



Shareholder Disputes





What are shareholder disputes?

Shareholder disputes typically arise as shareholders disagree about the ownership, control, distribution of profits and, for publicly listed companies, disclosure (or the lack thereof) by management.

These can be both individual claims as well as class-actions.

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.

Merits	<ul style="list-style-type: none">• Are there good grounds for bringing the action?• What is the value of the claim, and how is that substantiated?• If a group needs to be formed, what is the strategy and timetable relating to its formation? Will a litigation/steering committee be established to provide instructions to the legal team?• Do you expect competing claims? If so, why are you confident that your claim will be preferred?
Economics	<ul style="list-style-type: none">• What amount of funding do you require?• What is the likely cost of forming the group/bookbuild (if relevant), and any valuation report?• Is any payment likely to be required for security for costs?• How long do you expect the case will take to reach a resolution?
Recoverability	<ul style="list-style-type: none">• Who is the claim against, and why are you confident that they can satisfy a judgment or award?
Experience	<ul style="list-style-type: none">• Who is in the legal team, and what is their track record in managing group actions to success?• Who is in the wider team (economists, bookbuild agents, etc)?



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.

We are one of the world's leading and most experienced funders supporting individual and group shareholder disputes all over the world. We have funded cases relating to the ownership of multi-billion dollar companies, as well as disputes concerning the distribution of profits in family businesses.

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.



Shareholder dispute case study

Harbour partnered with one of the leading plaintiff firms in Australia to represent shareholders who claimed that a leading construction company misled the market by failing to disclose important information. The claim alleged that senior executives of the company were aware of, and had approved, corrupt payments made by one of its subsidiaries to secure construction contracts in Iraq.

After a key document relating to these alleged payments was discovered, the company announced to the market that it had reported a possible ethical breach to the Australian Federal Police, which if substantiated may have contravened Australian laws. The claim alleged that this announcement was vague in nature and did not cause a material change to the company's share price.

However, well-respected journalists conducted an undercover investigation, leading to a media exposé that revealed further information about the alleged conduct. The news articles reported that the alleged conduct was more serious than had been previously disclosed, and this new information caused a material reduction in the company's share price.

Affected shareholders sought to recover their losses caused by purchasing the company's shares at an inflated price. However, to pursue their cases individually would not have been an economic solution. The shareholders and their lawyers worked with Harbour, and our experience of structuring investments to meet the needs of large groups of claimants meant we could develop a funding solution that allowed them to hold this substantial company to account. The claim settled and shareholders received compensation.



+44 20 3829 9320

8 Waterloo Place, London, SW1Y 4BE

harbourlitigationfunding.com