

## Quinn Emanuel Inks \$40 Million Deal to Fund Private Equity Suits

By Emily Siegel

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- Funding giant Longford Capital will provide \$40 million in new deal
- Quinn Emanuel has represented Apollo, KKR, Carlyle Group in court

Quinn Emanuel Urquhart & Sullivan will receive \$40 million in litigation funding from Longford Capital to finance lawsuits for private equity firms and their portfolio companies.

The deal, announced Thursday, will offer funding for private equity clients who want to pursue litigation without harming profit and loss statements, according to the law firm. Quinn Emanuel said liquidity challenges posed by high interest rates make outside funding particularly attractive for private equity companies.

Funding will be available for private equity clients across different types of litigation, said Jonathan Bunge, co-chair of Quinn Emanuel's national trial practice and managing partner of the Chicago office. That sets it apart from the firm's previous arrangements with Longford and others, in which funding was decided on a case-by-case basis, he said.

"There might be a reason, given their business model, why they don't want to pursue a valid claim held by a portfolio company because of the impact that might have on the portfolio company's earnings," Bunge said. "What we're trying to do is listen to those concerns of our clients and come up with an alternative that they might find attractive."

Quinn Emanuel has represented some of the largest private equity firms, including Apollo

Global Management, KKR, and The Carlyle Group. With more than 1,000 lawyers, it is one of the largest litigation firms in the country, bringing in more than \$1.6 billion in gross revenue in 2022, according to data from The American Lawyer.

Longford will provide financing for attorneys' fees and costs, while also offering private equity clients the option of investing directly with the company. The funder will treat legal claims as corporate assets that can be monetized, it said, after underwriting and due diligence.

This approach will enable Quinn Emanuel's clients to realize revenue and reduce liquidity challenges they're facing, according to William Farrell, Longford's managing director and co-founder.

"The long-term benefits will persist once interest rates stabilize and once the market opens up again for PE transactions," Farrell said. "In the short term—I'm thinking 24, 36 months— this is a really interesting solution."

The funding will finance business disputes, such as breach of contract, fraud, and intellectual property cases. Many of those fights among private equity companies are waged behind closed doors in arbitration.

## Big Law and Funding

Litigation finance is a \$15.2 billion industry in which investors fund lawsuits in exchange for a portion of any award. It's become [increasingly attractive](#) to Big Law firms, even as the overall market for deals slows.

The largest US law firms were involved in 35% of new funding commitments last year, up from 28% in 2022, according to consultant Westfleet Advisors. Total funding commitments fell by 14% over the same period.

Growing awareness and acceptance of the industry has contributed to the embrace from big law firms, said Farrell, but these firms also tend to handle the complex litigation that commercial litigation funders find appealing.

"We like cases that are on the larger side," he said. "The average amount in controversy of a Longford investment is over \$100 million and firms like Quinn Emanuel are best positioned to be able to handle the sophistication of a case of that size."

Bunge said the expense of complex litigation opens the door to alternative fee arrangements.

"There's just an interest among potential litigants to understand what alternatives might be to a straight hourly model," he said. "It's a good way to deal with upfront expenses in a way that might be attractive."

Longford Capital is a private investment company based in Chicago that provides capital to law firms, companies, government agencies and other entities involved in large-scale commercial disputes. It bills itself as one of the first litigation funds in the United States as well as among the world's largest. It has \$1.2 billion in assets under management.

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