

**Roundtable event to discuss the future of partnership as a viable model for law firms.**

**The first of a series of roundtable events hosted by Graham Gill addressing core management issues.**

**Panel members at the roundtable were:**

Dominique Graham, Director, Graham Gill

Nigel Boardman, partner, Slaughter and May

Michael Hatchard, partner, Skadden Arps Slate Meagher & Flom

Terence Kyle, General Counsel, Nomura International

Richard Linsell, partner, Addleshaw Goddard

Russell Lewin, partner, Baker & McKenzie

Charles Martin, partner, Macfarlanes

Guy Morton, partner, Freshfields Bruckhaus Deringer

Jo Rickard, partner, Shearman & Sterling

Richard Rosenthal, head of Legal and European General Counsel, Morgan Stanley

Peter Sharp, partner, LeBoeuf Lamb Greene & MacRae

Sally Shorthose, partner, Bird & Bird

Robert Webb QC, general counsel, British Airways

Richard Wiseman, general counsel M&A, Shell

**PRESS RELEASE:**

**MAJOR LAW FIRMS REJECT MOVE TO ALLOW EXTERNAL INVESTMENT**

4<sup>th</sup> January 2007: Major City law firms are unlikely to sell out to private equity houses or float on the Stock Exchange when the government's Legal Services Bill comes into force.

The change in legislation, expected to come into force in 2008, will mean law firms are no longer forced to operate as partnerships, but will instead be able to access outside investment. Clients welcome the change, but most big firms

maintain that a partnership structure is the most efficient way to run a legal practice, saying that allowing banks or private equity houses to plough in funds would lead to conflicts of interest.

Those were the findings at a roundtable attended by representatives from ten of the UK's top law firms, and hosted by Nigel Boardman, a partner and former head of corporate at Slaughter and May. Clients in attendance included senior legal representatives from Nomura International, Morgan Stanley, British Airways and Shell.

Richard Wiseman, general counsel M&A at Shell, said he was concerned by the change: *"There has to be an element of conflict, where people are determining the way that you carry on your business who have no interest in the outcome other than the dividends they get out of it. Conflicts are going to be an increasing problem, and as firms globalise, particularly by merger, there are fewer and fewer big firms around."*

The big firms around the table dismissed the idea that they would ever ditch their own partnership models, but partnership expert Richard Linsell, a lawyer at Addleshaw Goddard, said: *"I suspect from information that I have that probably there is going to be a large law firm, behind the Magic Circle [the UK's top five law firms], that is going to float. They are going to look at their need for expansion and demonstrate they need the capital to achieve their growth."*

However, Robert Webb QC, general counsel at British Airways, said: *"The advent of outside capital is absolutely going to do nothing but good. Firstly it's all facilitative: you hear a lot of language as if we are being forced into this or forced into that, but this is only a facilitative procedure. We need to move with the times and see what outside capital does and how the different structures play out."*

Dominique Graham, a director at Graham Gill, specialists in partner recruitment, hosted the event and said: *"It was interesting to hear that all those around the table, representing as broad a spectrum of firms as possible, were in favour of upholding the partnership model. Perhaps it will be an evolved definition of*

*partnership, adapted to globalisation and a more dynamic business environment, but no less of a true partnership, despite the definition of the word gaining in elasticity.”*

**Notes to editors:**

A full transcript of the roundtable discussion is available on request.

Please contact Dominique Graham on 0207 430 1711 for further information.