



ABOUT US, OUR LITIGATION FINANCE BONDS AND CASES WE FUND



ABOUT SEVEN STARS LEGAL FUNDING

Seven Stars Legal Funding was established as an investment company targeting market leading investor returns working within the well-regarded and regulated UK Legal Services sector, and specifically litigation cost financing and litigation case generation.

As of 2024, the Company is only investing in the UK and lending to firms working in the UK legal sector, which is globally recognised as one of the preeminent jurisdictions for legal services.

Seven Stars was incubated by a successful Litigation Finance team, with an incredible track record, who identified a very substantial funding opportunity that far exceeded their existing requirements. Accordingly, Seven Stars was initiated to become a substantial independent non-bank litigation cost funder. By the end of 2023, our affiliate had raised £40mn, funded over 15,000 litigation cases, and generated an additional potential 350,000 cases.

Our activities to date affirm the view we took when launching the company, namely, that the key to successful litigation financing lies in the selection of cases or case types to fund.

ABOUT LITIGATION FUNDING AND OUR LITIGATION FINANCE BONDS

Litigation finance, a relatively nascent yet rapidly growing sector, has been reshaping the legal landscape by providing crucial financial support to consumer victims and the law firms representing them.

While the consumer claims sector can trace its “origins” to the PPI scandal, the true scope and potential of the market are only really starting to become apparent with what feels like a continuous flow of new outrages. And, as further abuses of consumers and breaches of professional trust and responsibility come to light, the demand for external funding solutions has soared, opening a compelling avenue for investors seeking to tap into this expanding market.

While the big funders seek to hit high multiple returns in the ‘high stakes’ cases, Seven Stars operates at an established but lower octane level, lending funds to lawyers on well-established, precedent-backed, or governmental directive-orientated litigation and claims.

At its core, our Litigation Finance Bond seeks to capitalise on a diversified portfolio of vetted legal cases, where the potential for favourable outcomes presents an exciting prospect for investors seeking what is a primarily uncorrelated asset. We achieve this in part by steering away from the more spectacular returns that can often be achieved through collective claims and new legal challenges, preferring to focus on more process-orientated claims with proven track records or clear mandates from the Superior Courts or Governmental schemes.

In addition to the profitability that can be achieved through this form of lending, by participating in this innovative investment opportunity, you contribute substantially to levelling the legal playing field and promoting access to justice for litigants who may not otherwise have the financial means to pursue their rightful claims.



HOW WE CHOOSE WHICH CASE TYPES TO FUND

At Seven Stars, we take time to select the cases that we believe offer the most secure route to a successful and, therefore, profitable judgment.

- We specifically target precedent-based legal claims or claims under Government compensation schemes or Acts for investment, which reduces the risks involved. This is because a precedent-based case has already won a court victory and all cases involving the same facts fall under the same judgment.
- We normally lend to regulated law firms, or to regulated marketing companies helping such law firms to acquire cases, ensuring that there is a strict mechanism of controls in place for borrowers.
- We insist on ATE insurance cover on funded cases where the case may be settled in the Courts of England or Wales or where a risk of adverse costs may exist.
- We will only fund cases against liquid entities, such as Banks and Housing Authorities, or Government compensation schemes such as the FSCS.
- We establish minimum claim values for each sector to ensure sufficient capital cover.

In addition to precedent-based legal claims, we also fund Housing Disrepair claims against local housing authorities, mis-sold pension claims made via the FOS/ FSCS, Bank Fraud, Car Finance Mis-selling (PCP) and Contentious Probate claims, and cost advance funding.

We are at the advanced stage of considering funding for Annual Management Charge claims.

The kind of cases we fund are also known as “no-win, no-fee agreements” and all are carried out with no initial charge to the claimant.

Why Do We Establish Minimum Claims Values?

We examine the expected damages in a case to see that there is scope for a healthy return on investment (ROI). Seven Stars lends money to law firms in return for an annualised interest rate, which when coupled with our percentage of the ‘No Win No Fee’ income, is projected to be sufficient to ensure all parties are paid out in full. This assessment is a key part of our investment underwriting process and is used from the outset to evaluate affordability of funding.

How We Select Funding Partners

A full and detailed explanation of how we conduct comprehensive due diligence to select Funding Partners and case types is available in our Corporate Governance document. Please email hello@7stars.legal to request a copy of this document.




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