



Q&A with... Darrell Porter, Senior Business Development Director

In 2018, the Harbour group grew again with the addition of Harbour Solutions Group (HSG), a business designed to offer our corporate clients the problem-solving skills of a team of commercially experienced risk management experts. Ellora MacPherson speaks with Darrell Porter, Senior Business Development Director at Harbour Solutions Group.

Darrell you joined Harbour in late 2018, can you tell me briefly about your past experience and what you bring to the role?

I have worked in finance for over 25 years, enjoying senior positions at Barclays Capital, Deutsche Bank and most recently as a Managing Director within the Risk Solutions Group at Nomura (which was awarded Risk Solutions House of the Year 2018 by Risk Magazine). For much of that time I helped corporate and institutional clients mitigate their exposure to changes in exchange and interest rates, including bespoke deal-contingent hedging solutions for clients engaged in M&A activity. These organisations are now showing interest in using similar strategies to manage their financial exposure to commercial litigation.

Can you explain to readers what Harbour Solutions Group offers and how it fits in with Harbour Litigation Funding?

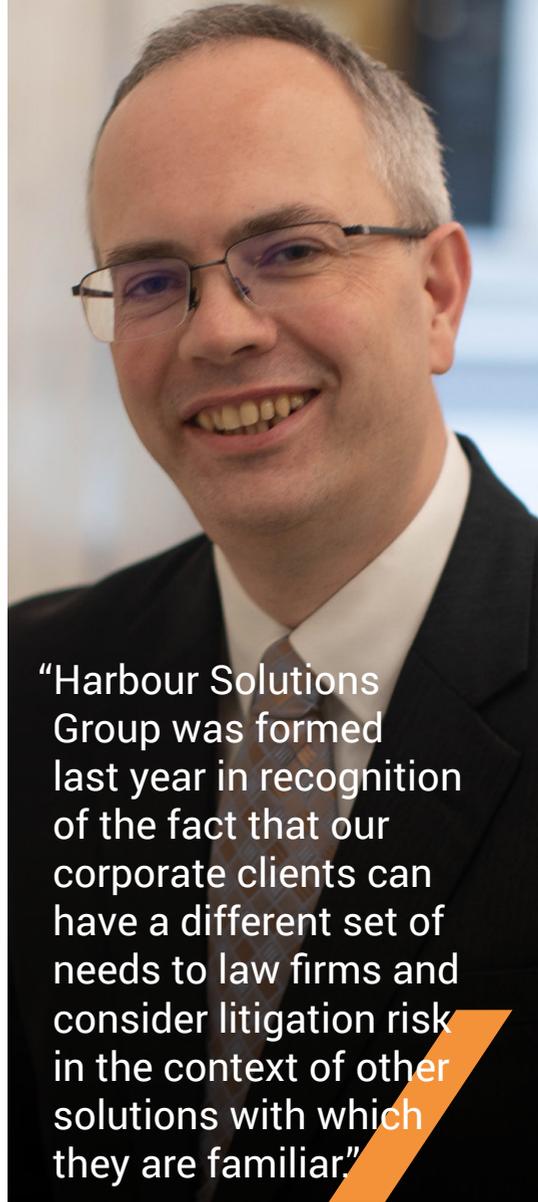
Certainly. Since its inception in 2007, Harbour has focused on litigation funding, with the vast majority of cases being referred by law firms. Harbour Litigation Funding is expert at understanding and meeting the needs of this important constituency. Harbour Solutions Group was formed last year in recognition of the fact that our corporate clients can have a different set of needs to law firms and consider litigation risk in the context of other solutions with which they are familiar. We adopt a consultative approach knowing that many cases that corporate clients are considering are at a very early stage and require consideration of a range of risk management solutions that can include litigation-related insurance policies as well as funding. Many companies are intrigued to learn about the After-The-Event insurance market, the fact that such insurance can be purchased right up to the start of a trial, and that they may be able to cap damages should they go to trial.

Do corporate clients confuse litigation funding and ATE insurance?

Generally insurance is well-understood as a concept and it is recognised that it has different features to funding; their respective applicability is dependent on the risk appetite of the claimant. Litigation funding provides a complete financial hedge in that it removes from the claimant the cash flow and accounting impact of paying fees and disbursements and, by being without recourse to the client, it removes the litigation from the financial statements whilst still leaving the client in full control of the conduct of the litigation. Insurance is only a partial hedge as the client pays the fees, disbursements and insurance premia as they fall due. The litigation remains evident in their financial statements, but, if the litigation fails, legal fees will be reimbursed up to the limit of the agreed indemnity, leaving the claimant out-of-pocket only to the extent of the insurance premium paid and anything incurred by the claimant in excess of the limit of indemnity.

Is this really seen as a new area by so many companies?

Absolutely. When I speak with Group Treasurers, it is typically their first conversation about litigation funding or ATE insurance and they often ask why they haven't heard of these strategies already, especially as the techniques are similar to those they would use to manage other financial exposures. Portfolio Managers at Private Equity firms are usually disappointed at the missed opportunities to monetise litigation as they hadn't known these existed before we met. In conversations with litigators, many in private practice express surprise that in addition to providing litigation funding Harbour has experience in buying judgments, enforcing claims and can access ATE insurance to cap damages, should a case go to trial.



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What makes HSG attractive to corporate clients?

They appreciate our consultative approach and the evident depth of experience that is reflected in our being one of very few Band 1 Litigation Funders in the eyes of Chambers & Partners. By combining knowledgeable litigators with experts from the field of finance who have in many cases built trusted relationships with Group Treasurers and Finance Directors over decades, Harbour has created an extremely powerful partnership.

What is the most common reaction when you speak with a General Counsel?

General Counsel will almost always cite their pre-conception that if Harbour provides funding then we will look to take control of negotiations, strategy and decisions over settlement. This is simply not the case. It's easy to refute this belief as such an approach would contravene the Code of Conduct of the Association of Litigation Funders, where we are a founder member.

Isn't litigation funding just for those clients who are unable to cover the costs of a legal dispute, which is why larger companies are not familiar with it?

Increasingly even well-resourced companies are turning to litigation funding. This may be because they have exhausted their legal budget, they prefer to deploy the cash elsewhere, or perhaps they just appreciate certainty when it comes to legal expenses. After all, the costs of litigation are notorious for being unpredictable, lasting for several years and coming with the risk of an adverse costs award. To give you a couple of examples, last week I had meetings with two of the larger FTSE100 constituents, one a corporate and the other a financial institution. Both solid investment grade credits. Confidentially, both had previously been funded by Harbour and we were keen to explore how we could expand our relationship. One has a judgment that has now been recognised in the relevant jurisdiction so we may look to purchase that from them. With the other client you've reminded me that I need to have a more in-depth conversation with them regarding insurance!

Career highlights

- Darrell is Senior Business Development Director for Harbour Solutions Group
- Darrell has over 25 years' experience in finance, primarily focused on the development of bespoke risk management and financing solutions for corporate clients.
- He has held senior positions at Barclays Capital, Deutsche Bank and most recently as a Managing Director within the Risk Solutions Group at Nomura, which was awarded Risk Solutions House of the Year 2018 by Risk Magazine.
- Fellow of the Association of Corporate Treasurers
- Fellow of the Chartered Institute of Bankers
- Chartered Fellow of the Chartered Institute for Securities and Investment

If you would like to learn more about Harbour Solutions Group and how we can help, please contact Darrell Porter for an informal conversation.

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