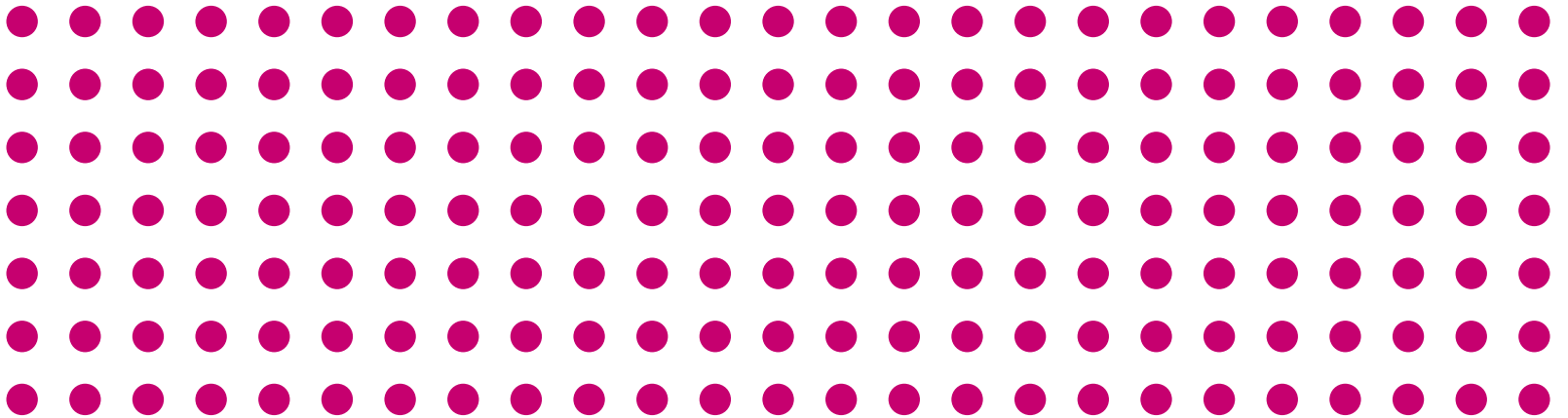


Linklaters



PASSING THE FLAME

 175
YEARS

.....
“Tradition ist nicht die
Anbetung der Asche, sondern
die Weitergabe des Feuers”
- *Gustav Mahler (1860-1911)*

Tradition is not the
veneration of the ashes but
the passing of the flame.
.....



175
YEARS

FOREWORD

Passing the Flame is a book not only about the firm's past, but it is also about our present and our future. It tells the story of how the firm came to be what it is today and how certain strands – putting clients front and centre, positive action in the face of adversity, and regular doses of good humour – have remained constant through to today and doubtless beyond.

Linklaters is at the centre of this story. But this is also the story of our clients and our markets, and of the environment and the times in which the firm has lived. It is the tale of how a two-partner firm of London solicitors advising small troubled businesses following the banking crisis of the 1830s grew to become one of the leading global law firms of today.

Passing the Flame comes from a quotation attributed to the composer Gustav Mahler, although there are some suggestions that it may originally have been made by Sir Thomas More. The words (on the frontispiece) tell us that the value of history lies not in dwelling on the past but rather in how each generation learns, carries forward and builds on, the legacy of its forebears. The flame at Linklaters burns bright.

As we celebrate our 175th year, I would like to thank our clients for their continued confidence and trust in us, and to all Linklaters men and women – both current and former – who have created this great firm.

I hope you enjoy the book.

Robert Elliott
Chairman and Senior Partner

AUTHOR'S NOTE

Passing the Flame is the history of a remarkable law firm. The story tells of the development of a firm from small beginnings to a leading global operation, of the individuals who shaped that development, of the often inspirational brilliance of its lawyers – and of the successes and setbacks that inevitably come with any organisation that is people-driven. One thing the firm certainly isn't, is conventional.

In that spirit, I have endeavoured to write a book that is not just another corporate history. Here are some differences that readers will notice. First, in the book's structure. Narrative chapters alternate with "themed" chapters (areas of practice; internationalisation; culture; and strategy). The intention is to offer readers scope for selecting areas that might interest them the most. Those who are inspired to read the whole book will find some areas of overlap and occasional repetition; this is intentional.

Second, within each chapter, there are separate profiles of individuals, self-contained items or stories, and what might be considered to be random facts or anecdotes. Each, however, has a bearing on the history which taken together paint a picture of the firm.

Third, I was keen to reflect the contribution made to the firm's history by people at all levels of the firm. Law firms' histories tend to be dominated by the input of partners. I felt this was an opportunity to give voice to those whose experiences might not otherwise be aired – and, in some cases, in their own words (what I have called "Tales", an idea, if not the style, borrowed from Chaucer's *Canterbury Tales*).

Fourth, I have endeavoured to write the history in an accessible, readable way that I hope will entertain as much as inform. The use of the present, rather than past tense, is intended to make the stories more personal and immediate. I want to convey the impression of those being interviewed talking directly to the reader.

Linklaters held nothing back. I have been given full access to documentary materials. Among the documents I used as

source material were internal newsletters dating back to 1969, management papers to 1964 (when the partnership first established a management body) and, to my great surprise, accounts to 1881. However, my primary sources were the hundred or so interviews I conducted during the course of 2012. This process was an absolute pleasure: but for the need to publish the book in time for the 175th anniversary I could happily have continued meeting and interviewing people.

One hundred can only ever be a small cross-section of the many thousands who have passed through the firm over the years. I hope that others will identify with their experiences and, for those whose contribution has not been directly recognised, that they can take vicarious pleasure in reading about others. The firm, after all, comes first. It is for that reason that we have not included an index. It is my intention that readers can find plenty to interest them, whether picking up the book for a few minutes or settling down for a long read.

Finally, some acknowledgements and thanks. I could not have written this book without drawing heavily on the firm's earlier history – *Linklaters & Paines: the first 150 years* by Judy Slinn. I acknowledge a big debt of gratitude. I am also very grateful to all those who took the time to be interviewed, and to respond to my many requests for further information. I wish to extend my thanks in particular to Charles Allen-Jones, whose recounting of his knowledge of the firm was invaluable and who offered vital guidance and corrections, and to Richard Godden, who provided the inspiration for the structure of the book and who also offered insightful comments. However, the mistakes, omissions and judgements rest with me and no one else (which, given I am dealing with lawyers, I offer with some trepidation).

I hope readers enjoy reading the book as much as I have enjoyed writing it.

Humphrey Keenlyside
March 2013

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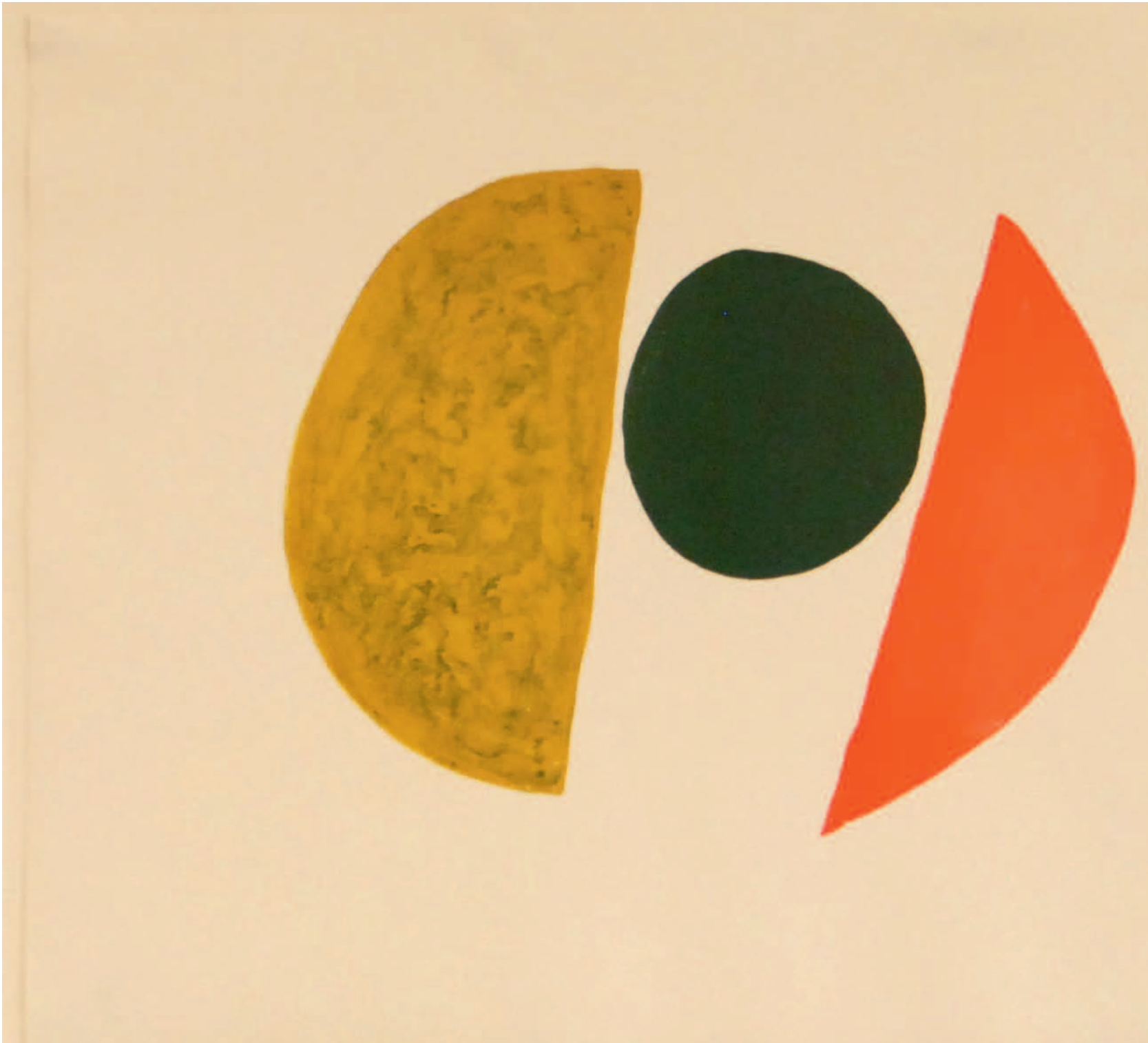
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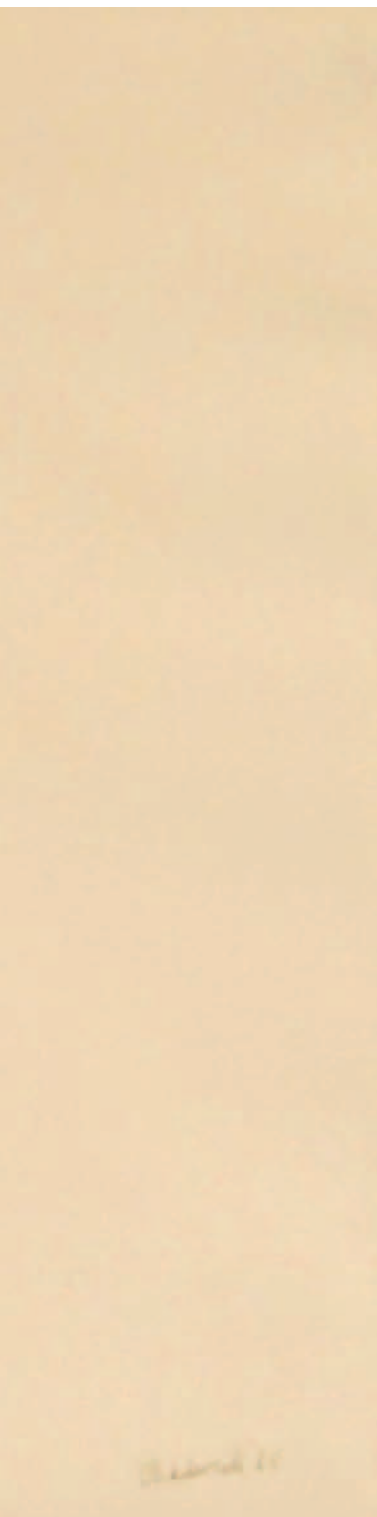
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01

LINKLATERS AND PAINES: 1838-1920



Lynn Chadwick, Moon Series B 1965, lithograph 39/70, 50x65cm

SAME VISION, SEPARATE PATHS

For any aspiring commercial lawyer, London was as much the place to go in 1838 as it is in 2013. The heart of the nation's enterprise, legal as well as illicit, it throbbed with commercial activity. It was also a port and trading centre, and that is what lured Robert Linklater from Shetland in Scotland around the start of the 19th century. He set up in business in Wapping High Street (just to the east of the City of London) as an importer of Irish and foreign "provisions". His oldest son, Thomas, joined the business. The second and third of his sons, John and James, went into the law.

John Linklater was, by all accounts, an ambitious young man. He found "articles" (an apprenticeship) with one Julius Maitland Dods in the latter's practice at 6 Northumberland Avenue, off the Strand. Julius Dods had founded the law practice in the wake of the Napoleonic Wars to capitalise on the commercial boom that followed the cessation of hostilities. That boom was succeeded by a financial crisis, precipitated by the issue of many false prospectuses and the collapse of 50 banks. Julius Dods, as a consequence, developed a reputation for advising small businesses faced with bankruptcy. When the young, bright John Linklater applied to join the thriving practice, he found a ready welcome.

John Linklater was admitted as a solicitor in the Easter term of 1838 at the age of 21, and was immediately taken on as Julius Dods' partner. No other person since in the history of Linklaters has been made a partner directly on qualification, which is both a recognition of his natural legal ability but perhaps also the product of circumstance. Dods & Linklater thus came into existence in the same year that Queen Victoria ascended to the throne.

