

Do You Choose a “Hands Off” Approach to Clients’ Lawsuit Funding Choices? BIG MISTAKE!

Some attorneys tell us that they will not get involved in assisting a client in choosing a lawsuit funding company. BIG mistake! Many funding companies care more about profit than they do about CLIENTS. The first concerns for any lawsuit funding company should be the client, the attorney and the enhancement of case value. **Below are the top 3 reasons why you should help your client find the right funding company:**

Reason #1: Newbies

Articles are swirling about investment opportunities in lawsuits; consequently, many inexperienced, wealthy, investors are turning to lawsuit funding for “big profits”. These people think that anyone with money can provide this service to your clients. Do you agree? BIG mistake! When lawsuit funding is not provided professionally and responsibly, the service may harm your client’s situation more that it helps. New funding companies, lacking experience, tend to over-fund cases; this makes settlement much more difficult for the handling attorney.

“Newbies” won’t spend time assessing your clients’ need for money; they won’t counsel them to accept only amount needed rather than desired. In the minds of “Newbies”, the more money they fund, the more potential profits they earn. It is all about them.

Be sure that you and your client are engaging an experienced lawsuit funding company, one that is recommended by attorneys all over the country. How long has the company been in business? What strategies are their representatives recommending? Are their principal’s financial people or attorneys? If they have a staff attorney, has he/she practiced law? of success? Will they promise compromise if case results are also compromised? Our advice? Do some Internet research before making such a case-altering decision. Do you want your client funded by “The Newbies” or a company that has been in business for almost 15 years?

Reason #2: The Fee Foes Many funding companies boast low rates and neglect to tell your client about the large, hidden, amounts they charge

in “junk” fees. Worse, they roll these fees into the funding amounts and charge huge profits on these fees, a fact that they conveniently forget to tell you and your client. It is important that you and your client work with a company that is transparent, one that discloses its compensation formula in plain English and bold print. Are they completely upfront and honest about how their program works? A company that attempts to hide profits and fees is one that cares more about profits and fees than it does about you, your client, and your case. Advise your client to ask questions; you should be able to call the company and ask any questions you like, AND, you deserve straight answers. Does the company charge administrative fees such as broker fees, transaction fees, wire fees, underwriting fees, courier fees etc. Do they roll these fees into the funding amount and charge interest or profit on them? Consider “junk” fees and profit on “junk” fees when evaluating costs and, more importantly, company integrity. A company that may seem to have a “lower rate” may charge so many hidden fees and interest on those fees that their so-called “lower rate” catches up quickly to a more transparent company that honestly posts its compensation formula. Compensation transparency and professionalism in compromising and settling claims should be more important to you and your client than the finding what seems to be the lowest, up-front, price for lawsuit funding.

Reason #3: Compounding Creeps

Again, they boast “low rates”, but these “Compounding Creeps” fail to tell your clients that they charge compounding interest. How does it compound, you ask? MONTHLY! Do the math! Compounding interest is great if you’re the lawsuit funder, not so great if you’re the plaintiff. This non-disclosure is dishonest; dishonesty means that the company cares more about profits than it does about clients. It is especially unfair to clients because most are desperate for money and most are brand new to the concept of lawsuit funding. These despicable companies sound and awful lot like insurance companies, don’t they?! The funding company you choose should take time to educate your client on litigation funding. You can even find a company that offers capped, flat fee, funding!

For additional information, please do not hesitate to contact us: 1-877-377-SUIT