

# BridgePoint offers financing to advance access to justice

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BridgePoint Financial Services Inc. is the only company of its kind in Canada that offers a completely integrated service for law firms and their clients to ensure fair access to justice by providing unique financing solutions to support the specialized needs of plaintiffs, their lawyers and the experts who develop their legal claims, says co-founder John Rossos.

“We continually educate counsel and clients on various ways that we could share risks with them to make sure they can advance their claims and obtain fair compensation,” he tells AdvocateDaily.com.

Rossos, who is both a chartered financial analyst and a member of the Ontario Bar, says the impetus behind launching the company in 2005 was to provide specialized financial services to the Canadian litigation market that would enable people to access justice.

“We work with 500 firms across the country, so we’re very well known, but we are constantly educating lawyers about the myriad of services that we offer and how they fit together,” he says.

“We are the only company in Canada to offer such an arsenal of tools to counsel in all forms of litigation, including financing for clients and law firms to address their cash flow requirements plus indemnity protection that ensures that law firms and their clients can advance their claims by reducing or eliminating their financial exposure to adverse costs. These services level the playing field for plaintiffs and their counsel against large, well-funded insurers and other institutional defendants.”

BridgePoint offers services for counsel and their clients in personal injury, commercial and class-action litigation.

“All of the products can be used together to advance the best interest of the law firm and the client,” says Rossos.

To demonstrate how the suite of BridgePoint products works together, he points to the personal injury market as an example.

“What often happens is that people are seriously hurt in a crash

and they’re unable to work. After a year or so an accident benefit insurer will often cut off their benefits and exert financial pressure on these people since they cannot work and often don’t have financial support from family or friends,” he says. “Because they’re not working, they’re under incredible financial pressure to settle. Even if a claim is worth \$500,000, they will often settle for any amount of money because they’re about to be evicted.

“Without financial assistance, they will abandon their claim or be forced to settle and obtain less than fair compensation for their loss to pay their rent. Plaintiff law firms work on contingency fee and often require funding to pay for the cost of experts to ensure that they can maximize the value of their client’s legal claim.”

In addition to financing, Rossos says the company offers indemnity protection to ensure that plaintiffs are not pressured by a “low ball” offer to settle for fear of paying the defendant’s costs.

“Access to justice requires that people have the benefit of a court system that ensures there is fair compensation for their claim, but you’re not going to get fair compensation if you’re forced to capitulate because you don’t have the financial resources to continue, or bear adverse cost consequences in the event that you take a claim to trial,” he says.

Rossos notes that it’s also difficult for lawyers when clients are forced to settle for less than a claim is actually worth.

“The lawyers are responsible for investing in a case for an uncertain period of time and if for some reason the client says he/she can’t continue, the law firm will lose money,” he says. “It’s in their interest to ensure their clients can sustain themselves.”

Rossos says BridgePoint, unlike traditional banks, understands contingency fee-based legal practices and recognizes that personal injury law firms are capital intensive with unique cash-flow cycles relative to other professional service providers.

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“As former bankers, we also recognize that traditional lenders do not offer legal practices a reliable source of operating working capital – we put money where banks don’t go,” he says.

As a result, it has developed a variety of flexible disbursement financing alternatives to help law firms grow their practices while ensuring their clients realize the highest potential recoveries for their claims. In personal injury, funds are made available to pay for experts who will provide assessment reports to establish the value of a person’s legal claim.

“If law firms don’t have access to money to hire the best experts, it has an impact on the evaluation of the claim and it undermines what the client is entitled to get,” says Rossos.

The funding can take different forms. It may go towards claimants’ living expenses, disbursements to hire the best experts; and it can fund major treatment such as assistive and future care or prosthetic limbs in cases where an insurer improperly denies or terminates treatment, he says.

Rossos notes that BridgePoint has had recent successes in the area of treatment financing, citing an example of how these loans work.

For example, Rossos says the company recently advanced \$250,000 to a firm to cover the cost of a client’s prosthetic arm as she waited for the roughly \$1.5-million claim to go through after losing a limb in a crash.

“In this case, the insurer has an obligation to pay, refused to do so, and by being forced to obtain a treatment financing loan from our company, counsel was able to use the interest paid on the loan as additional leverage against the insurer,” he says. “Interest cost recovery is one of the most significant issues facing the plaintiff personal injury bar today.”

BridgePoint’s expertise has created opportunities to finance a broader range of legal claims in areas such as employment, trusts and estates, commercial, securities, class action and mass tort.

Rossos says the significant financial investment and risk required to be borne by both class counsel and the representative plaintiff creates a significant barrier to initiating legal action.