John Linklater's younger brother, James, joined the firm four years later and was taken on as a partner in 1843. Dods & Linklater became Dods & Linklaters, marking the first appearance of the plural of the name which has endured since. When Julius Dods left to practise once more on his own, in 1845, the practice became known, not as Linklaters (which would have suited the purposes of the firm's history very nicely) but as J. & J.H. Linklater. Curiously, on the letterhead, the firm referred to itself as "Messrs. Linklater". They moved offices fairly frequently (see chart, page 8), mostly to be closer to the City and further away from the more western areas of the capital. Of the brothers, John was the driving force, although hampered by ill health. James continued to practise until 1879.

Thomas Paine hailed from Norfolk. He was part of the same family as the radical 18th century political philosopher, also called Thomas but more usually known as Tom. Tom Paine was much

influenced by the French Revolution, which inspired him to call for American independence in his pamphlet, *Common Sense*, in 1776 and his most famous polemic, *The Rights of Man*, in 1791.

Thomas Paine's great grandson, Hugh, a partner in the firm from 1961-1983, has in his possession first editions of both pamphlets. These were used to great effect by another partner, David Lloyd, in a pitch during the early 1990s, as he explains: "I asked Hugh if I could borrow them, and he sent them to me through the internal post. We were pitching for a job from an insurance company in New York. After I had finished my presentation, I slipped into conversation the Tom Paine connection with the firm and, with a flourish, produced the first edition of *The Rights of Man*. This was then handed around the room, and greeted with awe and reverence. It was our crowning glory, and of course we got the job!"

Thomas Paine completed his articles with a solicitor in the Norfolk seaside town of Yarmouth, Harry Worship. There, Thomas Paine learnt about banking law, as the firm represented the town's largest bank, and the finer points of land law. He was curious to learn more, he wrote, about the "subtle and artificial distinctions by which a great deal of English property law was surrounded".

London held more attractions for Thomas Paine. During one visit, he took in the zoo, ate out at Bertolini's Restaurant, near Leicester Square, and finished the day's entertainment with a trip to the theatre. The following day, he was to be found slumbering on his stool in the office (lawyers then working on stools at high desks).

Professionally, too, he felt that London offered more than Yarmouth. He was, like John Linklater, ambitious. "Fortunately," he wrote in his memoir, "youth does not long allow itself to be kept down by sad anticipations." He moved to London in 1843, taking his final exams that same year.

In London, he secured pupillage with a barristers' chambers in New Square, Lincoln's Inn. He then switched profession, moving to the practice of a solicitor, Timothy Tyrell, where he started on 21 June 1844. While his senior took on private clients, Thomas Paine was delegated to look after the firm's "railway business". He was invited to become a partner in the firm in 1849; and the firm became Tyrell & Paine. The firm's offices were in Guildhall Yard, very close to the site where Barrington House, the offices of Linklaters & Paines for 40 years, would be built 100 years later.

Like his more famous forebear, Thomas Paine was interested in politics. He took a special interest in the Anti-Corn Law League, which was campaigning against legislation that imposed import



Partners and staff dinner, Linklater & Co, 1908.

WHAT MAKES A GOOD LAWYER, ACCORDING TO THOMAS PAINE



“A certain amount of ability and willing and continuous application;

A fairly good knowledge of the principles of law in most of its departments;

Quickness and alertness in pushing through and completing business;

An endeavour to carry on business upon pleasant terms with those one has to meet;

Truthfulness and straightforwardness. There is nothing which gives a man the confidence of his professional brethren so quickly as the experience that his word and engagement when given are to be absolutely relied upon.”

duties on cheap grain. He attended meetings at which the League’s two principal founders, Richard Cobden and John Bright, spoke.

At this point, the paths of John Linklater and Thomas Paine had not crossed.

As the second half of the 19th century unfolded, the Linklater brothers were joined in their practice by William Hackwood, who became an expert in bankruptcy, and by Joseph Addison and Harold Brown. The Addison and Brown families would go on to have a major influence on the firm over the course of the next hundred years. When each of those became partners, the firm became known as Linklater, Hackwood, Addison & Brown. (Hackwood was the name given to the firm’s UK nominee company which employed most of the firm’s staff; the name continued to be used throughout the 20th century.)

In 1870, John Linklater died at the comparatively early age (even for that period) of 53. His obituary attributed his death to the “unwearying and continuous exertions in his profession”. His youngest son, Francis, qualified as a solicitor; records show him working for the firm in 1878. However, he moved to New Zealand and then Belgium, before dying at the age of 37. John’s eldest son, John, was called to the Bar and later became a Registrar in Bankruptcy. James’s only son was also called to the Bar. With James Linklater leaving the partnership in 1879, and none of their sons continuing in the firm, this is the last time we come across a Linklater in person. However, the name endured. The theory is that, by then, there was such value in the name (what we would call a “brand” today) that the remaining partners wished to keep it.

From 1879 onwards, the firm’s fortunes depended on William Hackwood, Joseph Addison and Harold Brown. Harold Brown was rapidly becoming the firm’s leading light as an expert in company law, but also as someone who made his mark in other fields, including religion, politics and philosophy (see page 45). However, he did not seek personal glory, a trait which was handed down to the family. Keith Benham, his great grandson and a partner between 1973 and 1998, notes: “The Browns were very modest, which is why they were not bothered that the name remained Linklaters & Paines, even though the Brown family was dominant.”

In Thomas Paine’s memoir, *Recollections*, we get the first reference to what would today be known as the work/life balance. He wrote: “In all times, members of the legal profession have been celebrated for their capacity for enjoying their hours of ease after a healthy and rational manner.” But that is not to say that he did not work hard. He devoted much of his working life to the growing business of the North London Railway Company. Among his responsibilities, he drafted legislation.

In 1852, Tyrell and Paine were joined by Thomas Layton. Timothy Tyrell retired in 1857, after some apparently unprofessional dealings involving the sale of a building.

Thomas Paine’s son, Edgar, joined the firm as an articled clerk, becoming a partner in 1875, but he retired comparatively young in 1893. Another of his sons, William, became a partner in 1888.

There were other changes: Thomas Layton retired in 1879. James Cooper, who had been made partner in 1874, died in 1880. Shortly before, Harry Pollock joined the firm and was made partner



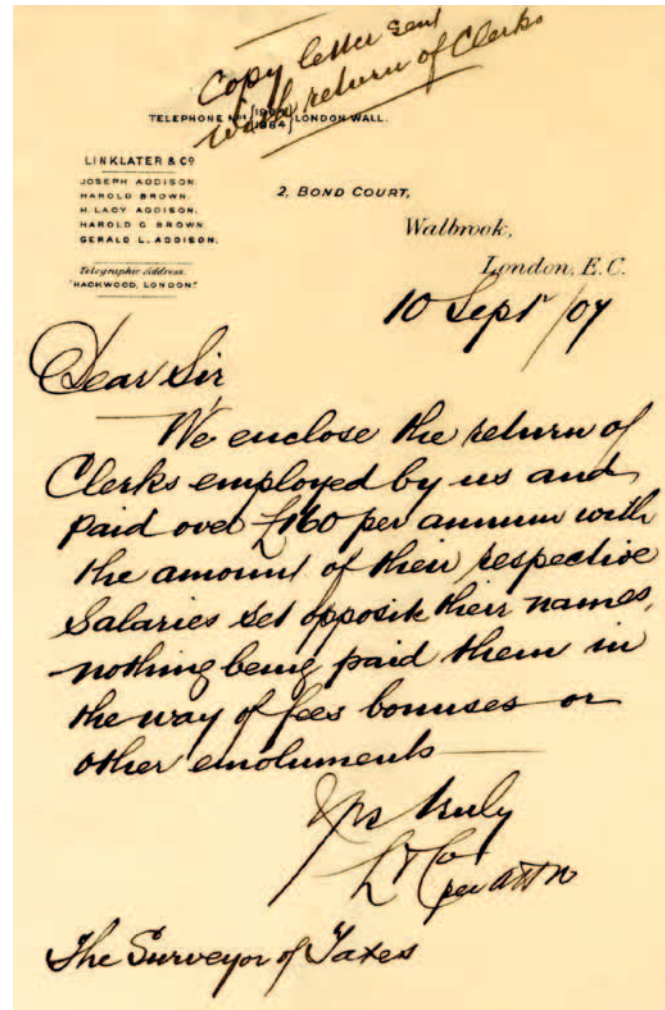
William Paine, then senior partner of the Paines side of the firm, assisted the Institute of Chartered Secretaries and Administrators to incorporate as a Royal Charter Body in 1891. Over the next 100 years, the institute's affairs were looked after by William Paine and just four other Linklaters partners (Harry Cohen, Godfrey Phillips, James Sandars and Alan Ground).

The firm also helped advise on the formation of the Institute for Fiscal Studies in 1967, which has developed into one of the most influential economic think tanks.

A BIG M&A DEAL, EARLY 20TH-CENTURY STYLE

In the early years of the 20th century, the Metropolitan Water Board was created following the acquisition of a number of private companies. The then incarnation of Linklaters advised on the transaction, which involved so much work that, for two years, the firm rented extra offices in Queen Anne's Gate. Nine clerks worked full-time on the transaction.

The Metropolitan Water Board continued to run London's water supplies until 1974. The firm's bill for the work done: £21,000 (equivalent to £2m in today's prices).



Copy of letter sent from Linklater & Co to the Surveyor of Taxes, 10 September 1907.

once James Cooper had died. The firm then became Paine, Layton & Pollock. Thomas Layton left the firm in 1885 to start up another firm. Harry Pollock left the firm in 1894 to become a Member of Parliament. In his place and that of Edgar Paine two new partners joined, John Huxtable and William Blyth.

By the start of the 20th century, both firms had passed the torch to the next generation, or were lining them up to succeed. Sir Thomas Paine retired from Paines, Blyth & Huxtable, aged 77, in 1898. He was succeeded by his son, William, as senior partner.

On the Linklaters side, two Harolds had been introduced, Harold, son of Joseph Addison, and Harold George, son of Harold Brown. Both would become partners. They were joined by another Addison, Gerald, in 1903. That made it, with six partners, a relatively large firm, now called Linklater, Addison, Brown & Jones. In 1906, Cutler

Jones left the firm to start up his own practice, it is thought, because he felt, as a non-family member, his chances of progress were slim.

What that meant was, in 1907, the firm once again became just Linklater & Co, all partners being members of the Addison and Brown families. The five partners were supported by 30 male clerks. Frederick Branson, Harold Brown's son-in-law, joined as a new partner in 1909.

In 1910, coincidentally, the joint senior partners, Joseph Addison and Harold Brown (senior), who were brothers-in-law, both died, after 15 years running the firm. They were succeeded by Harold Addison, who would continue as senior partner until 1933.

In 1918 ("for reasons which are unclear", according to *Linklaters & Paines: the first 150 years*), Linklater & Co merged with the firm of Surtees, Philpotts & Co, the first merger in the firm's history. The combined firm moved into offices in 2 Bond Court, which would be the base of operation until that building was destroyed in Second World War bombing. Bond Court had been bought in 1887 by Harold and Gerald Addison and Harold (George) Brown.

At Paines, Blyth & Huxtable, William Paine, the son of Thomas Paine, continued as senior partner of the firm until after the war, when he joined Lloyds Bank as general counsel. We can surmise that the relationship between Linklaters and Lloyds Bank, now one of the firm's longest-standing clients, dates from then. The first professional connection between the Linklaters and Paines firms appears to have occurred when a Linklaters assistant, Granville Tyser, moved to Paines, Blyth & Huxtable in 1916. However, there were connections at a social level: William Paine and Harold Addison were both members of the City Law Club. Perhaps over glasses of port they ruminated over the possibility of their two firms joining forces.

In any event, when William Paine left the firm in 1918 and the following year Granville Tyser left to join a merchant bank, the three remaining partners (John Huxtable, Harry Knox and Harry Cohen) decided that they would merge with Linklater & Co. Or did they? During the First World War, the profits at Paines, Blythe & Huxtable fell for the first three years, and were half in 1916 what they had been in 1912, and commercial work dropped off. In this scenario, they may have had little choice but to fall into the lap of another firm – in this case, Linklaters. Or was the plan to merge hatched at the Ministry of Munitions, the government ministry created in 1915, at which, coincidentally, both William Paine and Harold (George) Brown were called upon to offer their services?

Whatever the reason or motivation, on 4 May 1920, the two firms signed a merger agreement to become Linklaters & Paines. The toll of the First World War on the UK had been immense. Three-quarters of a million Britons had been killed, the vast majority young men – what was called the "lost generation". It was estimated that the number of solicitors killed during the First World War cost the profession the equivalent of a year and a half's intake, without even considering those who would not be able to practise as a result of injury, either physical or mental.

