



律石诉讼资助  
LAWSTONE LITIGATION SUPPORT



We Lead to Win

# LAWSTONE LITIGATION SUPPORT

With professional support, nationwide coverage,  
and litigation financing services,  
we help our clients win their cases and access to justice.

**We Lead to Win**



# 律石诉讼资助

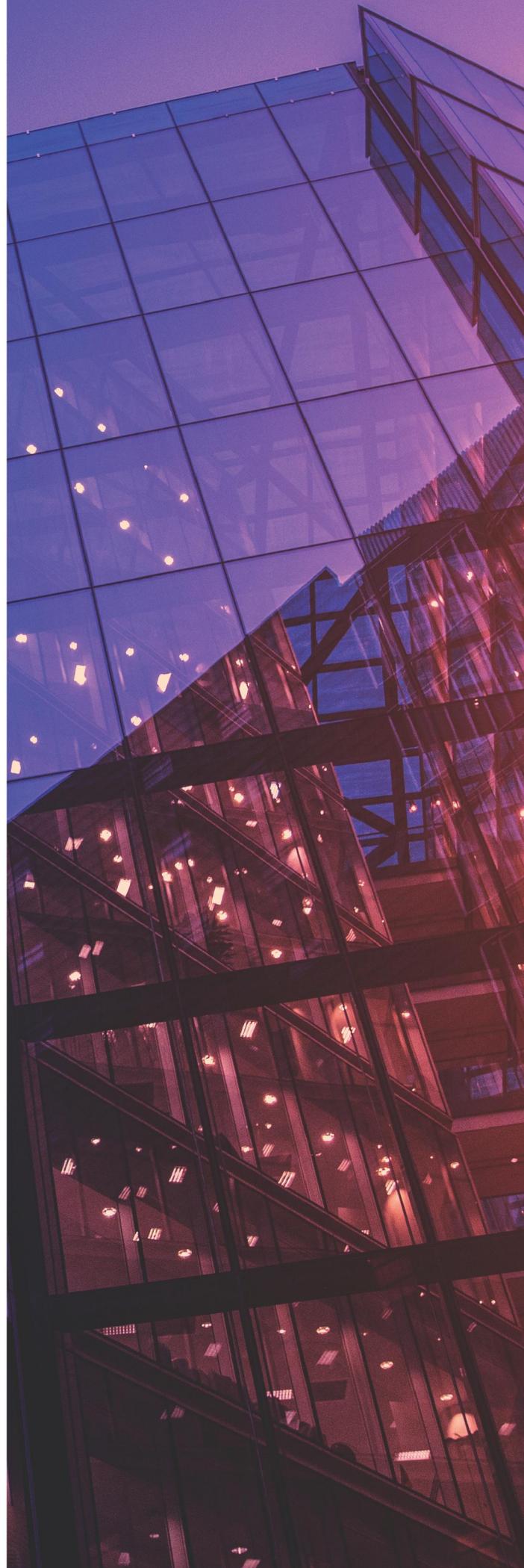
LAWSTONE LITIGATION SUPPORT

## ABOUT LAWSTONE LITIGATION SUPPORT

With our outstanding professional teams, specialized risk management services, as well as our financing to cover fees and initial costs, LawStone helps clients and lawyers in dispute resolution situations unlock the potential value of their legal claims. A growing number of Fortune 500 companies, public companies, enterprises and individuals have benefited from LawStone Litigation Funding, which has become an increasing development in the fields of civil and commercial litigations, arbitrations, enforcements, bankruptcies and debt restructuring in China.

Dispute resolution involves a high threshold of expertise and cost in time and resources. From time to time prolonged pending account receivables exceed statute of limitations and have to be written off, adversely affecting cashflows and turnover performance. For some, the inexperience with legal profession and judicial systems may also result in delay or even surrender of sound legal claims.

The financial situations and legal resources among the parties involved may vary considerably, which will, to a certain extent, become obstacles to access to judicial relief. Those with tight cashflows can hardly afford legal actions. LawStone Litigation Funding is here to add value and gain a win-win result for our clients.





## MERITS OF LAWSTONE LITIGATION SUPPORT

- For complex situations exceeding the calibers of in-house or local lawyers, LawStone recommends and provides outstanding professional teams that cover various regions in China with specialties to resolve the problems.
- Litigation financing provides distressed clients with advances in attorney fees and litigation costs, keeping the legal risk under control with balanced financials of the clients.
- We bring leading professional expertise into dispute resolutions, increase the capacities of our clients under high pressure and prevent unnecessary or premature transfer of rights and interests, or forced concessions or compromises.
- LawStone Litigation Funding facilitates the financial arrangements of individuals and enterprises, accelerates account receivable recoveries, minimizes economic impacts, and ensures that liquidity is not squeezed by litigation costs, in order to improve accounting and financial performance.
- LawStone effectively transfers litigation costs, optimizes legal team composition, resolves litigation risks, and builds trust and confidence of our clients in dispute resolutions.



