

Dear friends of civil justice,

What constitutes as “just” in our society and our civil justice system? This year, we are starting a “**What is Just**” campaign that will provide the community and trial bars with specific examples of good work and fair results.

In 2011, the American Bar Association set forth expansive best practices, conflicts and pitfalls for attorneys representing clients who are considering accepting alternative legal funding . It is well understood in the industry that plaintiffs are the underfunded class of litigation, and most families who lose the ability to earn income due to injury or disability will not have access to traditional means of capital through banks and consumer finance. We have surveyed the industry and have found that often, the interest or contractual finances charged to plaintiffs by for-profit companies range from 28% to 200%. This is not just.

The issues of champerty and usury have been discussed in legal ethics opinions about legal funding by Duke Law and many others, but not much has been done to change the course of the industry. In the spirit of our mission and our new campaign, this year we want to pursue the following.

Our foundation seeks to network and provide leadership to the litigation finance industry and the various trial lawyer organizations nationally. To this end, we intend to join the American Legal Funding Association (“ALFA”), a group dedicated to ensuring fair, ethical and transparent funding standards within the legal funding industry. We recently participated in the Impact Fund’s national conference on justice, and we have approached various state legislators about amendments to existing bills. Specifically, New York State introduced legislation this year that caps industry participants at 16% interest. The bill was sponsored by New York Senator Bob Ort. There needs to be debate on the issue of what interest rate is appropriate for a FOR-profit company, one that is likely taking significant risk on their inventory of cases.

One of our goals is to see other nonprofit organizations replicate the work our foundation is doing. We’re aiming to prove we have a sustainable model. In this vein, this past year we connected with many well-known regional and national nonprofits and foundations, to tell them about our mission, to ask for support, and to demonstrate how we can all work together to create a network of nonprofits with similar goals. We believe that significant goodwill exists in our country from organizations like Open Society, and that can be leveraged to have a positive impact on the litigation finance industry as a whole.

This year, we supported more than 124 families, for needs such as groceries, utility bills, medical necessities, emergency care for their children, hospital stays, and the funerals of family members. We experienced nearly a 100% repayment rate on all of our foundations advance activity, and we are optimistic that through the trusting relationships we have established with law firms who want to see this industry change for the better, our success rate will continue to be exceptionally high. This will help us demonstrate that the nonprofit lending model is sustainable. The assets returned to our foundation are, in good faith, available for other families.

The fundraising activities of the foundation have just begun in earnest in the past six months, and we are thankful to our initial advocates and donors. This year, we will continue to expand our reach, participate in crowdfunding and other advanced online sources for contributions to increase the year over year wherewithal of the foundation.

Amy and I are proud to announce the launch of our “What is Just?” campaign. We think the healthy discourse that this basic question can create will guide our foundation and perhaps others for the next generation of litigation funding.

Co-Founders,

John and Amy