Into this difficult environment, the new firm made its entry. It was sink or swim and, as the firm would show many times over in subsequent decades, the challenge brought out the best in its lawyers. ●

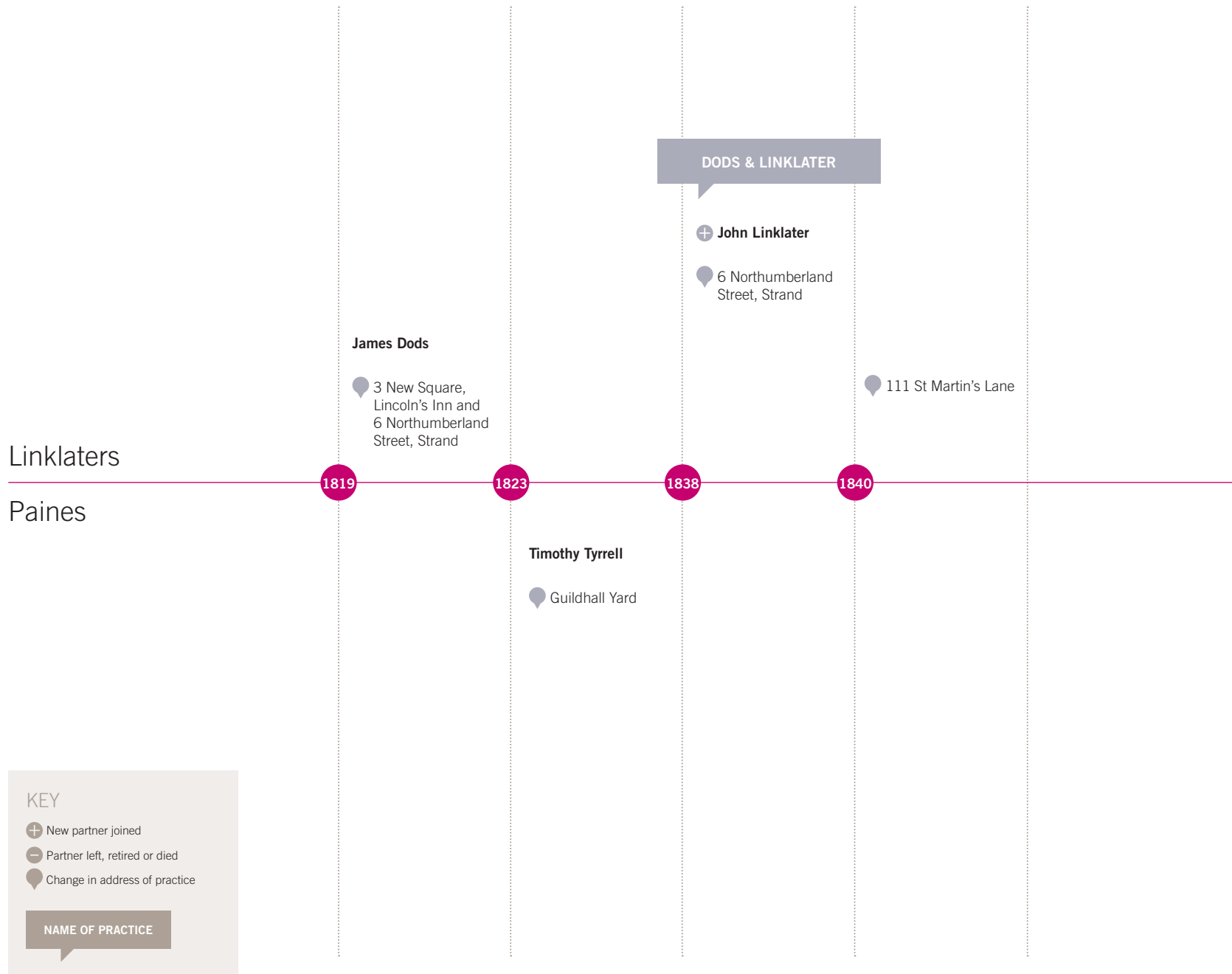
THE FIRM AND PRESIDENTS OF THE LAW SOCIETY



Over its history, Linklaters and its legacy firms have produced three partners who have become president of the Law Society, the professional body:

- > **1882:** Thomas Paine, the first president to be knighted and holding that office when Queen Victoria opened the new Royal Courts of Justice in the Strand.
- > **1896:** Joseph Addison.
- > **1992:** Mark Sheldon.

LINKLATERS AND PAINES: PEOPLE, OFFICES AND NAME CHANGES



DODS & LINKLATER

+ James Linklater

115 Leadenhall Street

1843

J & J. H. LINKLATER

- James Maitland Dods

1 Charlotte Row,
Mansion House

1848

1849



+ Thomas Paine

TYRRELL & PAINE

+ Thomas Edward Layton

TYRRELL, PAINE & LAYTON

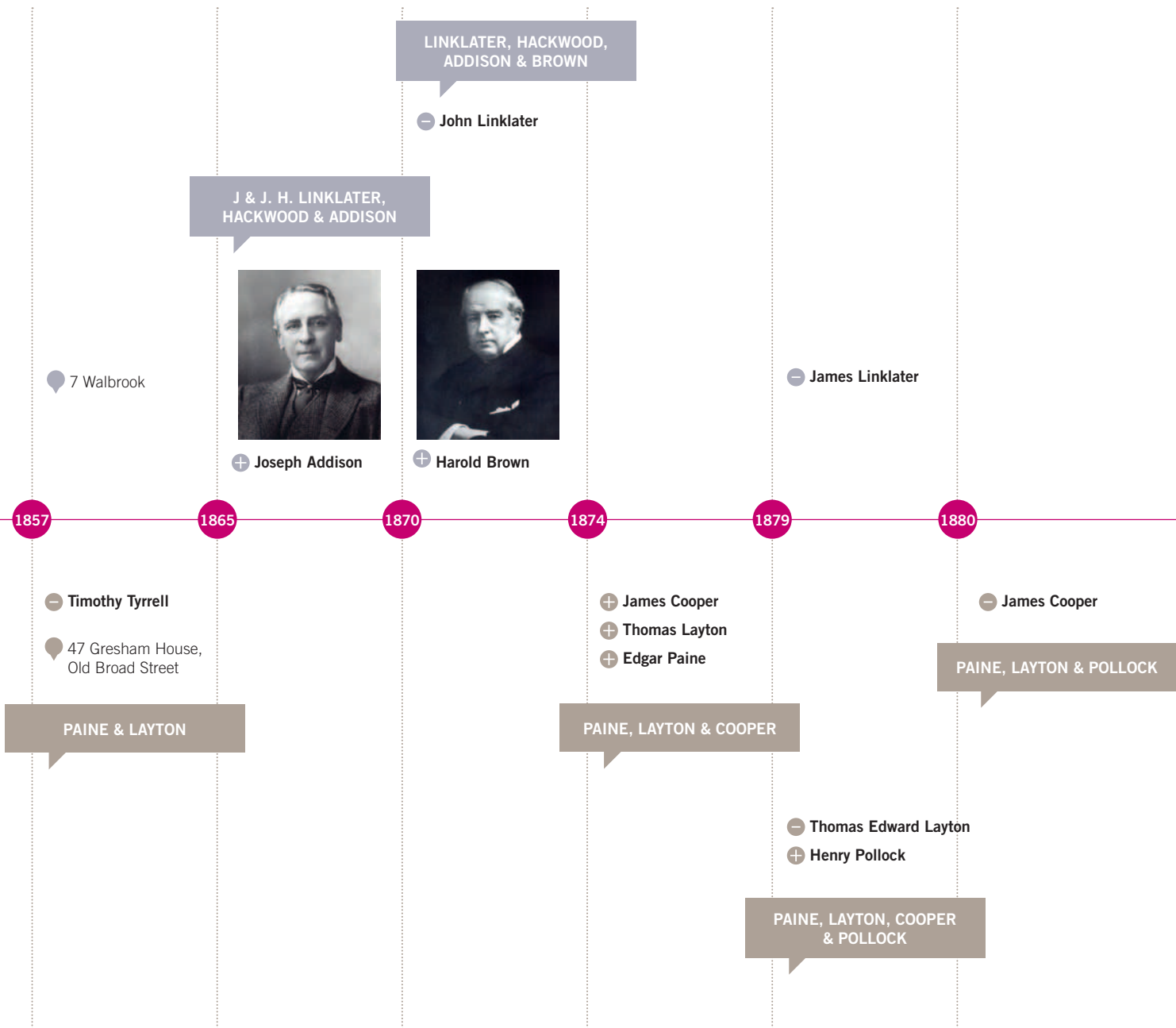
1852

17 Sise Lane,
Cannon Street

1855

J & J. H. LINKLATER
& HACKWOOD

+ William Hackett



1885

– Thomas Layton

PAINÉ, SON & POLLOCK

1886

14 St Helen's Place

1888

2 Bond Court,
Walbrook

+ William Paine



1893

- Edgar Paine
- Henry Pollock
- + William Blyth
- + John Huxtable

PAINES, BLYTH & HUXTABLE

1895

LINKLATER, ADDISON,
BROWN & JONES

- William Hackwood
- + Cutler Jones

1896

1898

– Thomas Paine

1902



+ Harold Addison



+ Harold George Brown

1903



+ Gerald Addison

1906

– Cutler Jones

1907

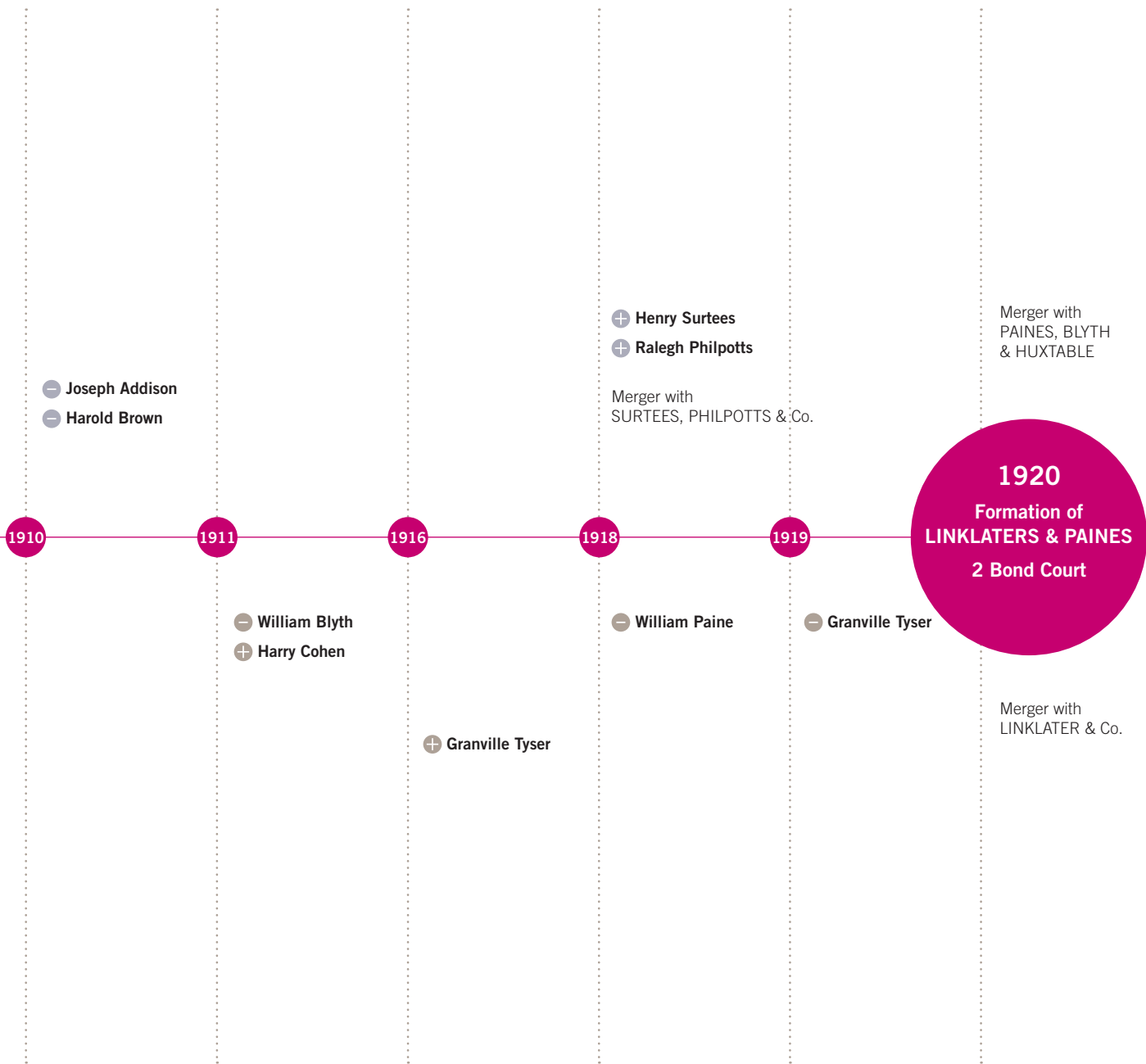
LINKLATER & Co.

1909

+ Harry Knox



+ Frederick Branson





Mark Pearson, Scape III 2002, acrylic polymer on canvas, 76x76cm

02

IN PRACTICE

MARKET FORCES

Linklaters is a commercial law firm. The firm advises on the legal aspects of doing business. Just as business has developed over the time that Linklaters has been in existence, so the nature of the firm's practice has adapted to meet the changing requirements of business. The process of change accelerated with the globalisation of business in the last quarter of the 20th century. This had an equally significant impact on the size and structure of the firm, the law that it practised and the clients for whom it acted.

The firm has often been in the forefront of changes in the commercial environment, significant market shifts or innovative legal developments. This chapter examines how the firm's practice has grown and adapted to the changing market over the course of its history.

When the nascent firm(s) started in the second decade of the 19th century, there was certainly a lot on offer by way of commercial law advice. The legal and regulatory environment supporting business was then in the process of major structural change. Finance was becoming more sophisticated. For the first time, banks were lending to businesses to finance their trade. Insurance was beginning to play a more significant role in business. London was becoming an international money market.



1926: Striking engineers crossing Blackfriars Bridge, London.

“Company” law, as an area of practice, can be traced back to this period. Both the Linklaters and Paines firms advised their business clients on establishing themselves as legal incorporations, under new legislation that was introduced in the middle of the 19th century. The Joint Stock Companies Acts of 1844 and 1856, which enabled businesses, for the first time, to set themselves up as incorporated companies, defined the core principles upon which companies could be created: registration, incorporation and limited liability. Limited liability, itself an innovation that had the effect of transforming business by reducing the investment risk for entrepreneurs, was extended to banks in 1858 and to insurance companies in 1862. The upshot was a surge of businesses wishing to incorporate as limited liability companies. In the six years following the passing of the 1856 Act nearly 2,500 companies were registered. Just as companies were being created, so others were collapsing as it became as easy for businesses to fail as to succeed.

Linklaters positioned itself as a commercial firm that could advise on the life cycle of companies. While John Linklater concentrated on advising on the establishment of business, William Hackwood, his articled clerk, became an expert in bankruptcy law. Harold Brown, who joined the firm later, was held in such high esteem that his views were sought by the government of the day on further changes to the law, which resulted in the Bankruptcy Act of 1883.

Meanwhile, within the Paines firm, a burgeoning area of work was in the field of investment trusts and the flotation of companies, particularly breweries. Family firms issued preference shares to the public under these flotations (the equivalent of IPOs), as an efficient way of raising capital, but would keep control of their businesses by retaining the majority of ordinary (voting) shares.

