

HEIRLOOM'S INITIATIVE:

- Heirloom is financing a diversified portfolio of small litigation claims in the UK, all fully backed by insurance.
- The majority of the claims are “fast track” Consumer Protection cases backed by strong case law in the UK. In most of these cases, the legal decisions have been won already and it is a matter of the plaintiff proving their circumstances were the same as in the successful case. Examples include a bank miscalculating interest on credit cards where the plaintiff must just prove it had a card and was charged interest.
- All cases are supported by advice from three solicitors as to the merits of the case generally, and each individual claim is affirmed by an independent solicitor as having at least a 60% probability of success. The history of these claims to date is that over 85% have been successful.
- Each claim is covered by insurance to cover both adverse costs, and to cover our investment (albeit without return) in the event that the claim is not successful.
- The portfolio has low-risk of capital loss, expects a medium-return, and offers decent liquidity as most claims are settled within a year. This impressive trio of characteristics is earned largely through dealing with administration hassle of 1,000s of small (most are <£50k) cases as opposed to taking true legal risk.

BENEFITS OF THE OPPORTUNITY ¹

LOW RISK PROFILE

1,000s of claims, most of which do not carry high legal risk. Each claim carries full insurance coverage (of both adverse costs and own costs) in case the claim is denied.

SHORT DURATION

9-14 months expected duration of each claim is shorter than most litigation finance cases, providing faster realization of return and lower valuation uncertainty.

FAST/FULL CAPITAL DEPLOYMENT

Capital is fully deployed immediately, earning return for the entirety of the investment period. This is in contrast to most litigation fundings that have low return on committed capital.

LEARNING MORE:

- This initiative has a degree of illiquidity, and requires specialized expertise to understand and to invest in. Heirloom is undertaking the above strategy, having spent approximately 2-2.5 years researching it. If you would like to discuss or learn more about this alternative strategy, please contact Beth at info@heirloominvesting.com.

¹- Heirloom Opinion