# We Lead to Win

## LAWSTONE IS A LEADING LITIGATION SERVICE PROVIDER ESTABLISHED BY PROMINENT LEGAL AND FINANCIAL PROFESSIONALS

We draw together outstanding legal professionals and resources in areas of civil and commercial litigations, arbitrations, enforcements, mediations, bankruptcy restructuring and liquidation matters, perform in-depth analyses of the cases, formulate litigation strategies, manage risks, and provide financial support on litigation costs, attorney fees and other expenses in dispute resolutions. If the case wins and the losses are recovered, we withhold our service fees from the proceeds according to previously agreed upon compensation rates. If the case loses, we bear the expenses without recourse, thereby effectively protect our clients from potential loss of litigation expenses.

We work closely with law firms, experts and specialists to provide flexible fee arrangements under a one-stop shopping litigation service package in civil and commercial judicial matters, reduce operational risks and litigation costs, and enhance the quality of legal services for individual and enterprise clients.



## LAWSTONE LITIGATION FUNDING INCLUDES BUT NOT LIMITED TO:

- Lawyers Fee
- Litigation Cost, Preservation Fee
- Arbitration Fee
- Notary Fee
- Audit Charges
- Assessment Fee, Auction Fee
- Bankruptcy Administrator Remunerations
- Insolvency Administrator Compensations
- Judicial Appraisal fee, Expert Witness Fee



# NETWORK COVERAGE





## Regions of The Six Circuit Courts of Supreme People's Court

Shenzhen, Shenyang, Zhengzhou, Nanjing, Chongqing, Xi'an

### Beijing-Tianjin-Hebei Region

Beijing, Tianjin, Hebei (Shijiazhuang)

### The Pearl River Delta Region

Guangzhou, Shenzhen, Zhuhai

### Yangtze River Delta Region

Shanghai, Jiangsu (Nanjing, Wuxi, Changzhou, Suzhou, Nantong),  
Zhejiang (Hangzhou, Ningbo, Zhoushan, Wenzhou), Anhui (Hefei)

### Other Regions

Fujian (Xiamen, Fuzhou), Jiangxi (Nanchang), Hunan (Changsha), Guangxi (Nanning), Hainan (Haikou), Sichuan (Chengdu), Chongqing, Guizhou (Guiyang), Yunnan (Kunming), Heilongjiang (Harbin), Jilin (Changchun, Jilin), Liaoning (Dalian, Shenyang), Inner Mongolia (Hohhot), Xinjiang (Urumqi), Shaanxi (Xi'an), Gansu (Lanzhou), Qinghai (Xining), Ningxia (Yinchuan), Henan (Zhengzhou), Shanxi (Taiyuan), Shandong (Jinan, Qingdao), Hubei (Wuhan, Huangshi), Tibet (Lhasa), Hong Kong, Taipei



## LAWSTONE LITIGATION FUNDING SERVICES ARE APPLICABLE TO ALL TYPES OF CIVIL AND COMMERCIAL LEGAL PROCEEDINGS, INCLUDING BUT NOT LIMITED TO:

- Commercial Contracts
- Judicial Enforcement
- Tort and Compensation
- Credit and Loan, Asset Management, Investment and Financing
- Civil and Commercial Disputes
- Environmental Protection
- Violation of Fiduciary Duty
- Copyright, Trademark, Patent
- Bankruptcy, Reorganization and Liquidation
- Domestic and International Arbitration

## LAWSTONE LITIGATION FUNDING SERVICES EVERY STAGE OF LEGAL PROCEEDINGS:

Litigations

Property Preservation

Arbitration

First Instance

Before Trial

Domestic

Second Instance

During Trial

International

Appeal and Retrial

Bankruptcy and Liquidation

Judicial Enforcement

Debt Restructuring

Notarized Instrument of  
Creditor's Rights

Bankruptcy Reorganization

Adjudicatory Instruments

Bankruptcy Settlement

Legal Instruments In Force

Winding-up and Liquidation

# EXAMPLE APPLICATIONS OF LITIGATION FINANCING

- **Corporate Law – Shareholder Contribution**

A large-scale enterprise runs into financial distress due to investment in real estate constructions. The matured debt obligations result in difficulties in cashflows and turnover. The enterprise has a complex shareholding history where the previous shareholders subscribed shares with substantial capital, but later misappropriated the capital through rolling transactions and asset transfers. The case is an example of complex legal relations requiring fact findings across time and regions. LawStone Litigation Funding services would provide a packaged solution to the company, engage local legal teams of different regions working together with the client. Litigation funding covers litigation costs and lawyers' fees, in order to reclaim the capital from previous shareholders.

- **Intellectual Property – Infringement and Defense**

A start-up company is sued for infringement of intellectual property which is the core technology of its business, while the company is in a crucial stage of financing and business development. It cannot afford the lawsuit in terms of time, cost and legal resources. LawStone Litigation Funding would invite senior IP experts to evaluate the situation, arrange comprehensive funding and suggest strategies for the founders, so that the start-up can focus on marketing, operation and financial performance.