The 1920s, the first decade in which the newly merged firm Linklaters & Paines operated, was a period of ups and downs. There was a short post-war boom, but the General Strike of 1926 and the Wall Street Crash of 1929 made for a difficult environment. However, adapting to challenging market conditions proved to be good experience for other crises with which the firm would have to deal in subsequent decades.

In this period, Linklaters continued to enhance its reputation as a leading commercial law firm. Among its corporate clients were Associated Biscuits, The Great Universal Stores, the Manchester Brewery and Tate & Lyle, and among its “merchant” banks (the small UK investment banks) were Brown Shipley, Robert Fleming

and Lazards. The firm also counted the London Stock Exchange among its much-valued clients.

The corporate practice centred around Harold George Brown, the son of Harold Brown (see Profile, page 45), while a developing banking practice was handled by Gerald Addison, Malcolm Baird and Harry Cohen. Roger Chitty was taken on from Stephenson Harwood to start the firm's litigation practice in the 1930s. As industry recovered in the 1930s, the firm's business picked up significantly. The firm found favour with the newly created industries, such as car manufacturing.

Most work was put on hold during the Second World War (with the added complication that the firm's offices were destroyed in the bombing of London in 1941). But, ever-resilient, the partners and staff carried on, and the practice picked up quickly after the end of war. Linklaters was on the panel of three law firms appointed to advise the Industrial and Commercial Finance Corporation. The ICFC, funded by £15m of equity capital and £30m of debt capital by the nation's banks (apparently under government duress), was set up to finance small and medium-sized companies. Another Linklaters connection was that, many years later, the ICFC (then known as 3i) was chaired by Sir Adrian Montague, a partner from 1979 to 1994.

There were regular instructions to advise on listings and debenture and loan stock issues. Linklaters acted for, among others, Massey-Harris (later Massey-Ferguson), Monsanto Chemicals, the English Electric Company, Joseph Terry & Sons, the chocolate makers, and the property companies Metropolitan Estate and Property Corporation (later MEPC) and New London Properties. The listings were being driven, in part, by the penal rates of "death duties", forcing family businesses to sell to raise enough money to pay the tax.

Between 1948 and 1962, a quarter of the companies quoted on the London Stock Exchange were acquired by other quoted companies. Linklaters acted on some of the major M&A deals of that era, notably the merger in 1951 of The Austin Motor Company (the firm's client) and Morris Motors, to create British Motor Corporation (BMC). The firm then became BMC's lawyers, acting in BMC's acquisition of Rover and Jaguar, and then, later still, for British Leyland, formed out of the merger between BMC and Leyland Motors. (In the next decade, Linklaters acted for the British car company Rootes, when it was acquired by the US manufacturer Chrysler.)

.....
In the early days of
Linklaters & Paines,
in the 1920s, office boys
would deliver the evening
mail personally to the
partners at their homes.
.....

To develop its tax capability, which had become more urgent with the election of a post-war government committed to raising taxes to pay for its social welfare programmes, Linklaters recruited Malcolm Christopherson. A qualified accountant, Malcolm Christopherson was taken on both to offer tax expertise and to advise the partnership on its own tax affairs. He later qualified as a solicitor, and became a partner. Together with Mark Sheldon he pioneered the establishment of taxation as a viable practice area within City law firms. Peter Benham, later a senior partner, said of him: “He was not a brilliant intellectual, but there is nobody whose advice I would rather have on practical day-to-day problems.” Once, during a conference with Counsel, Malcolm Christopherson suddenly got a violent nosebleed. Rather than leaving the room, he lay prone on the floor, staunching the flow with a handkerchief and continued the discussion. He was popular with his cricket-supporting articled clerks for his practice of taking them to Lord’s to watch the final session of play on a Friday evening.

Tax would become an increasingly important practice area for the firm in the 1960s and 1970s. In the mid-1960s, the Labour government introduced corporation tax and capital gains tax, and far higher levels of income tax. Both individuals and corporations would seek the advice of Linklaters on legitimate tax avoidance, share option schemes, corporate restructuring and “dividend stripping” (buying shares just before a dividend is paid and selling them immediately afterwards). With increasingly complex schemes, there was a need to have the best and the brightest working in this area. Jeremy Skinner, who took over as head of the department from Mark Sheldon in 1972, when Mark Sheldon moved to New York to open the firm’s office there, says: “We had seven assistants in the Tax department, all of whom were incredibly clever. The least capable one went on to become a law fellow at Christchurch College, Oxford. The remaining six went on to become partners, though not all tax partners.”

The makings of what would become a leading property practice also took root during this post-war period. Andrew Knox (later senior partner) was the founding father of the department, supported by Arnold Lloyd and Ben Jones (who had stood for Parliament as a Liberal MP). But it was the arrival of Derrick Bretherton in 1962 which positioned Linklaters as a leading commercial property firm.

As London was gradually rebuilt, so the property practice grew in size and importance to the firm. The late 1960s and early 1970s were notable because property became an investment for UK pension funds and institutional funds. That, in turn, generated unit trusts based around property investments, and then property bond insurance-related investments. With each development, Linklaters’ property practice gained, by being able to offer property expertise supported with finance knowledge.

The firm’s expertise in both property and tax served it particularly well in connection with a highly contentious and complex tax in the 1970s, aimed at raising revenues from the appreciation of the value of a property on securing planning approval. At one point, it was proposed (by the then UK government) to tax this gain at 100 per cent.

GENERALIST OR SPECIALIST?



For most of the firm’s history, Linklaters presented itself as a commercial law firm whose lawyers could advise on a wide range of business transactions. An able lawyer would be able to turn his (note the gender) hand to any type of commercial deal. Specialisation was anathema.

The arguments against specialisation dated back to the 19th century. Thomas Paine, one of the firm’s founders, wrote that “practice in large cities has become so specialised in recent years that there are few men of middle age who do not find themselves growing rusty as to detail in some branches.” That philosophy prevailed for much of the following century. Presenting a paper to the partnership in early 1974, the senior partner, Peter Benham, wrote: “There is a danger of having too many separate departments, each concentrating on its own special field. Over-specialisation is wrong.”

John Edwards, who joined the firm in the 1960s, uses a medical analogy to describe why the partners of the time felt it was wrong to specialise: “The firm at that stage felt sensitive that too much specialisation would lead to super-duper neurosurgeons who were incapable of removing a leg! Becoming too specialised would also have a detrimental effect on the young lawyers coming through, because they would not get the all-round experience.”

With growth, globalisation and greater competition, such arguments gradually lost ground to the overwhelming need for the firm to become increasingly specialised, not just in practice areas but also in specific legal “products” and in sectors of business they serve.

Litigation then, and before, had been exclusively managed by litigation clerks. Among these were some redoubtable figures, including John Sanders and Frank Farres (who had started his career as a short-hand typist). “They were just as good as any qualified solicitor,” Ferrier Charlton later told Judy Slinn, the author of *Linklaters & Paines: the first 150 years*. When they retired, they had more than 100 years of service between them. Luminaries at the Bar, the Master of the Rolls, the Lord Chief Justice and the Governor of the Bank of England came to their farewell party, held at The Law Society. The first partner to take control of Litigation was Bill Park (see Profile, page 23), described in one of the legal weeklies as “the man who brought litigation to the City”.

By 1970, the firm’s practice was divided into three departments: Company and Commercial (the firm’s principal area of practice); Conveyancing; and Pensions and Tax. As between Company and Commercial, the company lawyers handled work that had to do with company law (as might be expected), shares and debentures, while the commercial lawyers would advise on contracts and more general legal issues affecting the firm’s corporate clients. Those clients would range from the UK’s top companies (the blue-chip clients) to relatively small businesses.

However, as the decade progressed, and specialisation took hold, so different practice areas emerged in their own right from Company and Commercial.

Company law, as it was then called, was largely the preserve of two law firms: Linklaters and Slaughter and May. It was rarely done by firms outside London. That was to Linklaters’ significant advantage, leading to a stream of referrals from provincial UK law firms who did not have the capability to manage the public listings of their clients. Linklaters, on the other hand, did, and to the evident satisfaction of the referring law firms. John Gauntlett, one such company law partner, was told by one referring firm, in an anecdote relayed by Ferrier Charlton to Judy Slinn, who interviewed him after he retired: “We always like to send things to you people [at Linklaters], because you get the job done properly, effectively and quickly, without undue fuss.”

It was also the manner of dealing with other law firms that won the firm approbation. Sam Brown, the senior partner during the 1950s, insisted that Linklaters treat other firms with respect, and should not look down on them as being somehow inferior, just because they came from outside the City.

But there was one final important factor that led to the regular instructions: professional integrity. It was widely recognised that the firm did not poach clients from referring firms, once the listing had been completed.

Indeed, that philosophy extended to all referring law firms, including the firm’s closest rival. Len Berkowitz, a South African lawyer who joined the firm in the 1960s, says this was one of the aspects about Linklaters that impressed him most. “Simon Ward, a partner of Slaughters, once told me that if ever he was prevented from acting for a client as a result of conflict, he would always send the work to Ralph Aldwinckle [a Linklaters partner] because he knew that not only would the work be well done but he would always get the client back in good order.” It was an era of gentlemanly behaviour. The cut-and-thrust competition between law firms had yet to happen, let alone the practice of partners moving from one firm to another.

The respect and sense of honour among the firms meant that, for some, the firm could not be seen to be accepting clients to the disadvantage of its competitors. Anthony Cann (who would go on to become senior partner) relates how, after some time of cultivating Salomon Brothers when he was in the New York office in the 1970s, the chance to act for them was spurned. “Salomons were not happy with Slaughters, their regular advisers in London, and asked if I could offer a partner in London to take over their work. I immediately thought of Ferrier Charlton. I told Ferrier, who then went to see Salomons and told them they should give Slaughter and May another chance because they were an excellent firm! I was astonished, and Salomons were mystified.” (As it turned out, Salomons went to Freshfields, but then finally did turn to Linklaters in London.)

The top law firms regarded themselves as part of a professional fraternity. Even when acting for the different parties to a deal, it was common practice to assist your opposite number to save him from



Kenneth Cole, a partner with the firm for 36 years, handled many acquisitions during his time, including acting for a particular client who made a string of acquisitions. Reviewing the accounts of one particular potential target company, Kenneth Cole noted to his client that he thought he was paying too much for the company. The client responded that the most valuable asset was not on the balance sheet. What was that? Kenneth Cole enquired. “Bad management” was the answer.

In 1969, the firm advised on a US\$100m syndicated, multicurrency loan for IBM (equivalent to US\$1.4bn in 2012 prices). The extent of the legal documentation? “Five very serviceable foolscap pages,” remembers Len Berkowitz, who assisted Ferrier Charlton in drafting the documents. Even that was long compared with documents drafted 10 years before: in the 1950s, a typical takeover document would run to just three pages. The documentation started to get more complex following the establishment of the Panel on Takeovers and Mergers in the City of London in 1968. The Takeover Code is now in its 10th edition and itself runs to 300 pages.

unnecessary embarrassment, as the following two stories illustrate. James Wyness recalls one particular time when he had been called in to advise on a debenture (bond) issue, an area of practice with which he was not familiar. Coming up against John Kennedy of Allen & Overy, a leading figure in the field, James Wyness feared that he would be made to look foolish. However, Kennedy, sensing James Wyness’ discomfort, came to his rescue with a helpful intervention. Lachlan Burn, as a junior associate, was asked to attend a kick-off meeting for another bond issue. “I arrived to find myself in a huge room, with all parties there. Slaughter and May were acting for the other side. I was keeping my head down hoping not to have to speak, when I was suddenly asked whether I was happy with the proposed timing of the issue. The Slaughters’ partner, recognising that I was floundering, came to my rescue and answered for me.”

Part of the fraternal ethos stemmed from the way drafting meetings were then held. All parties would congregate in the offices, usually of a merchant bank, and the draft document would be read aloud, with each side invited to comment in turn. The discussions could last all day, involving all parties and crucially without any interruptions (“we did not dare leave the room even for the call of nature,” remembers Keith Benham) until the terms were finalised.

Not that it was all sweetness and light between the top firms. There was still fierce competition to win the best deals. Internally, Linklaters would jocularly call its main rival the “Basinghall Street mob” (Slaughter and May’s then offices were in Basinghall Street), an allusion to the Lavender Hill mob of the 1950s’ Ealing gangster/comedy movie.

Company flotations continued to generate much work for Linklaters through the 1960s. As Keith Benham puts it: “I always said that all of my clients were either listed on the London Stock Exchange, or, if they weren’t, that’s why they were consulting me.” There was a regular stream of referrals from outside London, as noted above. With each listing, the reputation of the firm grew. Advertising by law firms was not permitted at that time. However, each time a company wished to list, a prospectus would be printed in newspapers, at the top of which would be included the name of the law firm advising. In effect, it was free and permitted advertising. The more listings, the better the publicity.

Linklaters was pre-eminent in the devising and development of unit trusts. Pioneered by Kenneth Cole, the practice was subsequently taken on by Martin Day and Paul Harris, then associates but later partners. Their book on unit trusts came to be regarded as the definitive work on this specialist area of law.

The 1970s were a boom time for the firm’s property practice; indeed, for a period, that was the firm’s most profitable area of practice as a result of being able to charge “scale fees” (a percentage of the value of the property). In the early 1970s, some of the more senior corporate partners were astonished when Derrick Bretherton, a property partner, submitted a bill for £350,000 to longstanding client Commercial Union (equivalent to about £4m in today’s prices), a figure significantly in excess of what they were charging for listing work.

Derrick Bretherton identified the need for increasing sophistication of legal services supporting commercial real estate.

LINKLATERS AND ITS ROLE IN THE ESCAPE OF THE HALCYON THE GREAT



It involved personal threats, injunctions, chasing a ship and at the centre a daring mission to spirit out of Canadian waters an oil tanker from under the noses of the Canadian Mounties. If that does not sound like the kind of case handled by Linklaters, read on.

