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Big Law **Business**

Burford Raises \$250 M in 24 Hours, Litigation Funding Rolls On

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By Stephanie Russel-Kraft

Burford Capital, the world's largest litigation finance firm, announced this week that it had raised another \$250 million in a span of just 24 hours, the latest sign that litigation funding is still booming.

As Bloomberg Law [reported](#) in March, Big Law firms are increasingly gravitating toward litigation finance as the practice sheds its stigma. And yet, according to lawyers and funders in the market, the contours of that boom remain fuzzy.

"My anecdotal sense, confirmed by Burford putting more money in the market, is that it's growing," said Lucian Pera, commercial litigation partner at Adams and Reese who has worked with litigation funders. "How much it's growing is very hard to say."

The practice of litigation funding, in which third parties pay litigation fees upfront in the hopes of making a return, originated in Australia in the 1990s and only took hold in the United States in the past decade.

The practice is not without its critics, most notably the U.S. Chamber of Commerce, which argues it can lead to unnecessary litigation. Critics also question the ethics of litigation being funded by third parties that can remain anonymous.

Burford is by far the largest litigation funder. The firm, which has been publicly traded since launching in 2009, now employs over 100 people and claims a market cap of over \$5.4 billion.

Growth Expected

In the first half of 2018, Burford invested \$540.3 million, and the firm says it expects continued growth in coming years.

Unlike Burford and Bentham, another publicly traded litigation finance firm with a \$5.6 billion portfolio, most litigation funders are not public companies, nor are they disclosed in litigation itself.

“It’s very opaque,” said Pera. “There’s no place to go to find a reliable list of funders. It’s difficult for example to find out how much money is deployed in the market. You can look at Burford and guesstimate upward.”

Greg Grossman, a shareholder at Sequor Law who focuses his practice on asset recovery, estimates that 40 percent of his law firm’s revenue comes from litigation funders. And yet he says he still lacks an overview of the market.

In addition, because litigation finance is still a relatively new practice in the U.S., it still lacks standardization, according to Grossman.

“It’s not the kind of market that is transparent, so you’re comparing apples to oranges,” Grossman said.

For example, he said Burford’s documents don’t look anything like those provided by Bentham.

Calls More Frequent

Lawyers and funders who spoke with Bloomberg Law said they believe market saturation will eventually come, but it isn’t imminent. Over the past five years, a slew of smaller funders have entered the market, though none of them near the size of Burford or Bentham.

Curiam Capital, one of those new players, launched with \$100 million in capital earlier this year. Managing principal Ross Wallin said the firm is on track to commit that money “quicker than we expected.”

“We have continued to receive calls from entities who are interested in the asset class and who want to be on the list the next time we want to raise capital,” Wallin told Bloomberg Law.

“Investors are looking for returns that are off the beaten track,” said Pera. “I keep hearing from people, ... mostly law firms and lawyers exploring some option. They want to talk through how does it work, what are the possibilities, what are the dangers.”

Pera said these calls are becoming more frequent.

“I’m old enough to remember when mediation was not common, and now you can’t be a trial lawyer without having some clue of how it works,” he said. “I think we’ll see a time when that’s the case with litigation funding, that it’s just another tool in the toolbox. That’s what I think is coming, but it sure is not here yet.”