- **Civil Tort – Environment Protection**

A farmer in Inner Mongolia with the right to possess and operate in a piece of grass and forest lands suffers from soil pollution, groundwater flooding and forests damages, suspected as the result of mining, drilling and tunneling by a neighboring coal mine reaching the underground of the farmers land. It's also suspected that coal gangue and chemical mixtures are injected underground by local coal chemical companies creating soil pollution. LawStone Litigation Funding would arrange pollution forensics and expert legal team to carry out the investigation, finance the costs and file the prosecution to defend the rights and interests of the victim.

- **Debt Restructuring – Bankruptcy Reorganization**

A mining group is in a debt restructuring situation, the debt-to-assets ratio of the company reaches 92%, and existing cashflows and revenue cannot cover the financial cost. The institutional creditors formed a debt restructuring commission and the negotiations are protracted. LawStone Litigation Funding would arrange top restructuring professionals to formulate a judicial bankruptcy restructuring solution for the group. Given the cashflow situation of the client, LawStone would pay the fees and remunerations charged by the bankruptcy administration and take-over commission in accordance with provisions of the Supreme People's Court, seek approval of the reorganization plan by the creditors and facilitate the execution of the plan.



## FUNDING PROCESS

- (1) Confidentiality Agreement. Initial contact, signing of a non-disclosure agreement;
- (2) Preliminary Assessment. Introduction of facts, provision of relevant information and materials, preliminary assessment of the case;
- (3) Letter of Intent. Sign a Letter of Intent as needed, which contains an exclusive clause in order to conduct in-depth due diligence and frame basic cooperation provisions such as disposition and litigation funding of the case;
- (4) Due Diligence. Investigate the factual circumstances and asset clues, provide the terms of the litigation funding service agreement. Retain a certain amount of deposit if necessary to compensate for direct expenses incurred in case there is any unjustified premature termination of the cooperation;
- (5) Litigation Funding Agreement. The agreement sets out the scope and content of the services and the terms of rights and obligations, which shall be signed into force by consensus. If the case loses or fails in enforcement, LawStone would bear the advanced fees and cost. If the claim or recourse is recovered, a certain proportion of the proceeds (or the offsets of loss were there a defense situation) shall be withheld as remuneration for the service pursuant to a previously agreed commission rate;
- (6) Safeguard Measures. Establish escrow accounts; pledge and record the right to the recourse or receivables to ensure the pay-in and pay-back of funds; set up special purpose vehicles when necessary;
- (7) Litigation Funding. Pay the litigation cost (e.g. fees for preservation, appraisal, assessment, evaluation, auction, audit, etc.) and lawyers' fees along with the progresses of the legal proceedings;
- (8) Follow up and Communications. Coordinate and update the status to the client at procedural milestones (seizure and attachment, first instance, second instance, retrial, enforcement), consult with specialists and professionals regarding complex situations;
- (9) Get paid and Completion. Upon satisfaction of the prosecution or claims, distribute the proceeds as per the agreed upon commission rate, issue a closing statement with advice on risk control and compliance concerns.







## DUE DILIGENCE

Litigation funding usually examines and evaluates the following aspects:

- Legitimacy and merits of the claims
- Cause of action, case type
- Statute of limitation
- Subject matter of the lawsuit
- Venue and jurisdiction
- Proof of evidence
- Capacity of the losing party to execute the judgment
- Scope of damages and recourse
- Possibility of reconciliation
- Amount of funding needed
- Timeline of the case
- Legal and factual risks

## RISK DISCLOSURE

Intrinsic risks in legal actions exist, such as losing the case, unknown evidence, obstruction of enforcement, termination or liquidation of the counter parties, etc. The services provided by LawStone cannot alter the basic facts, the evidence, or the solvency of the counter parties. By working closely with leading attorneys, law firms and professionals, LawStone provides clients with optimized litigation strategies and flexible fee arrangements, while under no circumstances offer any commitments or warranties as to the outcomes of the cases or the execution results of the recourses.

LawStone reserves the right to terminate our service upon our sole discretion under the conditions of:

- fraud of the serviced party;
- false or intentional misleading representation of facts by the clients;
- that the expected economic reward cannot cover the costs of the case.

## TOP PROFESSIONALS

LawStone works closely with leading experts lawyers and specialists to provide clients with a packaged solution of litigation affairs, including:

- Senior litigation lawyers
- Heads of law firm litigation departments
- In-house, general counsels
- Former staff of the judicial system
- Solicitors of international arbitration
- Bankruptcy, reorganization and liquidation specialists
- Legal experts, famed professors
- Investment bankers, senior financial professionals
- Accounting, tax experts
- Leading lawyers and counsels in the fields of intellectual property, maritime and marine, infrastructure and construction, mining and energy, media, environment, medical and health, tort and compensation, etc.





**Rooted in China's booming legal services market, LawStone is committed to be the leading litigation financing and service provider in the global market place. Client's needs are our top priority. What we provide is not limited to case funding. We carry out in-depth investigations and evaluations of the cases, bring specialized and innovative solutions to our clients, help to mitigate the cost of judicial proceedings, advise on risk control and legal process. We help our clients to Win.**



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