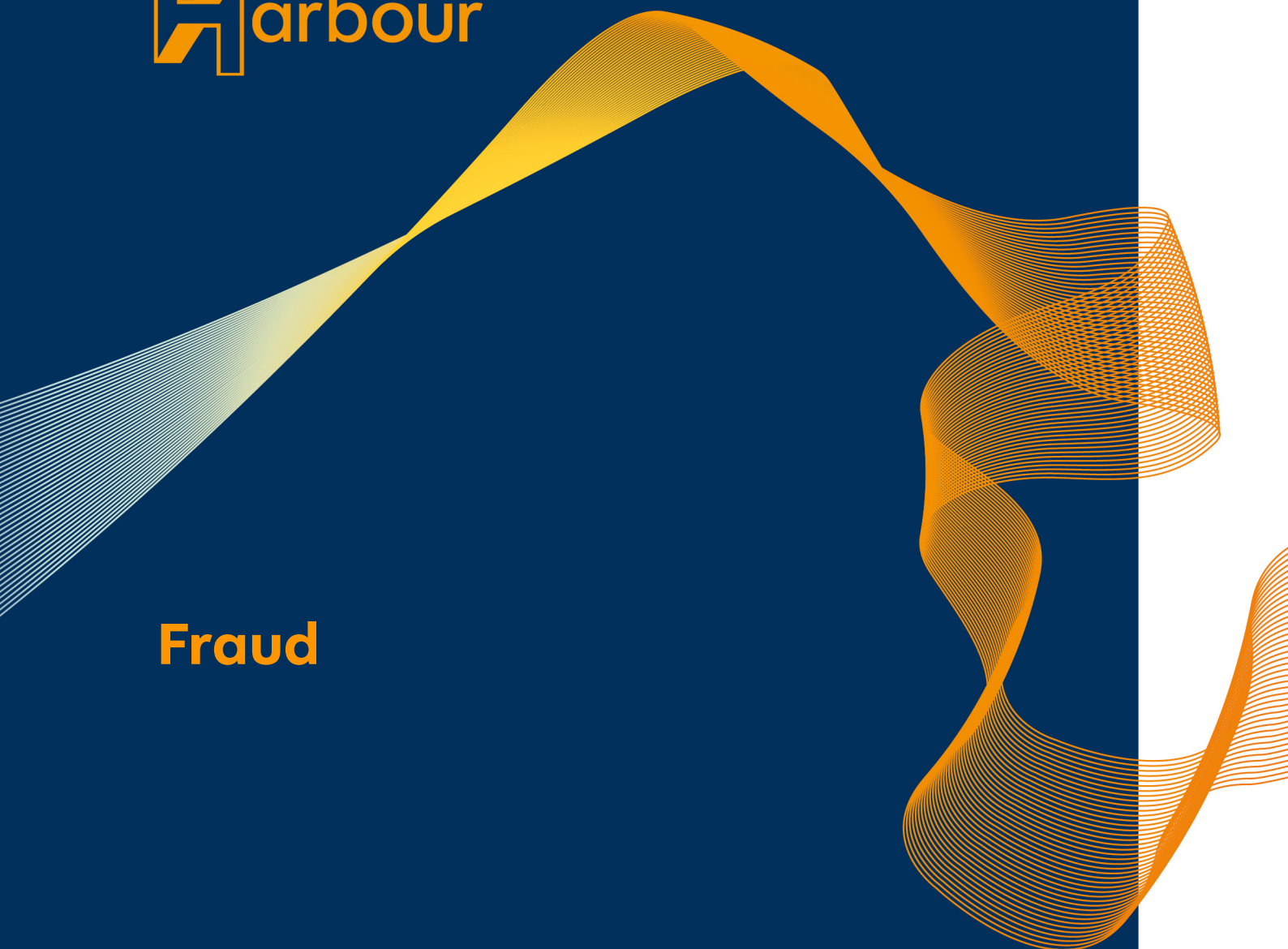




Fraud





What are fraud actions?

Fraud is an intentional deception designed to secure an unfair or unlawful gain or to deprive a victim of a legal right. Victims of fraud may seek redress through the criminal justice system, or by bringing a private action in the civil courts. Harbour can assist with both:

- Criminal complaints will generally not result in defrauded sums being returned to a complainant. However, a lack of public funding is increasingly leading victims of fraud to bring private prosecutions, which can be supported by a litigation funder.
- Where it is known a fraudster still has access to the proceeds of the fraud, a civil action will usually be preferable as civil proceedings are often quicker to go to trial than criminal proceedings; you as the claimant can exert control over the conduct of your case; freezing and other orders can be sought at an early stage to prevent the respondent dissipating assets; judgments against the defendant's assets can be enforced abroad, and; compensatory damages may be sought, in addition to the recovery of your loss.

