

Lawsuit Financial

Dumb Sh!# Bad Funding Companies Say or Won't Say to your Clients

I am constantly amazed to hear new, injured and cash strapped plaintiffs who call our office looking for an advance, tell me about previous phone conversations they've had with other funding companies. I shake my head in disbelief and quite frankly....disgust at some of the "advice" (or lack of it) that they receive. These conversations serve to highlight my previous recommendations that attorneys should find a litigation funding company they trust, and refer clients solely to that company. For those of you who Lawsuit Financial treasures enough to forward this email, I sincerely hope that Lawsuit Financial is that company.

I thought it would be helpful to share with all of you, the dumb sh!# these companies say and/or don't say to your clients and how little these companies care about your client and/or your client's case.

Bad Funding Company (per client): "They said I need to request at least \$5,000 to consider my application"

Good Funding Company (AKA Lawsuit Financial): WHAT?! Lawsuit funding companies should **always** recommend the client seek only the amount absolutely necessary; after all, the money is expensive, if they win, and should be used only for important necessities of life. Funding companies should be assessing financial need, funding only that need, and counseling clients to make an informed decision; instead, these predators use clients' desperation against them.

Bad Funding Company per client: "I called back for another advance. They said they don't provide more than 1 advance"

Good Funding Company (AKA Lawsuit Financial): There are two reasons why a funding company would give this advice, neither of them beneficial to the client. The first reason is the funding company is hoping when the client needs more money, he/she will seek an alternate funding source to buy them out. This allows them to make a large profit with very little risk of loss (risk of loss is what causes litigation advances to trend expensive). Not so good for the client, however, because he/she is now paying double profits, to the old company and the new one. Of course, the old company does not share this probability with the client (or the attorney) when the first transaction is completed.

The second reason is providing only one advance causes a plaintiff to seek more money than is absolutely necessary, driving their profit up. The more prudent advice (advice that Lawsuit Financial consistently gives your clients) is to advise clients to seek several smaller advances, over time, rather than one, larger, advance. Spreading the money out over the length of the case will not only save a client money and prevent them from misusing a larger lump sum, but it will prevent the client from having serious financial issues over the length of the case. The "one time advance guys" don't care about your clients; they care about making a quick buck.

Bad Funding Company per client: "They told me that my monthly rate is X%"

Good Funding Company (AKA Lawsuit Financial): The "bad" company's quoted rate sounds deceptively low; these companies fail to mention that they charge junk fees (see next example), that there is no cap on profits, and that the interest rate is compounded **MONTHLY**; this results in a client paying interest on interest and fees, which accumulate each and every month!

Bad Funding Company per client: "I told them I needed \$1,000 for my rent payment. They approved me, but when I went to sign the contract I was only getting \$600 because they were

charging me \$400 in fees they never told me about. **Or**, the “bad” funding company will give the client the \$1,000 that was approved, but will roll the fees into the contract. The client receives \$1,000, but will pay costs and fees on \$1,400. Either way, this is despicable behavior.

Good Funding Company (AKA Lawsuit Financial): The worst part is that not only do these “bad” companies fail to disclose their fees, they **ROLL THEM INTO THE CONTRACT**, so the client pays interest on money they handed right back to the company! Sometimes the fees are added to the approved amount, but other times it’s taken out of the approved amount, so the client doesn’t even walk away with the amount they needed. The better way (the Lawsuit Financial way) is to charge no junk fees at all, provide clearly, your profit formula, cap your profits so that protracted litigation doesn’t penalize the client, then offer a written compromise if the case does not resolve at anticipated amounts or values.

Message for Smart Attorney: DO YOUR HOMEWORK! Be sure that you and your client are working with a funding company you can trust; no hidden profits, no hidden junk fees, total transparency. Call Lawsuit Financial today; find out how we raise the bar for the standard of client care in the litigation funding industry. 1-877-377-SUIT