The tanker in question was Halcyon the Great, a 200,000 tonne vessel that was owned by a shipping-to-holiday conglomerate, Court Line, chartered by the Newfoundland Refinery Company, and financed by Linklaters' client Bankers Trust. When Court Line went bankrupt in October 1974, Bankers Trust went to enforce its mortgage over the ship (among other assets over which it had taken security). It was agreed that the vessel could collect a consignment of oil from the Persian Gulf and sail back to Newfoundland to be unloaded by the charterers. Allowing a week to complete this process, the mortgagees would then take possession of the vessel.

The matter was led by Charles Allen-Jones, then a corporate partner, and Ted Spencer, then an assistant solicitor but later to become a partner. Ted Spencer had a naval background and served in the Royal Navy for 22 years rising to become Lt Commander. It was under his watch that the firm for the one and only time had a shipping practice.

Ted Spencer was despatched to Newfoundland, where he gleaned that Newfoundland Refinery might not be as good as its word not to keep hold of the tanker. He instructed a firm of Quebec lawyers, hired two tugboats and, in a tactically inspired move, phoned Charles Allen-Jones during a meeting he (Charles Allen-Jones) was holding with the charterers and their lawyers, Goodman Derrick. The purpose of this phone call was to ask for permission to go on board the Halcyon the Great to meet the captain – permission that he knew he would not be able to get if he asked anyone locally.

Once on board, Ted Spencer apprised the captain of the situation and asked him to prepare to set sail at short notice. The captain agreed, but if for any reason he was unable to do so, Ted Spencer was prepared to sail the tanker out himself. (He had taken the precaution of having his Masters' licence with him.) At the same time, the Quebec law firm started injunction proceedings against Newfoundland Refinery, to compel the company to hand over the ship at the end of the seven-day period.

Charles Allen-Jones flew to Newfoundland, together with a representative from Bankers Trust, Dave Welch, and the receiver, in time for the court hearing. That evening, the party was invited by the president of Newfoundland Refinery to join their company dinner at his remote "fishing club", which was a long way out of town. The president himself drove them all out, during the course of which he warned Dave Welch that "if he made trouble, he had better be careful crossing the street", a veiled threat which was only compounded when they reached the venue. They were given a chilly reception by the other "guests", who looked more like mafiosi, seated on either side of a long straight table.

The following evening, after the mandatory injunction had been refused, the team wondered what they should do next. They decided that direct action was needed. The team got into cars and headed for the southern end of Placentia Bay, where the hired tugs were waiting. They arrived at the dead of night.

Boarding the tugs, they headed towards the aptly named port of Come By Chance, where the Halcyon the Great was moored. The tanker was approached under cover of darkness, boarded by the party and the captain told to ready to set sail. Charles Allen-Jones, Ted Spencer and the others then got back on the tugs, the lines to the tanker were attached and the Halcyon the Great slipped from its moorings. Tension rose when one of the lines broke and the bow of the vessel started swinging dangerously towards the jetty. Only the skill of the tugboat crew averted disaster, and the Halcyon the Great was able to head out towards open seas. The objective was to get into international waters and beyond the Newfoundland jurisdiction.

In the early morning light, those on the tugboats saw the headlights of a car in the distance careering down to the jetty. Canadian Mounties boarded speed boats and set off after the oil tanker in hot pursuit. But it was too late: the Halcyon the Great evaded capture, continued on its journey to the UK, sailed up The Thames to Tilbury and was sold (to a Hong Kong company, who renamed it Energy Prosperity). Bankers Trust recovered the money it was owed, and was duly very grateful for the ingenuity – not to mention the chutzpah – of the Linklaters lawyers who masterminded the operation.

There is one obvious question: what made it so urgent to sail the tanker back to the UK? The answer lies in the ice. It became apparent that Newfoundland Refinery were hoping to delay proceedings – despite undertaking to hand over the vessel within a week after having taken off its oil – until the harbour froze over. They would then have a strong bargaining chip to buy the tanker at a discount off Bankers Trust, who would in all probability prefer a quick sale than to wait six months for their money back.

Returning to the office the following Monday, Charles Allen-Jones was anxious that the episode would not receive adverse publicity. He need not have worried: in the UK, at least, the only medium to pick up on the story was *Blue Peter*, the BBC children's TV programme.

The Computerised Legal Information Retrieval Working Party, set up in the 1970s to explore how the firm could best access legal knowhow easily and efficiently, liked to refer to itself as “Clearly Warped”, based on the acronym, CLIRWP.

He was popular with clients for his ability to solve problems. He pretended not to know any law but, says Peter Farren, who worked for him, “he had a real instinct for it. He demonstrated that Real Estate – as it is now called – was a core and profitable practice area”.

Robert Finch says the practice’s expertise of property and finance played perfectly in a market where property was becoming an attractive investment (especially at a time of rapid inflation): “We locked up nearly all of the major property unit trusts and a significant number of pensions funds and developers. Later, this gave us expertise in transactions involving many of the major occupiers, particularly in the City banking sector.” Then, when the market crashed in the middle of the 1970s, the property lawyers switched into bankruptcy and the receivership aspects of property. David Lloyd, who became head of Property in the 1980s, expanded further still, bringing in related expertise in tax, planning and construction law to make the department self-sufficient.

Up until the middle of the 1960s, the firm had concentrated its practice in the City of London, largely acting for UK companies and merchant banks and with the firm centred on its Corporate practice (then called Company). That was to change in 1966, when Ferrier Charlton, by then a leading City corporate lawyer, was instructed by Warburg, the UK merchant bank and the inventor of the “Eurobond”, to do the legal documentation for three Eurobond issues in quick succession. Those three first instructions marked the start of the firm’s move into international securities work, and would come, fundamentally, to alter the scope of the firm’s legal practice.

The internationalisation of the firm (see Chapter 4) also flowed directly from these instructions. Ferrier Charlton was given all the Eurobond work by an American bank, White Weld (which later became Credit Suisse First Boston and then Credit Suisse). This was a real coup: the bank became the leading Eurobond house, which led to the firm’s pre-eminence in the area. Ferrier Charlton inspired a group of partners to take on Eurobond work: John Edwards, Terence Kyle, Jim Watkins and David Barnard (see Profile, page 65). They created their own practice, which came to be called International Finance Section, or IFS. Charles Allen-Jones was another who took on some Eurobond work.

The market arose from an abundance of dollars in circulation in the world economy, which, for economic, legal and tax reasons, were more easily lent outside the US than on the US capital markets.

In fact, for the next quarter century, until the US introduced legislation that opened up its domestic market to outside investors, Eurodollar issues under English law dominated the international capital markets. In turn, Linklaters came to dominate that market among law firms as the leading legal adviser for international securities’ issues.

It was not just dollar issues. Bonds were issued in other currencies, in Europe, Japan and the Middle East. Finance became more international and more complex. The firm was involved in a range of new financing mechanisms, including the first floating rate note (issued by Midland Bank in 1975), the first derivatives structures (specifically an interest rate swap for Citicorp) and the first ever “repackaging” of debt using a “special purpose vehicle” registered in the offshore centre of the Cayman Islands in 1985. Partner Andrew Carmichael, who devised the structure, notes that this was another example of the firm developing a new product which served it well thereafter. “This vehicle has kept a regiment of lawyers going for decades afterwards. We have been able to adapt it to any number of uses.”

What was becoming rapidly apparent through the 1970s, with the expansion of international finance and the opening of the capital markets, was that English law firms (not only Linklaters) who advised on such matters were sitting pretty. They had two things going for them: English as the lingua franca (as it were) of international business; and English law as the foundation of international commerce. As Terence Kyle, one of the key lawyers who helped push the firm in an international direction, explains: “English law has always been the great system of international commercial law because it was adaptable to changing circumstances.”

English law was also highly practical, explains Charles Allen-Jones: “English law came to be thought of as a model internationally, because of its application without the risk of unexpected traps. By developing Eurobonds under English law, we helped the City, not just our clients.” Within the firm, they had another expression for what they were doing, according to Jeremy Skinner: legal imperialism. “We wanted to promote English law to head off the competition, which in the 20th century was not the French army but American law firms.”

But there was another key factor that played into the UK law firms’ hands. “The Americans shot themselves in the foot when they

BILL PARK

Bill Park was not only instrumental in building a top litigation capability within Linklaters, and at a time when such a practice was considered to be necessary but somewhat beneath the status of a top firm, he was also more widely considered to be the “man who brought litigation to the City”, according to *The Lawyer*. He joined the firm in 1967, being told that he would never be made a partner because there was not enough work. The firm changed its tune four years later, when he did become a partner.



A more unconventional City lawyer you could not hope to meet. Hailing from Cockermouth in Cumbria, he certainly did not speak like a City gent, with a distinctive way of mumbling out of the side of his mouth. His behaviour would almost certainly get him dismissed in the modern era, and he drank copiously at lunchtime.

Yet, he was an astounding litigator, given to using a variety of techniques in the cause of the case. He could be charming or rude. He might feign complete lack of interest, pretend to be stupid or even to fall asleep in a meeting, as a means of unsettling an opponent and, more often than not, tricking them into saying something or agreeing something against their better judgement. He was a brilliant negotiator who understood perfectly the power of psychology. Consequently, the clients of the firm always wanted him on their side. For all his lack of convention and idiosyncrasy, he knew how to command loyalty.

Probably his greatest triumph was in the dispute between British Airways, the firm’s client, and Freddie Laker in the 1980s. The dispute involved a claim by Freddie Laker, the owner of Skytrain, one of the first budget airlines, that British Airways and other airlines had deliberately put him out of business by predatory pricing on the lucrative cross-Atlantic route. The liquidators filed a claim for £360m in creditor claims, and triple that for damages. The dispute lasted for three years, with numerous potential settlement discussions (Bill Park flew by Concorde to New York 29 times). The settlement was finally reached after Bill Park arrived in a meeting with all parties present, sporting a toy parrot on his right shoulder. Out of the side of his mouth, he mimicked the parrot telling Freddie Laker: “Take the money! Take the money!” Freddie Laker is reputed to have replied: “I won’t do it for you, Bill, but I will for the parrot!”

When he took over as head of Litigation, the department comprised one partner, three assistants and a number of litigation clerks. When he retired 20 years later, there were 12 partners and more than 50 lawyers. Alan Walls, now a partner, worked with Bill Park and has no doubt about his impact on the firm. “He built, from scratch, the first leading firm litigation department. That was his influence and vision.”

introduced the interest equalisation tax in 1976, which meant that there was a withholding tax on interest paid on securities issued out of the United States,” Terence Kyle continues. “That shut out the US law firms for a good 20 years.”

There were new markets in a fast-developing area of practice that saw the firm becoming increasingly international. It also marked the point at which the strategies and paths of the two renowned corporate law firms in the City, Linklaters & Paines and Slaughter and May, separated. Slaughter and May, even though it had offices outside London, stayed (largely) rooted in its UK domestic practice, while Linklaters picked up the international ball and ran with it.

The early 1970s saw the firm develop more projects work, and then capitalise on North Sea oil and gas development. Jim Watkins (before he became a partner) advised on a copper mine project in Zaire and David Egerton-Smith (who had been sent on secondment to the Houston law firm Fulbright and Jaworski) developed an oil and gas practice. Both the financing elements and commercial aspects of projects came together in North Sea work. Alan Black (before he became a partner), John Edwards, David Egerton-Smith and Malcolm Campbell were involved in the pioneering Maureen Field financing, perhaps the first ever English law limited recourse project financing, in 1980/81. That, in turn, was instrumental in the firm winning a lead role in the Eurotunnel project from the

mid-1980s onwards (see also Paris office, page 72). The projects practice evolved out of the Commercial department in the early 1990s, headed by Adrian Montague and, after he left the firm, by Alan Black. They became Group 19, and won a reputation throughout the City. More recently, Projects became part of the Finance and Projects department (known internally as “F&P”).

The firm benefited from the change of government in the UK in 1979 in several ways. On an individual level, the reduction in the top levels of tax suited the partners well (the era of “profitless prosperity”, as Mark Sheldon puts it, was over). More significantly, the Conservative government under the prime minister, Margaret Thatcher, launched a policy to privatise the key utilities and a number of state-owned companies. In the years between 1980 and 1997, the firm acted on most of the major privatisations, either for the government or for the companies being privatised.

It was a rich vein of work (although, some have since argued, not necessarily the most profitable). Linklaters became known as the privatisation firm, acting in the major privatisations in the telecommunications, water, electricity, ports and railways sectors. British Aerospace, British Telecom, British Airways, BP, British Rail and what became National Power (see page 27) privatisations were all handled by the firm. Some 90 lawyers worked on the British Aerospace privatisation, the largest number of lawyers on any one deal at the time.

Ferrier Charlton was awarded the CBE for his privatisation work (see Profile, page 148) and, within the firm, partner Tim Clarke came to be known as “Mr Privatisation”.

The second major policy change introduced by the Conservative government had even more far-reaching effects for the firm, and probably created the size and shape the firm is today. This was Big Bang, the deregulation of financial markets which came into effect on 27 October 1986. This was the biggest change to the City of London probably before or since. It challenged the venerable City institutions, did away with longstanding practices (including abolishing fixed commissions) and led to London becoming a truly international financial centre.

No surprise, then, that Big Bang had a major impact, too, on Linklaters. As the international financial institutions moved into the City, new clients were taken on; at the same time, existing clients, particularly the merchant banks with whom the firm had longstanding relationships, were acquired. Freer international markets created new, more sophisticated financial products, and derivatives, securitisation and structured finance entered the financial lexicon. In short, the deals became bigger, more complex and, increasingly, more international. The firm responded by diversifying into these new areas of practice, by expanding and regrouping (in the Linklaters sense).

Big Bang had an impact, not just on the way the City worked, but on its very appearance. Here again, Linklaters benefited, advising on a number of new developments and also on the creation of a new financial district, in Canary Wharf, to the east of the City. Over the years since then, the property practice has advised on a number of iconic buildings in the City, including the Swiss Re building (built on the site of the Baltic Exchange, which was destroyed by a bomb

Serving a writ (more usually called a statement of claim) is usually straightforward, but on occasion requires ingenuity. John Sanders, a litigation managing clerk who worked for the firm for nearly 50 years, once dressed as a milkman, knocked on the door of the person being sued with a pint of milk in his hand and duly served the document.

