

Third Party Litigation Funding: Outside Investors Fund Litigation for a Piece of the Pie

Third party companies are opening their checkbooks to fund lawsuits purely as an investment? Yes. Third Party Litigation Funding has crossed over the pond. Attorneys in the United States appear to be following the trend set by litigators in Great Britain and Australia with [Third-Party Litigation Funding](#). Seems there are a couple of companies already offering to finance American business lawsuits in exchange for a cut in the settlement proceeds or judicial award. (They also share the risk of loss if their side loses the case.)

It's reasonable to think that there will be other financiers entering the fray. After all, [Great Britain has been testing the waters on this lawsuit funding investment option](#) for several years now (albeit not without controversy).

Two Front Runners: Juridica Investments Ltd and Burford Capital

[Juridica Investments Limited](#) explains that its goal is to "make the legal system better for business claims." And its risk analysis is simple: Juridica has funding for business claims only -- it's not interested in personal injury matters, toxic torts, or the like.

[Burford Capital](#) is a British company that is also ready to invest in business litigation, both in the United States and across the globe. Burford is traded on the London stock exchange as BUR, in case you'd like to check the company out. These aren't fly by night organizations by a long shot.

What are they looking for? In one [interview with Juridica CEO Richard Fields](#), it was suggested that the British third party financier (TPF) was interesting in disputes ranging between \$15 and \$25 million involving business causes of action.

Can torts be far behind? Just think of the Toyota class action litigation, ponder the inevitable Oil Spill claims.... Surely the question of when Third Party Litigation Funding enters into the American Tort arena is sooner rather than later. After all, in the big tort cases, Juridica's proposed \$15-25 million dollar damage range is mere chicken feed.

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