



SEVEN STARS

Legal Funding

SEVEN STARS LEGAL - SUMMARY

Providing Access to Justice through
Asset Backed, Social Impact Investments



“If civil justice is to be affordable, it is necessary ... that methods of funding meritorious claims or defences be available to parties of limited means.”

Sir Rupert Jackson - 2014

Why Seven Stars Legal?

Trusted Institutions are Failing or often Profiteering from Consumers and Vulnerable Individuals

Almost 93% of Consumers Cannot Afford Access to Justice or Recourse for Severe Breaches of Trust (Jackson Report)
 Seven Stars provides funding to law firms so that they can operate on a “no win, no fee basis” on behalf of individual claims.

What does Seven Stars Legal Do?

Seven Stars Legal Monetises legal claims creating clear Social Impact

How Does Seven Stars Legal Do That?

By funding legal costs and associated disbursements, which allows law firms to represent more claimants.

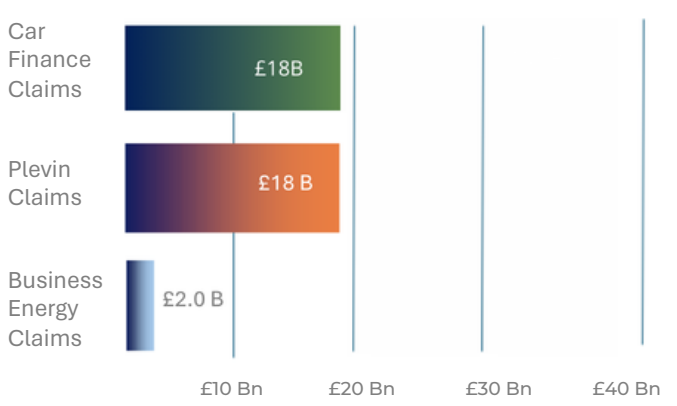
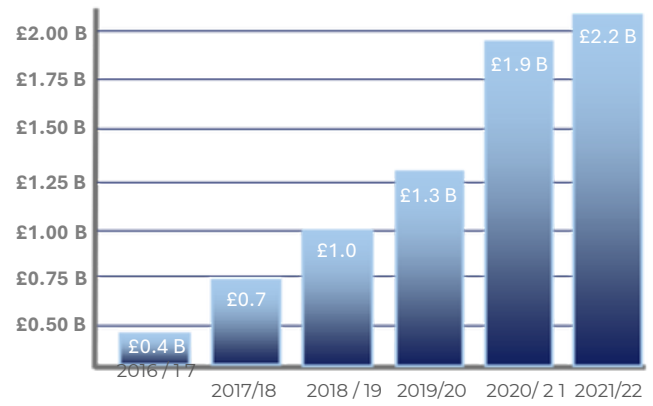
What Does Seven Stars Fund?

We fund Loans to SRA regulated Law Firms & FCA Regulated CMC's only – UK is Globally recognized legal sector.

Small individual precedent-based claims such as PLEVIN / Undisclosed Commissions, or claims under Government Legislation (Housing Disrepair - HDR, FSCS/FOS)

Cases against liquid entities – Banks, Lenders, Housing Authorities, Utilities, Government Compensations Schemes.

The UK Litigation Funding Market - Scale



2019 –2023 UK Market doubled

Over £2billion Pipeline Cases & funds held by Litigation Funders (Reynolds Porter Chamberlain Report)

Estimated 525,000 Housing Disrepair (HDR) claims (Global Banking & Finance)

Over 50% of Pension transfers were badly advised (FCA)



TheUK Litigation Funding Market - Drivers

Favourable Legal Environment

UKjudicial system consideredoneof thebest intheworld
Clearlegal precedents
Acceptance of the need for Litigation Funding

Stability & Diversification

RiskMitigatedPortfolio
Active Case Management
30/30 Rule (Max 30% of funds with single law firm, & max 30%of funds in any case type)

Increasing Institutional acceptance and Investment

Recognisedalternativeasset
Uncorrelated to traditional asset classes
Market growth

How Does It Work?

Lending

Annual interest targeted at up to 30% per annum

Optional share of the income generated

Funds are only lent on existing cases where ATE insurance cover is in place

Security

Deed of Assignment of the Assets and/or a general debenture over the borrower.

Senior Debt position in Capital stack – we are paid before the client

Security must be a minimum of 1.5X indebtedness (25% to 65% LTV)

After The Event (ATE) insurance covers law firm for borrowed funds

Risk Mitigation

Solicitor Default	Extensive due diligence & advisory panel review - Deed of assignment/debenture Senior security - Ongoing Monitoring and audit
Case Unsuccessful	Diverse portfolio of precedent-based claims - Predictable outcomes Cases carry ATE covering costs - Repayment not dependent on Outcome
Settlement Delay	Case Diversity 30/30 Rule - Precedent + Statutory Law= Predictable Outcome
Controls	City Partnership Receiving Agent & Security Trustee - Anstey Bond - Auditor - Solicitor PII Policy

Summary

An investment providing access to justice and creating Social Impact

Diversification – Uncorrelated Market, Accepted Asset Class
Largeand increasing market

UK Legal sector –globally recognised & respected

Diversified portfolio of small, precedent based claims = Predictability

Extensive due diligence carried out by expert advisory board

Senior Security taken over borrowers and their assets

FCA registered Security Trustee appointed

Passionate and Market leading team

Deed of Assignment of the Assets and/or a general debenture over the borrower.



“Access to justice is a core pillar of this country’s legal system and a central part of themission that drove me from the Bar into politics. It’s about ensuring that justice is available to all, and not merely the preserve of those with deep pockets.”

Alex Chalk – UK Lord Chancellor & Secretary of State for Justice, March 2024



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