

THIS WAY FORWARD

SMART VENTURES



Plaintiff Attorney Funding

>>> *RD Legal Funding offers cash flow options to plaintiff attorneys.*

By Anthony Bucci, Assistant Editor

In the world of a plaintiff attorney, it could take months, sometimes even years to receive money from a settled case. Whether one is an attorney waiting for payment due to court approvals, administrative delays or slow paying defendants, RD Legal Funding of Cresskill can provide immediate financial relief.

In 1997, plaintiff attorney Roni Dersovitz, while realizing the cash flow issues that he encountered, started RD Legal Funding as a side business. He recognized that not only was he suffering from cash flow issues, but it was a widespread issue that many plaintiff attorneys encountered. He began advancing legal fees on settled cases. Ten years later, RD Legal Funding blossomed into his full-time business.

“Basically an attorney would come to us for our attorney fee acceleration,” says Joseph Genovesi, senior vice president of RD Legal Funding. “An attorney could be working on a large

class-action case, which could take years before a settlement is reached, and even then, it could take years before the money is distributed.”

Genovesi says that waiting to receive money from a settled case can have a negative impact, especially on smaller law firms that may only be working on one or two cases at a time.

“If you are a smaller firm, all your time can be spent on one particular case,” he says. “You could go a significant amount of time without any cash flow coming into your firm. You have bills to pay to keep lights on or you have to pay employees, etc. That really

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is the main driving reason behind the existence of our industry.”

RD Legal Funding has 21 full-time employees with several other part-time employees and funds legal fees from \$20,000 to \$20 million or more.

The company purchases the legal fee on a settlement, so the advance amount is based on the attorney’s fee. A discount rate is applied to the advance, but the rate varies on a case-by-case basis.

In addition, Genovesi says there are no upfront interest charges or fees, and no payment is required until the settlement money is received. RD Legal Funding also assumes all the risk in case of a defendant’s non-payment, so customers “don’t have to worry.”

“Because we are a post settlement legal funding company, there is a lower risk of non-payment,” he says. “However, we do take full risk of nonpayment in case a defendant goes bankrupt or becomes unable to pay, for instance.”

RD Legal Funding deals with customers all over the US and offers two other services that are a much smaller part of its business. They include: Plaintiff funding, which is similar to its attorney fee acceleration, except the plaintiff receives the money after post settlement; and attorney’s line of credit, which is similar to receiving a line of credit from a bank.

“There are always going to be contingency fee attorneys and lawsuits, so there will always be a need for a service like ours,” Genovesi concludes. “It has definitely been an exciting time in our industry with excellent growth and we see it continuing.” **NJB**