THE CLERK'S TALE

Derek Willoughby was a legal executive in the Company Services department. He joined in 1946 and retired 46 years later in 1992.

“I joined Linklaters shortly after the war when there were 12 partners and 93 staff. I started as an office boy on 35 bob a week [the equivalent of £60 a week]. In the immediate post-war years, the firm was fairly formal. You would not talk to partners unless spoken to. If you wanted to meet them, arrangements had to be done with their secretaries. Partners called the staff by their surnames.

I was nearly fired on my third day. When I spoke to Harold Bundy, a partner, I failed to call him ‘Sir’ and he was mad. I was told that, if I ever made that mistake again, that would be me out.

At that time, I was working in Granite House, on Cannon Street, which the firm had been using during the war after 2 Bond Court was bombed. There were often power cuts, and so we had to have candles at the ready. One time, the coat of one of my colleagues, Harry Rudd, caught fire because he was not paying proper attention. Fortunately, he was alright.

I worked as an office boy from 1946 to 1950. As I remember, there were just four women working for the firm at this time, Freda Baxter, Nora Fraser, Miss Hughes (I never knew her first name) and Lillian ‘Nobby’ Clark, the telephone operator. We later moved to 118 Old Broad Street, then to Austin Friars and then, in 1956, to Barrington House.

In Old Broad Street, there was a tiny lift which could only hold three people, and that was a squeeze. Peter Benham’s children, which of course included Keith who joined the firm later, would travel up and down in this lift when they visited. They were quite a nuisance, so one day, while the lift was halfway up with them in it, we pulled a handle to make it stop. Peter Benham came out of his office shouting for us to call the fire brigade. We let the children sweat for about five minutes and then released the lift. They never went in the lift again after that.

After doing my national service, I returned to the firm but this time working in the outdoor clerk’s department. Our job was to file documents with Land Registry, Stamp Duty, Companies House, Probate, the Shipping Register and so on. The department had been set up by Bill Shaw in 1912 and he headed it until his retirement half a century later. The filing of documents in the courts was handled by litigation clerks.

The firm was not particularly generous with wages, but they did look after staff if something went wrong. Bonuses were paid, however. Brian Cookson, who went on to become a lawyer with British Aerospace, put an ice lolly on the desk of a secretary with the note, ‘This is the only lolly you will be getting this year’, to the fury of one of the partners.

One or two partners had a fierce temper. John Mayo, it was well known, would throw things at people. Andrew Knox once threw a glass ashtray at me, and it was only because I closed the door quickly behind me that I was not hit. I did not take it too seriously.

It was only with the post-war generation – Mark Sheldon, James Wyness, Peter Benham – that people started calling one



another by their first names and dispensed with formalities, or at least some of them. The atmosphere changed with the arrival of more women.

Some of the partners, including Peter Benham and Raymond Shingles, would host summer garden parties. There would be games and clay pigeon shooting. Raymond Shingles was a great character. He liked his whisky, and I remember him telling me he did not much enjoy going to Saudi Arabia on behalf of his client, British Aerospace, because it was ‘dry’.

After Bill Shaw retired, I took over as manager of the Company Services department and did that for another 30 years. I was offered the opportunity to take articles – to train as a solicitor – but I turned it down because I was quite happy being an outdoor clerk. I liked being outdoors and not stuck in the office.

I also enjoyed the work itself. There was a real skill to being a clerk. You had to manage the bureaucracy and get to know the civil servants. It was not just a matter of filing documents. We could use our relationships to make sure that filing would be done more smoothly. I regarded it as part of the service the firm was giving to its clients. I always felt that Linklaters was the best, and I intended to keep it that way.

With computerisation and the exodus of government departments to the regions – particularly Companies House to Cardiff – there was less appeal for me in the work. The firm became more impersonal as it grew in size. I eventually took early retirement. If I had my career again, I would do exactly the same thing.”

detonated by the IRA in 1992, and better known as The Gherkin), the Broadgate development and Heron Tower.

There was a significant shift in the role of lawyers, as Andrew Carmichael, then a new partner, explains. “We moved from being advisers to becoming transaction managers drawing in expertise from different practice areas and jurisdictions who could also advise. That shift has really determined how we practise ever since.”

By the end of 1985, there were six departments (Corporate (which included: company and corporate finance; international finance and banking; investment funds; asset finance; insolvency; commercial matters; energy; anti-trust; EEC; and employment); Intellectual Property; Property; Litigation; Tax; Trusts and Pensions).

The firm’s response to growth in international finance work in the 1980s encompassed banking and insolvency work as well as international capital markets. However, growth was skewed towards international capital markets work. The dedicated banking practice was relatively small, revolving largely around two partners (Haydn Puleston Jones and Julia Maynard), while other firms were building theirs.

It was only in the 1990s that the firm took concerted steps to address this shortcoming. Notable hires were Giles White, John Tucker and Robert Elliott (the current senior partner), all of whom were, or became, leading banking lawyers and spurred the growth of the department.

John Tucker and Robert Elliott led the establishment, in 1993, of a corporate recovery and insolvency unit, a tripartite venture between Corporate, Litigation and International Finance (IFS). The restructuring and insolvency practice came together in response to the R&I work arising from the UK recession of the early 1990s.

Banking became a separate practice group in 1995, having previously been part of IFS. From 1998 onwards, John Tucker developed a strategy for the firm’s banking practice to become

a top-tier global practice. “Up until then, Banking had really been a support, not a standalone practice,” says John Tucker. “We thought we were missing an opportunity to become, firstly, a top-tier, and then, ultimately, a market-leading practice. We also decided that the restructuring and insolvency practice should remain centred within Banking, with a focus on creditors, to secure counter-cyclical benefits.” The R&I practice was bolstered with the recruitment of Tony Bugg, an insolvency specialist, in 1998. The combined banking practice continued to expand through the next decade, with several further high-profile lateral hires and, after a few years, the successful accomplishment of the goal to be a highly regarded global banking firm.

For the insolvency practice, the big breakthrough came when the firm was instructed to work on the Enron administration of 2001. It was during that insolvency that a deep working relationship was forged with the administrators, PricewaterhouseCoopers, and later extended in the firm’s biggest ever mandate (see page 131), the Lehmans’ insolvency.

In the years following Big Bang, the firm’s practice fundamentally altered in response to three key trends: internationalisation; the firm’s changing strategy; and increased volatility, in a quarter-century which has been marked by a series of crises.

As the firm expanded its network of offices, particularly with the move into Europe in the late 1990s (see Chapter 5), so the practices became more international in structure and in nature. Correspondingly, the number of domestic (purely UK) transactions became fewer. One indicator of the internationalisation was the reduction in the number of FT Top 500 companies for whom the firm acted. In the early 1970s, Linklaters could cite some 230 listed companies among its clients, in estimates given by those who worked for those clients. By 1991, when James Wyness ordered a more scientific analysis, Linklaters could count among its clients 93



Partner Raymond Shingles once asked his secretary to sew on a missing button in his trouser fly (in the days when trousers had buttons not zips). The only problem was, she had to carry out this task while he was still wearing the trousers! (We assume no impropriety.)



Richard Godden.

of the FT Top 500, including the company at the top of the ranking, longstanding client, British Petroleum.

This was coupled with a conscious strategy, both to focus the practice around international deals and to concentrate the work around a smaller number of select clients (see Chapter 8). As the firm's clients internationalised their businesses, so Linklaters followed. The consequence was that more of the firm's practice revolved around "cross-border" transactions.

The firm structured its operation around three core practice areas: Corporate, Finance & Projects, and Commercial.

Another key change to the focus of the firm's practice, from the early 2000s onwards, was the introduction of sector specialities. The thinking was that, increasingly, clients needed their lawyers to be more than simply lawyers, providing pure legal expertise in response to particular requirements, they also needed to have such an understanding of their businesses to become more proactive advisers. To be able to do that, the lawyers needed to be better informed about trends and challenges within the industry sectors in which their clients operated. This was a fundamentally different approach from the basis on which lawyers have traditionally operated.

What started out as just an idea expressed by the corporate partner Richard Godden as an item under Any Other Business in a meeting of the Client Committee in 2003 became what he called the "third dimension" to the firm's practice, the other two being the core practice areas (as described above) and the countries and regions in which it practised (what these days are erroneously called

ELECTRICITY PRIVATISATION



Privatising electricity provision in the UK between 1987 and 1991 was one of the biggest transactions on which the firm acted. The process was divided into two phases. The first phase of the privatisation (the "vesting"), in which the firm acted for the Central Electricity Generating Board, involved the largest corporate restructuring that had until that time been done. It required the break-up of the Board into four separate companies, the drafting of 100 pages of secondary legislation and negotiation of 800 separate contracts.

At the conclusion of this phase, there were two concurrent five-day completion meetings at which just under 2,000 contracts were signed. The Central Electricity Generating Board had become National Power.

The second phase encompassed a capital reduction, an environmental audit, a working capital loan and the £2.2bn IPO of National Power, as well as prospectuses being issued in Canada, Japan, the United States and continental Europe.

Over the four years, 251 lawyers (in the first phase) and 170 lawyers (in the second phase) recorded 70,000 hours (representing 39 "man" years). The highest recording lawyer racked up 2,375 chargeable hours between 1 April 1990 and 17 February 1991. Total billings were £10.8m. The highest monthly billing (£795,000) was almost equal to the firm's total bill for two years' work on the privatisation of British Telecom in the 1980s.

GROUPS AND THEIR SIGNIFICANCE

The “group” has long had a special resonance within Linklaters. Originally started to provide greater efficiency for lawyers doing a similar type of work, and therefore to serve clients better, groups took on a greater importance. As much social as practice-based, the groups served as cohesive units that underpinned the firm’s culture and, in some respects, set it apart from the way other firms operated. However, with an increase in size and the proliferation of groups in recent years, the social dimension has assumed less importance.

The concept of the group probably came about in the 1950s. The firm was then small (indeed, tiny by comparison with today) but growing fast. The establishment of groups was a first effort at co-ordinating the firm’s practice, both to ensure that clients could rely on more than one partner for advice, if necessary, and to pool the expertise of the lawyers. In the late 1960s, the purpose of the groups was summarised in the following terms: “The grouping of legal staff in teams of under three or four partners continues unaltered. The main objects of the grouping are to enable work and experience to be shared between a group small enough to keep its members in regular communication one with another, and to provide continuity of contacts with and service to clients.”

This was important at a time of a fast-changing economic and commercial environment. (At the time, the firm barely had a decent library on which the lawyers could rely, let alone a professional knowhow support system.)

Mark Sheldon, who joined the firm in 1953, remembers that the groups would then typically comprise two partners, perhaps an assistant solicitor (then called managing clerks) and possibly an articulated clerk. These groups became known for the individual partners who headed them. By October 1972, for example, the groups were headed by John Field, John Mayo (which included Ferrier Charlton), John Gauntlett, Alan Ground, David Caruth, Bill Park (all in Company/Commercial), John Larwill (Pensions), Jeremy Skinner (Tax) and Hugh Paine, Derrick Bretherton and Ben Jones (Conveyancing and Trusts).

The system of numbering was probably introduced in the early 1970s. One of the mysteries is the numbering system. The groups started at number 10 (not at 1), and different practices were allotted numbers fairly much at random. The senior partner’s group was Group 13.

As might be imagined, groups have had their rivalries and sometimes been the source of friction, when one partner has wanted a particular lawyer for his or her group rather than somebody else’s. Some groups were given their own labels: Group 11 for a while in the late 1980s became known as the “Russian Front” on account of its members’ capacity for hard work and somewhat cold attitude to others. Mostly, though, the competitiveness has been good-natured.

By the late 1980s, the groups broke down as follows:

- 11 Corporate Finance
- 12 Corporate Finance and Investment Funds
- 13 Managing/Senior/Finance Partners
- 14 Corporate Finance, Investment Funds and Project Finance
- 15 International Finance
- 16 International Finance
- 17 Corporate Finance, Energy, Asset Finance and Contracting
- 18 Commercial, Anti-trust, EEC and Employment

All of these came under Corporate Department, accounting for 54 partners and 141 “principals” (assistant solicitors).

The other groups then were:

- 23 Intellectual Property
- 31 Litigation
- 41 Taxation
- 51 Pension Funds
- 56 Trusts
- 74 Property
- 75 Property, including secured lending
- 76 Property, Taxation, Unitisation and Conveyancing for Staff

These groups comprised between them 39 partners and 147 principals.

Permission to create a group had always to be given by the senior management. When that was not forthcoming, and groups of lawyers wanted to achieve the same outcome, they would form themselves into “non-groups”. The idea, and term, originated from lawyers advising on Eurobonds, David Barnard and Jim Watkins, who pushed in the early 1980s to create a separate capital markets group. When this was turned down (the reason given was that bond issues were a passing phase), David Barnard suggested they call themselves “Not the Group”. His inspiration was an edition of *The New York Times*, produced by a group of journalists on the paper during a dispute with the paper’s owners when production was suspended, which they called *Not The New York Times*. They changed it to “non-group”, and when finally John Mayo, the senior partner, acknowledged the group’s wish for their affiliation, he pleaded with them to drop the name “non-group”. Jim Watkins came up with the name International Finance Section (IFS) in 1981. Two years later, two specialist groups were formed (15 and 16), but they retained the title IFS for the practice area.

IFS is not the only practice to form a non-group. In the early 1990s, a derivatives non-group was formed to bring together the issues, regulatory, tax and other expertise of the firm, and another for

construction and engineering. Non-groups reflected a high degree of entrepreneurship as well as a measure of irreverence for authority which seem to sum up nicely two key elements of the Linklaters culture.

