

## The Fontaine/Mayden Generic LFQ (Lateral Firm Questionnaire)

[INTERESTING SOUNDING LAW FIRM COURTING ME]

### LATERAL FIRM QUESTIONNAIRE

I am honored that Interesting Sounding Law Firm Courting Me (the "Firm") shows interest in my becoming a partner. The Firm gave me a Lateral Partner Questionnaire to complete and, as we enjoyed substantive conversations that are continuing, I am pleased to complete that "LPQ." Just as it is important that relevant data about me be available to the Firm in order to assess whether the combination of my practice with the Firm is wise, it also is important that I review relevant data for a similar assessment. Accordingly, I request the following information from the Firm.

#### I. FINANCIAL DATA

1. **Liabilities.** Describe liabilities of the firm, including leases and debt. Is there a Pension Plan? Is it Fully Funded?
2. **Billing distribution.** Has any client/affiliated group represented more than 25% of the Firm's billings in any of the last 5 years? Are the firm's clients concentrated in a select number of industries? Are billings distributed throughout the partnership, or primarily via few rainmakers?

#### II. BILLING MODELS

1. **Billing Rates.** List for all levels of partners and associates as well as differentials for location and practice group.
2. **Alternative Billing Arrangement.** Describe the nature of any alternative billing arrangements used by the Firm and the frequency used.
3. **Flexibility.** What flexibility does each partner have to set fees, agree to discounts, or utilize an alternative billing arrangement?

#### III. PARTNERSHIP STRUCTURE

1. **Tiers.** Describe any tiers in the partnership structure, and mobility between tiers.
2. **Retirement.** Mandatory? Is there a required "step down?" Is any retirement required from the firm or from the partnership? Describe policy.
3. **Business Development Expectations.** Describe. Is there a "runway?"

#### IV. COMPENSATION

1. **Decision-makers.** Describe the compensation/advancement decision-making structure. Is it open or closed?
2. **Criteria.** Describe the considerations factored into compensation decisions. Business development? How is business origination credit allocated—by client or matter? Is credit given for administrative duties? Pro bono?
3. **Timing.** Describe the timing of payments to partners, i.e. when draws are made; profits distributed.
4. **Capital Contributions.** What is the required capital contribution? When is it payable? Does the Firm arrange financing? What are the conditions of repayment?

#### V. REQUIREMENTS

1. **Billable hours.** Are there minimum billable hours for Partners?
2. **Other Firm Obligations.** Detail required other Firm obligations.

#### VI. BUSINESS DATA—for the current and each of the past three to five years, list:

1. **Profits Per Partner**
2. **Revenues Per Partner**
3. **Average Billable hours, Partners**
4. **Average Billable hours, Associate**

#### VII. FIRM OPERATION AND MANAGEMENT

1. **Committees.** Describe the primary Firm Committees. Include information as to selection of members and representation of offices and practice groups.
2. **Operational structure.** Describe how the Firm operates across offices. Is the firm organized by office or practice group? Are there multiple profit centers?
3. **Management.** Describe any professional management in addition to lawyer managers.

#### VIII. FIRM PERSONNEL

1. **Leverage.** Describe in general the number of associates and the number of partners at the firm. How are they staffed on matters? Describe generally the "required" billables for associates, attrition rates, and compensation levels of the Firm's associates. Is paralegal support available?
2. **Support Personnel.** How is secretarial support apportioned? What kind of IT support is provided?

- IX. MARKETING**
- Professional Staff.** Describe formal/professional marketing support at the Firm; the Firm's track record of supporting lateral partners in growing their client bases.
  - Cross-Selling.** Describe intentional cross-selling undertaken by the firm. Is it formalized; incentivized?
  - Budget.** Is there a Business Development budget?
- X. EXPERIENCE WITH LATERALS**
- Onboarding.** Describe the onboarding and lateral partner integration process.
  - History.** What has been the firm's history with laterals? Successes? Failures? And, to what factors has either success or failure been attributed?
- XI. CHANGE IN NATURE OF THE FIRM**
- Are any transactions currently contemplated, such as a merger, acquisition, a group or a practice or spin-off, or a group or a practice addition, or other Firm expansion or contraction that could significantly change the nature of the Firm as currently constituted?
- XII. FIRM PROFESSIONALISM**
- Pro Bono Commitment.** Describe any formal Pro Bono programs undertaken by the Firm.
  - Lawyer Leadership:** Are "extracurricular" activities encouraged by the Firm? Describe leadership roles in the community or in bar associations undertaken by Firm lawyers
  - Diversity and Inclusion.** Statistics? Goals? What programs are in place? Describe plan and results.
- XIII. DOCUMENTATION**
- With this questionnaire, or at a time deemed more appropriate, please provide:
    - A copy of the Firm's Partnership Agreement
    - [Financial Statements] for the previous three years

## **ADDITIONAL POST-PANDEMIC DILIGENCE**

- I. CLIENT BASE**
- Has there been any change in industry or practice focus, financial health of clients or loss or addition of clients?
- II. CASH FLOW**
- What is the current status of and has there been any change in collections, reserves or lines of credit?
- III. PRODUCTIVITY**
- Has there been any change in hours billed, billing rates or billing arrangements?
- IV. COST CUTTING MEASURES**
- Personnel**
    - Pre-pandemic personnel - for partners/associates and other lawyers/staff, describe furloughs/layoffs and compensation/benefits adjustments
    - Impact on summer associate and first year classes
    - Impact on lateral recruiting at partner and associate levels
    - Communication/Messaging regarding changes
  - Other cuts** – describe changes to travel, marketing budgets, Bar Association participation support, capital expenditure delays, benefits plans and any other
- V. SHIFT TO REMOTE WORK**
- Tech support**
  - Maintaining morale**
  - Reopening plans**
- VI. "PLANDEMIC"**
- Describe the firm's plans for a post-pandemic future; changes in Firm structure due to lessons learned



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