

# PARABELLUM CAPITAL

---



## *Transparency in Third Party Litigation Financing Model Act*

*Perspective from a Commercial Litigation Funder:  
What Makes For Good Public Policy?*

**William Weisman**  
**Director – Commercial Litigation**  
**Parabellum Capital**  
**[wweisman@parabellumcap.com](mailto:wweisman@parabellumcap.com)**

## Insurance coverage for funded commercial cases is rare



The claims at issue in the types of cases funded by commercial litigation funders (e.g., breach of contract, patent infringement, business torts, B2B disputes) are typically NOT covered by insurance.

## Commercial funders fund very few cases



Parabellum is one of the world's largest funders (AUM), and we fund just a relatively small handful of cases in U.S. courtrooms per year. The same is true for our competitors.



Data available from the few outlier states that require some form of disclosure confirms very little funding activity is occurring.



By contrast, consumer litigation funders enter into thousands upon thousands of transactions per year.

Courts can allow for probing of funding, but typically do NOT do so. Why?



Not legally relevant



Protected by the work product doctrine

Well-respected, impartial groups studied commercial litigation finance and all concluded regulation is NOT needed

Federal Rules  
Advisory Committee

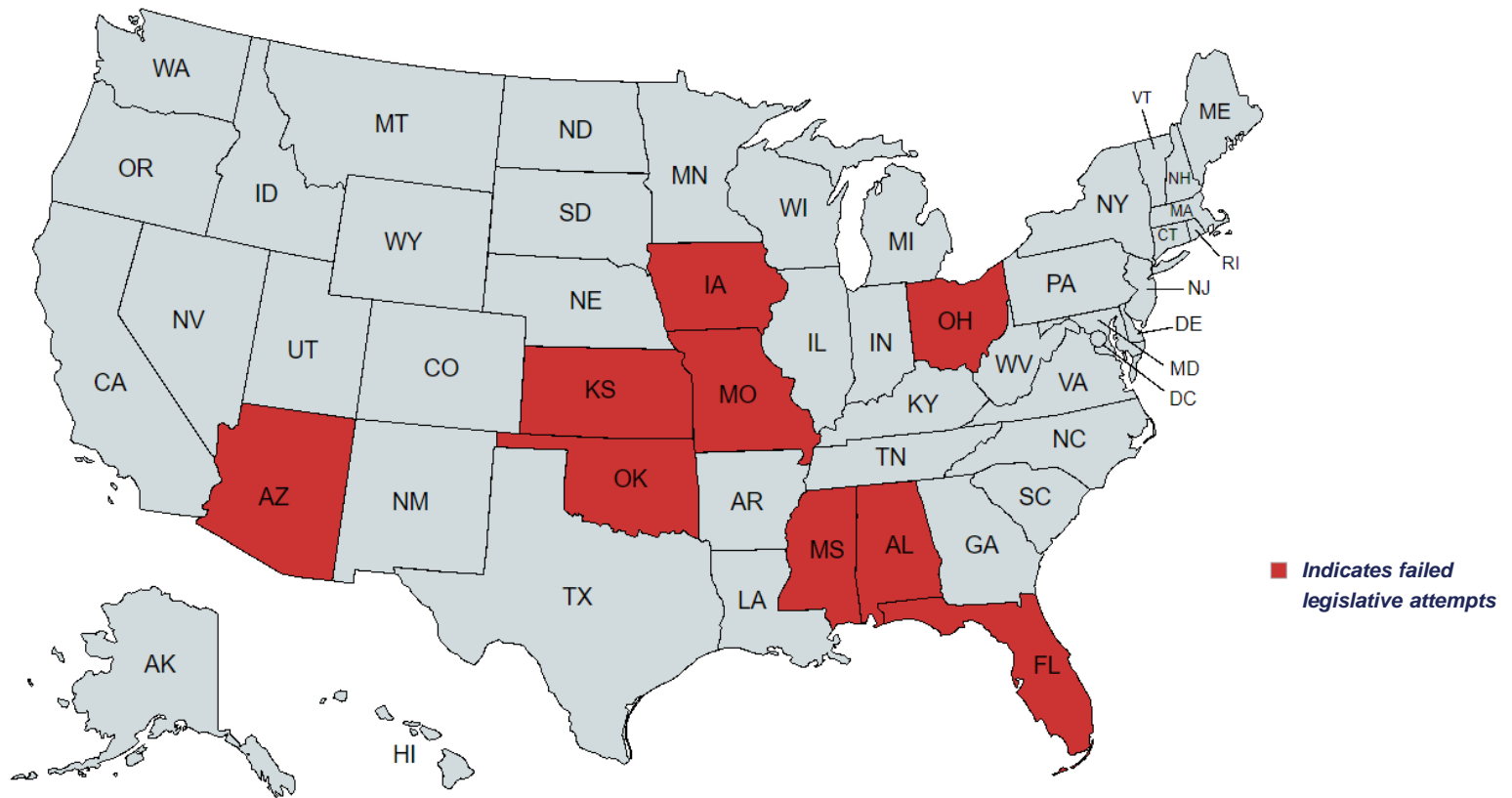
**GAO**  
U.S. GOVERNMENT  
ACCOUNTABILITY OFFICE



Uniform Law Commission

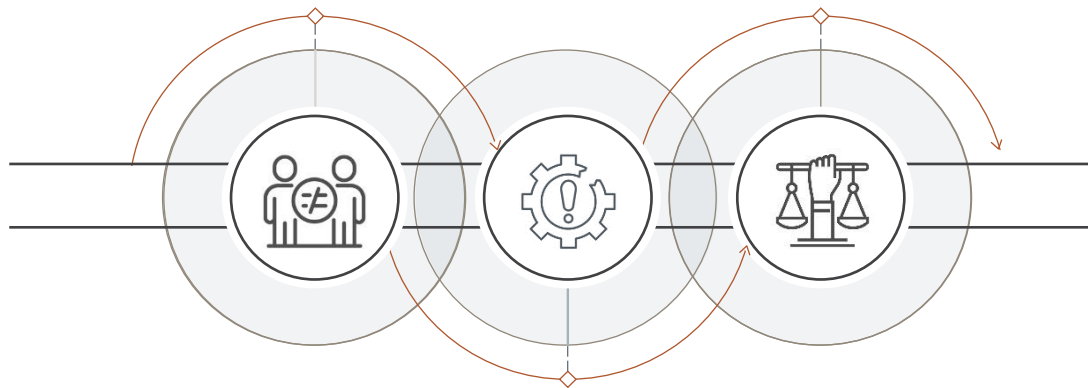
**NEW YORK  
CITY BAR**

In this year alone, at least 9 states have already rejected proposed legislation regarding commercial litigation funding



**Highly prejudicial to  
funded parties**

**Absence of distinction  
between consumer  
and commercial**



**Causes wasteful,  
inefficient satellite  
litigation**

1

Protection against prejudice

2

Funding agreement  
subject to ordinary  
discovery rules

3

Transparency

(*i.e.*, limited disclosure to  
ensure no conflict)

4

Passivity

(*i.e.*, absence of undue  
control by funder)