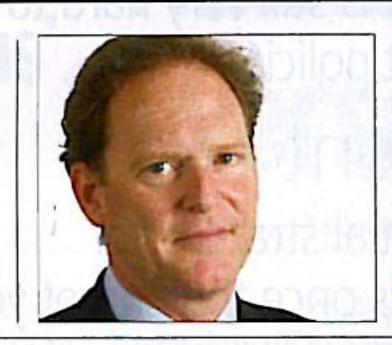
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Taylor Wessing secured £5m injection ahead of downturn

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Taylor Wessing asked its partners to contribute £5m in cash during the last financial year to help fund its London office move last November.

The top 30 law firm collected an average of £100,000 from each of its 54 equity partners in December 2007 to help fund costs associated with its move to a new building in New Street Square in the City.

The injection was intended to cover costs such as architecture and accountancy fees, as well as updating the law firm's IT systems.

Details of the firm's first ever capital call are contained within Taylor Wessing's limited liability partnership (LLP) accounts, which were filed last week with Companies House.

The 2007-08 figures show the firm raised £5.26m to

place in reserve, with Taylor Wessing saying the pot was also intended to fund overseas expansion as well as to bring its capital levels in line with those of its competitors. Average profits per equity partner for the year stood at around £613,400.

Outgoing managing partner Michael Frawley said: "All firms increase their capital from time to time to fund major investments. We are no different and in our case we wanted to invest in our infrastructure and systems without having to call on the firm's overdraft or other bank facilities."

Frawley is set to step down in August, with the firm currently drawing towards the end of the election process to find his successor. The election is due to close at the end of this month.

News of Taylor Wessing's

capital injection from partners comes after similar moves at several other firms, though recent capital calls have been directly related to the current downturn.

Magic circle duo Allen & Overy (A&O) and Clifford Chance (CC) have both asked for a capital injection from partners, with A&O recently asking equity partners for an average of £30,000 each and CC asking partners for up to £150,000 each late last year.

A&O is expecting to raise £11m from partners to help fund the £44m restructuring that is set to result in the loss of 9% of fee-earners, support staff and partners.

CC said that its capital injection, which raised £60m, will be pumped back into the business, with the firm stating it was a "normal part of managing its finances".



Dresdner stokes tension as legal teams divided on bonus

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Dresdner Kleinwort in-house lawyers have been caught up in a row over bonuses at the bank.

At least 60 lawyers at the bank are thought to be unhappy as a result of Dresdner clawing back 90% of their annual bonus, after dramatically scaling back an agreed bonus pool.

The German bank had set

aside a pool in a bid to retain staff in the wake of its £5.1bn takeover by rival Commerzbank in December 2008, but the size of the pool was then cut by 90% after the partial nationalisation of Commerzbank by the German Government.

The decision has left many employees with little or no bonus. For the legal team it is understood to have meant that while back office lawyers have received the bulk of their bonus, those in the 'middle office', primarily working on transactions, have not. A 2007 restructuring at the bank led to 80% of the legal team being placed in the bank's 'middle office' alongside management support and risk. The disparity in the treatment of the two legal teams has stoked tension over the issue.

It is unclear if any lawyers are among the 230 Dresdner employees pursuing legal action against the bank in response to the cuts, in what is the first major bank bonus-related mandate in the UK.

Manches and Mishcon de Reya have won roles on the dispute for two separate groups of bankers trying to retrieve their bonuses and many litigators are predicting an influx of related work as a result of the ongoing bank crisis. Problems are also thought likely at Bank of America, following its takeover of Merrill Lynch.

Employment specialist Ronnie Fox said: "These bonuses are a contractual entitlement. They cannot be withheld merely because the tax-payer has put money in."

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