

BANKING/ FINANCE

London Law Firms Face Reckoning After 2022's 'Pay Scale Mess'



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Many of the U.K.'s top law firms upped salaries for newly qualified lawyers to as much as \$120,600 this year to narrow the gap with top U.S. firms in London.

by Irina Anghel

London's biggest law firms paid generously to secure the brightest young recruits they could this year. Meeting those salary pledges next year will be a lot tougher with revenues from deal-making expected to slow dramatically.

Many of the U.K.'s top law firms upped salaries for newly qualified lawyers to as much as £100,000 (\$120,600) this year to narrow the gap with top U.S. firms in London. But the value of initial public offerings in the U.K. capital, a key source of cash for law firms which advise on these deals, fell in the first half of 2022 to the lowest since 2008. With the U.K. already on the brink of recession, a reckoning of sorts may be coming.

London's top firms and their largest U.S. rivals made "a real mess of the pay scales," Nigel Knowles, chief executive officer of law firm DWF Group, said in an interview. DWF instead decided to offer junior lawyers shares in the company this year, admittedly not an option for the majority of firms that aren't listed.

"If you're heavily reliant on corporate finance, you've not had the sort of work this year that you've had previously so that means that when people leave, you probably won't replace them," said Knowles.

Macfarlanes, one of the London firms that lifted salaries to match better-paying local firms, declined to comment. The five London-based firms that make up the so-called Magic Circle — Clifford Chance, Allen & Overy, Freshfields Bruckhaus Deringer, Linklaters, and Slaughter and May — either declined to comment or respond to requests for comment.

Finding the revenue to cover the spike in salaries without squeezing profitability will be tough, says Nick Roome, head of KPMG legal services in the U.K. One way firms can try and ease the cash crunch is to slim down their payroll and trade up to more lucrative clients, he says.

"They're probably going to do less, narrow their business models towards the super premium activity that can

support that sort of cost base," Roome said. "You are going to see some areas of law that they'll decide to stop doing."

That may in turn provide voids other law firms can fill. Top U.S. law firm Skadden, Arps, Slate, Meagher & Flom sees the slowdown in dealmaking as a chance to expand across Europe, says Pranav Trivedi, a partner and head of Skadden's London office.

Global dealmaking fell to \$3.5 trillion in 2022, down by almost a third from last year's record activity, due to a cocktail of inflation, higher interest rates and geopolitical woes. Law firms predict a further slowdown in mergers and acquisitions and IPOs next year.

Still, investors will always be looking for distressed assets in a downturn they can snap up cheaply, providing a boon to law firms. Kon Asimacopoulos, a restructuring partner at Kirkland & Ellis in London, says that's just getting started, and will peak in the first half of 2023.

That's part of how law firms will increasingly focus on recession-proof practice areas in 2023. Litigation, insurance, arbitration and restructuring usually see an increase in activity when the mood turns sour — and London is viewed as the center of global arbitration.

Kirkland is already seeing a "material uptick" from distressed companies calling on lawyers to help them restructure, according to Asimacopoulos.

Meanwhile in London, Skadden has started hiring in insurance and regulatory work, as well as for litigation and arbitration. And Manchester-based DWF just completed its acquisition of Whitelaw Twining Law, which specializes in insurance litigation this month.

Multinationals will also be under pressure to cut costs by reducing the number of firms they retain. Companies that have recently refreshed their legal roster have tended to reduce the number of law firms while expecting greater reach from those they keep, said Knowles.

"You've either got to be super niche or you've got to be global," Knowles said.

Irina Anghel reports for Bloomberg News.



CITY OF DORAL NOTICE OF ZONING WORKSHOP

All residents, property owners and other interested parties are hereby notified of a **Zoning Workshop** on **Thursday, January 12, 2023 at 6:00 p.m.** The Meeting will take place at the City of Doral, Government Center, Council Chambers located at 8401 NW 53rd Terrace, Doral, Florida, 33166.

