THE ROLE OF LITIGATION FINANCE IN FIRMS' LITIGATION OUTCOMES

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ABSTRACT

Firms are increasingly concerned that litigation finance strengthens lawsuits brought against them leading to longer case durations, higher costs, greater uncertainty, and potential performance decline. However, due to difficulty in obtaining data regarding cases that have litigation financing, there is limited empirical evidence as to the real effect of litigation funding. Drawing on agency theory, we hypothesize how litigation finance affects the outcomes of lawsuits and their duration, which we test using a hand-collected database matching cases that have third-party financing to those that do not. We provide additional insights through interviews with six high-level individuals involved in litigation finance. We contribute to the literature on agency theory and the role of litigation finance on legal strategy and litigation outcomes.

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INTRODUCTION

The rising cost of litigation has fueled the growth of the litigation finance industry, prompting increasing scrutiny from regulators. It has also sparked concerns from potential defendant firms, with defense attorneys and the U.S. Chamber of Commerce calling for mandatory disclosure of litigation finance arrangements[1]. A federal judicial panel is currently evaluating whether a nationwide disclosure rule is warranted[2]. The SEC has also begun requiring private equity firms to report the share of capital allocated to litigation finance[3]. Most recently, legislators even proposed adding an additional tax on litigation financiers[4].

Regarding litigation financing, there are sharply contrasting views from traditional litigants and others interested in litigation. Defendants are concerned that the opaque nature of litigation finance encourages meritless lawsuits and complicates settlement negotiations[5], all of which can result in increased costs, uncertainty, and potential performance declines. In contrast, some scholars and practitioners contend that litigation finance can enhance access to justice and

[1] *See* Maya Steinitz, *Follow the Money? A Proposed Approach for Disclosure of Litigation Finance Agreements*, 53 U.C. DAVIS L. REV. 1073, 1104–07 (2019).

[2] Nate Raymond, *US Judicial Panel to Examine Litigation Finance Disclosure*, REUTERS (Oct. 10, 2024, at 14:41 MT), https://www.reuters.com/legal/government/us-judicial-panel-examine-litigation-finance-disclosure-2024-10-10/ [https://perma.cc/MB4L-5S8L].

[3] Andrew Ramonas, *SEC Tells Private Equity Firms to Report on Litigation Finance*, BL: NEWS (May 3, 2023, at 11:50 MT), https://news.bloomberglaw.com/esg/sec-tells-private-equity-firms-to-report-on-litigation-finance [https://perma.cc/Z8SL-2SV4].

[4] Roy Strom & Chris Cioffi, *Litigation Finance Levy Cut from Tax Bill by Senate Referee (1)*, BL: NEWS (June 30, 2025, at 14:41 MT), https://news.bloomberglaw.com/business-and-practice/litigation-finance-tax-cut-out-of-gop-tax-bill-by-senate-referee [https://perma.cc/PM9S-QL9A].

[5] *Third Party Litigation Funding: A Growing Threat to the U.S. Economy*, U.S. CHAMBER COM. INST. FOR LEGAL REFORM (Nov. 16, 2023), https://instituteforlegalreform.com/video/third-party-litigation-funding/ [https://perma.cc/QLB5-QD78].

improve settlement outcomes[6]. However, evidence regarding the actual effects of litigation finance remains elusive due to a lack of data on litigation finance. We begin to address this issue using a hand-collected sample of disclosed litigation-financed cases, which we supplement with interviews from six high-level individuals in the litigation finance industry.

Traditionally, the key players in litigation have included the plaintiffs, defendants, and attorneys who represent each party[7]. However, the emergence of litigation finance has introduced a new, and potentially pivotal, player in the litigation process[8]. The extensive discovery and preparation time, trials, and the need to support the party during the years that litigation can often require, have given rise to a multi-billion dollar industry of litigation funders who provide up to hundreds of millions of dollars to parties to bring and pursue litigation[9]. While defendants can use litigation finance[10], it is primarily used on the plaintiff side to help individuals and firms bring lawsuits. In return for financing the lawsuits, litigation funders receive portions of the final settlement or verdict that often greatly exceed their investment. However, if the plaintiff does not obtain an award of damages, the litigation funder may receive nothing. Thus, litigation funders take on high risk for potentially great rewards if there is a large settlement or verdict, akin to the risk venture capitalists (VCs) take when funding entrepreneurial ventures[11]. One prominent example is Burford Capital's (litigation funder) funding of institutional investor claims in the Steinhoff accounting fraud securities litigation, which ultimately resulted in a €1.4 billion global settlement.[12]

The emergence of third-party participation in litigation through funding has the potential to alter parties' decisions to bring and defend against litigation. Due

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[6] *See* Samuel Antill & Steven R. Grenadier, *Financing the Litigation Arms Race*, 149 J. FIN. ECON. 218 (2023); Robert B. Fuqua, *How Litigation Funders Have Improved the Quality of Settlements in America*, HARV. NEGOT. L. REV. 1 (2020), https://journals.law.harvard.edu/hnlr/2020/08/how-litigation-funders-have-improved-the-quality-of-settlements-in-america/ [https://perma.cc/U8UE-MWZL].

[7] Bruce C. Rudy & Stephanie L. Black, *Attack or Defend? The Role of Institutional Context on Patent Litigation Strategies*, 44 J. MGMT. 1226 (2018).

[8] Ronen Avraham & Abraham L. Wickelgren, *Third Party Litigation Funding with Informative Signals: Equilibrium Characterization and the Effects of Admissibility*, 61 J. L. & ECON. 637 (2018); Julia Shamir & Noam Shamir, *Third-Party Funding in a Sequential Litigation Process*, 52 EUR. J.L. & ECON. 169 (2021).

[9] Ronen Avraham & Anthony Sebok, *An Empirical Investigation of Third Party Consumer Litigant Funding*, 104 CORN. L. REV. 1133 (2019).

[10] Jonathan T. Molot, *A Market in Litigation Risk*, 76 U. CHI. L. REV. 367, 379 (2009).

[11] Maya Steinitz, *The Litigation Finance Contract*, 54 WM. & MARY L. REV. 455, 490–95 (2012).

[12] *Representing Client Interests at Settlement Negotiation Table*, BURFORD CAP., https://www.burfordcapital.com/what-we-do/case-studies/case-study-representing-client-interests-settlement/ [https://perma.cc/S386-J3VF] (last visited Jan. 17, 2026).

to the nature of litigation finance contracts, litigation funders typically are unable to directly affect litigation decision-making and instead function primarily as funders, like VCs. However, litigation funders lack the significant monitoring power that VCs have over startups (examples of publicly available litigation finance contracts are provided in Appendix A.1, and more can be provided upon request). Litigation funding adds a further complication to the attorney-client agency relationship and decision-making related to the case, which we expect will affect defendant responses and ultimately the outcome of the litigation. Thus, drawing on agency theory, we address the question: What impact does third-party interference in the legal process in the form of litigation finance have on litigation outcomes?

Since litigation finance changes the plaintiffs' position in the case, allowing the plaintiffs to continue litigation despite the attorneys' fees and costs and despite the plaintiffs' own operating costs, litigation finance may change the plaintiffs' risk aversion and strategic decisions. As a result, plaintiffs may continue lawsuits that they otherwise may have settled. This is particularly important since the great costs and uncertainty surrounding trial mean that more and more cases settle for an amount that neither party is completely pleased with, but they are willing to accept to avoid the potential of a much worse outcome at trial[13].

Similarly, litigation funding may allow plaintiffs to put on a better case, which would increase the level of confidence in the plaintiffs and lead them to expect a larger settlement, which the defendants may not provide. These consequences may result in plaintiffs as agents making decisions that continue lawsuits that otherwise would have—and possibly should have—been settled, and this outcome may be contrary to what the litigation funders may want as principals funding the case. These changed decisions in turn affect defendants' ability to strategically respond to the lawsuits.

At the same time, legal scholars have expressed concern that litigation funders may have their own perspective on cases, influencing their outcome, particularly if they are funding lawyers who act as agents of the plaintiffs, and thus increase costs for litigants[14]. Other scholars note that those concerns may be exacerbated and instead, they argue that litigation funders typically have no control over the litigation, so they will protect themselves by aligning their interests with the party and the lawyer and change how the lawyers are compensated to align the lawyers more closely with their clients[15].

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[13] Marc Galanter, *The Vanishing Trial: An Examination of Trials and Related Matters in Federal and State Courts*, 1 J. EMPIRICAL LEGAL STUD. 459, 515-16 (2004); Donald J. Rapson, *Deficient Treatment of Deficiency Claims: Gilmore Would Have Repented*, 75 WASH. U. L.Q. 491 (1997).

[14] *See* Joanna M. Shepherd, *Ideal Versus Reality in Third-Party Litigation Financing*, 8 J. L. ECON. & 'POL'Y 593, 595–97 (2012); Steinitz, *supra* note 1.

[15] Brian Fitzpatrick & William Marra, *Agency Costs in Third-Party Litigation Finance*

Thus, a novel and complex issue exists as to how litigation funding alters the plaintiff's decision-making in litigation and case outcomes. Furthermore, given the costs associated with prolonged litigation and the filing of additional lawsuits that otherwise would not have been brought, there has been extensive debate over litigation finance and whether plaintiffs should be forced to disclose their use of litigation finance[16]. A handful of courts require such disclosure and the debate as to whether further disclosure should be required continues at various levels of government[17].

