

PUBLISHED IN THE LOS ANGELES DAILY JOURNAL
February 28, 2011

FINDING NEW ALTERNATIVES TO LITIGATION FINANCING

The Los Angeles Daily Journal published an article written by Brian Kabateck and Karen Liao on the topic, "Finding New Alternatives to Litigation Financing." The article investigates the newest trend in funding plaintiffs' litigation: third party lending. Today, as litigation costs have soared, banks, hedge funds and private investments groups, have been providing funding for some major lawsuits. As a result, the American Bar Association is studying whether this lending can pose a threat to an attorney's professional independence.

"Obtaining third party financing levels the playing field, allowing smaller firms with fewer resources to stand a chance against larger opponents with deep pockets and unlimited resources," Kabateck and Liao write. "In fact, litigation funding enables attorneys to take bigger cases than they otherwise would not be able to take. For the new attorney or law firm, litigation financing can be especially helpful."