reasons.

- Litigation finance is used by claim owners to pursue valid legal claims under a variety of circumstances, including where the claim owner:

1. Desires to spread litigation risk and control costs;
2. Is unable to make the required investment to pursue a claim;
3. Wishes to overcome liquidity or budget constraints;
4. Wishes to create certainty within budgets;
5. Is seeking an alternative to the traditional hourly billing model offered by most law firms;
6. Prefers to deploy capital toward core operations; and
7. Wishes to overcome adverse impact on balance sheets, profit and loss statements and earnings per share.

- The increasing availability of litigation finance enables claim owners to avoid the high costs of litigation without forgoing meritorious legal claims. Litigation finance enables claim owners to treat legal claims as discrete assets capable of being partially or completely financed.

- Leading law firms can utilize litigation finance to provide solutions to clients with no downside. In addition, law firms can utilize litigation finance to fund out-of-pocket expenses in contingent fee arrangements and transfer risk in a variety of alternative fee arrangements. Leading law firms may use litigation finance to fund out-of-pocket expenses associated with a particular case, to find portfolios of litigation, to monetize contingent fee arrangements, to accelerate and smooth collection of receivables, and as an alternative to bank financing.

- Longford Capital is a private investment company that provides capital for use by claim owners pursuing what are believed to be meritorious legal claims, as well as portfolios of cases managed by leading law firms. Typically, it funds attorneys' fees and other costs necessary to pursue claims in return for a share of a favorable settlement or award.

- Longford Capital manages a diversified portfolio of legal claims and considers investments in subject matter areas where it has developed considerable expertise, including, business-to-business contract claims, antitrust and trade regulation claims, intellectual property claims (including patent, trademark, copyright, and trade secret), fiduciary duty claims, fraud claims, claims in bankruptcy and liquidation, domestic and international arbitrations, and a variety of others.