Due to the difficulty of obtaining data regarding litigation finance, there is little empirical evidence as to how litigation finance alters the course of litigation. We reviewed hundreds of dockets to manually collect a sample of lawsuits in which a party either disclosed litigation funding in corporate disclosures or discussed litigation funding in motions to compel or depositions. In this way, we were able to include litigation funding that arose during the case proceedings rather than solely relying on the limited jurisdictions that require litigation funding to be disclosed. We matched that data to cases in which no such litigation funding was disclosed and tested hypotheses as to how litigation funding affects the case's ability to withstand a motion to dismiss and the time to settlement. We find that cases in which plaintiffs have litigation finance are more likely to withstand a motion to dismiss and take longer to settle.

We also interviewed six individuals associated with litigation finance at the director level or higher to provide insights into the litigation finance industry. Their industry insights confirm that litigation funders typically do extensive due diligence before deciding which case to invest in. They also consistently stated that the litigation funders take a passive role, do not control anything, and cannot interfere with the litigation process.

We contribute to the literature on agency theory by highlighting a unique form of agency relationship in the context of litigation finance. Unlike venture capital and private equity investors, who often exert significant control and engage in significant monitoring over their portfolio firms[18], litigation funders are typically

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Reconsidered 1 (Vand. U. L. Sch. Legal Stud. Rsch. Paper Series, Working Paper No. 23-45, 2023).

[16] *See* Avraham & Wickelgren, *supra* note 8; Sean Keller & Jonathan Stroud, *Litigation Funding Disclosure and Patent Litigation*, 33 FED. CIR. BAR J. 77, 82-88 (2023).

[17] *See* KELLER & STROUD, supra note 16; EMILY R. SIEGEL, *Comer Urges Chief Justice Roberts to Examine Litigation Funding*, BLOOMBERG LAW (July 12, 2024, at 6:30 MST), https://news.bloomberglaw.com/business-and-practice/comer-urges-chief-justice-roberts-to-examine-litigation-funding [https://perma.cc/2J42-DJW2].

[18] VIOLETTA BACON-GERASYMENKO & J. P. EGGERS, *The Dynamics of Advice Giving by Venture Capital Firms: Antecedents of Managerial Cognitive Effort*, 45 J. MGMT. 1660, 1662 (2019); BRAD A. BADERTSCHER, SHARON P. KATZ & SONJA O. REGO, *The Separation of Ownership and Control and Corporate Tax*

unable to actively oversee or direct the legal actions of the plaintiffs they finance. These contractual and practical constraints force funders to provide capital while remaining largely powerless over how it is deployed, thereby amplifying the potential for agency costs beyond those observed in more traditional principal-agent settings. Our study thus enriches the literature by examining how third-party funding arrangements shape the decision-making processes and case outcomes while underscoring the complex agency dynamics among plaintiffs, attorneys, and funders.

We also speak to the ongoing policy debate over litigation finance and the need for its disclosure. While prior research in economics and finance has theoretically examined how litigation finance may affect litigation outcomes[19], empirical evidence remains scarce, largely due to data limitations. Avraham and Sebok use proprietary data from Burford to provide some descriptive evidence on the underwriting process of litigation finance, but their analysis is limited to consumer litigation and does not evaluate litigation outcomes[20]. In contrast, our study uses a novel, hand-collected dataset that covers a broader set of lawsuits, including both consumer and commercial litigation. Commercial cases, which tend to be higher in value and more complex, are increasingly funded by third-party financiers. We empirically examine how litigation finance relates to case outcomes, including resolution and settlement. In doing so, we provide valuable insights into how litigation finance reshapes litigation strategy and the consequences of those changes on litigation outcomes.

I. THE RISE OF LITIGATION FINANCE

The financing of litigation by third-party corporations was illegal in the US and elsewhere under maintenance and champerty laws[21] as well as potentially usury laws in the case of individuals[22]. However, over time those laws have been overturned, particularly in the case of commercial litigation, and a new industry arose through which firms make a profit by taking on the risk of litigation and obtaining large returns from any settlement or verdict that arises from the

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Avoidance, 56 J. ACCT. & ECON. 228, 231 (2013); DAN GIVOLY, CARA K. HAYN & SHARON P. KATZ, *Does Public Ownership of Equity Improve Earnings Quality?*, 85 ACCT. REV. 195, 197 (2010); SHARON P. KATZ, *Earnings Quality and Ownership Structure: The Role of Private Equity Sponsors*, 84 ACCT. REV. 623 (2009).

[19] *See* ANTILL & GRENADIER, supra note 6; ANDREW F. DAUGHETY & JENNIFER F. REINGANUM, *The Effect of Third-Party Funding of Plaintiffs on Settlement*, 104 AM. ECON. REV. 2552 (2014).

[20] AVRAHAM & SEBOK, supra note 9, at 1133.

[21] *See* ANTILL & GRENADIER, supra note 6, at 221; JARRETT LEWIS, *Third-Party Litigation Funding: A Boon or Bane to the Progress of Civil Justice?*, 33 Georgetown J. Legal Ethics 687, 690 (2020).

[22] *See* FUQUA, supra note 6.

litigation[23]. The $50-$100 billion industry[24] is now composed of large firms that finance litigation for up to hundreds of millions of dollars with the potential to obtain returns of up to over 100 times their investment. Litigation funding introduces a third-party into the litigation process, and the entrance of this third-party has not been considered in the literature examining how firms interact with their legal environment.

Litigation funding firms include large firms such as Burford, which is publicly listed on the New York Stock Exchange and has $7.5 billion invested in litigation[25]. There are also smaller players in litigation finance that fund personal injury lawsuits in the range of hundreds to thousands of dollars. While we focus primarily on large-scale litigation finance, we acknowledge that some of the negative rhetoric against litigation finance may be due in part to the idea that smaller litigation funders may prey on individuals who have been hurt, potentially taking all the money they may obtain through litigation[26].

Litigation funding has featured prominently in a number of high-profile cases, such as Hulk Hogan's lawsuit against Gawker Media that was funded by Peter Thiel, and funding of litigation related to #MeToo, NFL concussions, and Stormy Daniels[27]. Furthermore, litigation funders have been actively supporting securities litigation, such as Burford Capital's involvement in the €1.4 billion settlement arising from the Steinhoff accounting fraud, where Burford financed institutional investors in pursuing cross-border securities claims.[28]

Litigation funding has the potential to increase access to justice[29], but scholars have questioned whether this actually occurs or whether, instead, litigation finance results in negative outcomes. Such negative outcomes may include plaintiffs paying usurious amounts to the litigation funders[30] or funders inappropriately influencing litigation decision-making and the ultimate outcome of the case, all of which can make the justice system more inefficient[31].

Litigation finance is difficult to study empirically because it need not be disclosed in most jurisdictions. There is, however, extensive debate regarding whether litigation finance should be disclosed. Defense attorneys and the US

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[23] *See* AVRAHAM & SEBOK, supra note 9, at 1135-36; FUQUA, supra note 6.

[24] *See* STEINITZ, supra note 1.

[25] Burford Capital, BURFORDCAPITAL.COM (2023), https://www.burfordcapital.com/ [https://perma.cc/2PGC-R7NK].

[26] *See* STEINITZ, supra note 11, at 491.

[27] *See* STEINITZ, supra note 1, at 1075, 88-89.

[28] *See Representing Client Interests at Settlement Negotiation Table*, Burford Capital, https://www.burfordcapital.com/what-we-do/case-studies/case-study-representing-client-interests-settlement/ [https://perma.cc/B2KX-LUQX].

[29] *See* SHEPHERD, supra note 14, at 596.

[30] *See* AVRAHAM & SEBOK, supra note 9, at 1137.

[31] SUNEAL BEDI & WILLIAM C. MARRA, The Shadows of Litigation Finance, 74 VAND. L. REV. 563, 580-81 (2021); SHEPHERD, supra note 14, at 595-96.

Chamber of Commerce have called for rules requiring the disclosure of litigation finance.[32] These groups want plaintiffs to be required to disclose if they have litigation funding so that members of the groups can use that information to help their defense at trial. However, only a few federal courts currently require disclosure of litigation funding, including the district courts of Delaware, New Jersey, and Northern California.[33] There is an ongoing debate among scholars and practitioners about whether litigation funding should be disclosed. This debate often plays out in court as defendants bring motions to compel plaintiffs to disclose whether they have litigation funding.[34]

Avraham and Sebok examine proprietary internal data from Burford and found that the litigation funder has robust underwriting procedures, only approving half of the funding applications it receives.[35] They also noted that funders' investments cover a small percentage of the estimated case value, approximately 7%, so plaintiffs likely can still recover amounts well above the financing amount. Roughly 12% of the recipients of litigation funding do not pay anything for it because their case results in a default or they do not pay any interest or other fees for the financing. Furthermore, they found a median amount due from the recipient of the funding in the amount of 115%, but that was reduced to approximately 43% after fees, defaults, and haircuts are considered. In many cases, the litigation funder took a "haircut," and received less repayment than what was due according to the contract.

A. APPLYING AGENCY THEORY TO LIGATION FINANCE

Agency theory argues that there can be conflicts between principals, who own the firm, and agents, the managers who run the firm.[36] Scholars have theorized and tested various ways to overcome those conflicts and associated issues with risk-aversion and risk-bearing of managers compared to owners by changing equity and compensation of managers, relying on boards of directors to act as monitors of the managers, the use of other external monitors, and other methods of overcoming agency conflicts.[37] Similarly, in the entrepreneur-VC/PE context, scholars find

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[32] *See* Steinitz, *supra* note 1, at 1078.

[33] *See* Keller & Stroud, *supra* note 16, at 105.

[34] J. J. Grosholz, *In the Shadows: Third-Party Litigation Funding Agreements and the Effect Their Nondisclosure Has on Civil Trials*, 47 FLA. ST. U. L. REV. 481, 489–90 (2020).

[35] Avraham & Sebok, *supra* note 9, at 1141.