In his paper, *Ethos*, written for the benefit of the German partners in 2000, when Linklaters was preparing to merge with Oppenhoff & Rädler, Charles Allen-Jones, then senior partner, wrote of the significance of groups for the firm: “Larger departments in London are divided into groups. This is particularly for teamworking and social purposes (between partners, but especially for the benefit of other fee-earners and their dedicated support staff)...The group system is key to the working of the firm in London. All people working in a group are encouraged to work together, and to take pride in the collective progress of the group.”

Groups have weekly “prayers”, which are meetings during which group members share information about deals on which they are working.



John Field.

PAUL NELSON

blueflag[®]

Paul Nelson was one of the most brilliant lawyers in Linklaters' history, whose early death in 2009 was a great loss to the firm. Having joined the firm in 1979, he was made a partner in 1987. (One of his attributes which impressed those making him partner was said to be his “anarchic” sense of humour.) He was instrumental in establishing the firm's financial regulatory practice, building on the work started by Ralph Aldwinckle in the wake of the UK Financial Services Bill. The financial markets group (since renamed the financial regulation group) began life as a separate group in 1995.

In addition to establishing and growing a highly successful group, he also found time to conceive, design and build Blue Flag, the pioneering on-line legal information service, which he then enthusiastically sold to clients as an adjunct to the group's practice, persuading other parts of the firm and “best friends” law firms, to support the product he had built. BlueFlag was marketed as “the first on-line legal risk management tool which provides advice and documents to clients without the need to consult a lawyer”. In fact, it was instrumental in helping build and strengthen relationships with clients, just as the markets in Europe began to embrace cross-border supplies of business.

It was a real pioneering development, and all the more remarkable for the fact that Paul Nelson himself was computer-illiterate. But he foresaw that this type of on-line service filled a gap in the booming market in cross-border advisory work.

Michael Kent, now head of the financial regulation group, says, “Paul was ahead of his time with his creativity and forward thinking and his determination to embrace specialisation. He was academically gifted but also an intuitive entrepreneur, who came up with new ideas and then pursued them through to realisation. We miss him, but are grateful for the fantastic foundation he laid for the practice.”

THE OFFICE BOY'S TALE

Michael McGrath was an office boy between 1922 and 1926. He recalled his time with the firm in letters written to James Wyness in October 1995.

"I joined Linklaters & Paines in 1922, aged 15, as an office boy. I earned 22 shillings per week and an extra 15 shillings per week for working overtime doing 'indexing' of the carbon copies of letters. The office hours were 9.30am to 6.00pm, but I came in at 8.30am and left at 7.00pm, those extra hours being used for the indexing work. On Saturdays the office hours were 8.30am to 1.00pm. I suppose I spent between 55 and 60 hours in the office each week.

I came from Hoxton, where, according to my mother, every brand of criminality was practised. My mother told me that there were thieves 'above us, below us and on each side.' When I arrived at L&P it was a different world. I was treated with every kindness.

The offices were in Bond Court. What I remember most about the building was the magnificent spiralling staircase, which was between 8 and 10 feet wide.

This was the layout of the office. On the ground floor were the offices of three partners (Harold George Brown, Fred Branson and Malcolm Baird), and one managing clerk (Henry Attridge) as well as the general office (Mr Aldiss, Mr Bennett and four office boys, including me). On the first floor were the offices of three partners (Harold Addison, Gerald Addison and Henry Surtees) and two managing clerks (Mr McLennan and Mr Walmesly). On the second floor were the offices of two partners (Harry Cohen and Harry Knox) and one managing clerk (Edgar Kentish). On the third floor was the small litigation

department, in charge of which was Mr Crane, and the cashiers' office. Generally speaking, all the rooms were exceptionally spacious. Each of the offices of the partners Harold George Brown and Fred Branson, which were on the ground floor, were about 25 feet by 20 feet.

The total staff must have been about 35. There was only one woman, Mrs Summers, who worked for Fred Branson.

One day a client came into the office, whom I could just about see over the counter. He announced that he had an appointment with Mr Surtees. When I asked him his name, he told me. I then announced over the internal phone that 'Lord Hedward'ay' was here to see Mr Surtees. My pronunciation of his name caused much merriment in the general office because, coming from the East End of London where that is how we said it, I had put an aitch in front of his name. (In fact, his name was Lord Edward Hay.) I learned from this and never made that error again. Many famous names were to approach that counter, including Gordon Selfridge, the founder of Selfridges.

Of all of the partners Henry Surtees 'topped the bill' for me. He once sent three junior clerks out to buy themselves overcoats, which he paid for himself. But the others were all real gentlemen. The two Addisons were very easy-going.

I never received a rise in pay in the period of over four years that I worked for the firm. I was very high-spirited and someone must have thought I was cheeky. So I probably did not deserve a rise. One thing I did gain from the firm was the ability to work hard and I know it served me well for the rest of my life."

“geographies”). As he explains the thinking behind the initiative, Richard Godden says: “Offering knowledge of sectors accorded exactly with our goal of aligning our practice with what our clients were doing in their businesses. It was not the knowledge of sectors per se that was important, although that certainly helped, sector knowledge demonstrated to our clients that we were focused on their businesses. It helped us to identify and win new clients. The focus on sectors proved to be a more rational way of resolving client conflicts. Critically, also, we developed sectors on a global basis, which tied in perfectly with our global strategy.” A focus on sectors now permeates every aspect of the firm, from the way that practices operate to the business services support (including Finance and IT as well as business development).

By 2012, the firm had honed its sector focus into 16 different sectors, comprising:

- > Automotive
- > Banks
- > Chemicals
- > Energy and Utilities
- > Food and Beverages
- > Healthcare
- > IT, Business Services and Media
- > Infrastructure and Transport
- > Industrials
- > Insurance
- > Investment Managers
- > Mining
- > Private Equity and Sovereign Wealth Funds
- > Real Estate & Leisure
- > Retail
- > Telecoms

Post-Lehmans, there was a greater focus on financial regulation, which in turn necessitated an expansion of the financial regulatory practice. The financial markets group, started by Paul Nelson (see page 29), was incorporated into the Finance & Projects division and brought alongside the bank regulatory capital practice to create a formidable practice area, whose work has increased substantially with each year since 2008 and is likely only to increase.

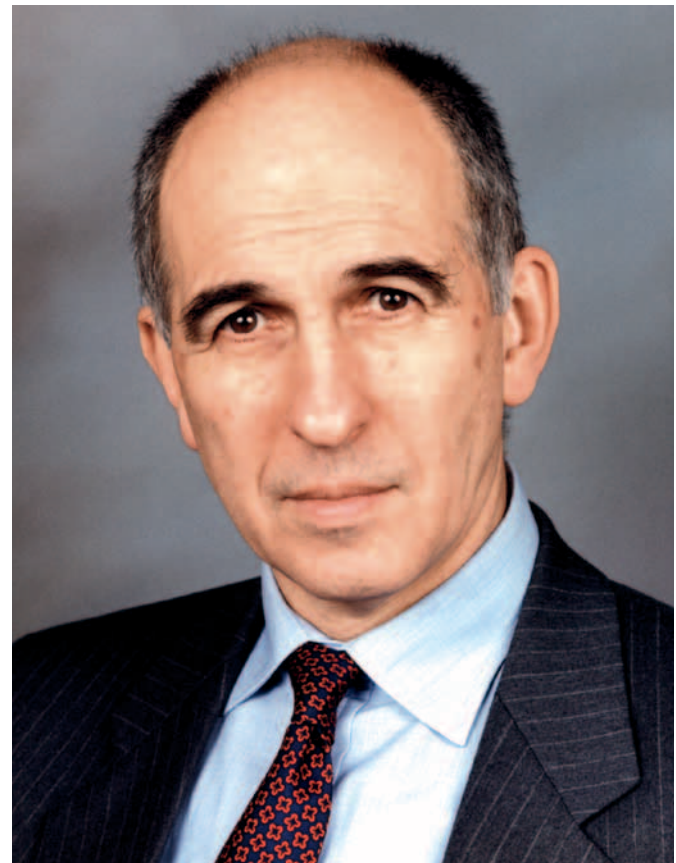
The evolution of the different practice areas has not detracted from the central strength of the firm, its top-quality corporate practice. “Down the years, the firm has had excellent relationships with leading corporates, which has fed through to all practice areas and also resulted in Corporate being generally the most profitable practice. In each generation, there have been market leaders, dating from Sam Brown, including John Mayo and Ferrier Charlton, through Len Berkowitz, Charles Allen-Jones and David Cheyne, to present partners, Matthew Middleditch, Jeremy Parr and Charlie Jacobs. The tradition of excellence among corporate lawyers has been handed down from generation to generation,” notes Anthony Cann.

With the concurrent rise in the finance practice over the past 20 years, Linklaters has achieved a leading market position in

both its core finance (including restructuring and insolvency) and corporate practices. In an increasingly volatile market, marked by all-too-frequent recessions, having dual strength has helped the firm to weather the storms.

For most of its history, there was little or no objective way of measuring whether the firm had met its goal of being a top firm. However, in more recent years, the advent of legal directories, which rank law firms and individual lawyers, has allowed for a more objective assessment of the firm’s capabilities.

In both *Chambers (UK)* and *UK Legal 500*, Linklaters is the only one of the top five UK law firms to be ranked in the top tier in three major practice areas: Corporate and M&A; Banking (including Restructuring & Insolvency); and Capital Markets (Debt and Equity). Linklaters is also the only one of the five in the top tier for the other critically important practices of securitisation, derivatives and financial services regulation, as well as being in the top tier for pensions and commercial property. Despite the vicissitudes of the directories’ ranking systems, that remains a remarkable achievement and says a lot about the firm’s drive to become the very best commercial law firm. ●



Len Berkowitz.

CHANGES IN THE WORLD OF TECHNOLOGY

Linklaters has always been quick to adopt new technology. Here is a sweep through the firm's history to see when and what changes happened.

1880



1880s

The typewriter was first introduced into the firm, for the use, exclusively, of the typists. It is thought that lawyers did not start using them, and then only in a minor way since they would rely on dictation, until the beginning of the 20th century. Short-hand, which uses strokes and symbols to represent words, was also introduced at the end of the 19th century. The effect was that lawyers could generate more letters, and therefore work more efficiently.

1907

The first telephone. Linklaters was behind the times in introducing this technology; other firms of solicitors had started using the telephone from 1879. The legal press was sceptical, fearing that the telephone would lead to breaches of confidentiality. It was recommended that the telephone be put in a separate room with no risk of conversations being overheard. It was in 1910 that the firm hired its first female employee, and her job was to operate the telephone.

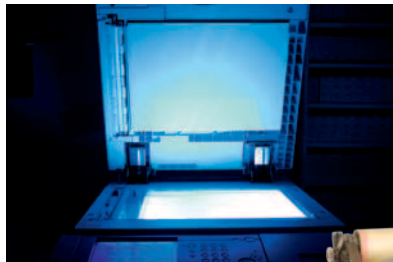


1920s

The first dictaphone. Harold George Brown, one of the Brown family who dominated the firm between the end of the 19th century and the first half of the 20th century, was said to have tried out a dictaphone in the 1920s but preferred the conventional method of dictating to secretaries. He was probably not the only one.

1960s

The first photocopier. Up until then, copying had been a laborious process. If you needed more than five copies (which could be done by a typist with an original and five carbon copies), you had to type on a wet “stencil”, which could then make up to 50 copies. The photocopier was made by Rank Xerox, and for a long time it was called Xeroxing rather than copying. It took some persuading of the partners to invest in a Xerox machine because of the expense (Xerox charged a “royalty”), but once it had been installed, queues formed to use it because of the time it saved.



1960s

“Trunk” dialling introduced, a virtual private network between a dozen law firms that enabled them to call one another free of charge. That was soon followed by direct dialling.



1940s

The firm had a telephone switchboard, with plugs that the single operator, Mrs Lilian “Nobby” Clark, would push in or pull out of the board to make connections. She knew the voices of all the partners and staff, as well as those of all of the firm’s clients.



1960

The first telex machine. Telex transmitted typed pages down telephone lines. The firm had four telex machines, two for sending telexes “out” and two for incoming messages. By the 1970s, there were two shifts for the firm’s telex operators, a day shift and an evening shift. One of the telex operators always had to leave by 7.30pm in order to get to the London Palladium where he was a member of a dance chorus.



1968

The first calculator, acquired by partner John Gauntlett at a cost of £80 (six times the weekly salary of an articulated clerk).

1969

First memory typewriters, called the magnetic tape electric typewriter. "Documents prepared on these machines are stored on tape from which can be prepared subsequent copies by the simple process of running the tape through one of the machines," ran the announcement in the *Office News* of September 1969, addressed to all "principals" (lawyers) and secretaries.



1973

Introduction of the A4-sized paper, to replace foolscap. The Litigation department resisted, saying that the courts would not accept the new paper size, but had to relent when clients insisted on it.



1973

First direct telephone circuits between the firm and key clients, which then were: Lazards, Law Debenture Corporation, Schroder Wagg, BP, Charter Consolidated, Charterhouse Group and (from 1974), the London Stock Exchange.



1970s

The firm introduced computers to record time and to store information about files and clients. The system was also capable of making "enquiries" (search function).



1971

First audio dictating machines. This was coupled with the establishment of "typing pools", groups of typists who would not be attached to any individual lawyer, but who would take in work on a centralised process. This was the earliest version of the Document Processing Centre.



1973

First facsimile (fax) machine. Later, "fast" fax machines were introduced, which enabled whole documents to be sent in one go, without the need for someone (usually an articulated clerk) to feed through one page at a time.

1982

Roll-out of the first word processing system, Wordplex. The first machines were shared between four and six secretaries. Wordplex enabled the direct transmission of documents between offices. Each secretary was given a desktop computer, to act as a word processor, to provide access to the Document Centre, precedent and knowhow libraries, and to act as a screen to client matter information.



1985

A computer aided drafting system (CADS) was introduced, to manage standard form documents.

1993

Linklaters participated in a scheme involving 11 law firms to have their own Virtual Private Network, which provided digital telephone links and discounts for overseas calls.