The following application will be presented:

HEARING NO.: 23-01-DOR-02

APPLICANT: Nazari Associates VI, LLC (the "Applicant")

PROJECT NAME: Nazari Mobil

PROPERTY OWNER: Efraim Saragovia

LOCATION: 10895 NW 41 Street, Doral, Florida 33178

FOLIO NUMBER: 35-3019-030-0010

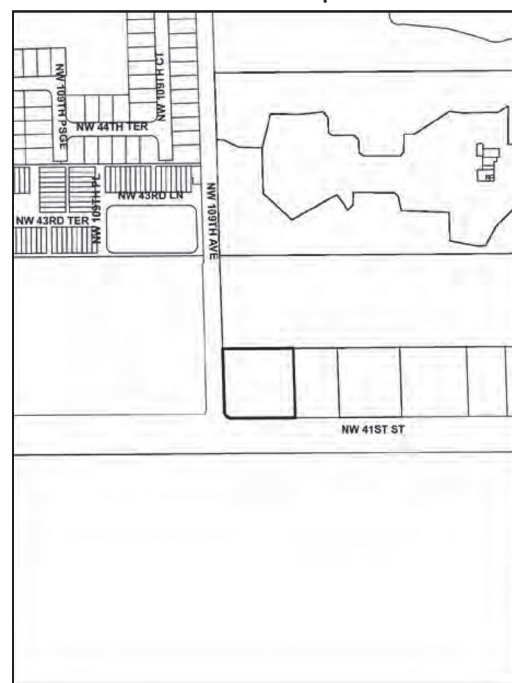
SIZE OF PROPERTY: ±1.53 acres

FUTURE LAND USE MAP DESIGNATION: Business

ZONING DESIGNATION: Commercial Corridor District (CC)

REQUEST: The Applicant is seeking to modify the existing gasoline station consisting of a 6,018 square foot dispenser canopy and a 5,029 square foot convenience store comprising of retail use and a car wash. The applicant is proposing an additional 689 square foot car wash, increasing the total convenience store structure to 5,718 square feet.

Location Map



ZONING WORKSHOP PROCESS: The zoning workshop consists of two sessions:

1. **First Session.** The first session of a zoning workshop shall provide a forum for members of the public to learn about proposed developments within the city. Developments may be presented to the public simultaneously, in several locations within the meeting site. During this session, members of the public are encouraged to ask questions and to provide feedback to the applicant about the proposed development. The applicant shall provide visual depictions, such as renderings, drawings, pictures, and the location of the proposed development. In addition, representatives of the applicant shall be available to answer questions that members of the public may have about the proposed development. The members of the City Council shall not be present during the first session of the zoning workshop.

2. **Second Session.** The second session of a zoning workshop shall provide a forum for the City Council to learn about the proposed developments discussed at the first session of the zoning workshop. No quorum requirement shall apply. Developments shall be presented by the applicants sequentially, one at a time, for the City Council's review and comment. The applicant shall again present visual depictions of the proposed development. In addition, the applicant shall be available to answer any questions that members of the City Council may have about the proposed development.

No quorum requirement shall apply nor will any vote on any project be taken, but roll call will be taken, as it is a publicly noticed meeting.

Information relating to this request is on file and may be examined in the City of Doral, Planning and Zoning Department located at **8401 NW 53rd Terrace, Doral, FL 33166**. Maps and other data pertaining to these applications are available for public inspection during normal business hours in City Hall. Inquiries regarding the item may be directed to the Planning and Zoning Department at 305-59-DORAL.

In accordance with the Americans with Disabilities Act, all persons who are disabled and who need special accommodations to participate in this meeting because of that disability should contact the Planning and Zoning Department at 305-59-DORAL no later than three (3) business days prior to the proceeding.

NOTE: If you are not able to communicate, or are not comfortable expressing yourself, in the English language, it is your responsibility to bring with you an English-speaking interpreter when conducting business at the City of Doral during the zoning application process up to, and including, appearance at a hearing. This person may be a friend, relative or someone else. A minor cannot serve as a valid interpreter. The City of Doral DOES NOT provide translation services during the zoning application process or during any quasi-judicial proceeding.

NOTA: Si usted no está en capacidad de comunicarse, o no se siente cómodo al expresarse en inglés, es de su responsabilidad traer un intérprete del idioma inglés cuando trate asuntos públicos o de negocios con la Ciudad de Doral durante el proceso de solicitudes de zonificación, incluyendo su comparecencia a una audiencia. Esta persona puede ser un amigo, familiar o alguien que le haga la traducción durante su comparecencia a la audiencia. Un menor de edad no puede ser intérprete. La Ciudad de Doral NO suministra servicio de traducción durante ningún procedimiento o durante el proceso de solicitudes de zonificación.

Connie Diaz, MMC
City Clerk
City of Doral