[36] *See generally* Eugene Fama & Michael C. Jensen, *Separation of Ownership and Control*, 26 J.L. & ECON. 301 (1983); Michael C. Jensen & William H. Meckling, *Theory of the Firm: Managerial Behavior, Agency Costs, and Ownership Structure*, 3 J. FIN. ECON. 305 (1976).

[37] *See* Christopher S. Armstrong, Wayne R. Guay & Joseph P. Weber, *The Role of Information and Financial Reporting in Corporate Governance and Debt Contracting*, 50

agency problems can occur between the VC/PE as the principal providing investment and the entrepreneur agent deciding how to use the funds provided, although VCs/PEs differ from traditional shareholders of publicly traded firms, which can sometimes make agency issues less clear in the VC/PE-entrepreneur context.[38]

The agency problem becomes more complicated when there are multiple agents and when entities have a "dual identity" in which they are both agents and principals to different parties of interest. This is seen in the context of financial intermediation and delegated monitoring, where venture capitalists, banks, managers, owners, and other principals and agents may all have different interests in the firms.[39]

Professionals, such as attorneys, act as agents of the firm.[40] However, they differ from the traditional view of agency because professionals often have greater knowledge and control than their principals.[41] Professional agents may be less likely to behave opportunistically when there are mechanisms in place to ensure that they are not solely in control, including having agents put their own investment on the line, such as contingency attorneys.[42] Furthermore, in considering principal-agency relationships in the law, contingency fees may be slightly better than billable hours in avoiding the potential for shirking and attorneys taking advantage of clients. However, contingency agreements leave room for attorneys to set the terms of the contract to their advantage.[43] Due to the risk involved, contingency attorneys have an incentive to settle early and for less than the case is worth.[44] In considering the specific fees in the attorney agency relationship, plaintiffs with high-quality cases can send signals resulting in smaller percentages of contingency fee arrangements while high-quality attorneys can send signals increasing their

J. ACCT. & ECON. 179, 180–83 (2010); *see generally* Michael C. Jensen & Kevin J. Murphy, *Performance Pay and Top-Management Incentives*, 98 J. POL. ECON. 225 (1990).

[38] *See* Paul A. Gompers, *Optimal Investment, Monitoring, and the Staging of Venture Capital*, 50 J. FIN. 1461, 1464–66 (1995).

[39] *See generally* Bengt Holmstrom & Jean Tirole, *Financial Intermediation, Loanable Funds, and the Real Sector*, 112 Q.J. ECON. 663 (1997); Xuan Tian, Gregory F. Udell & Xiaoyun Yu, *Disciplining Delegated Monitors: When Venture Capitalists Fail to Prevent Fraud by Their IPO Firms*, 61 J. ACCT. & ECON. 526 (2016).

[40] *See* Anurag Sharma, *Professional as Agent: Knowledge Asymmetry in Agency Exchange*, 22 ACAD. MGMT. REV. 758, 759–62 (1997).

[41] *Id*. at 759.

[42] *Id*. at 761-62.

[43] *See* Jonathan H. Choi, *In Defense of the Billable Hour: A Monitoring Theory of Law Firm Fees*, 70 S.C. L. REV. 297, 302-03 (2018).

[44] *See Id*.; John C. Coffee, Jr., *The Unfaithful Companion: The Plaintiff as Monitor in Shareholder Litigation*, 48 LAW & CONTEMP. PROBS. 5, 12–17 (1985).

percentage.[45]

Litigation funders have a unique agency relationship with the case they are funding. By funding the case, similar to VCs, they act as principals, and the litigants decide how to use their funds in the litigation, thereby acting as agents.[46] However, depending on the nature of the agreement and whether they are funding the plaintiff's business operations or personal expenses only as opposed to funding those expenses and the legal fees or costs, the litigation funder may also act as a principal to the plaintiff's attorney, who uses the funds to try the case.[47] Because the lawyer is then the plaintiff's agent, the funder could be funding agency activities on behalf of the plaintiff.[48] Thus, the litigation funder can have a "dual identity" as a principal (providing funds directly to litigants) but also have an agency role by funding the lawyers who are acting as agents of the plaintiff. We theorize that the addition of the third-party influence of litigation finance can alter expected decision-making of the litigation parties and case outcomes.

B. LITIGATION FINANCE AND MOTIONS TO DISMISS

In considering how litigation finance affects the litigation decision-making, we first consider whether the case will survive and continue after the plaintiffs file the lawsuit—specifically, can the plaintiffs win against the defendants' motions to dismiss. In federal court, defendants can bring motions to dismiss as a response to the filling of a pleading pursuant to Federal Rules of Civil Procedure Rule 12(b)(6) by arguing that plaintiff failed to state a claim meeting the requirements of the rules and existing caselaw, and thus that the case should be dismissed.[49] Plaintiffs must plead sufficient facts in their complaint and response to the defendants' motions to dismiss to convince the judge that they have sufficiently pleaded their case according to the Federal Rules of Civil Procedure.

To withstand a motion to dismiss, plaintiffs typically must conduct some investigation before filing their claim to have sufficient knowledge of the facts that they can clearly state them in their complaint and motion response. This can require pre-filing investigations that can be costly on top of attorney costs and fees. Sichelman provides the following examples of the types of pre-filing costs plaintiffs often incur:

For example, in order to make a claim of securities fraud, a plaintiff must "state with particularity facts giving rise to a strong inference that the defendant acted with the required state of mind." Plaintiffs in patent actions, as another example,

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[45] *See* Daniel L. Rubinfeld & Suzanne Scotchmer, *Contingent Fees for Attorneys: An Economic Analysis*, 24 RAND J. ECON. 343, 343 (1993).

[46] Michael Duffy, *Two's Company, Three's a Crowd?: Regulating Third-Party Litigation Funding, Claimant Protection in the Tripartite Contract, and the Lens of Theory*, 39 UNSW L.J. 165, 188–91 (2016).

[47] *Id*. at 188.

[48] *Id*. at 187.

[49] FED. R. CIV. P. 12(b)(6).

must review how their patents cover accused products and methods, which often requires costly reverse-engineering of a competitor's products.[50]

These costs result in a "liquidity problem" and "market inequality" in the legal market.[51] While contingency attorneys fund cases to some extent, their ability to do so may be limited by their own finances, case load, and ability to find other funding.[52] Access to litigation funding thus allows plaintiffs to finance and conduct more robust pre-filing investigations, providing the plaintiffs with greater ability to convince the judge to rule in their favor on the defendants' motions to dismiss.

There are concerns that litigation financing may result in frivolous lawsuits due to the ability of plaintiffs to bring litigation without cost concerns.[53] However, Antill and Grenadier's model of settlement with litigation finance found that frivolous lawsuits are not a necessary result of litigation financing.[54] We expect this is at least due in part to the fact that litigation funders are often sophisticated entities with experienced lawyers conducting extensive due diligence into whether to fund a case,[55] similar to the due diligence VCs conduct. Given the extensive screening that litigation funders undertake, we argue that plaintiffs that have litigation funding are more likely to have stronger cases that would be able to withstand the motion to dismiss. Thus, we hypothesize that plaintiff cases with litigation finance are more likely to continue after motions to dismiss than those without litigation finance.

C. LITIGATION FINANCE AND TIME TO SETTLEMENT

We next consider the agency costs of litigation finance on the time to settle. In the US, due to the costs of trial, cases continue to settle at high rates.[56] However, as with plaintiff attorneys' preference for early settlement to avoid further costs, the timing of settlement matters to litigation funders because settling earlier may avoid subsequent costs and fees, which could require additional funding. Additionally, plaintiffs may request that litigation funders add more money to the case (similar to startups getting subsequent rounds of VC financing). In addition, depending on the progression of the litigation discovery period, waiting until later

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[50] Ted Sichelman, *Why Barring Settlement Bars Legitimate Suits: A Reply to Rosenberg and Shavell*, 17 CORNELL J. L. & PUB. POL'Y' 57, 89 (2008).

[51] Sasha Nichols, *Access to Cash, Access to Court: Unlocking the Courtroom Doors with Third-Party Litigation Finance*, 5 U.C. IRVINE L. REV. 197, 297 (2015).

[52] *See* Nichols, *supra* note 51 at 217.

[53] *See* Shepherd, *supra* note 14.

[54] Antill & Grenadier, *supra* note 6 at 32.

[55] *See* Avraham & Sebok, *supra* note 9 at 1165-66 [https://perma.cc/T4QL-H9AF].

[56] *See* Welbourne Eleazer & Park, *Who Will Stay When Crisis Strikes? Venture Capitalist Threat-Defiant Learning Response to Ventures in Crisis*, 65 ACAD. OF MGMT. J. 1218, 1225 (2022) [https://perma.cc/26G9-UNX9].

to settle may affect the amount of the settlement. If discovery uncovers information helpful to the defendant's case, the defendant may be less likely to settle, but the reverse may be true if discovery uncovers information beneficial to the plaintiff's case. Thus, the timing of settlement is important to the amount of a settlement as well as the costs expended in the course of preparing for the trial in the event that settlement does not occur. Regardless, settling before trial can alleviate some of the uncertainty of trial in which the entire decision on whether to award damages, and how much, rests in the hands of unknown jurors, in addition to the additional costs and publicity associated with the trial itself.[57] In attempting to understand how litigation finance affects the timing to settle, we consider the incentives of each litigation party to settle at different times, and the impact of litigation funding below.

Plaintiffs. Once the plaintiffs have survived the first hurdle of the motion to dismiss, they must continue to pay for the costs of litigation. This includes discovery, both written and depositions (involving the attorneys questioning the witness in person or virtually), motion practice, hearings in front of the judge, expert fees, and trial. Costs continue to rise in the form of attorney fees, court costs, expert expenses, court reporter fees, and the costs associated with the time and attention put toward the litigation. Thus, plaintiffs with little liquidity who do not have litigation funding may face an incentive to settle earlier.

