

For further information, please contact:



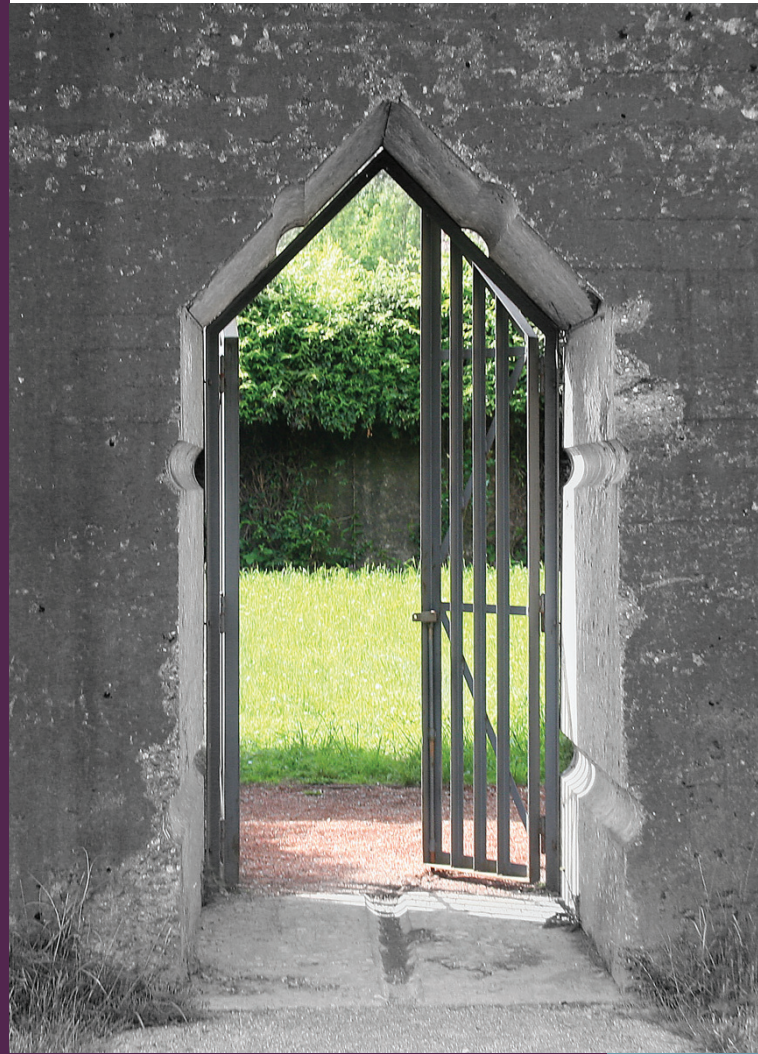
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Manches Gateway

The affordable way to
fund litigation

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Suitable disputes

Many types of cases are suitable for one or all forms of funding including:

- Professional negligence claims
- Insolvency claims
- Multi-party claims
- Shareholder class actions
- Competition actions
- High value commercial disputes
- Loss of investment claims
- Recovery of bad debts
- Wrongful or fraudulent trading
- Preferences or transactions at an undervalue
- Breaches of fiduciary duty by directors
- Property disputes

Low risk, low cost

At Manches, we know our commercial clients are rightly wary of litigation; it can be expensive and the results uncertain. By not pursuing your rights, however, you risk compromising your business and its assets.

If a third party offers to help you reduce this risk, it makes sense to investigate it. To guide you through the costs and funding maze, Manches Gateway offers you an integrated solution that helps you control litigation costs and reduce your financial risk.

How does it work?

Limited types of funding have been available in the past, but the market has grown and there are now an increasing number of insurance products being developed to improve access to justice. These funding arrangements can be used together with Conditional Fee Agreements to control and reduce your risk and costs.

As experts in the field of litigation, we have reviewed all the funding options available. At any one time, we can provide you with a range of solutions that we feel are both 'best of breed' and suit your specific circumstances. Manches Gateway thus reduces your uncertainty.

As part of the Manches Gateway service we will outline your litigation options, your chances of success and make recommendations regarding both your dispute resolution strategy and the best type of funding option. This way, you can decide on a route based on the best current knowledge available.

There are three options for funding litigation: conditional fee agreements, insurance and third party funding. We will discuss each in more detail with you as part of the Manches Gateway service but, in broad terms, these provide the following:

Conditional Fee Agreements

A CFA is an agreement between us in which we agree to provide advocacy or litigation services. The agreement is based on the concept that our fees and expenses, or part of them, will be payable only in specified circumstances. What this means is that you will pay different amounts for our services depending on the outcome of the case.

Generally if you lose the litigation, you will not be liable to pay for some or all of our fees. The precise amount will depend on what we agree. We may ask you to pay for expenses, such as counsel's or expert's fees, as we go along, but not our fees. If you win, you will be responsible for paying all our fees and expenses, including the conditional fees and an extra amount which is the "success fee". However, you will usually be able to recover a large proportion of the fees you have incurred from your opponent. This can include success fees and insurance premiums.

Insurance

If you already have Before the Event (BTE) Insurance cover (which we will check before we take any action), your insurers may impose their own conditions as to how



the case is conducted. After the Event (ATE) Insurance is purchased once a dispute has arisen and covers the costs both of presenting your case and the risk of having to pay your opponent's costs. The premiums can be quite high, but there are products on the market which allow you to defer the premium until the end of the case, when, provided that notice has been given to the other side and that you are successful, it will be recoverable from your opponent as part of the costs they have to pay, together with any success fees. In other words, if you win, your own costs would be paid out of what you recover. You get as much as possible back from the other side.

If you were to lose the litigation with an insurance policy in place, you may be liable only for the insurance premium. Therefore you can limit your liability for fees to the cost of the insurance premium but in most cases even this is not payable if you lose.

Third party funding

Third party funders are typically institutional investors such as hedge funds and private equity firms. They take a slice of the award if the case is successful and share the costs if not. Typically, funding will be offered in return for a 30-40% return on the funder's investment – a return which will only be paid if the funded party settles on favourable terms or is successful.

Next steps

Don't delay. The earlier you contact us regarding any dispute, the greater the range of strategic options available, before positions harden and any advantage is unwittingly lost. Contact any of the Manches litigation partners listed overleaf and we can discuss your options and outline the Manches Gateway service in full.