

MEDIA MENTIONS

Schulte partner Boris Ziser discusses private equity funding of law firms with *Bloomberg Law*

June 28, 2024

Schulte Roth & Zabel partner Boris Ziser, co-head of the Finance Group and global leader of the litigation funding practice, was recently featured in the *Bloomberg Law* article, “Private Equity Flows Into Arizona to Run National Tort Firms.” Boris shared his perspective on litigation funders establishing alternative business structures (“ABS”) in Arizona which enable non-lawyers to own equity in law firms in the state.

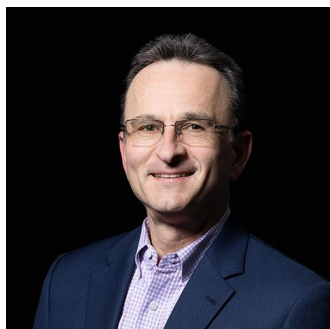
Boris has assisted numerous investors who have provided funding to law firms through an ABS. He stated, “It didn’t introduce a new concept in terms of funding or financing of a law firm’s business, what it did was changed the way one can provide that funding.” Boris explained that the investor takes a stake in the growth through Arizona, so they are not just receiving a premium on their lending, they’re getting equity in the business. He added, “What the Arizona ABS enables the law firm to do is actually funding, or investing, in an equity form rather than debt and that could have a lot of appeal.”

Detractors of the litigation finance industry point to Arizona’s alternative business structures as an example of non-lawyers interfering with cases, but Boris explains that lawyers are following ethics laws and are making choices in the best interest of their clients. “Just because Arizona eliminated rule 5.4, that doesn’t necessarily mean that in other states rule 5.4 won’t apply,” Boris stated. “You just have to look at the conflict laws of that state and the circumstances to which you’re trying to apply it and

then determine whether it would be that state's rule that would apply or Arizona's rule."

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