“We provide indemnification for the representative plaintiff in class proceedings, disbursement/working capital financing for counsel and financing legal fees to ensure that plaintiffs are able to access justice,” he says.

<http://www.advocatedaily.com/profile/bridgepoint-offers-financing-to-advance-access-to-justice.html>

# BridgePoint offers protection for personal injury claimants

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BridgePoint Indemnity Company offers legal cost protection that helps people who have been seriously injured to obtain the settlement they deserve, says an animated informational video that appears on YouTube.

The nearly two-minute animation depicts a person who has been injured in a car crash and the difficulties that person could experience if he or she seeks compensation from an insurance company.

“When you’ve been seriously injured, the road to recovery can be a long one. With the help of your lawyer, you’re hoping to get the compensation you need to get back on your feet,” says the video. “Unfortunately, the legal process is also a long one because the large insurance company opposing your claim won’t pay without a fight.”

Most personal injury claims eventually settle out of court, the video says, but if an acceptable offer isn’t made, the matter may go to trial.

“But going to trial involves risk and one of the biggest risks is that you’ll have to pay the insurance company’s legal costs if you lose – these costs can be tens or even hundreds of thousands of dollars and can put your home or your life savings at risk, leaving you with nothing,” it says. “It isn’t a fair fight.”

But with legal cost protection from BICO, claimants can find protection against the risk of having to pay the insurance company’s legal costs and eliminate their “unfair advantage,” says the video.

“Now you can push for the settlement you deserve.”

The video says BICO offers easy-to-obtain protection with no upfront payment required.

“And if you lose, you pay (BICO) nothing,” it says.

Company co-founder John Rossos has said BridgePoint is the only company of its kind in Canada that offers a completely integrated service for law firms and their clients to ensure fair access to justice by providing unique financing solutions to support the specialized needs of plaintiffs, their lawyers and the experts who develop their legal claims.

In 2009, BridgePoint became the first company in North America to successfully offer legal cost protection for class-action litigation with court approval. It has since extended its legal cost indemnity services to the personal injury market with the launch of BICO. Many of the top law firms in Canada are beginning to embrace legal cost protection and increasingly believe that if counsel fails to advise their clients of its existence it may lead to a professional negligence claim. There are a number of testimonials from leading counsel on BICO’s website describing the benefits of BICO’s legal cost protection services.

# BridgePoint offers funding alternatives for law firms

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BridgePoint Financial Services Inc. provides disbursement financing to law firms to help lawyers grow their practices, fund expert reports required to validate their clients' files and maximize compensation for their losses, says co-founder John Rossos.

"Traditional sources of financing, including banks which have fixed lending criteria, do not understand the business of personal injury law; and do not offer law firms a reliable source of operating capital," he tells AdvocateDaily.com. "This puts considerable financial pressure on personal injury law firms.

"Unlike other lenders, BridgePoint understands the value of a law firms' work in progress, and the correlation between disbursements invested today and fees realized tomorrow. The company has designed a variety of flexible disbursement financing alternatives to help law firms grow their practices with the judicious use of the firm's own capital."

Rossos, who is both a Chartered Financial Analyst and a member of the Ontario Bar, says BridgePoint offers a product called Expert Access, a form of expert assessment financing to help firms, primarily in the area of personal injury litigation, avoid the cash flow challenges of acquiring expert reports for clients on an expedited basis.

To do this, BridgePoint has partnered with a large roster of medical experts and other providers of expert services, allowing law firms to acquire reports with no immediate cash outlay and with a (flexible) deferred payment period until settlement of the file, he says.

BridgePoint's Expert Access addresses the lengthy and unpredictable cash flow cycle associated with the litigation process, while enabling law firms to:

- Grow their active case portfolios without sacrificing the quality of investments made in each case;
- Reduce their dependency on collecting fees from one case in order to finance the next case;

- Access the highest quality professional witnesses and resources in developing their cases in a timely manner (i.e., reduce a firm's dependence on experts who are willing to offer flexible repayment terms for their services); and
- Increase the potential for obtaining the highest level of compensation for their clients.

BridgePoint offers alternative loan products to allow law firms to access funds to grow their businesses.

"BridgePoint can provide funding for a variety of purposes, whether it be to acquire files or other legal practices, cover the cost of marketing, disbursements, general working capital to cover organic expansion, or operating expenses," Rossos says. "Interest is charged only on the utilized funds and repayment can be matched to settlement activity."

Unlike most other businesses, law firms face significant restrictions that limit the nature and scope of available financing alternatives, he says.