However, when plaintiffs have litigation financing, they may believe they can continue to spend the money required to move their case forward and have a disincentive for early settlement.[58] Depending on the nature of the case and the funding, that may require the plaintiffs to obtain more funding, but once they are successful in receiving one round of funding, they may become more confident in their ability to obtain subsequent funding. Thus, litigation funding may change the plaintiff's level of risk aversion, because they will have greater funds to work with and feel less pressure to avoid future risks related to the trial.

Defendants. However, Antill and Grenadier's theoretical model of settlements with litigation financing found that litigation financing would make litigation settle faster because the plaintiffs' funding would increase the potential trial award, making the defendants realize that potential and become more agreeable to a faster settlement.[59] Defendants would be able to see the potential for a larger trial award through the extensive pretrial investigations and subsequent discovery that plaintiffs are able to engage in when they have litigation funding. Thus, they may be able to conduct a cost-benefit analysis and see that it would be less costly to pay the settlement to avoid the costs and potential trial award associated with the high-quality case. This would also avoid the potential pitfalls of sunk costs and

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[57] *See* Idalene F. Kessner & Roy B. Johnson, *Crisis in the Boardroom: Fact and Fiction*, 4 ACAD. MGMT. EXEC. 23, 26 (1990) [https://perma.cc/4WC7-MMGK].

[58] *See* Nichols, *supra* note 51 [https://perma.cc/2RHJ-WWSL].

[59] Antill & Grenadier, *supra* note 6 at 27 [https://perma.cc/6UTX-RCUH].

escalation of commitment[60] that can arise once both sides commit more money to the development of the case.

Litigation funders. In addition to the perspectives of plaintiffs and defendants discussed above, as principals providing funding to the plaintiffs to pursue litigation, litigation funders have their own interests in the litigation and its ultimate outcome. Given the nature of the contracts and the involvement of attorneys and the party, those interests may not always be at the forefront of the decision-making process, because litigation finance contracts often specifically prevent funders from having any involvement in the actual decision-making of the case.

However, there are concerns about the influence of litigation funders on settlement decisions and outcomes.[61] In unique situations, litigation funders can gain a decision-making role, such as in the rare cases when contracts include veto power, contracts that require different provisions for settlement payouts, and exceptions such as the Sysco case in which a series of circumstances ultimately led to Sysco handing over control of its litigation to Burford.[62] Thus, in addition to considering the indirect role of litigation funding on plaintiff and defendant settlement decisions discussed above, we consider the direct role litigation funders may have in the decision to settle.

Litigation funders provide large sums of money to plaintiffs to move their cases forward with the hope of a potential return of upwards of 100 times their initial investment. In the best-case scenario, they would get that return quickly without having to invest additional money into the litigation. However, as litigation drags on, costs and fees will escalate, increasing the likelihood of plaintiffs asking for additional funding. Furthermore, as the litigation continues, both plaintiffs and defendants may succumb to sunk costs and an escalating commitment.[63] This makes the funded party less inclined to settle and more willing to take their chance at trial, which is associated with great uncertainty and the possibility that the litigation funders may lose all of their investment. Thus, as with plaintiff attorneys working on contingency, litigation funders will likely hope for a quick settlement that is large enough to provide high returns on their investment. But given the reality of most of the contracts, the litigation funders are unable to push faster

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[60] *See* Barry M. Staw, *Escalation of Commitment to a Course of Action*, 6 ACAD. MGMT. REV. 577, 579–81 (1981) [https://perma.cc/KHM6-ZJNU]; Roy Suddaby & William M. Foster, *History and Organizational Change*, 43 J. MGMT. 19, 22–23 (2017) [https://perma.cc/S6L3-YZYM].

[61] *See* Steinitz, *supra* note 1 at 1108 [https://perma.cc/HW52-3SSL].

[62] Samir D. Parikh, *Opaque Capital and Mass-Tort Financing*, 133 YALE L.J. F. 32, 37-39 (2023) [https://perma.cc/E7WG-LMQB]; E. R. Siegel, *'Everybody Wins' as Sysco Hands Burford Control of Lawsuits*, BLOOMBERG LAW (July 3, 2023), https://news.bloomberglaw.com/business-and-practice/everybody-wins-as-sysco-hands-burford-control-of-lawsuits [https://perma.cc/FB6E-WHGB].

[63] *See* Staw, *supra* note 60, at 578 [https://perma.cc/WCD9-CCAV].

settlements directly. This was confirmed in our interviews with litigation funders, upon which we will elaborate in Section 4.

Thus, despite it being in the best interests of the litigation funders to encourage settlement, the facts that they are unable to directly affect most litigation and that the funds they provide allow plaintiffs to continue litigation, we expect that cases with litigation finance will take longer to settle, resulting in agency costs for the litigation funders. Thus, we hypothesize that plaintiff cases with litigation finance are more likely to take longer to settle/resolve than those without litigation finance.

II. LITIGATION FUNDER INTERVIEWS

In addition to our empirical analysis, we conducted six explorative semi-structured interviews of individuals affiliated with the litigation finance industry during our data collection and analysis. The purpose of the interviews was to speak with high-level industry participants with extensive knowledge of the industry to learn about how litigation finance takes place in practice. We believe this is particularly important in our context because litigation finance is often not disclosed, and therefore the role of litigation funders remains unclear. This affects the tension between the parties during litigation, as the possibility of litigation finance agency costs affects decision-making related to the cases.

We used our contacts in the legal industry to interview five senior individuals (Director level or higher), and one attorney who runs his own firm and has experience with litigation finance in the context of smaller personal injury cases to understand how concerns in those cases differ from the larger cases we are primarily interested in.[64] We took a neutral, information gathering approach, and did not attempt to paint litigation finance in a "good" or "bad" light through our interviews or empirical analysis. A summary of the interviewees is provided in Table 1, and our semi-structured questions are provided in Appendix A.2. The interviews lasted 45 minutes to 1 hour each.

Table 1. Summary of Interviewees

Interview Number	**Description**
I01	Primarily plaintiff contingency attorney who often has cases involving litigation finance, prior mid-sized defense experience
I02	Litigation funder at a large litigation finance firm, primarily commercial litigation

[64] We confirmed with IRB that because our interviews were about the litigation finance industry and not about humans or their decisions, the interviews did not constitute human subjects research. We received a determination from the IRB that the research was not human subjects research requiring IRB approval. We began each interview by stating that we were not asking for any personal or confidential information, and we would only report what we learned in an anonymized form in our research.

I03	Litigation funder at a large litigation finance firm, primarily commercial litigation
I04	Litigation finance broker
I05	Litigation finance insurer
I06	Litigation funder at a large litigation finance firm, primarily commercial litigation

Note: The litigation funders and insurer all have prior big law experience. The litigation funders were all experienced and at Director level or higher within their respective companies. The attorney manages his own firm.

The litigation funders explained that litigation funding can occur on a case-by-case basis, which is the basis of our theorizing and hypotheses. Increasingly, litigation funders also fund law firm portfolios where the litigation funder will have an ongoing relationship with the law firm and fund various cases related to their interests. Most funders structure deals using litigation funding agreements with a main purchase agreement that details what the funding is for and an additional cross-referenced retention agreement that states the extent to which the funding is for legal fees. Often, the funding itself is not for legal fees and instead is meant to support the plaintiff during the litigation. The agreements often include a success fee with a "waterfall" that describes how the proceeds will be distributed, including the order of distribution and how much the funder gets. After the funders decide to fund a case, some funders disburse money according to milestones. So, litigation funders provide certain amounts of money until the case reaches a certain milestone, at which time funders may provide additional money. The funders noted that the interest rate may look high, but the risks they take are high as well, so they view the rates as fair.

In speaking with litigation funders about how they choose cases to invest in, they consistently commented that they engaged in extensive due diligence into the parties and the attorneys. Funders engage in due diligence similar to VC firms. They may retain outside counsel or have a committee review the potential funding, make a recommendation, and decide on whether to fund the case. The due diligence process can include examining the attorneys and parties on both sides, as well as the substance of the claim at issue. Depending on the case, the amount of funding, and the funder, the due diligence can take as long as a few months. In addition, they often mentioned taking only a small percentage of the available cases because of that due diligence.

Regarding the role of litigation funders in litigation, the interviewees all stated that the role of litigation funders will be outlined in the contract. The contracts typically say the litigation funders take a passive role, do not control anything, and cannot interfere in the litigation. One prominent funder stated, "we don't even know what's going on in cases," making it impossible for funders to have any direct impact on the course of the case that would otherwise allow for a faster resolution (Interview I02). He commented that as funders, they often are taking on the big cases where defendants will wait until the very end to settle for a reasonable amount, commenting:

When you're a practicing lawyer, if you're defending a case and there are

millions of dollars that's a serious matter for any client and now we're talking about tens of that so how many cases are even that big? And then funders are increasingly focusing on the ones that are 50 plus but then you know, defendants are stubborn, they don't want to settle anything until the courthouse steps for more than a couple of million dollars no matter what. And so you've got these huge deltas, which do force trials (Interview I02).

Similarly, another prominent funder commented that obtaining litigation finance essentially evens out the playing field between plaintiffs and defendants, eliminating economic pressure on the plaintiffs and allowing them to continue the litigation when previously they would have been forced to accept an undervalued settlement. She commented:

When you take out that economic pressure [either by paying litigation expenses or in the case of contingency attorneys], then the litigation itself is not an economic drain on the plaintiff, you can still have the plaintiff having operational issues. A lot of this litigation is like David and Goliath, right? And you've got David who's trying to keep the doors open and Goliath is trying to drag out litigation. So in that instance, where they come to litigation finance to . . . take out a few million dollars in operating expenses in order to keep their business running while they're fighting this fight, that allows them to withstand that pressure for early economically disadvantageous settlements (Interview I06).

