

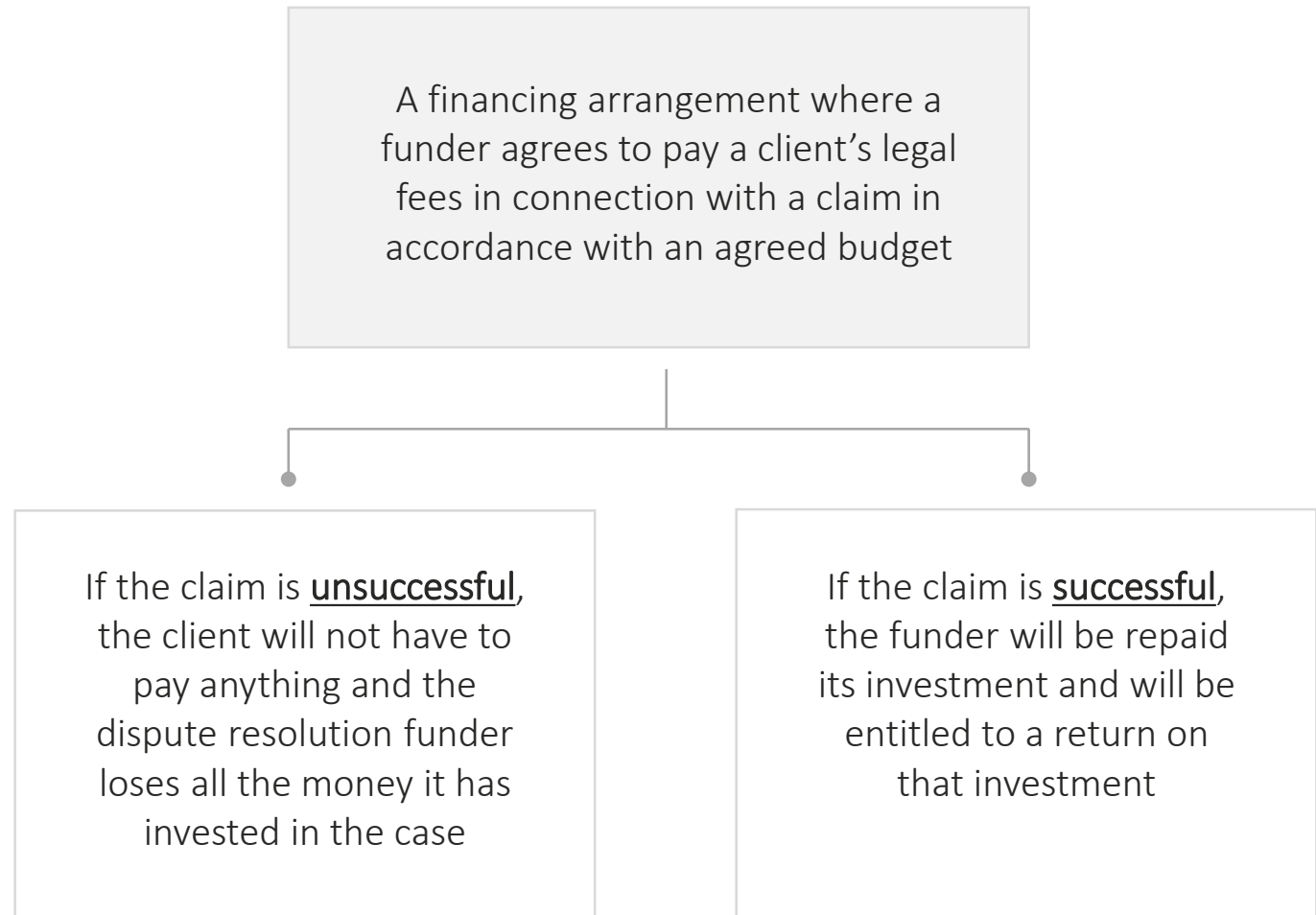
VANNIN CAPITAL

M&A DISPUTES WITH THIRD PARTY FUNDERS

How to plan and how to run
Ania Farren

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WHAT IS THIRD PARTY FUNDING?



