

FAQs: Questions to ask a Funder

How and when will you pay legal costs?

This will give you an idea of what needs to be done to obtain payment of the legal costs and how often you will receive funds.

Harbour pays the legal bills, including disbursements, monthly throughout the life of the case, until the matter concludes.

Do you ring-fence the budget you agree to fund?

If a funder ring-fences the budget, it means that these funds are set aside immediately for use in your case only.

When the Harbour Funds invest in a claim, the entire budget is ring-fenced and protected from day one, all the way throughout the case.

Do you leverage your funds?

Leveraging means that a funder a) commits to financing more cases than it possesses funds, b) borrows money to fund or c) does both. If cases use more budget, unexpectedly lose or take longer than anticipated, the funder ultimately may not be able to pay claimant's bills when they fall due.

Harbour does not leverage. We have a large amount of capital immediately available. We guarantee the full budget and do not commit monies to more than one case. Nor do we need to borrow money to meet any funding obligations. This gives the claimant peace of mind.

Is it possible to increase the budget?

Ask this to gauge how a funder will deal with unexpected events and/or budget increases.

We possess a wealth of experience of funding as well as litigating, and have large funds available, so when issues arise - as they inevitably do in the unpredictable world of litigation - we have the expertise and the capital available to consider such demands.

Do you interfere with the litigation?

It is key to gain an understanding of the relationship with the funder in the longer term. Will they get involved in settlement negotiations for example?

It is the claimant and his legal team who run the litigation / arbitration.

Do you act as a broker or are you a funder?

Brokers may describe themselves as *funders* or use *funding* in their name. Therefore, it is good to get clarity early in the conversation. Brokers essentially act as the middle man between those in need of funding and those who have funds.

Using brokers can be helpful when you want to review several funding offers but it is important to know that not all brokers work with *all* funders and pricing may not offer a full view of the market.

We are a funder and you are welcome to talk to us directly. In time sensitive matters, talking to funders directly may save time.

Do you have experience in the relevant area of law or jurisdiction?

A funder with substantial experience may have a different reaction to budget increases or unexpected developments.

We are a truly global and experienced funder in that we have funded litigation in 13 jurisdictions, arbitrations under 4 arbitral rules and in relation to most areas of law. With a team that comes from first-class private practices and senior in-house positions, we can offer an informed second opinion where and when desired.

When have you discontinued funding and what are the circumstances?

Asking about this offers you a good insight into the investment agreement early on.

Our investment agreement includes a 'material adverse decline' clause related to situations which make the case no longer viable or cause a material breach of the funding agreement. Examples are the defendant going bust or evidence which torpedoes the case irretrievably. The legal costs up to the date of termination in these instances, do not have to be repaid.

Can you arrange ATE insurance?

Working with a funder with access to a dedicated ATE facility will save time and can offer you more competitive pricing than when you arrange this independently.

We can provide access to a dedicated ATE facility which provides up to £6.5 million in adverse costs cover per case. This facility can be approved quickly, offers very competitive pricing and staged payments of the premium spread the costs.

Important information

Harbour Litigation Funding Limited (“HLF”), a company incorporated under the law of England and Wales, is authorised and regulated by the Financial Conduct Authority of the United Kingdom and acts as the exclusive investment sub-adviser to each of Harbour Litigation Investment Fund, L.P., Harbour Fund II, L.P., Harbour Fund III, L.P. and Harbour Fund IV, L.P. (the “Harbour Funds”). Each of the Harbour Funds is an exempted limited partnership organised under the laws of the Cayman Islands.

For the purpose of this material, a reference to “Harbour”, “we”, “us” or “our” shall mean (a) in the context of approving and providing litigation funding, any of the Harbour Funds (as the case may be) operating out of the Cayman Islands; and (b) in the context of investment advisory and/or marketing activities (including but not limited to general promotion of the Harbour Funds; market research on case opportunities; and identifying potential cases), HLF operating out of the United Kingdom.