Is funding right for your claim?

We need to understand the details of your claim to ascertain whether it could be funded. It is also important for us to know we can rely on your support in bringing the claim to a successful resolution.

Answers to the following questions will help us to quickly assess your claim.

Recoverability	<ul style="list-style-type: none">• Who are the defendants(s), how did they defraud you, and by how much? What have the proceeds of the fraud been used for (e.g. acquisition of real estate)?• From what jurisdictions are you likely to want to recover the defrauded sums?• Has a financial investigator undertaken any kind of asset analysis, and does the defendant have sufficient assets to satisfy a judgment or award?• Have any steps been taken to prevent the defendant from hiding or dissipating assets (e.g. freezing orders, disclosure orders, etc)?
Economics	<ul style="list-style-type: none">• What amount of funding do you require? We can fully fund, share costs, fund disbursements only, or purchase entitlement to judgments or awards.• How long do you expect the case will take?



Experience	<ul style="list-style-type: none">• What is the legal team's track record in bringing these sorts of cases to a successful conclusion?• Who else is involved in the wider team (accountants, investigators, etc) and what is their track record?• What is the litigation and enforcement strategy for this case, and how long might it take?
Merits	<ul style="list-style-type: none">• In what jurisdiction will the fraud claim be brought?• Has an investigation already been completed to identify good grounds for bringing an action?• On what legal basis can a judgment/award be recognised in the jurisdiction where you seek to enforce?• Will any limitation periods be relevant?



What sets us apart?

Harbour is amongst the largest and most experienced funders in the world, having supported cases in 14 jurisdictions and 6 arbitral forums since 2007. Our experience of reviewing over 4,000 claims means we can quickly review the responses to the questions above and provide an indicative view on pricing, before guiding you through our due diligence process.

Our pricing

Harbour provides a flexible and tailored solution to suit your needs. We can cover all or part of your legal fees and disbursements, including potential adverse costs and funding for security for costs.

The pricing of our funding is bespoke and is informed by our view of the specific risks involved. We consider factors such as the claim value, the budget required, the merits, the jurisdiction of your claim, and any potential difficulties with enforcement.

A number of pricing options are available, with non-recourse funding being the most popular, where Harbour only receives a return when proceeds are recovered. Should the claim be unsuccessful, the risk is entirely ours, and you owe Harbour nothing. Pricing is generally structured as a return of capital plus the greater of a percentage of proceeds and a multiple of our capital.

Recourse funding is also available, which allows a claimant to maximise their return and free up capital. This financing is repayable at the end of the process, regardless of the outcome of the case.

We can also acquire interests in claims and judgments, providing immediate cash payments of an agreed percentage of the claim or judgment value, potentially with more to follow upon successful recoveries if the claimant wishes to remain involved.

We seek to agree pricing which fairly rewards the risk you and we are taking.

Pricing is agreed with our investment team at an early stage in our discussions, and before the case is presented to our investment committee you will know what the pricing is and how an agreement will be structured. More information on pricing and our processes is available on our website.



Fraud case study

Khazakhstan Kagazy was a company set up by the Khazakh government to stimulate foreign investment and facilitate the development of an environmentally friendly paper industry. After some years of substantial investment the company was privatised through a London based IPO which raised hundreds of millions of pounds.

On taking control of the company the new owner discovered huge sums had been transferred out by directors who were orchestrating a sophisticated and complex fraud which could not have been identified during the purchaser's due diligence. Claims totalling \$300m were ultimately brought in England and Wales against three former directors, who sought to dissipate and hide their ill-gotten gains in complex ownership structures across many jurisdictions.

Harbour's funding provided a substantial war chest which prevented the defendants from using the well-recognised tactic of seeking to exhaust the claimant's funds. Our involvement also sent a clear signal to the defendants that there was a will to pursue this case to the very end.

Harbour's experience in financing fraud actions, as well as related enforcement and asset recovery actions, meant that we were well prepared for the complexity and twists and turns of this case. Sharing our expertise and international network led to successful early actions to identify and freeze assets, which subsequently made it easier to recover assets from the defendants in satisfaction of court judgments.



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