



The Texas legal market is booming.

As a pioneer of litigation finance in the state, Longford Capital helps leading law firms and their clients achieve results.

DESPITE THE DISRUPTION in court schedules spurred by COVID-19, the Lone Star State's legal market shows no signs of slowing down, driven in part by a business-friendly environment and the move of corporate headquarters into Texas, including top brand names such as Tesla, Oracle, Toyota, and Schwab.

National law firms, in particular, are cleaning up: data collected by *The Texas Lawbook* found that "40 corporate law firms with out-of-state origins generated total Texas revenues just short of \$4 billion in 2020, a gain of 8.3% from the previous year." Kirkland & Ellis became the first non-Texas-based firm to top the state's corporate law revenues – a first in Texas history. Notably, out-of-state firms' collective revenues per lawyer exceeded \$1 million.

Longford Capital has been working with Texas law firms and companies for many years. We saw this boom coming. It's why we opened our office in Dallas back in 2019. We're proud to offer litigation finance support to law firms and companies in Texas. As the legal market continues to grow and competition heats up, there's even more that litigation finance can do.

Deep Texas roots

Years before opening the firm's Dallas office, Longford had collaborated with several leading law firms in Texas. Some of Longford's most successful investments have involved Texas companies. So opening the office in 2019 was a natural step.

It was important to do it the right way, and that meant having someone in charge in Dallas who knows the region intimately. Longford brought in John Garda as a managing director and head of the Dallas office. John had been running the Dallas outpost for K&L Gates since 2015 and practicing law in Texas since 1994, first as a law clerk for the Honorable Jorge Solis of the U. S. District Court for the Northern District of Texas. In addition to extensive contacts within Texas's business and legal communities, John brought a combination of skills well-suited to the world of litigation finance: he worked as a CPA for a Big 4 accounting firm, as a trial lawyer focused on complex commercial disputes, and as a managing partner at an AmLaw 100 law firm.

These skills were what attracted Longford to John in the first place, when the firm engaged K&L Gates to perform due diligence involved with potential investments. This two-stage due diligence process – where Longford hires a law firm to perform an independent case assessment after it conducts its own internal analysis – is one of the keys to our success, in Texas and beyond.

In a competitive landscape, litigation finance can also drive business development
As more and more national firms cut into the Texas legal market – and with litigation expected to increase in 2021 – law firms facing heightened competitive pressures can turn to litigation finance to do more than simply cover fees and expenses (in exchange for a return should the case be successful). In fact, *litigation finance can also be a powerful business development tool.*

For instance, by partnering with a litigation funder, attorneys can offer immediate and non-recourse capital directly to clients – financial solutions that they wouldn't be able to offer working alone. These payments can help alleviate short-term cash flow/liquidity issues, relieve fee fatigue, lessen financial pressures or budgetary constraints, provide growth capital, support core business operations, or simply hedge risk – all of which are increasingly important for corporate legal departments in today's environment.

Claims monetization is one such solution. This involves the funder making a lump-sum payment (or series of payments) directly to the client in exchange for a portion of

the client's future litigation recovery. Besides enabling the client to book a recovery immediately, this has the added benefit of guaranteeing a financial return even if the case is ultimately unsuccessful. Even if the client has no interest in traditional litigation financing, claims monetization offers a new way for attorneys to generate opportunities and differentiate themselves.

What's more, these options can be combined with other funding structures to provide tailor-made solutions to meet the client's needs. For example, by combining funding of fees and expenses with a direct-to-client payment, attorneys can reduce their client's legal budget *and* provide an infusion of working capital.

Longford is proud to be a pioneer of litigation finance in Texas. As the state's legal market continues to grow, we look forward to partnering with attorneys and their clients in new and innovative ways.

About Longford

Longford Capital is a leading private investment company that provides capital to leading law firms, public and private companies, universities, government agencies, and other entities involved in large-scale, commercial legal disputes. Longford was one of the first litigation funds in the United States, and is among the world's largest litigation finance companies with more than \$1 billion in assets under management, and having invested in the outcomes of more than 250 meritorious cases. Typically, Longford funds attorneys' fees and other costs necessary to pursue meritorious legal claims in return for a share of a favorable settlement or award. The firm manages a diversified portfolio, 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, claim monetizations, and a variety of others. For more information, please visit www.longfordcapital.com.