

THE FIRM

Baker McKenzie Adopts Black Box System for Equity Partner Pay



DIEGO M. RADZINSCHI

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by Meghan Tribe

Baker McKenzie quietly moved to a black box compensation system for its equity partnership in North America at the end of last summer, The American Lawyer has learned.

The leadership of the 4,719-lawyer firm made the change to its equity partner compensation model following the end of its 2018 fiscal year, which ran from July 1, 2017, to June 30 of last year, said multiple sources with knowledge of the firm's decision.

Baker McKenzie declined to comment.

The global legal giant began rolling out its decision in August 2018, alerting partners of the change via email with a subsequent conference call coming later that month to discuss the changes in its North America compensation model, sources said.

In closed or so-called black box systems, partners' compensations are typically determined by managing partners or management committees, and their compensation is not shared with anyone else at the firm.

Baker McKenzie's recent switch is a departure from the previous open and transparent model the firm has implemented for its equity partners for years, said sources familiar with the matter.

With the change to a closed compensation model, Baker McKenzie joins the ranks of other large law firms that have a black box model, such as Greenberg Traurig, Jones Day, Sidley Austin and Snell & Wilmer.

And like other compensation approaches, there are benefits and disadvantages to the black box system.

Closed compensation models can promote collaboration and prevent infighting about partner pay. They could also be a good mode for recruitment because they have more flexibility to give lateral partners premiums without upsetting the rest of the partnership, said Meredith Frank, a recruiter and managing director at Major, Lindsey & Africa.

However, with the lack of transparency in a closed system, there could be a fear that this will lead to unfairness in compensation decisions, she said.

"It is very challenging for firms to go from a totally open comp system to a closed comp system," Frank added. "I think it's probably easier to go in the opposite direction."

But there are firms that have recently headed in that direction other than Baker McKenzie. Fried, Frank, Harris, Shriver & Jacobson overhauled its compensation system and adopted a partial black box model for partner compensation in recent years.

Frank said that she would be surprised if other law firms followed suit. Partners already in open models typically prefer open compensation systems while those often in closed systems prefer more transparency, Frank said.

According to Major Lindsey's 2018 Partner Compensation Survey, partners in open compensation systems report higher average compensation, higher average origination and are more likely to classify themselves very satisfied with their compensation transparency than partners in partially open or closed systems.

And when it came to change, 69 percent of partners in closed compensation systems said they would like to see aspects of their compensation change. This is compared with 60 percent of total respondents who said they wanted to see some change.

"I don't think we're going to see this trend [of adopting closed systems] and if anything I think the statistics and the data that we've amassed in our compensation surveys would lead me to conclude that at some point some firms may move in the opposite direction," she added.

Meghan Tribe is a reporter covering the changing face of Big Law, from lateral moves and work-from-home programs to diversity initiatives. Contact her at mtribe@alm.com. On Twitter: @TribeMeghan



CITY OF DORAL NOTICE OF PUBLIC HEARING

All residents, property owners and other interested parties are hereby notified of a **Council Zoning Hearing** meeting on **Wednesday, March 27, 2019 beginning at 6:00 PM**, to consider the following non-use variance to the Land Development Code. This meeting will be held at the **City of Doral, Government Center, Council Chambers located at 8401 NW 53rd Terrace, Doral, Florida, 33166.**

RESOLUTION No. 19-

A RESOLUTION OF THE MAYOR AND THE CITY COUNCIL OF THE CITY OF DORAL, FLORIDA, APPROVING/DENYING A NON-USE VARIANCE FROM SECTIONS 53-127 AND 68-824 OF THE LAND DEVELOPMENT CODE, TO PERMIT A REAR SETBACK OF 3 FEET WHERE 5 FEET ARE REQUIRED AND TO PERMIT THE INTERIOR SIDE SETBACKS OF 0.46 INCHES, WHERE THE PERMITTED MINIMUM INTERIOR SETBACK IS FIVE (5) FEET FOR A PROPOSED 1-STORY WAREHOUSE BUILDING FOR A PROPERTY LOCATED SOUTH OF NW 55 STREET BETWEEN NW 78 AVENUE AND NW 77 COURT, DORAL, FLORIDA; AND PROVIDING FOR AN EFFECTIVE DATE

HEARING NO.: 19-01-DOR-11

APPLICANT: Manny Mendez

PROJECT NAME: Non-Use Variance for Rear and Interior Setbacks

PROJECT OWNER: M and R Twin Group, Inc.

LOCATION: Located South of NW 55 Street between NW 78 Avenue and NW 77 Court

FOLIO NUMBER: 35-3022-001-0880

SIZE OF PROPERTY: ± .16 Acre (6,988 Sq. Ft.)

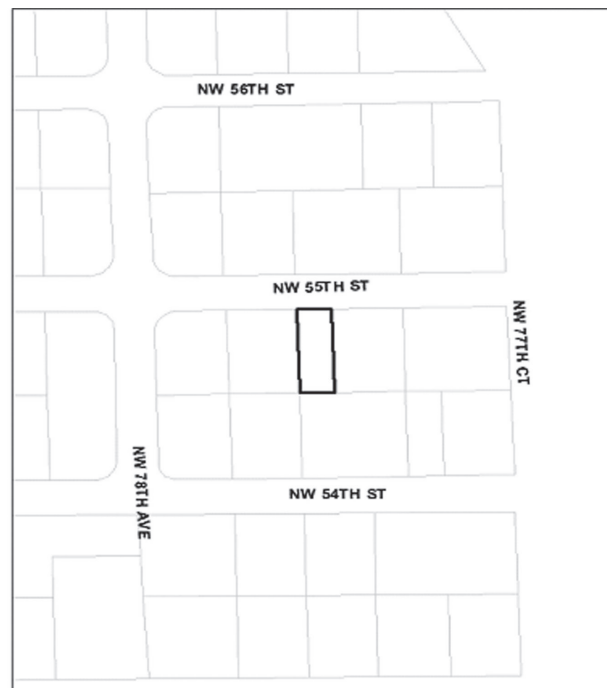
PRESENT LAND USE: Industrial

PRESENT ZONING: Industrial

REQUEST: A request for approval of a non-use variance to permit a rear setback of 3 feet where 5 feet are required and to permit the interior side setbacks of 0.46 inches, where the permitted minimum interior setback is five (5) feet pursuant to Sections 53-127 and 68-824 of the Land Development Code, respectively.

LEGAL DESCRIPTION: 22 53 40 .16 AC, AIRPORT GARDENS PB 48-41, W1/2 LOT 76, LOT SIZE 6988 SQ FT, OR 12174-1203 0684 1, F/A/U 30-3022-001-0880

Location Map



Information relating the subject application 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**. All persons are invited to appear at this meeting or be represented by an agent, or to express their views in writing addressed to the City Clerk, **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. Any persons wishing to speak at a public hearing should register with the City Clerk prior to that item being heard. Inquiries regarding the item may be directed to the Planning and Zoning Department at 305-59-DORAL.

Pursuant to Section 286.0105, Florida Statutes If a person decides to appeal any decisions made by the City Council with respect to any matter considered at such meeting or hearing, they will need a record of the proceedings and, for such purpose, may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based. This notice does not constitute consent by the City for introduction or admission of otherwise inadmissible or irrelevant evidence, nor does it authorize challenges or appeals not otherwise allowed by law. 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 interpretation 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 durante el proceso de solicitudes de zonificación.

Connie Diaz, MMC
City Clerk
City of Doral