"Law firms are prohibited from obtaining equity financing from third-party investors, forcing lawyers with growing practices to seek financing from banks or other less attractive lending sources," Rossos says. "However, banks and other traditional lenders do not understand the personal injury business and accordingly make available amounts that are a fraction of what their practices could realistically support, or otherwise provide funding secured by a lawyer's personal assets.

For example, with a storefront, banks would lend money pledged against inventory and as long as the inventory was turning over every 90 days or so, the bank would be satisfied to lend money against that collateral, Rossos says.

"With law firms, there is no tangible or physical collateral," he says. "What you have is an interest in fees and disbursements. We see this as being much more valuable than shoes, purses, or chocolate

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bars. This is a highly specialized area outside the expertise of banks.

“Banks require a business’ assets to generate cash flow regularly on a 60- to 90-day basis. Personal injury cases don’t settle within 90 days. They can often take up to three to five years. Further, there is no guarantee they will be resolved successfully, which means the law firm’s recovery of its disbursements and legal fees are ‘contingent.’”

Rossos says BridgePoint is able to step in to assess the firm as a business and offer funding on the basis of its assessment of the firm’s work in progress and its disbursements.

“We undertake a credit analysis of the firm, valuing their files and establishing an appropriate credit limit for the law firm to borrow against,” he says. “We provide business financing and do not seek to lend against a lawyer’s personal assets – home, cars, etc.”

Rossos says the legal industry is evolving and at no other time has it been so important for law firms to have access to such funding options.

“It’s getting to the point where many law firms recognize they need access to third-party funding in order to become more competitive going forward – it’s all part and parcel of the modernization of law firms in an increasingly competitive environment where the cost of marketing and the delivery of more efficient services is necessary to build a successful practice,” he says.

Many smaller firms don’t have the resources to invest in marketing, technology, and people, which means they are not in a position to optimize the value of the claims they take on for their clients. This places them at a significant competitive disadvantage, Rossos says.

“BridgePoint can play a significant role both strategically and financially to enable these firms to take their practices to the next level,” he says.

<http://www.advocatedaily.com/profile/john-rossos-bridgepoint-offers-funding-alternatives-for-law-firms.html>

# BridgePoint offers law firm financing for fair compensation in litigation

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When John Rossos co-founded BridgePoint Financial Services Inc. in 2005, he and his partner, Stephen Pauwels, set out to provide the kind of funding for law firms and their clients that would help them gain access to justice.

More than a decade later, BridgePoint is Canada's largest funder of litigation, offering services to more than 1,000 law firms across the country through such products as working capital financing for law firms, settlement loans for personal injury clients, and financing for commercial and class action cases.

"We provide integrated risk-management solutions for law firms," he tells AdvocateDaily.com.

"We specialize in understanding legal risks — we can take a look at any firm or any legal matter and offer a number of different services that enable lawyers and their clients to offset financial or indemnity risk. In doing so, we promote access to justice by ensuring that law firms and/or their clients have the resources to bring claims forward and get fair compensation."

Among the types of funding BridgePoint offers is financing for personal injury plaintiffs for treatment and living expenses. The company also provides funding to law firms to pay for the services of top-quality experts, which helps lawyers maximize the value of a claim.

"The litigation process can be exhausting for plaintiffs — physically, emotionally and financially," Rossos says. "BridgePoint's settlement loans are designed to help plaintiffs manage the financial pressures of the litigation process without vulnerability, while providing their lawyer the time needed to negotiate a fair settlement for a personal injury claim."

This kind of financing can mitigate the immense financial pressure some plaintiffs feel to settle a case prematurely at a significant discount to fair value, Rossos says.

"It undermines our civil justice system when plaintiffs have to settle

a case for less than fair value," he says. "But it is a reality that some individuals don't have the financial resources to move forward with a claim and get fair compensation. That's the economic imbalance that we try to address because it is a barrier to access to justice. Our funding facilitates access to justice."

BridgePoint financing is also available for other litigation matters, such as class action.

It was the first litigation funder to receive court approval in North America to finance class-action litigation with Hobsbawn v. ATCO Gas and Pipelines Ltd., and has since financed a number of major class actions.

Building on its success in Canada, Rossos led the expansion into the European market creating SpectraLegal, an affiliated funding company based in Ireland that provides specialized financing for law firms in England and Wales. Business development and marketing services are offered through its London-based office servicing United Kingdom law firms.

"By going into the U.K. we can see things that are developing in the market there that have relevance to the legal services market in Canada," Rossos says. "Equally, the U.K. has adopted the 'Ontario Model' for legal services and we can leverage our knowledge and experience in Canada to assist U.K. law firms to adapt to a changing regulatory landscape. By reaching across different markets, we have insight that we can bring to help our clients in both areas."

