



Addressing Law Firm Liabilities

Executive Compensation and Benefits



It has become increasingly difficult for large law firms to effectively address the cash flow requirements of their mostly unfunded or underfunded partner retirement programs. Some firms, facing a growing number of retired partners, are experiencing turnover among active partners concerned with their firm's expanding retirement liability.

The demise of several major firms and concern with avoiding a similar result is forefront in the minds of management and partners at many large organizations.

THE A&M ADVANTAGE

Alvarez & Marsal Executive Compensation and Benefits (A&M) has considerable experience consulting with professional firms to address these concerns. We help develop the most tax efficient, cost effective and creditor protected ways of addressing their retirement obligations in a responsible, systematic and equitable manner.

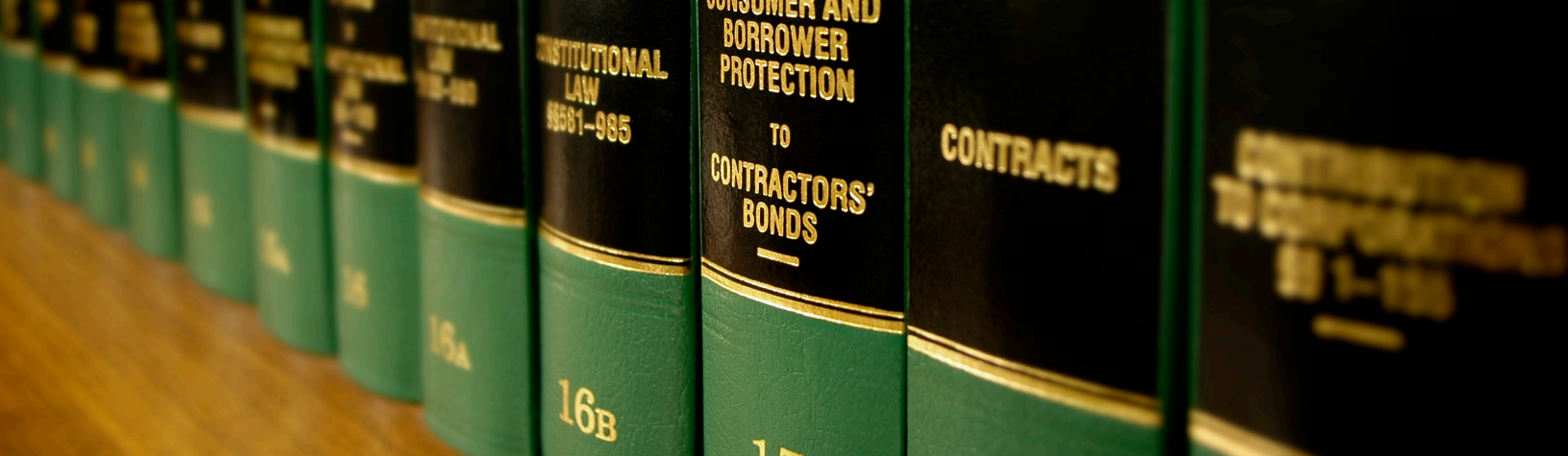
In working with law firms, we have identified three common themes that underlie the most serious concerns:

- How to fund the firm's partner retirement / buyout obligations
- The need to provide lifetime, tax-favored death benefit liquidity
- Partners' desire for a tax-favored and creditor-protected asset accumulation vehicle

These concerns require addressing three key issues:

- Quantifying current and future firm retirement liabilities, as well as projecting when those future obligations must be paid to retiring partners
- Allocating contribution costs among active partners in an equitable manner that is acceptable to both younger and older partners
- Protecting accumulated assets from firm creditors

These issues are complex and no single solution will apply to all firms. Therefore, an understanding of a company's unique requirements is essential.



A&M has developed specifically-tailored solutions for large professional firms that addressed several key factors:

- Critical incentives for both junior and senior partners with very different financial concerns
- An efficient blend of funding vehicles, tied to the timing of the required benefit payouts
- Appropriate investment and tailored insurance funding arrangements
- A structure that blends these factors into a tax efficient, cost effective and creditor-protected solution.

Our team is dedicated to providing comprehensive, unbiased solutions to your deferred / retirement liabilities. We offer unparalleled consulting expertise including tax, legal, accounting, actuarial, investment and insurance professional disciplines.

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ABOUT ALVAREZ & MARSAL

Companies, investors and government entities around the world turn to Alvarez & Marsal (A&M) when conventional approaches are not enough to activate change and achieve results.

Privately-held since 1983, A&M is a leading global professional services firm that delivers performance improvement, turnaround management and business advisory services to organizations seeking to transform operations, catapult growth and accelerate results through decisive action. Our senior professionals are experienced operators, world-class consultants and industry veterans who draw upon the firm's restructuring heritage to help leaders turn change into a strategic business asset, manage risk and unlock value at every stage.