

LAWSUIT FUNDING: A Case Resolution Difference Maker

By Mark Bello



In my 33-year experience as a trial attorney and lawsuit funding professional it is clear to me that almost all plaintiffs face a recurring predicament: Deep pocket defendants, usually insurance companies deliberately and unreasonably delay resolution of litigation. This often results in a lack of resources necessary to sustain a reasonable quality of life. Thus, many plaintiffs are forced

to make some regrettable choices: Return to employment and/or other activities before they are physically or mentally ready to do so, resulting in an artificial reduction in case value, or accept an unreasonably low settlement offer before the case ripens to its true, increased value. Some plaintiffs even decide that the legal process is too difficult and suspend pursuit of their valuable litigation.

Insurance companies have a substantial strategic advantage over plaintiffs and plaintiffs' attorneys. They all have substantial assets and significant power to work the legal system. As a result, they have the most important asset of all - time. The prospect of protracted and expensive litigation is meaningless to them. The prospect of trial and subsequent appeal and the time these processes take to evolve gives these rich and powerful companies substantial leverage in settlement negotiations. They will always use their money and time to their advantage in the pursuit of reduced case resolution.

Enter lawsuit funding, a service that provides a plaintiff (or an attorney) with the financial resources to allow a plaintiff the time necessary to see a case through to an appropriate and just conclusion. In short, lawsuit funding advances the cause of justice for a needy plaintiff. Thus, when a plaintiff has exhausted all other forms of revenue, the lawsuit funding company can breathe new life into the plaintiff's case by assisting the plaintiff in paying his/her mortgage, rent, car payment, tuition, food, child care, household expenses, medical care, hospital, surgical or rehabilitation expenses. In other words, lawsuit funding enables the plaintiff to live his/her life with some semblance of dignity, pay his/her bills, while still pursuing the lawsuit to its just conclusion. Lawsuit funding should, absolutely, be considered by any plaintiff who is contemplating acceptance of a lower than full value settlement offer. Ask your lawyer for his advice on the value of the case vis-à-vis the settlement offer. Ask him/her whether lawsuit funding might bridge the gap between a low settlement offer and the full and fair value of your case.

A financially desperate plaintiff is not a positive influence on

settlement negotiations. Financial hardships must be minimized or eliminated before serious settlement negotiations are conducted. Strategic lawsuit funding, in this scenario, will often pay for itself in increased case revenues made possible by the relief of outside financial pressures. Lawsuit funding is non-recourse funding. If the case fails, the advance made is excused and the plaintiff will never have to repay the lawsuit funding company. The plaintiff makes no payments. There are no credit checks. Whether the plaintiff has a job, assets or credible financial standing is irrelevant to whether or not he will qualify for lawsuit funding. What a lawsuit funding company is concerned about is whether the plaintiff has a solid, viable case to utilize for collateral.

Obtaining lawsuit funding is a relatively fast and easy process. The lawsuit funding company takes an application over the phone or on-line, and an information request is submitted to the handling attorney. Once the case materials are received from the attorney's office, an experienced lawsuit funding company can provide a funding decision within 24 hours, sometimes, a professional, highly experienced company will provide same day service. If the plaintiff is approved for funding, the transaction can usually be completed, with funding in the plaintiff's hands, within 24-48 hours.

It is advisable that the lawsuit be somewhat developed or mature. Preferably, a lawsuit will have been commenced. The case needs to have enough predicted value to afford the advance and the maximum profit due on the advance (or the advanced amount may be reduced to appropriately fit predicated case value). Some lawsuit funding companies do not provide funding caps. In other words, profit continues to accrue until the litigation resolves. If litigation takes years to resolve, through trials and appeals, funding profits could grow to enormous sums. Experienced, ethical and professional lawsuit funding companies will provide flat-fee funding with a high-end cap on profits. Make sure to ask your lawsuit funding company whether it provides flat fee, capped lawsuit funding. If the lawsuit is successful, and resolved for the anticipated amount, lawsuit funding principal and profit returns may be quite expensive. Therefore, it is strongly advised that you seek funding only if you are experiencing serious financial circumstances, only for an amount that you absolutely need to protect valuable assets, only in consultation with your attorney, and only if you are satisfied that the lawsuit funding company has provided you solid advice and counsel. Strategic lawsuit funding from the right lawsuit funding professional can make a huge difference in the bottom line settlement or verdict in your case.

— Mark Bello is an attorney and CEO of Lawsuit Financial Corporation in Southfield, Michigan.