She went on to say that now the defendants are having to actually "pay for the harm that [they] do. People really hate that." (Interview I06). Several interview subjects noted that the recent Sysco case where Burford ended up taking over Sysco's claims[65] was an exception due to the extraordinary and unique aspects of that case (which has been discussed in press reports). The interviewees noted that larger funders often work on thousands of cases and would not even know what is going on in any specific case at a given time.

III. DATA COLLECTION, DESCRIPTION, AND METHODOLOGY

Collecting data to test our hypotheses was particularly complex because legal databases do not tabulate the disclosures that litigation parties make. In addition, many parties will not disclose litigation finance because it is typically not a required disclosure, although that has begun to change in some federal district courts such as the District of Delaware, New Jersey, and Northern California.[66] In individual cases, parties may bring a motion to compel disclosure of litigation finance or may voluntarily disclose litigation finance outside of the districts requiring such disclosure. Given the difficulties in identifying when parties are being funded through litigation finance and to avoid solely relying on the limited jurisdictions that require disclosure, we manually read through hundreds of case dockets (each of which was composed of all the filings in an individual case) of

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[65] *See* Parikh, *supra* note 62, at 62 [https://perma.cc/F33V-JPUT]; Siegel, *supra* note 6 [https://perma.cc/UK38-3UVJ].

[66] *See* Keller & Stroud, *supra* note 16 [https://perma.cc/DK6Y-SBHN].

lawsuits across federal courts to identify those where litigation was disclosed voluntarily through corporate disclosure forms or through motions to compel or similar motions. We did this using the three primary legal databases: LexisNexis, Nexis Uni, and Bloomberg Law.[67] Since Bloomberg Law has the most extensive access to the dockets through PACER, which is where attorneys directly upload their filings, much of our data came from Bloomberg Law, with supplementary data from more general searches on LexisNexis and Nexis Uni. However, Bloomberg does not have everything from PACER, and PACER is not easily searchable, so our findings are a conservative estimate of the parties that use litigation funding.

Specifically, we identified litigation funders through google searches, searches for litigation funding associations and their members, review of popular press about litigation funding, and names of other funders mentioned in the litigation financing disclosures and motions that we found. We constantly updated our list of funders to search for throughout our data collection process. We used the list of funders to search Bloomberg Law for dockets that mentioned the funders as well as more general searches on LexisNexis/Nexis Uni. Since funders may be mentioned for reasons other than actually funding a case, such as if they were a plaintiff themselves or associated with other parties to the case, each time our search had a result, we then read through the docket filings—including extensive and detailed searches of motions, certifications, briefs, pleadings, and exhibits—to verify the funder's role in the case. To ensure that we had as complete a sample as possible, we also searched for specific terms related to the disclosure of litigation finance, such as "funding disclosure statement", and the specific rules for corporate disclosures for courts that required the disclosure of finance. We also searched for general references to any variation of third-party funding that may include litigation finance. We then read through the multiple filings for each docket to identify whether the plaintiff had litigation funding as opposed to more general arguments about litigation funding or discussions about other forms of third-party funding, such as insurance. Details as to the searches and the funders are provided in Appendix A.3.

Our searches resulted in 76 cases of disclosures, motions to compel, or other similar fillings that indicated that the plaintiff had litigation funding. We took the docket number from each of the cases and looked at the Bloomberg docket to obtain additional information about the case, including the plaintiffs, defendants, and district court. We determined whether the case had been transferred and obtained the transferred case information as appropriate since the disclosure would still be in the record, but any subsequent information would be in the transferred case. After excluding those that were from unique courts such as appellate courts, bankruptcy courts, or arbitration, we found 70 total cases with litigation finance. We further deleted three cases with duplicate plaintiffs. After these steps, we were left with 67 total cases in which litigation finance was present.

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[67] We also searched Westlaw but had limited success searching for disclosure documents there.

A. Matching with Control Cases

For each of the 67 cases, we merged the data with the civil cases dataset provided by the Federal Judicial Center (FJC). From the FJC dataset, we obtained the nature of suit and outcome of the case for each case. Of the 67 cases, 63 could be matched with the FJC dataset. We matched each of the 63 cases with litigation finance ("treated" cases) with "control" cases from the FJC dataset. We used the following two methods to match the cases. First, we found the lawsuit in the same district court with the same nature of suit (type of claim being made in the lawsuit) with the closest case filing date.[68] Second, we matched the lawsuits by the same district court, the same nature of suit, and the same defendant. For the second method, we matched 29 cases.[69]

B. Primary Variables

Dependent variables. For our first hypothesis related to surviving motions to dismiss, our dependent variable *Dismissal* was coded as 1 if the case did not continue after the motion to dismiss and zero if it did. We coded the outcome of the cases based on the judgment and disposition code provided by the FJC. If the disposition code in the FJC is equal to 2, 3, 6, 12, or 14 and the case was not lost, won, settled, or transferred, we coded the case as dismissed.[70] For our second hypothesis, our dependent variable *Time to settle/resolve* was the time from the date of filing to the date of settlement, verdict, or other resolution. For all cases, *Time to settle/resolve* is equal to the case termination date minus case filing date. If the case was not terminated by the time we downloaded the FJC, we manually set the termination date as 12/31/2022.[71] For settled cases, *Time to settle/resolve* is equal to the case termination date minus case filing date.

In our regression analyses, the dependent variables included: *Dismissal,* an indicator variable equal to 1 if the lawsuit is dismissed, and 0 otherwise; *Litigation length,* the length of the lawsuit. Due to the skewness of the variable, we took its natural log (plus 1).

Independent variable. Firms we identified through our manual searches as having litigation funding, *Litigation finance*, were coded as 1, while those matched cases that did not have such disclosed funding were coded as 0.

Matching variables. The variables we used for matching our sample include

[68] The maximum difference in case filing dates between treatment and control cases is 167 days.

[69] The FJC does not have a unique identifier for each defendant. Using the second method, we required the name of the defendant to be exactly the same, which is part of the reason why we lost over half of the observations.

[70] We coded the case as loss for the defendant if the judgment in the FJC is 1. We coded the case as win for the defendant if the judgement in the FJC is 2. If the disposition code is equal to 0, 1, 10, or 11, we coded the case as transferred.

[71] We downloaded the FJC data on 11/5/2022.

District court, the court where the lawsuit was filed, *Nature of suit*, the type of claim made in the lawsuit, and *Date*, the date of filling. For our second matching method, we also match on the *Defendant*.

Control variables. For our regression analysis, we first used controls related to the litigation. Similar to our univariate analysis, we controlled for *Commercial*, an indicator variable equal to 1 if the lawsuit is a commercial litigation and 0 otherwise, and *Patent*, an indicator variable equal to 1 if the lawsuit is a patent litigation and 0 otherwise. We also controlled for whether the plaintiff or defendant was a public firm, *Public firm*, equal to 1 if either the plaintiff or the defendant is a public firm and 0 otherwise, given that may influence how the firm uses and responds to litigation finance, as well as the implications of litigation finance more broadly.

For the firms in our sample, both as plaintiffs and defendants, we collected additional control variables related to the firms from PrivCo and CapitalIQ. We used those sources because they include private firms, and many of the firms in our sample were private. Due to the limited nature of data disclosed about the private firms, there were limited firm characteristics available as possible controls. However, we were able to collect controls for some of the firms for: *Revenue*, the natural log of revenue of the company; *Age*, the natural log of the age of the company (plus 1); and *Employees*, an indicator variable equal to 1 if the number of employees in the company is greater than 500, and 0 otherwise. We also controlled for *Year* fixed effects.

IV. EMPIRICAL FINDINGS

A. Univariate Analysis

Table 2 presents the frequency of suit codes of cases funded by litigation finance. The cases range across different suit codes, including both commercial and consumer cases. Among them, there are 23 (36.51%) patent cases and 10 (15.88%) tort/personal injury cases.

Table 2: Suit Codes

Suit Code	**Description**	**Freq**	**Percent**
110	Contract – Insurance	3	4.76
190	Contract – Other Contract	6	9.52
320	Torts – Assault, Libel, & Slander	1	1.59
350	Torts - Motor Vehicle	3	4.76
360	Torts - Other Personal Injury	4	6.35
370	Torts – Personal Property (Other Fraud)	1	1.59
375	Torts - False Claims Act	1	1.59
410	Other Statutes – Antitrust	3	4.76
440	Civil Rights – Other Civil Rights	1	1.59
446	Civil Rights – Amer. w/Disabilities – Other	3	4.76
470	Other Statutes – RICO	1	1.59

710	Labor – Fair Labor Standards Act	1	1.59
820	Property Rights – Copyrights	2	3.17
830	Property Rights – Patent	23	36.51
840	Property Rights – Trademark	1	1.59
850	Other Statutes – Securities/Commodities/Exchange	2	3.17
880	Property Rights – Trade Secrets	1	1.59
890	Other Statutes – Other Statutory Actions	3	4.76
893	Other Statutes – Environmental Matters	1	1.59
896	Other Statutes - Arbitrations	2	3.17
Total		63	100

Table 3 presents the frequency of outcomes of litigation funded cases (treatment cases) and matched non-litigation funded cases (control cases). Panel A presents the frequency using the first matching method. The dismissal percentage for treatment cases is 20.63%, while the dismissal percentage for control cases is 46.03%. The univariate t-test suggests the difference is statistically significant (t-stat = 3.55, p = 0.001). There is no statistical difference between treatment and control cases in the likelihood of winning, losing, or transferring the cases.

