

## Latest Burford Capital Research Shows Explosive Growth and Ongoing Evolution of Litigation Finance

*Outside capital fuels innovation and opportunity for clients and firms*

3 May 2016 - Burford Capital (“Burford”), a leading global finance firm focused on law, announced today the results of its 2016 Litigation Finance Survey, which draws on independent research conducted with law firms and in-house lawyers in the US. The 2016 Litigation Finance Survey builds on three prior surveys commissioned by Burford since 2012.

Burford’s 2016 Litigation Finance Survey shows that litigation finance continues to grow and evolve:

- 28 percent of private practice lawyers say their firms have used litigation finance directly—a four-fold increase since 2013
- 75 percent of outside counsel and 61 percent of clients predict that litigation finance will grow in the next five years
- 35 percent more private practice lawyers and 50 percent more clients predicted that litigation finance will grow in 2016 vs. 2014
- For the first time, Burford surveyed lawyers about financing portfolios of litigation, an emerging and relatively novel form of litigation finance—and about as many lawyers said they had experience with portfolio financing in 2016 (9 percent) as had experience with single case financing, the most commonly understood form of third-party funding, in 2013 (7 percent)

“Burford’s 2016 Litigation Finance Survey results affirm our experience,” said Christopher Bogart, Burford’s Chief Executive Officer. “Finance is increasingly used by firms and clients as an innovative and flexible means of accessing capital that can be invested back into the business—and indeed 87 percent of the capital committed by Burford in 2015 was to litigation portfolios and other complex investments that can now be offered at a scale that helps meet this demand.”



*Lawyers predict ongoing growth of litigation finance*



Indeed, the research identifies access to capital as a major challenge faced by firms:

- 81 percent of private practice lawyers say lack of capital to invest back into the firm is a major challenge—an obstacle faced in large part due to the unique capital structure of the partnership-based law firm business model
- 41 percent of clients and 48 percent of private practice lawyers are confident that law firms will increasingly seek outside financing to fuel growth

“What we’ve found is that the growth in corporate finance for law not only reflects the enormous need for outside capital,” said Bogart. “It also coincides with a broad array of changes in the traditional business model for law, which can help law firms thrive and provide high quality counsel in a new environment.”

As in prior surveys, this year’s findings show that litigation finance continues to provide relief what an AmLaw 100 partner interviewed in conjunction with the research referred to as “an irreducible conflict between clients and firms”: the lack of a clear alternative to hourly billing models that satisfies client needs for cost containment without putting more burden on firms than they can bear. Litigation finance helps firms meet client needs while removing from the firing line. Consistent with prior surveys, 54 percent of clients say they have already moved work to a firm that proactively offered alternative fee arrangements.

Burford’s 2016 Litigation Finance Survey was overseen by the former head of the research department of a leading US legal trade publication.

## **ENDS**

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### **About Burford Capital**

Burford is a leading global finance firm focused on law. Burford’s businesses include litigation finance, insurance and risk transfer, law firm lending, corporate intelligence and judgment enforcement, and a wide range of investment activities. Burford’s equity and debt securities are publicly traded on the London Stock Exchange. We work with lawyers and clients around the world from our principal offices in New York and London.

For more information about Burford: [www.burfordcapital.com](http://www.burfordcapital.com)