



Third-Party Litigation Funders Claim their Investments are Passive – But their Contracts Contain Numerous Control Provisions

An LCJ analysis of nearly a dozen third-party litigation funding contracts shows that litigation funding contracts have control features, despite funders' frequent public claims to the contrary. These control provisions empower funders to direct case management, make decisions regarding settlement, choose and direct the lawyers—and even continue the litigation after the actual parties choose to settle (dubbed “zombie litigation”).

Funders Say They Have No Control Over Litigation They Fund

“We do not exercise any control over the litigation we fund.”

– *Parabellum Capital*¹

“Legal finance providers are passive investors and do not control the legal assets in which they invest...”

– *Burford Capital*²

“...litigation finance does not affect lawyers' duties to exercise independent professional judgment and maintain undivided loyalty to their clients.”

– *Statera Capital*³

“Delta does not lessen a claimant's power to make decisions about litigation strategy.”

– *Delta Capital Partners*⁴

“We assume no control over legal strategy, settlement decisions, or choice of counsel.”

– *GLS Capital*⁵

But Funding Contracts Contain Provisions that Give Control to Funders



Control over Settlements

“...the named party “shall not accept a settlement offer without the Capital Providers’ prior written consent...”

– *Burford Capital/Sysco Contract Amendment*⁶

“...the plaintiff ‘gives [funder] full and complete authorization to negotiate and accept any settlements of Claims’ and ‘agrees to cooperate and consent to any settlement deemed reasonably [sic] by [funder].’”

– *LMFS/Mize Contract*⁷



Control over Lawyers and Strategy

“ILP will give day-to-day instructions to the Lawyers on all matters concerning the Claims and the Proceedings and may give binding instructions to the Lawyers and make binding decisions on behalf of the Plaintiff in relation to the Claims.”

– *ILP/Bolitho Contract*⁸

“...the Proceedings shall be prosecuted in accordance with the Project Plan” and “subject to Therium’s prior agreement to any proposed variation of the Project Plan.”

– *Therium-Chevron Contract*⁹



Authorization of “Zombie Litigation”

“Company shall be entitled to require Claimant to continue proceedings if Company does not wish to continue proceedings in its own name...”

– *LMFS/Mize Contract*¹⁰



Some Funders Acknowledge Their Control

“Some agreements give funders veto power over settlement offers, which can create problems for attorney-client relationships.”

– *Amicus Capital Marketing Materials*¹¹

“Embrace us. Accept that for commercial parties there are a good list of items that the funder should be able to control.”

– *RiverFleet Capital Founder Stuart Hills*¹²

LCJ Urges Adoption of a rule requiring uniform disclosure of tplf agreements.

To learn more, visit askabouttplf.com.

Endnotes

- 1 Parabellum Capital. [Litigation Funding Explained](#).
- 2 Burford Capital. [Control: Addressing common questions about legal finance](#), January 30, 2024.
- 3 Statera Capital. [Litigation Finance 101](#).
- 4 Delta Capital Partners. [Working with Delta](#).
- 5 GLS Capital. [About GLS Capital](#).
- 6 Lawyers for Civil Justice. [Uniform Disclosure of Third-Party Litigation Funding Contracts Is Necessary to Inform Judges' and Parties' Key Case Management Decisions](#), September 3, 2025: Exhibit C, page 71.
- 7 Lawyers for Civil Justice. [Uniform Disclosure of Third-Party Litigation Funding Contracts Is Necessary to Inform Judges' and Parties' Key Case Management Decisions](#), September 3, 2025: Exhibit E, page 143.
- 8 Lawyers for Civil Justice. [Uniform Disclosure of Third-Party Litigation Funding Contracts Is Necessary to Inform Judges' and Parties' Key Case Management Decisions](#), September 3, 2025: Exhibit A, page 22.
- 9 Lawyers for Civil Justice. [Uniform Disclosure of Third-Party Litigation Funding Contracts Is Necessary to Inform Judges' and Parties' Key Case Management Decisions](#), September 3, 2025: Exhibit F, page 151.
- 10 Lawyers for Civil Justice. [Uniform Disclosure of Third-Party Litigation Funding Contracts Is Necessary to Inform Judges' and Parties' Key Case Management Decisions](#), September 3, 2025: Exhibit C, page 71.
- 11 Amicus Capital Group, LLC. [The complete Guide to Mass Tort Litigation Funding](#). August 6, 2025: (webpage).
- 12 Legal Funding Journal. [LFJ Podcast: Stuart Hills and Guy Nielson, Co-Founders of RiverFleet](#). July 30, 2025: 18:15.