DIFFERENT TPF STRUCTURES

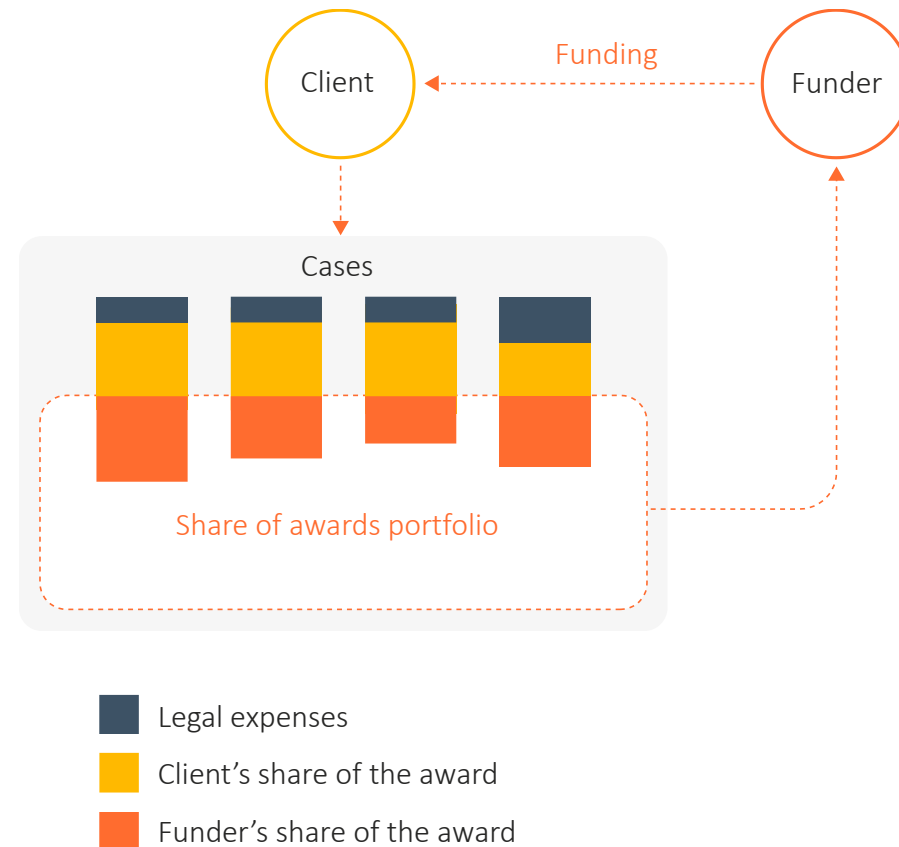
Single case funding

- Case is diligenced from a legal and commercial perspective
- Funding provided in accordance with an agreed budget
- If case loses, funder loses its investment
- If case wins, funder gets its money back plus an agreed premium from the award proceeds

DIFFERENT TPF STRUCTURES

Portfolio funding

- Funding provided against a portfolio of cases
- Returns are paid from the proceeds of all cases
- Successful cases can “subsidise” unsuccessful cases
- Diversified risk can result in lower pricing: if several cases (3-5 generally) are offered for funding in a portfolio, that allows for the funder to spread the risk by cross-collateralising the cases and to make pricing more competitive
- Examples; single claimant, single defendant, law firm funding



A TYPICAL APPLICATION PROCESS

An example based on Vannin Capital process:

1. Non-disclosure agreement
2. Initial review
3. Agree period of exclusivity
4. Full review by QC / expert
5. Agree terms for funding agreement
6. On-going key stage reviews and monitoring

WHICH CASES? THE BASICS

- Usually min £5m quantum
- 1:10 quantum ratio
- Need to provide detailed budget and timeline
- Prospects of success at least 60%
- Enforceability
- Parties (who are they? Where are Respondent's assets based?)
- Reputable counsel involved

CONTACT DETAILS



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THANK YOU