Rossos, who is both a chartered financial analyst and a member of the Ontario Bar, says SpectraLegal's focus is on providing financing for U.K. law firms with growing civil litigation practices in both personal injury and commercial litigation. It is not currently focused on financing individual cases.

Here in Canada, BridgePoint continues to evolve, offering a plethora of customized services for all forms of litigation.

"We also provide indemnity protection that ensures that law firms

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and their clients can advance their claims by reducing or eliminating their financial exposure to adverse costs,” he says. “These services level the playing field for plaintiffs and their counsel against large, well-funded insurers and other institutional defendants.

“Because we do so many things — large claims, small claims, financing and indemnity, in Canada and Europe — we’re able to bring a unique perspective to litigation and that’s what makes our business in many ways so special,” Rossos says.

<http://www.advocatedaily.com/profile/john-rossos-bridgepoint-offers-law-firm-financing-for-fair-compensation-in-litigation.html>

# Claims administration, third-party funding and access to justice

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Third-party funding can not only be used to finance unresolved litigation, it can be applied in a claims-administration process to ensure plaintiffs get timely payment for settled lawsuits, says John Rossos, co-founder of BridgePoint Financial Services Inc.

“The claims-administration process could result in better outcomes for plaintiffs if financing was available to expedite the recovery of funds that they’re entitled to,” he tells AdvocateDaily.com.

A financing program can easily be implemented as part of the claims adjudication protocol that has been established to provide compensation to members in a class-action lawsuit, explains Rossos, a Chartered Financial Analyst and a member of the Ontario Bar.

“It would work well in situations where a class member’s damages are defined by a “grid” compensation scheme that has been agreed by the parties,” he says. “The individual class members will have to adduce some evidence to support their claim and funding can be advanced during the interim period to assist class members in dire financial need.”

Depending on the complexity of the claims-administration process, it can take two years or longer for people to receive their compensation, Rossos says.

“In the meantime, a prime example being the Hepatitis C class action, an individual’s health may deteriorate significantly and they need access to money to assist them with ongoing medical costs and other bills,” he says. “Waiting through the administration process could be harmful to claimants.”

BridgePoint offers a funding solution to provide interim financial relief to those claimants, pending the finalization of their suit.

Class actions, which are designed to promote access to justice, are lengthy, capital-intensive exercises where law firms are subject to a high degree of risk and uncertainty, Rossos says.

“BridgePoint’s services are designed to allow law firms and their

clients to have access to financing and insurance to enable them to obtain fair compensation for their claims,” he says. “Without our services, people would be forced to capitulate and accept a deep discount on their claim.

“Offering a post-litigation funding solution is a logical extension of our funding program allowing us to provide individuals or businesses with interim financial assistance at the conclusion of a class action pending the resolution of their claim.”

SpectraLegal, BridgePoint’s European affiliate, has leveraged its expertise in Canada to design a dispute-resolution mechanism to expedite a significant consumer claim involving millions of U.K. residents that will allow the parties to bypass litigation and provide a quick, efficient resolution for their claims.

With offices in Dublin, Ireland and London, England, SpectraLegal has adopted the claims-administration process model to offer what Rossos describes as a “tidy industry wide solution” to what is considered that country’s largest “mass contract” case.

“We’ve come up with a novel way to use claims administration and finance to eliminate the requirement for litigation by employing an alternate-dispute-resolution process that results in better outcomes for everyone,” he says.

“Rather than have the defendants litigate every claim, we will provide them with the opportunity to resolve claims quickly, while saving an enormous amount of money on litigation.

“The client will receive full and fair compensation on a timely basis, where the defendant pays 100 per cent of their legal costs. In addition to the significant cost savings, the defendants will also obtain a full and final release for all future related or collateral claims providing them with legal certainty that no other amounts will be payable at some future date.”

Rossos says it is a win-win situation.



## Claims administration, third-party funding and access to justice

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“Considering the size of the program, SpectraLegal will also provide an industry-wide financing solution for law firms to enable them to manage the volume of legal claims they will be submitting for their clients,” he says.

Rossos says the same model could be applied to other complex cases with significant damages and a large population of claimants, where there are evidentiary and administrative obstacles that an individual must overcome in order to have their issues assessed.

“This is about creating a system that’s more efficient for all parties while ensuring timely access to justice,” he says.

“The litigation process isn’t over when a judgment has been issued or a settlement agreement has been executed. It only ends when the cheque hits the bank account of the claimant.”

<http://www.advocatedaily.com/profile/bridgepoint-financial-services-inc--claims-administration-third-party-funding-and-access-to-justice.html>