Table 3: Lawsuit Outcome
Panel A: Matching Method 1

	Treatment cases		Control cases	
Outcome	**Freq**	**Percent**	**Freq**	**Percent**
Dismissal	13	20.63	29	46.03
Defendant Win	6	9.52	6	9.52
Defendant Loss	4	6.35	5	7.94
Settle	16	25.4	14	22.22
Transfer	3	4.76	5	7.94
Other/No outcome yet	21	33.33	4	6.35
Total	63	100	63	100

Note: For each litigation financed case, we matched each case with a control case in the same district court that had the same nature of suit and the closest case filing date. We coded the outcome of the cases based on the judgment and disposition code provided by the FJC.

Panel B: Matching Method 2

	Treatment cases		Control cases	
Outcome	**Freq**	**Percent**	**Freq**	**Percent**
Dismissal	5	17.24	9	31.03
Defendant Win	1	3.45	4	13.79
Defendant Loss	3	10.34	1	3.45
Settle	7	24.14	10	34.48
Transfer	2	6.9	1	3.45
Other/No outcome yet	11	37.93	4	13.79
Total	29	100	29	100

Note: For each litigation financed case, we matched each case with a control case in

the same district court that had the same nature of suit and the same defendant. We coded the outcome of the cases based on the judgment and disposition code provided by the FJC.

Panel B presents the frequency using the second matching method. The dismissal percentage for treatment cases is 17.24%, while the dismissal percentage for control cases is 31.03%. The univariate t-test suggests that the difference is near the threshold of statistical significance of $p = .05$ (t-stat = 1.44, one tailed $p = 0.08$; two tailed $p = 0.1609$). However, the percentage of defendants losing their cases for the treatment cases is 10.34%, while percentage of defendants losing their cases for the control cases is 3.45%. The univariate t-test suggest that the difference is again close to statistical significance (t-stat = 1.44, one tailed $p = 0.08$; two tailed $p = 0.1609$). There is no statistical difference between treatment and control cases in the likelihood of defendant winning the cases. Across both tests, we find support for our hypothesis that the treated cases—those with litigation funding—are more likely to survive a motion to dismiss.

Table 4 presents the time to settle/resolve. In Panel A, we present the summary statistics of days to resolve for all cases. If the case is not terminated by the time we downloaded the data from FJC, we manually set the termination date as 12/31/2022. For matching method 1, on average, it takes 852 days to resolve the litigation financed cases, while it only takes 342 days to resolve the matched control cases. The difference is significantly different (t-stat = 5.30, $p = 0.000$). For matching method 2, on average, it takes 935 days to resolve the litigation financed cases, while it only takes 539 days to resolve the matched control cases. The difference is significantly different (t-stat = 2.09, $p = 0.046$).

Table 4: Time to settle/resolve

Panel A: Time to resolve (days)

Variable	**N**	**Mean**	**P25**	**P50**	**P75**
Matching Method 1					
Length (Treatment)	63	852	226	713	1265
Length (Control)	63	342	75	161	419
Matching Method 2					
Length (Treatment)	29	935	312	743	1265
Length (Control)	29	539	143	260	499

Note: This table consists of all matched cases in our sample. Litigation length (*i.e.* time to resolve) is equal to the case termination date minus the case filing date. If the case was not terminated by the time we downloaded the FJC, we manually set the termination date as 12/31/2022.

Panel B: Time to settle (days)

Variable	**N**	**Mean**	**P25**	**P50**	**P75**
Matching Method 1					
Length (Treatment)	16	612	205	452.5	883
Length (Control)	14	249	78	160	404
Matching Method 2					
Length (Treatment)	7	623	197	721	924

Length (Control)	10	355	231	251.5	353

Note: This table consists of all matched and settled cases in our sample. Litigation length (*i.e.* time to settle) is equal to case termination date minus case filing date.

In Panel B, we present the summary statistics of days to resolve settled cases. For matching method 1, on average, it takes 612 days to settle the litigation financed cases, while it only takes 249 days to resolve the matched control cases. The difference is significantly different (t-stat = 2.53, $p = 0.017$). For matching method 2, on average, it takes 623 days to settle the litigation financed cases, while it only takes 355 days to resolve the matched control cases. The difference is approaching the 0.05 threshold of significance (t-stat = 1.37, one tailed $p = 0.0948$; two tailed $p = 0.1896$). Across both sets of analyses, we find support for our hypothesis that cases with litigation finance take longer to resolve.

B. Robustness Checks for Univariate Analysis

We considered various factors that may influence our findings. First, because much of the high-value litigation funding that would affect firms is commercial litigation, we ran our analysis without non-commercial litigation, which includes personal injury cases. Results are provided in Table 5. Panel A and Panel C and are consistent with our overall sample. Second, because litigation funders that we spoke to suggested that patent cases may be fundamentally different from other forms of commercial litigation, we excluded patent cases from our sample. The results are provided in Table 5. Panel B and Panel D and again are consistent with our overall sample.

Table 5: Robustness Tests (Univariate)
Panel A: Outcome (excl commercial litigation)

	Treatment cases		**Control cases**	
Outcome	**Freq**	**Percent**	**Freq**	**Percent**
Dismissal	2	13.33	5	33.33
Settle	7	46.67	5	33.33
Defendant Win	1	6.67	1	6.67
Other/No outcome yet	5	33.33	4	26.67
Total	15	100	15	100

Note: This table consists of all matched, non-commercial cases in our sample. We coded the outcome of the cases based on the judgment and disposition code provided by the FJC.

Panel B: Outcome (excl patent litigation)

	Treatment cases		**Control cases**	
Outcome	**Freq**	**Percent**	**Freq**	**Percent**
Dismissal	4	10	16	40
Defendant Win	5	12.5	5	12.5
Defendant Loss	4	10	4	10
Settle	13	32.5	9	22.5
Transfer	2	5	5	12.5

Other/No outcome yet	12	30	1	2.5
Total	40	100	40	100

Note: This table consists of all matched, non-patent cases in our sample. We coded the outcome of the cases based on the judgment and disposition code provided by the FJC.

Panel C: Time to settle/resolve (excl commercial litigation)

Variable	N	Mean	P25	P50	P75
Time to Resolve					
Length (Treatment)	15	1038	226	1080	1733
Length (Control)	15	288	74	160	404
Time to Settle					
Length (Treatment)	7	399	81	226	474
Length (Control)	5	199	74	82	404

Note: This table consists of all matched, non-commercial cases in our sample. Litigation length (*i.e.* time to resolve) is equal to the case termination date minus the case filing date. If the case was not terminated by the time we downloaded the FJC, we manually set the termination date as 12/31/2022.

Panel D: Time to settle/resolve (excl patent litigation)

Variable	N	Mean	P25	P50	P75
Time to Resolve					
Length (Treatment)	40	377	74.5	186.5	483.5
Length (Control)	40	943	256	797.5	1429
Time to Settle					
Length (Treatment)	13	595	197	431	842
Length (Control)	9	283	74	173	423

Note: This table consists of all matched, settled, and non-patent cases in our sample. Litigation length (*i.e.* time to settle) is equal to case termination date minus case filing date.

C. Regression Analysis

We also conducted a regression analysis to test our hypotheses. For *Dismissal,* since the dependent variable is an indicator variable, we used logistic regression. For *Litigation length*, since the variable was continuous, we used OLS. The descriptive statistics are provided in Table 6. Panel A provides the descriptives for the sample with litigation controls, and Panel B provides the descriptives for the samples with firm controls for the defendants and plaintiffs.

Table 6: Descriptive Statistics

Panel A: Sample with Litigation Controls

Variable	N	Mean	Min	Median	Max	S.D.
Dismissal	126	0.33	0.00	0.00	1.00	0.47
Litigation length	126	5.67	0.00	5.78	8.10	1.46
Litigation finance	126	0.50	0.00	0.50	1.00	0.50
Commercial	126	0.76	0.00	1.00	1.00	0.43
Patent	126	0.37	0.00	0.00	1.00	0.48
Public firm	126	0.45	0.00	0.00	1.00	0.50

Panel B: Sample with Firm Controls

Defendant Sample						
Variable	**N**	**Mean**	**Min**	**Median**	**Max**	**S.D.**
Dismissal	68	0.35	0.00	0.00	1.00	0.48
Litigation length	68	5.68	2.40	5.56	8.04	1.24
Litigation finance	68	0.54	0.00	1.00	1.00	0.50
Revenue	68	22.02	14.46	22.42	26.94	3.26
Age	68	3.74	2.08	3.68	5.27	0.71
Employees	68	0.81	0.00	1.00	1.00	0.40
Plaintiff Sample						
Variable	**N**	**Mean**	**Min**	**Median**	**Max**	**S.D.**
Dismissal	41	0.37	0.00	0.00	1.00	0.49
Litigation length	41	5.61	0.00	5.75	7.33	1.37
Litigation finance	41	0.61	0.00	1.00	1.00	0.49
Revenue	41	17.22	13.35	16.26	24.62	2.97
Age	41	3.12	1.61	3.04	5.17	0.90
Employees	41	0.34	0.00	0.00	1.00	0.48

For the samples with the firm controls, we collected control variables for both defendants and plaintiffs. Because not all of the named plaintiffs or defendants are public firms, some of the observations did not have firm-level control variables. And because many plaintiffs are not entities, the number of defendants with non-missing control variables is greater than the number of plaintiffs with non-missing control variables. There are 68 cases with defendants for whom all variables are available and 41 cases with plaintiffs for whom all variables are available.

