

# Liti Capital to fund group action against Binance

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GENEVA, SWITZERLAND, UNITED KINGDOM, August 19, 2021 /EINPresswire.com/ -- Liti Capital SA, a Swiss-based litigation funding provider that has opened up private equity investing to the masses through blockchain, has been appointed by a group of claimants seeking damages against Binance, the world's largest cryptocurrency exchange.

Liti Capital is spearheading the arbitration lawsuit on behalf of a group of traders who lost on 19 May 2021 when Binance inexplicably froze their accounts for approximately one hour.

As a result, the trading accounts (including futures options) of at least 700 known traders were effectively untradable for multiple hours. We believe that thousands of traders were affected, and that those traders suffered more than one hundred million dollars of damages.

Binance's failures however are not just isolated to 19 May 2021; Binance has failed to meet its obligation to its community on many occasions since October 2020.

The total loss incurred across all 700+ claimants is expected to be well in excess of one hundred million US dollars; in fact, the six Steering and Advisory Committee members alone have a collective claim in excess of \$20m USD.

It is believed that this case - the first ever group action case in the crypto sector - will be a landmark event in defining how organisations operating in the sector behave and treat their customers.

"Crypto and blockchain are the future but they've just got to get cleaned up. It is the Wild West out there. Companies like Binance - the largest, most influential players - have to be brought to account," says David Kay, CEO of Liti Capital.

The traders caught up in the incident allege that Binance liquidated their positions as a result of the exchange freezing causing millions of dollars worth of losses. Several traders have pursued the exchange for compensation but so far have been unsuccessful.

Under Binance's terms and conditions, users seeking compensation are required to file disputes with the Hong Kong International Arbitration Centre, a costly step for an individual.

“Binance has made it difficult—not impossible, but difficult—for the average consumer to seek recourse,” says Aija Lejniece, an arbitration attorney who has been working with the group of traders. “There’s no surveillance [of Binance’s activities], nothing to control what they’re doing.”

Liti Capital will provide litigation finance to the Binance Arbitration Case, meaning claimants don’t have to pay any upfront costs to bring the case to court. White & Case LLP is coordinating legal efforts with an advisory team on behalf of all plaintiffs.

This includes covering the cost of White & Case, the lawyers that will represent this group, any expert witnesses, arbitration court fees and every other cost pertaining to the case. Liti Capital will cover all costs.

“Given the unconscionable terms of the user agreement and the costs of arbitration, we don’t know if anyone in our group - or anyone in their system - has paid enough [in fees to Binance] to make money even if they win their case,” says Kay.

Litigation Finance is a means whereby a third party pays for all costs for the plaintiffs in exchange of a minority percentage of the award, should one be given.

“Our strong view is that Binance went way further than what they were allowed to under the law,” says Kay.

Claimants who wish to take part in the '[Binance Claim](http://www.binanceclaim.com)' case should visit [www.binanceclaim.com](http://www.binanceclaim.com) to register their interest.

Liti Capital is bringing the litigation asset class to everyone through Blockchain technology with its LITI token, an equity token that is a share of stock in Liti Capital SA. The launch of LITI and its tradable counterpart wLITI tokens allows any investor to engage in the high-performing litigation finance asset class previously only available to elite investors. In short, Liti Capital is the first and largest private equity fund on the blockchain. It is using the LITI token to raise capital to invest in cases believed have merit.

Liti Capital offers litigation funding services. Liti finances and acquires legal claims, one of the most appealing asset classes because they can produce high returns on investment (i.e., 50% to 100% at the portfolio level) even during economic crises.

Litigation Finance is the practice of financing all or part of a legal case on behalf of a plaintiff or defendant for an agreed upon percentage of the court award. Once Liti Capital purchases a portion, or the totality of ownership of a case, it provides capital that can be used in many ways: legal fees, case management and strategy, expert witnesses, intelligence work, and whatever is needed to give the plaintiff the best chance of winning the case and collecting the award. The portion owned by Liti Capital becomes a “litigation asset”.

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