

This video video discusses the evolution and implications of third-party litigation funding over the past decade. This video video market treats legal claims as assets, allowing plaintiffs and their lawyers to sell portions of their claims to investors, referred to as funders. The author draws a parallel between this new funding model and traditional liability insurance, positing that liability insurers have historically operated as the original third-party funders.

The narrative focuses on a notable case involving Cisco, which opted out of a class action lawsuit against the meat industry accused of price-fixing and engaged in a monetization deal with Burford Capital, a major litigation funder. Cisco's actions sparked a legal dispute when it allegedly managed its litigation in a way that favored long-term business relationships over maximizing recovery for Burford.

The author raises concerns about whether funders should have control over the settlement of claims, similar to how insurers control defense settlements. They argue that while funders typically take a small share of the claim, this could introduce a conflict of interest, akin to issues faced by liability insurers. Ultimately, the text advocates for establishing clear rules to balance funders' control while ensuring it does not undermine the plaintiffs' interests. The author warns that decisions made in the Cisco case could have lasting negative impacts on third-party litigation funding, which is crucial for the civil justice system.