



ATTENTION COUNSEL: ADJOURNED TRIAL CALENDAR
DUE TO COVID-19 RELATED DELAYS, THE FOLLOWING CASES HAVE BEEN REASSIGNED

DOCKET NO.	TRIAL DATE	ADJOURNED DATE
14-17652	01/25/21	01/31/22
15-32569	01/27/21	02/04/22
12-65701	02/10/21	02/12/21
16-21862	03/22/21	03/26/22
17-20001	04/15/21	04/19/22



Counsel Financial
The power of attorney funding.®

PLANNING IN UNCERTAIN TIMES

HOW TO EFFECTIVELY MANAGE LAW FIRM CASH FLOW

01

The COVID-19 pandemic has had a significant impact on the legal industry. The resulting closures and delays will likely create longer-term issues for law firm operations than originally expected when the severity of the health crisis was still unknown. In addition, the rapid transition to virtual proceedings and managing a remote workforce has probably sparked changes in how your law firm is run.

99%

An independent survey was conducted among plaintiffs' attorneys and approximately 99% of respondents reported some level of impact to their firm because of the coronavirus outbreak.



01 Case Intake

56% of survey respondents reported a decline in case intake as the country experienced the effects of the pandemic and subsequent shutdowns. Among the hardest hit were those attorneys who primarily litigate motor vehicle and personal injury cases. With many states under stay-at-home orders, the number of individuals on the roads and frequenting public places became minimal. As such, fewer cases were retained.

You may turn to increasing your advertising efforts to combat this trend and,
a) make up for the lack of cases being brought into your firm and;
b) to respond accordingly to the influx of people who are spending most of their time at home where your advertising can be seen.

This requires a significant investment which must be balanced with the potential slowdown your firm may be facing.



02 Case Resolution

Similarly, **50% of those who completed the survey stated they experienced some level of decline in case resolution.** Delays in discovery, setting trial dates, hearings and motions that have been pushed back—all ultimately affect your firm’s workflow, case resolutions and revenues.

65%

of attorneys who took the survey report experiencing insurance carriers and/or defendants using the pandemic as an excuse to delay resolution of their cases.

Of those who are able to actively participate in settlement negotiations, **53% say they’ve seen a lack of offers or lower offers from defendants.**

The result: significant revenue issues are emerging for many firms.

45%

of survey respondents expect to have to seek out additional financing for their firm should a second wave of shutdowns occur.

The solution: effective short- and long-term financial planning for your firm.

This crisis imposes a long-term impact. It is imperative that you maintain firm stability. Although peaks and valleys in cash flow are inherent to a contingent-fee practice—and now amplified by the COVID-19 pandemic—there are resources available to you as a plaintiff’s attorney specifically tailored to address those unique situations.

02 ▶

Securing Financial Resources for your Firm

You have a lot of options—self-finance, partner with co-counsel, utilize credit cards or a business loan—just to name a few. Researching all the options available to you, from working with your local bank, to exploring financing with a specialty or commercial lender who deals exclusively with a firm like yours is a good place to start.

Working with a lender who understands the nuances of a contingent-fee practice is essential. Being prepared and having access to stable financing will allow your firm to weather this difficult time and be positioned to ramp up immediately when the time allows.

01 Specialty Lender Lines of Credit

Lines of credit from specialty lenders operate much like revolving lines of credit offered by banks.

- Approval is granted for a sum of money, allowing you to borrow up to that amount—as needed.
- Interest is only charged on what you actually withdraw—not on the maximum amount of your line
- As you make payments, you generally gain access back to those funds—providing unmatched flexibility.

THE MAIN DIFFERENCE BETWEEN A LAW FIRM LINE OF CREDIT AND A BANK LINE OF CREDIT? THE CREDIT LIMIT.

Banks generally only value your hard assets as collateral: property, cash and equipment. This restricts the amount of financing they can provide you. Specialty lenders also value your legal fees as collateral (earned and unearned), which means the maximum amount of your line of credit can far exceed that of a bank line.

Equally important: these lenders understand the nature of your practice and generally will structure your payment schedule to match when you anticipate receiving fees.



02 Post-Settlement Loans

A post-settlement loan is exactly what it sounds like—a loan against your anticipated fees from a settled lawsuit.

- Interest rates similar to a line of credit (but normally considerably lower than a case advance)
- Receipt of proceeds typically in a lump sum.
- Repayment due as you receive your fees (versus monthly payments)

Most post-settlement lenders only require fees from the specific case as collateral for the loan, so there isn't a lien on all of your firm's assets.

03 Non-Recourse Advances

Non-recourse advances can be obtained pre-settlement and post-settlement and are generally considered an asset purchase, sale or assignment versus a loan.

- Receive a lump sum payment while your client's claim is ongoing or while you await payment if the case has settled.
- Funder buys a portion of your anticipated legal fees from the lawsuit.
- Upon receipt of fees, you repay the amount that was advanced, plus an often a significant rate of return.

With most (if not all) non-recourse advances, you don't pay back the funder unless you receive fees from the case. There are two major concerns with non-recourse advances:

- Cost—it is not uncommon for lenders to expect a return of two to three times the original investment due the risk involved.
- Availability—a limited number of lenders are willing to provide case advances on a non-recourse basis, particularly on a single case. This can make securing non-recourse financing challenging.

EACH TYPE OF FINANCING OPTION HAS PROS AND CONS.

However, the huge advantage of choosing a finance company focused on funding plaintiffs' firms is that you get a company that will fully appreciate the nature of your business and, as a result, be more willing to accommodate your needs.



Counsel Financial
The power of attorney funding.®

[CounselFinancial.com](https://www.counselfinancial.com) | 1.800.820.4430

6400 Main Street, Suite 120
Buffalo, NY 14221

Counsel Financial provides working capital credit lines exclusively for the plaintiffs' bar in all states except California, where credit lines are issued by [California Attorney Lending](#).