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VANNIN CAPITAL

VANNIN GOES TO GERMANY: > ENHANCED COMMITMENT TO FUNDING OPPORTUNITIES IN CONTINENTAL EUROPE

On 1 June, 2018, Vannin Capital expanded its commitment to Continental Europe with the launch of our new German subsidiary. I am delighted to have joined the firm to spearhead the launch of our new office in Bonn, the former German capital. As the former CEO of FORIS AG, the first and biggest German litigation funder, established in 1996 and listed on the Frankfurt Stock Exchange in 1999, I am a firm believer in the potential for growth of litigation funding in Germany and beyond.

Vannin's decision to locate in Bonn means we are positioned in the heart of the Rhein-Main region, where 15 of the DAX 30 corporations and all of the main international and domestic law firms and auditors have their headquarters.





GERMANY WAS THE NEXT LOGICAL STEP FOR VANNIN.

Our growth into Continental Europe is part of the firm's global expansion strategy, and Bonn will be our ninth location globally, and second in mainland Europe. Bonn is well situated between the two largest finance cities in Germany – Düsseldorf and Frankfurt – and the new office will both boost our civil law capabilities and enhance our international coverage. In the same way that common law jurisdictions derive their legal systems from England, so the civil law legal system originates from Continental Europe and the Roman Empire, and has expanded around the world.

Because of this, opening in Germany was the next logical step for Vannin. Germany is widely regarded as an economic global power, evidenced by its third position in the ranking of merchandise exports traded worldwide, only outranked by China and the USA. Germany, with a population of 81 million, generated USD1.45 trillion of merchandise trade exports worldwide in 2017, comparing favourably with the USA which, with a population of 325 million, generated USD1.58 trillion.

Why were these two factors so important to Vannin? Because the choice of law and jurisdiction terms in any agreement follow the economic powers of the parties.

German exporting corporations prefer the choice of German law and jurisdiction when dealing with disputes and, in the case of arbitration, very few German companies will accept the London or Paris rules of arbitration. Only the rules of arbitration of the German Institute of Arbitration are readily accepted as a jurisdiction alternative to the German state courts.

Of course, there is also significant potential for litigation funding for disputes in state courts, and in disputes that are neither export nor cross-border transaction-related. In particular, claw-back claims in major insolvency situations throughout Continental Europe represent a sizeable potential growth area for litigation funding.

I have more than 20 years of practice experience in cross-border legal advisory work in Germany and for German corporate clients, and am qualified both as a German Rechtsanwalt and as an English solicitor. In my previous role I invented and structured the monetisation of disputed claims as additional value for claimants, and introduced this new investment potential to the German market in 2016, after having obtained the German Federal Financial Supervisory Authority's (BAFin) approval.

WITH VANNIN CAPITAL'S FINANCIAL STRENGTH, THE LITIGATION FUNDING POTENTIAL IN GERMANY TRULY CAN BE LIFTED TO THE NEXT LEVEL OF EVOLUTION.

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Unlike all other non-German Litigation Funders offering their services in Germany, Vannin Capital is able to offer fully German Law compliant funding agreements. Not just money, but also peace of mind.

Our new operation will initially cover cases in Germany, Austria and Switzerland, thanks to their harmonised, German-based rules of procedure and common language, but we anticipate further expansion across the continent over time. I am now excited to be able to provide this new type of corporate finance by way of litigation funding to corporations, where balance sheet constraints at my previous company did not permit any solid offers to claimants.

We will start with a focus on disputes arising on the back of corporate finance transactions, on export and investment project-related matters, and on insolvency claw-back claims in the German-speaking part of Europe. This will be facilitated through an expansion of Vannin Capital's Investment Committee, with the addition of highly-experienced judges and tribunal members who have practised the arbitration rules of the German Institute of Arbitration.

With Vannin Capital's financial strength, the litigation funding potential in Germany truly can be lifted to the next level of evolution. We will be able not just to fund the costs of litigation in Germany, but allow the elimination of cost provisions on corporate balance sheets as well as provide assets by cash-outs on claims. Both sides of the balance sheets will benefit: provisions can be eliminated on the liability side and cash can be increased on the asset side after write-offs of the past left their painful mark.

If corporations can execute our funding agreements within one annual accounting cycle after the start of a dispute, CEOs and CFOs have a much more attractive alternative to reporting a major dispute as a write-off, with the extra burden of provisions for costs on enforcement to their general shareholder meetings.

I am very much looking forward to building out our capabilities in Germany, and expanding our enhanced civil law presence across Continental Europe. Please get in touch if there is anything you would like to discuss.

