



Results of Survey on Outside Directors in Large US Law Firms

Number of Firms Surveyed - 192
Number of Responses – 49
Percentage Rate of Response – 26%

Does your firm’s primary governing group (Executive or Management Committee, Board, etc.) include any members who are not partners in or employed by the firm?

Governing Group Include Members Who Are Not Partners In Or Employed By Firm		
Yes, in a voting capacity	0.0%	0
Yes, but only in a non-voting capacity	4.1%	2
No	<u>95.9%</u>	<u>47</u>
Totals	100.0%	49

How many members (insiders and outsiders) are in the group?

Number of Members (Insiders and Outsiders) in Group	
Mean	12.50
Minimum	11.00
Maximum	14.00

How many “outsiders” are there in the group?

Number of Outsiders In Group	
Mean	1.00
Minimum	1.00
Maximum	1.00

Are they (outsiders) paid for their services?

Outsiders Paid For Services		
Yes	100.0%	2
No	<u>0.0%</u>	<u>0</u>
Totals	100.0%	2

How are they paid?

Rate is:		
Hourly	0.0%	0
Daily	0.0%	0
Yearly	50.0%	1
Annual salary	50.0%	1
Other	<u>0.0%</u>	<u>0</u>
Totals	100.0%	2

Are outsiders reimbursed or paid for their expenses to attend meetings?

Outsiders Reimbursed		
Yes	100.0%	1
No	<u>0.0%</u>	<u>0</u>
Totals	100.0%	1

How many meetings are outsiders expected to attend per year?

Number Of Meetings Outsiders Are Expected To Attend Per Year	
Mean	3.00
Minimum	3.00
Maximum	3.00

What are the backgrounds/positions held by your outsider(s)? (Check all that apply.)

Backgrounds/Positions of Outsider(s)		
Business executive, not a client	0.0%	0
Client business executive	0.0%	0
Corporate counsel, not a client	0.0%	0
Corporate counsel, client	0.0%	0
Lawyer in another firm	0.0%	0
Retired lawyer, previously a firm partner	0.0%	0
Lawyer retired from another firm	0.0%	0
Management consultant	0.0%	0
Other	100.0%	1
Economist		

Why are outsiders not included in your governing group? (Check all that apply.)

Do not believe outsiders are permitted under our professional rules.	10.2%	5
Never considered it.	65.3%	32
Considered, but rejected the idea because:	8.2%	4
Might compromise client privilege	8.2%	4
Do not want to expose our decision-making to outsiders	6.1%	3
Could not agree whom to invite	4.1%	2
Under our rules, only lawyers could serve as an outsider (and do not want to share our business decisions with other lawyers)	4.1%	2
Other reason(s) — please specify:	22.4%	11

Other reasons:

- Considering but professional conservatism is impeding progress
- Considered it but needs further informed thinking.
- Under our partnership agreement, only active partners can be on the Committee.
- There are other ways to obtain input from non-firm members.
- Undermines independence. Also, stupid per se!
- If we considered, would have to have partnership amend partnership agreement.
- Would not be helpful.
- Not highest priority.
- Have considered from time to time.
- Our partnership agreement.
- As a private business we have no outside interests that call for outside directions as with a public organization. For input we look to consultants.

If professional rules specifically allowed outside nonlawyer directors, would you consider it?

Allow Outside Nonlawyer Directors, Would You Consider Them?		
Yes	35.0%	14
No	<u>65.0%</u>	<u>26</u>
Totals	100.0%	40

Whether or not you have outsiders in your governing group, do you have an outside **Advisory Board that meets regularly to provide guidance to management?**

Have an outside Advisory Board that meets regularly to provide guidance to management		
Yes	0.0%	0
No	<u>100.0%</u>	<u>47</u>
Totals	100.0%	47