The results of the regression analysis include the effects of *Litigation finance* and the litigation control variables similar to those in our frequency tables and univariate analysis. Specifically, the models include the following variables: *Litigation finance, Commercial, Patent, Public Firm,* and *Year* fixed effects. Table 7 presents the regression results. *Litigation finance* is negatively associated with the likelihood of being dismissed (β = -1.40, p = .002) and positively correlated with the length of the lawsuit (β = 1.30, p = .000). The regression results are consistent with our univariate analysis and provide further support for our hypotheses that litigation funding makes plaintiffs more likely to survive a motion to dismiss, and it lengthens the lawsuit. In addition, *Patent* lawsuits were positively related to dismissal (β = 1.23, p = .022), although they were not related to *Litigation length*. *Commercial* lawsuits and *Public firms* were not related to *Dismissal* or *Litigation length.*

Table 7: OLS and Logistic Regression Results of Dismissal and Litigation Length Including Litigation Controls

	(1)	(2)
Model	*Logit*	*OLS*
Variable	*Dismissal*	*Litigation Length*
	b/se/p	*b/se/p*

Litigation finance	-1.398	1.297
	(0.461)	(0.243)
	0.002	*0.000*
Commercial	0.326	0.367
	(0.632)	(0.329)
	0.606	*0.267*
Patent	1.23	-0.181
	(0.536)	(0.294)
	0.022	*0.539*
Public firm	0.014	-0.130
	(0.477)	(0.265)
	0.977	*0.625*
Constant	-1.282	4.96
	(1.117)	(1.002)
	0.251	*0.000*
Year fixed effects	Yes	Yes
Observations	124	126
Pseudo R^2/Adjusted R^2	0.164	0.19
ROC	0.766	

Note: This table presents regression results of litigation finance and outcomes of lawsuits with litigation controls. Standard errors are reported in parentheses and p-values are reported in italics.

Table 8 presents the regression results with the firm controls. Firm control variables include: *Revenue*, *Age*, and *Employees* for both plaintiffs and defendants. In Table 8, Columns (1)–(2) present the results for the sample with the defendant firm characteristics. Columns (3)–(4) present the results for the sample with the plaintiff firm characteristics. In columns (1)–(2), *Litigation finance* is negatively related with the likelihood of being dismissed (β = 1.302, p = .067) and positively related with the length of the lawsuit (β = 0.89, p = .014), providing further evidence as to the effect of litigation finance on the outcomes. The effect of *Dismissal* does not cross the p = .05 threshold of significance. However, it is in the same direction theorized and is close to the threshold of significance. Similarly, in columns (3)–(4), *Litigation* is negatively related to the likelihood of being dismissed (β = -2.52, p = .03) and positively related to the length of the lawsuit (β = 1.36, p = .029).

Table 8 OLS and Logistic Regression Results Including Firm Controls

	(1)	(2)	(3)	(4)
	With Defendant Controls		With Plaintiff Controls	
Model	*Logit*	*OLS*	*Logit*	*OLS*

Variable	*Dismissal*	*Litigation Length*	*Dismissal*	*Litigation Length*
	b/se/p	*b/se/p*	*b/se/p*	*b/se/p*
Litigation finance	-1.302	0.889	-2.529	1.358
	(0.711)	(0.351)	(1.17)	(0.59)
	0.067	*0.014*	*0.030*	*0.029*
Revenue	0.159	0.028	-0.324	-0.06
	(0.167)	(0.082)	(0.216)	(0.101)
	0.339	*0.731*	*0.134*	*0.556*
Age	-0.100	-0.166	-1.334	-0.097
	(0.602)	(0.272)	(0.779)	(0.343)
	0.867	*0.543*	*0.087*	*0.778*
Employees	-2.294	0.161	1.704	0.610
	(1.306)	(0.631)	(1.344)	(0.671)
	0.079	*0.799*	*0.205*	*0.371*
Constant	-2.008	5.479	8.589	5.397
	(3.426)	(1.958)	(4.494)	(2.596)
	0.558	*0.007*	*0.056*	*0.047*
Year fixed effects	Yes	Yes	Yes	Yes
Observations	67	68	38	41
Pseudo R^2/Adjusted R^2	0.231	0.0205	0.198	0.0606
ROC	0.814		0.765	

Note: This table presents regression results of litigation finance and outcomes of lawsuits with firm controls. Standard errors are reported in parentheses and p-values are reported in italics.

V. IMPLICATIONS FOR LITIGATION FINANCE AND LEGAL STRATEGY

Our unique dataset allowed us to empirically study how the third-party interference in the legal system by litigation funders affects firm decision-making and the outcome of lawsuits, which in turn can affect performance of both plaintiff and defendant firms. Our findings provide support for our hypotheses that cases with litigation finance are more likely to survive and continue after a motion to dismiss and will take longer to settle. This suggests that, contrary to the desires of the litigation funders and the theoretical findings of Antill and Grenadier,[72] the indirect litigation finance agency costs of such funding provide plaintiffs with a "safety net" to continue litigation without feeling the pressure to settle. Such funding also means that the cases are stronger and more likely to proceed past a motion to dismiss.

[72] Antill & Grenadier, *supra* note 6 [https://perma.cc/NG4Q-T2SS].

A. How Litigation Finance Shapes Litigation Strategy

We contribute to the literature on agency theory and the ongoing debate as to the role of litigation finance in civil lawsuits. Our findings show how the introduction of third-party finance creates new agency relationships and changes existing agency relationships. These effects alter risk-taking and outcomes as to both plaintiff and defendant firms. Litigation finance introduces a new form of agency that has the potential to bring about agency costs that have not previously been considered and that have the potential to alter the fundamental decision-making of firms related to litigation. Although litigation finance has been compared to VCs, there are fundamental differences based on the litigation context. As principals, litigation funders are severely handicapped in their ability to monitor their investment in plaintiffs, because they cannot become directly involved in the ligation, often as a result of the explicit wording of the contracts but also due to the necessity of keeping attorney-client communications confidential. Thus, while VCs can monitor their startups by requiring frequent reporting and even a board seat, litigation funders are a degree removed as the litigation proceeds, with little power to influence the use of their funds. This creates the potential for greater agency costs when the plaintiffs' interests conflict with those of the litigation funders, particularly as to whether to settle the case or continue to move forward.

At the same time, when litigation funders provide funds directly to the lawyers to move the case forward, there is a fear that litigation funders may influence the decisions of the lawyers, either directly or indirectly. Our interviews of high-level individuals directly related to litigation funding did not uncover any direct evidence that lawyers change their work product due to litigation funding, but the complicated situations leading to Burford taking over Sysco's claims and the increasing frequency of litigation funding in general may unconsciously make lawyers consider how their actions will be perceived by their funders, thus influencing their behavior and decision-making. Agency theory has not considered the complicated nature of dual identities or the indirect and direct manners in which agency influences can arise in dual identity scenarios, as seen in the litigation funding context. Thus, by examining the agency effects of litigation finance, we consider how they drive decision-making that can result in the continuation of litigation, which may amount to crises for defendant firms and decrease their performance. These agency effects may also increase the chance of plaintiff firms obtaining a favorable outcome.

Our findings and interviews also offer insight into the ongoing debate over litigation finance and its effect on firms, which in turn furthers the literature on how firms engage with their legal environment through litigation. We provide empirical insights into the role litigation finance plays in the decision-making of parties to lawsuits, which often involve defendant firms. Although firms, through the U.S. Chamber of Commerce, have fought litigation finance and attempted to limit the role of litigation finance, the effect of litigation finance on litigation has remained unclear. Our findings begin to shed light on those effects. At the same

time, our interviews of high-level individuals in litigation funding suggest that the funders themselves may prefer different outcomes than what often occurs during litigation finance. This fact may provide ways for litigation finance and firms to come to a compromise as to how to address litigation finance in the future.

B. Implications for Defendant Firms and Litigation Funders

Defendant firms should know that litigation finance is frequently involved in large commercial litigation and that litigation finance can influence both the plaintiffs' decisions related to settlement, the quality of their case, and the ability of the case to proceed. While many defense attorneys will now ask for litigation finance to be disclosed, if the court does not require such disclosure, fighting for the disclosure can result in additional costs and expenses on both sides. Defendant firms should consider whether fighting for the disclosure is worth the costs in those jurisdictions where disclosure is not required. Alternatively, firms may simply assume that the plaintiff has litigation funding, particularly in high-cost lawsuits, and consider how such funding may potentially result in plaintiffs waiting to settle until higher damages amounts are provided. As the interviewees noted, these higher damages amounts may be closer to the actual value of the case. Thus, defendant firms may need to consider adjusting their settlement reserves to be closer to the value of the case to allow them to settle earlier and avoid further costs and fees associated with prolonging the litigation. At the same time, when firms are bringing lawsuits on behalf of plaintiffs, they should consider whether the risks they are taking are appropriate or whether they are influenced by the litigation funding they have received and adjust their risk-taking appropriately.

Litigation funding has received negative attention by legal scholars,[73] as well as the popular press, with 60 Minutes conducting a profile on Burford that included comments about the potential problems associated with litigation funding and referred to "little oversight" in the industry.[74] Furthermore, the unique situation of the Sysco case giving rise to Burford taking over Sysco's claims has increased concerns that litigation funders may directly affect litigation decision-making.[75] In our interviews, litigation funders consistently commented on how rare agreements like the one found in the Sysco case were and noted that litigation agreements typically do not allow for funders to have active involvement in the cases they

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[73] *See* Shepherd, *supra* note 14 [https://perma.cc/J8C2-Z3X5]; M. STEINITZ, *Incorporating Legal Claims*, 90 NOTRE DAME L. REV. 1155 (2015) [https://perma.cc/S68J-B6S9]; W. Bradley Wendel & Joshua P. Davis, *Complex Litigation Funding: Ethical Problem or Ethical Solution?*, 74 HASTINGS L.J. 1459 (2023) [https://perma.cc/3KZ7-ARMZ].

