

Litigation funder LexShares experiences 100% jump in inbound funding inquiries amid market volatility

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Over the last three weeks, tech-driven litigation funder LexShares has received almost 30 inbound funding inquiries, representing a 100% jump from the three weeks prior, according to the firm's founder and CEO Jay Greenberg. The uptick stems in large part from financially strained plaintiffs and law firms looking to get ahead of potential working capital constraints by turning to litigation finance to weather the oncoming economic storm brought by the coronavirus (COVID-19) pandemic.

The LexShares online platform offers individual and institutional <u>investors an opportunity to invest</u> <u>alongside LexShares in single-case and law firm funding deals</u>.

The new wave of funding requests has largely come from plaintiffs involved in existing litigation that are facing potential liquidity issues and law firms trying to manage working capital in the face of collection delays, Greenberg told Debtwire. In the coming months, LexShares expects funding requests to continue ramping up as more plaintiffs and law firms face shortages of capital.

LexShares has also seen demand on the investor side of the market grow in tandem as asset managers rotate out of equity and debt markets and seek refuge in non-correlated investments. During the week of 11 March, the funder raised USD 1.5m to fund a breach of contract claim in the span of a few hours, according to Greenberg.

The funder plans to launch new funding offerings in the coming weeks to satisfy the uptick in investor interest. Of note, inbound online case submissions accounts for less than 10% of LexShares deal flow, while the funder's "Diamond Mine" technology platform accounts for the bulk of its origination, according to the company.

LexShares <u>doubled its deal size</u> in 2019 to USD 1.2m from roughly USD 630,000 in 2018, thanks in part to an influx of first-time participants, as more investors deploy capital in the nascent asset class.



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