Lawfuel.com 12 June 2007

UK Law Firm Sues Former Partners

LAWFUEL - The Law Newswire - Hammonds, the national law firm locked in a financial dispute with 14 former partners, has taken the unusual step of suing them in the High Court, The Times reports. The firm, which has suffered a raft of partner defections in the last 18 months, claims the group of former partners owe the remaining partners around £3 million after profits were overpaid in two financial years. Hammonds confirmed it had issued legal proceedings against the 14 former partners, but declined to comment further. In a statement, it said: "We have been working to reach an agreement with a number of our former partners to recover money due and owing to the firm. Regretfully we have been unable to resolve the matter with every such partner, and as a result we have issued proceedings against 14 former partners." Earlier this year it emerged the two sides had begun settlement negotiations but the start of formal legal proceedings paves the way for a rare High Court showdown between a major law firm and its former partners. Ronnie Fox, founder of law firm Fox and an expert in partnership law, said it was "extremely unusual" for a firm of solicitors to sue its former partners.