Exton Advisors

The Future of Funding

Lucy Glyn · Monday, March 1st, 2021

Exton Advisors, a leading financial advisory firm in litigation, is launching a unique range of 'special situations' services designed to help companies look at their disputes in an entirely new way. The move is in response to the increasing economic uncertainty brought about by the global pandemic and sees the firm creating a range of advisory service lines designed to help corporates and their legal teams find the right funding products to support their litigation and unlock potential working capital at a critical time.

Established in 2018, Exton Advisors is comprised of consultant practitioners from litigation finance, law, insurance, insolvency and financial structuring. Responding to the rapid growth of litigation funds in the UK in the past few years, the firm was created to offer financial advisory services for in-house lawyers, many of whom need real guidance when it comes to assessing the growing array of funding options available. Many corporate legal teams have significant levels of capital sunk into work-in-progress disputes, but simply don't know where to start when it comes to funding these cases or how the transactions should be structured. Exton's special situations advisory service is geared towards turning those disputes into assets, flowing working capital back into the business.

John Astill, founder and director comments: "Litigation finance is poised to enter a golden era, but the reality is that the asset class remains opaque and complex. We've seen a number of recent judgements highlighting the danger companies and their private practitioners face should transactions not be structured correctly, including adverse costs protection in relevant common law jurisdictions. We're designed to simplify that complexity and help clients make informed choices."

Whilst corporate legal teams are taking tentative steps to engage with specific funds, they currently have no means to compare options or understand the relative merits and risks locked up in the funding agreement. They also rely heavily on their roster of law firms for advice, many of whom have limited relationships with the funding community. Exton's team provides them with an independent view on the whole market, which is increasingly seeing new and unfamiliar entrants with significant capital to deploy.

Astill continues: “Working directly with one or two funders can result in cookie-cutter solutions. As a result, in-house counsel have historically deferred to their private practitioners to help them arrange funding for their business critical disputes, but that doesn’t always make sense – litigators are appointed for their ability to come out on the right side of a dispute, not their financial advice, and in some circumstances there is a risk they can have divergent interests.”

The firm is now working with a number of UK corporates and private practices on new mandates, including many that are springing up as a result of group claims, post-Covid-19. Whilst the independence and insight that the firm provides is important, building trust is the key.

Tom Steindler, director, concludes: “Now, more than ever, the organisations we work with require a trusted partner to help them ease balance sheet pressure and realise the asset value locked up in their portfolios of claims and awards. In many ways litigation finance is still a nascent force and we want to provide a true corporate finance advisory service to help companies expertly navigate the asset class and make the most of the opportunities it provides; for us it’s all about simplifying and improving the experience for everyone.”

To find out more, contact Tom Steindler on +44 (0) 20 3393 4944 or email tom.steindler@extonadvisors.com

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