[74] Lesley Stahl, *Litigation Funding: A Multibillion-Dollar Industry for Investments in Lawsuits with Little Oversight*, CBS NEWS (60 Minutes) (July 23, 2023), https://www.cbsnews.com/news/litigation-funding-60-minutes-transcript-2023-07-23/ [https://perma.cc/Y7L2-QMX6].

[75] *See* Parikh, supra note 62 [https://perma.cc/FN6Y-43WY].

fund. From our interviews, it was clear that if the funders had their way, the litigation would settle much faster than it often does, because plaintiffs decide to continue the litigation. Litigation funders can take the litigation funding agency costs we illustrate here into consideration in making their funding decisions.

CONCLUSION

Litigation finance is a sizeable and growing industry that has significantly affected how litigants behave. However, the real effect of litigation finance remains unknown. Our novel dataset and qualitative interviews of high-level industry insiders provide valuable insights into how litigation finance enables plaintiffs to survive early dispositive motions and prolongs settlement timelines. Litigation finance reshapes agency relationships, influencing litigation decision-making, which can have long-term effects on firm performance. Our findings contribute to ongoing debates about the transparency of litigation finance and its effects. We open the door to future research on the real effects of litigation finance and how it affects litigation strategy and organizational decision-making.

APPENDIX

A.1 Links and Excerpts from Publicly Available Litigation Finance Contracts or Contract Descriptions (found using Google searches)

- **BioCardia: https://www.sec.gov/Archives/edgar/data/925741/000143774920007637/ex_181285.htm**
- **Diamedica : https://www.sec.gov/Archives/edgar/data/1401040/000143774920000102/dmtp20191223_8k.htm**
- **Excerpts from Colorado state court, case No. 13SC497, *Oasis Legal Fin. Grp. v. Coffman—Uniform Consumer Credit Code— Litigation Finance Transactions—Loans*:**

The Oasis Agreement

Oasis's funding agreement is titled "Purchase Agreement." The agreement labels the tort plaintiff the "Seller" and the funding company the "Purchaser." It describes the transaction as a sale and assignment—stating, for example, that the "Seller sells and assigns, and the Purchaser buys and assumes, the Purchased Interest." The agreement defines "Purchased Interest" as "the right to receive a portion of the Proceeds equal to the Oasis Ownership Amount." "Proceeds" are "whatever [the Seller] receive[s] as a result of the legal claim, for example through a judgment, Arbitration or the like." "Oasis Ownership Amount" is "the amount Purchaser is to be paid out of the Proceeds" based on an attached payment schedule.1 The tort plaintiff must authorize Oasis to obtain "a consumer credit report and/or other financial and credit information as part of the proposed transaction."

The Oasis agreement begins with two prominent, capitalized provisions in the signature box. First, it states that "NO PART OF THE PURCHASE PRICE WILL BE USED TO SUPPORT, DIRECT OR MAINTAIN THE LEGAL CLAIM OR ITS PROSECUTION." Second, it allows for the possibility that the Purchaser may recover nothing as a result of the transaction. It makes clear that "IF SELLER COMPLIES WITH THIS PURCHASE AGREEMENT AND RECOVERS NOTHING FROM THE LEGAL CLAIM CITED BELOW, THEN PURCHASER SHALL RECEIVE NOTHING," while

simultaneously emphasizing that "SELLER IS NOT ENTITLED TO RECEIVE ANY PROCEEDS UNTIL PURCHASER HAS RECEIVED THE OASIS OWNERSHIP AMOUNT."

Oasis also acknowledges in the agreement that "Purchaser shall have no right to and will not make any decisions with respect to the conduct of the Legal Claim or any settlement or resolution thereof and that the right to make such decisions remains solely with Seller and Seller's Attorney." Consequently, the tort plaintiff retains control of the pending litigation.

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1 Oasis's sample agreement uses $1,234.00 as the purchase price. Per the payment schedule, if the Seller pays off that amount to Oasis within six months, the payoff amount is $1,851.00 ($617.00 above the purchase price). That amount continues to increase based on a multiplier. For instance, within one year to fifteen months, the payoff amount is $2,776.50 ($1,542.50 above the purchase price). Within two years to thirty months, the payoff amount is $4,010.50 ($2,776.50 above the purchase price).In addition, the Oasis

agreement requires Seller to treat the transaction as a sale—not a loan—for all purposes, including taxes. Likewise, it requires Seller to describe the Purchased Interest as an asset of Purchaser—not a debt obligation of Seller—in any bankruptcy proceedings.

A.2 Semi-structured Interview Questions

Introduction and summary of purpose of the interview

- How do litigation funders typically get involved in a case?
- Is there typically a screening process involved in deciding whether to take a case, similar to due diligence in venture capital? How does that typically work in the industry?
- What is the typical role of litigation funders in litigation?
- How does the role of litigation funders in a typical case compare to contingency lawyers?
- How are contracts in litigation funding typically structured?
- Do they typically dictate the role of the litigation funder? How so?
- Do litigation funders typically have a say in critical decisions related to the case, such as motions to dismiss, settlement, etc.?
- In general, in the industry, what happens when there are disputes between litigation funders and lawyers/parties?
- How have the new disclosure rules affected the industry, if at all?
- Are there any other new developments facing the industry?

Note: The questions were adjusted slightly depending on the role of the interviewee in litigation finance

A.3 Search Terms Used to Identify Cases with Litigation Funding

We conducted the following searched to try to identify litigation funding of cases:

- Searched Nexis Uni for “local rule 7.1.1” and “have an interest,” then for “local rule 7.1.1” and “have a pecuniary interest,” then for “local rule 7.1.1” and went through the first 200 hits
- Searched on Bloomberg and Nexis Uni for litigation funding disclosures excluding terms that would say there was no such funding; searched for the funders using: “third-party funders” “third-party financing” “litigation financing” “litigation funding” “litigation finance” “litigation finance agreement”
- Searched on Bloomberg and Nexis Uni for “litigation finance agreement,” “litigation funding agreement” on their own to help identify litigation funding mentioned in motions to compel

Exclusion search: “third-party litigation funding disclosure” AND not “unaware” AND not “no non-parties” AND not “no funders” AND not “does not identify” And not “no third party” AND not “not using” AND not “no non-party” AND not “N/A” AND not “not used” AND not “has no” AND not “no retained” AND not “not engaged” AND not “not contracted” AND not “no other” AND not “not being” AND not “not aware” AND not “no funder” AND not “not utilize” AND not “do not have” AND not “not applicable” AND not “not using any” AND not “nor” AND not “not any person” AND not “not any entity” AND not “sole funder” AND not “no third-person” AND not “no 3rd person” AND not “no 3-rd person” AND not “no third parties” AND not “no 3rd parties” AND not “no 3-rd parties” AND not “not received” AND not “not receiving” AND not “no other parties” AND not “no persons” AND not “no other persons” AND not “no entities” AND not “no other entities” AND not “no parties” AND not “no entity” AND not “have not entered”

AND not "does not have" AND not "no person" AND not "does not have third-party" AND not "does not have non-party" AND not "no non-party" AND not "no third-party" AND not "no litigation funders" AND not "no litigation funding" AND not "none"

Searched for funders, including: "1624 Capital" or "Alter Litigation" or "Advance Litigation Services" or "Amicus Capital Services" or "Arthur J. Gallagher" or "Asertis" or "Augusta Ventures LLP" or "Balance Legal Capital" or "Bench Walk Advisors" or "Bridgepoint Global Litigation Services Inc." or "Bentham IMF" or "Burford Capital" or "Calunius Capital" or "CesFin" or "ClaimTrading" or "Claims Funding Europe Limited" or "Curiam Capital" or "Delta Capital Partners" or "Excalibur Funding Programs" or "Fair Rate Funding" or "Foris AG" or "Fortress Investment Group, LLC" or "GLS Capital" or "Harbour Litigation Funding" or "Hillcrest Litigation Services Ltd" or "Innsworth" or "Juridica Investments, Ltd" or "La Francaise IC Fund" or "Lake Whillans" or "Lawstreet Capital" or "Litigation Lending Services" or "Leste" or "Lexshares" or "Lex Finance" or "Longford Capital" or "Lumius Capital" or "Mourant Ozannes" or "Nivalion" or "Omni Bridgeway" or "Orchard Global" or "Parabellum Capital" or "Pravati Capital" or "QLP Regal" or "Redress Solutions LLP" or "Rembrandt" or "Roland Prozess Financz AG" or "Sentry Funding" or "Stevens & Bolton" or "Therium Capital Management Limited" or "Universal Legal Protection Ltd" or "Validity Finance" or "Vannin Capital PCC Ltd" or "Veridis Management" or "Woodsford Litigation Funding" or "cash4cases" or "Selective Investments" or "case strategies group" or "Justice Funds/Justicefunds, LLC" or "Top Notch Funding" or "Thrivest Specialty Funding, LLC" or"Ludus Capital, LLC" or "Walker PReston Capital Holdings, LLC" or "Mighty" or "Signal funding" or "Mustang Litigation funding" or "Global financial" or "Glofin funding" or "Peak Funding group" or "Greenlink solutions" or "towncenter partners LLC" or "Pegasus legal capital" or "barrister capital" or "Magnolia legal funding" or "Presettlement solutions" or "lawcash" or "golden pear funding" or "Cronus capital" or "resolution funding" or "covered bridge capital" or "cherokee funding" or "ps finance" or "lh funding" or "plaintiff support" or "grape leaf capital" or "usclaims" or "plaintiff investment funding" or "plaintiff legal funding" or "universal funds" or "broadway funding group" or "bridgeway legal funding" or "prime case funding" or "oasis financial" or "Mayfield settlement funding" or "prime case funding" or "counsel financial services" or "Gerchen Keller Capital" or "Gkc" or "Persist Communications"