1988

Wang VS mainframe system introduced into the firm. Lawyers as well as some support staff were given terminals to access the Wang OIS (Office Information System). Wang OIS was predominantly a word processor but also included a basic email system to send messages between terminals, known as "wangograms".

1995-1996

NeXTstep IT system introduced, marking a significant upgrading of the firm's technological capability with graphical workstations given to all lawyers and secretaries for the first time.

For the first time it became possible to create richly formatted documents through the FrameMaker word processor. Desk diaries were (reluctantly) swapped for the calendaring application PencilMeIn. The systems enabled global lawyers to work together, collaboratively, through a single document management system.



1995

FirmControl practice management system introduced to support all global financial processes.

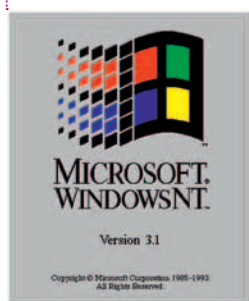
1996

Linklaters launched Blue Flag, the first on-line legal risk management tool to provide “commoditised” legal advice on European regulatory issues.

blueflag

1998

NeXTstep replaced by a Microsoft desktop to provide access to Microsoft Office. Linklaters becomes one of the first firms to use Windows NT (Terminal Server Edition) and introduces Documentum for document management. The firm moved all IT infrastructure outside London and Colchester into new data centres in Hong Kong and New York.



2001

Introduction of Billback, replacing Equitrac, a “cost capture” system that records costs on photocopying, telephones, fax and printing.



1997

To counter the risk posed by terrorism, in particular the IRA, the firm’s global IT infrastructure was moved to a centre based in Colchester. The location was also used to house a new round-the-clock support operation.



1999

Mobile phones given as standard to all lawyers, starting with the issue of the Ericsson T28 flip phone.

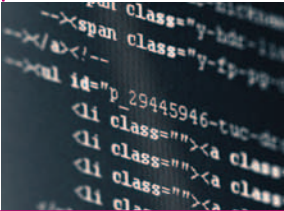


2000

Introduction of Netm@il (later FireFly) to provide access to the firm’s email system from any internet-enabled browser.

2003

Introduction of global SAP software, an integrated platform to bring together practice management, finance, human resources and client relationship management. All of the firm's offices enabled to operate on a single platform for all business functions.



2004

First BlackBerry devices issued, to enable lawyers to access their email through mobile devices.



2011

Upgrade to Microsoft Office 2010. The new software installed on all computers for 5,000 staff over three weekends.



2012



2002

Linklaters became the first law firm to use DealBuilder, a document automation system that generates drafts of documents from the firm's official precedents.



2007

TimeKM introduced, as a standard time recording application.



As of **2012**, the systems now used globally can process 10,000 new documents created each day, and 25m emails sent each month (of which about a quarter are external). SAP processes around 400,000 timelines (computer-recorded timesheets for lawyers) and 10,000 bills a month. New mobile/iPad applications for both clients and lawyers are in the course of being developed. The innovations continue.



Carl Laubin, *The Square Mile* 1997, oil on canvas, 183x305cm



03

LINKLATERS & PAINES:
1920-1998

BUILDING A REPUTATION

On 4 May 1920, the firm of Linklaters & Paines was established. The firm started with nine partners, soon reduced to seven with the retirement of two partners, one from the Linklaters side and the other from the Paines side. The offices, at 2 Bond Court, were rented to the firm by the three partner owners (the Addison brothers, Harold and Gerald, and Harold (George) Brown).

The senior partner was Harold Addison, who continued as senior partner until his death in 1933. Known as the “General”, he was a stickler for formality. Woe betide any articulated clerk who left the office without wearing a hat; if any was foolish enough to do so, his articles (the equivalent of a training contract) would be immediately terminated.

Along with the Browns (see Profile, page 45), the other notable family in the Linklaters history is the Addison family. The connection dates back from the firm’s beginnings (Joseph Addison was articulated to John Linklater) right through most of the 20th century, when Bill Addison (Joseph’s grandson) retired in 1987. Between them, Joseph and his sons, Harold and Gerald, served as senior partner for a combined 59 years.

Between the two families, the Addisons and the Browns accounted for 12 partners. The last of these to retire was John Phipson, whose grandfather was Harold (George) Brown, who joined in 1959. “We were always told that the family firm was the best in the world,” he remembers. Another family connection, by marriage, was the Benham father (Peter) and son (Keith), after Peter Benham married Harold (George) Brown’s daughter, Phoebe.

Another name associated with Linklaters over an extended period of time is that of ‘fforde’. Arthur fforde joined Linklaters & Paines two years after its formation, became a partner in 1928 and left 20 years after that to become headmaster of Rugby school (although he did much more – see Profile, overleaf). His son, John, joined in 1951, made partner in 1956 and retired in 1987. The double ‘ff’ in the surname gave rise to the younger fforde’s nickname within the firm: firefighter.

The newly merged firm of Linklaters & Paines may have started its life in the most testing of circumstances as Europe set about rebuilding its political, economic, commercial and social structures after the destruction of the First World War, but the partners had vision and determination. Who knows, they may have seen an opportunity to turn the unpromising market environment to their advantage. It would not be the first time in the firm’s history, and

The firm’s fee for handling an IPO in the 1960s was 500 guineas. A guinea was worth 21 shillings (in pre-decimalisation currency, a pound being 20 shillings). That would be around £8,500 in 2012 prices.

certainly not the last, that the firm would respond to adversity with a positive outlook.

What is clear is that the partners sought to create a more modern operation. For one thing, the partnership took the decision to have their accounts professionally audited (which was not then compulsory). The firm started a pension scheme for its staff. The staff were given an extra incentive to participate in the firm’s success with the introduction of a profit-sharing scheme, the first such scheme of any City law firm.

Seemingly, there was no retirement age: in 1929, nine of the staff were older than 65, three over 70 and one was aged 82. One of the staff members, Edgar Kentish (a lawyer), had joined before the First World War and continued to be employed until his death at 80 in 1963. He was in the habit, in his latter years, of leaving the office around 4 o’clock each afternoon with a cheery “good night” to anyone he passed on the way out of the office.

Not that the staff were looked after in all respects. Judy Slinn writes in *Linklaters & Paines: the first 150 years* that the nine members of the copying department worked in “gloomy conditions, wrestling with the primitive machinery then available” and that their offices were “more like a public lavatory than an office”.

The firm gradually grew in size. By 1929, the time of the Wall Street Crash, the firm was 50-strong. By 1937, the firm comprised 11 partners and more than 80 staff. It was the largest firm in the City of London. Intriguingly, there was a possibility – although it is not clear how seriously this was pursued – of a merger between Linklaters and Freshfields. Had that happened, it would have caused as much of a stir in the legal market as the merger between Coward Chance and Clifford Turner 50 years later. Why didn’t they merge?



The firm's partners, partners' retreat, Selsdon Manor, Surrey, UK November 1984. It is now Selsdon Park Hotel.

ARTHUR FFORDE



Arthur fforde (the double 'f' stemming from the original Anglo-Saxon spelling of the name) was one of two Linklaters partners knighted for services to the government during the war (the other being Sam Brown). After working for the Ministry of Supply, he moved to the Treasury as under-secretary, where, it was said, he would quote Plato or Tacitus during meetings. He would read Greek on the tube coming into the office and also used Greek quotations on his self-composed Christmas cards.

He was also a practical, commercially minded lawyer for whom legal documents should be precise and to the point. Exasperated by pedantic amendments made to one of his draft documents by lawyers from Slaughter and May, he had a special rubber stamp made, "Is this a point of substance?", which he duly stamped in the margin against each of the amendments before returning it.

He continued as a partner until 1948 (having originally been made a partner in 1928), before leaving the firm to take up the position as headmaster of Rugby School (which he himself had attended as a boy). There he stayed until 1957, when he became chairman of the BBC governors, as well as a director of Equity & Law, Save & Prosper, and the Westminster Bank (the forerunner of NatWest and then Royal Bank of Scotland).

Until the Clean Air Act of 1956 helped to improve the quality of London's air, staff were allowed to go home when, as sometimes happened, the London 'pea-souper' fogs descended on the capital. Not because of the difficulties of getting home (although that was also the case), but because the fog got inside the firm's offices in Barrington House. The yellow fog was sometimes so bad that you could not see one end of the corridor from the other.

History does not relate, but we can speculate that the partners of Linklaters felt assured enough in the firm's own strength to continue on their own – and that the partners of Freshfields felt likewise.

The families continued to dominate the firm in the inter-war years. Harold Addison was senior partner until 1933, to be succeeded by Harold (George) Brown for just two years, and then by his brother, Gerald Addison. Evidently, the firm was successful throughout that decade, and, for the partners and staff, it was a happy and contented work environment. There were annual dinner dances, sporting events on Saturday afternoons (Saturday morning being a working “day”) and convivial partner lunches in the partners’ dining room (it was the responsibility of the senior partner to carve the roast). What could possibly go wrong? The answer to that was, the German bombing of London (see Wartime Service, right).

The destruction of Bond Court meant that the firm had to operate from its small offices in Granite House, on Cannon Street, as normal activity resumed after the war. These were offices that had been rented before the war. At the end of 1945, additional space was rented in 118 Old Broad Street. The ground floor had been occupied by a Japanese bank before the war, and was still set up as a bank when the firm moved in. The general office staff sat in offices behind the bank counters, and two litigation clerks sat in what was the customer area. Not the ideal office environment: rats could be heard scurrying along behind the wooden panelling on the walls. The partners Arthur fforde and Sam Brown had offices on the first floor; James Sandars an office on the second floor (as did John Sanders, not to be confused, the litigation managing clerk); the Costs department on the third floor; and the partners Peter Benham and John Field on the fourth floor. There was a canteen (which cost 3 shillings a day) and strongroom in the basement.

Shortage of coal in the post-war years, particularly in 1947, led to cold offices (rooms were heated by coal fires) and sometimes no electricity at all (candles would then provide the light). Peter Benham impressed a young Ferrier Charlton, who joined in 1948, by always attending to phone and other messages left for him before taking off his coat and thereby demonstrating how important it was to respond immediately to clients’ requests. But the truth may simply be that the offices were too cold.

Uncomfortable though the offices may have been, the firm did not want for talented people. Returning to the office from the war were Sam Brown, Arthur fforde, Kenneth Cole, Andrew Knox, Bill Addison and James Sandars. Three new arrivals deserve particular mention: John Mayo, Ferrier Charlton and Godfrey Phillips. There will be much more written in this book about the first two, but Godfrey Phillips is also worthy of a place in the Linklaters history. A practising barrister, the co-author of a legal textbook on constitutional law (together with Professor E.C.S. Wade), Godfrey Phillips achieved renown as the secretary and then commissioner general of the Shanghai Municipal Corporation, the body that administered the International Enclave in the Chinese city before China achieved “liberation” in 1949. In these capacities he had to act as intermediary between the arguing nations competing for control of the enclave. These were not just any arguments, and aroused

WARTIME SERVICE

The two World Wars inevitably had an impact on the firms (in the case of the First World War) and the firm (in the case of the Second World War).

Apart from men being called up to fight, others were called upon to serve in government ministries. In the First World War, William Paine and Harold (George) Brown worked in the Ministry of Munitions and, from 1918, Harold Addison in the Admiralty. (Up until then, Harold Addison had continued to work and sleep in the office, keeping a camp bed in his office.)

In the Second World War, Sam Brown joined the Ministry of Economic Warfare, and then moved to the Ministry of Aircraft Production when that was established in 1940. Arthur fforde served in the Ministry of Supply, before moving to the Treasury as under-secretary. Both were knighted for their services. Fred Branson was taken on as adviser to the Chancellor of the Exchequer.

Others saw distinguished service at the front. Ferrier Charlton was an aircraft pilot (awarded a DFC and bar), Derrick Bretherton a tank commander and James Sandars fought in the invasions of Sicily and Italy. Harold Bundy fought in both wars. Harold Russell, Frank Farres and Bill Nevill were others who fought in the Second World War.

A consequence of the Second World War was the destruction of the offices at 2 Bond Court on the night of 10 May 1941. All that survived was the strongroom. Fortunately, because it was a weekend, no member of staff was killed or injured. The firm then had to transfer to a few rooms on the second floor of Granite House on Cannon Street. The Chase Bank on Lombard Street offered offices to Peter Benham and Harry Cohen.

Peter Benham, who was not able to fight as a result of disability, continued to work through the war. He described how the life of the office continued, although the office did shut at 4.00pm each day. Most of the work was broadly commercial (all M&A, corporate and capital markets work ground to a halt) with a variety of miscellaneous work, including issues arising from the Trading with Enemy Acts.

THE TEA TROLLEY AND THE VAT MAN

The tea trolley was central to life in Linklaters during the 1960s and 1970s. The tea ladies would wheel the trolleys down the corridors each morning and afternoon, serving tea and coffee (free) and biscuits and rolls (for which they charged). When the UK joined the Common Market in 1973, value added tax (VAT) was introduced on most goods and services. VAT inspection teams followed up by making sure that businesses were charging VAT appropriately.

Linklaters received its first VAT inspection some time in 1975. The story goes that the whole process was going smoothly until the VAT inspector was offered a cup of tea from the trolley and saw that food was charged for. Were these charges included on the firm's VAT return? he enquired. The answer was no, because no one had given it a moment's thought. The argument that it was a separate business from the firm's with a turnover below the taxable limit was rejected, and the firm had to pay both back tax and a fine. The really bad news was that the trolley ladies' biscuit prices went up.



strong passions and even led to violence. At one meeting, a Japanese representative shot (fortunately, only a glancing blow) the chairman of the Council, Tony Keswick, then the head of Jardine Matheson. Godfrey Phillips himself was the target of an attempted assassination.

He joined the firm in 1945, qualifying as a solicitor in the same year, and was made partner in 1946. However, he left, seven years later, to join Lazards, the merchant bank. Although Lazards was a client, his departure was viewed by some within the partnership as an act of disloyalty. Godfrey Phillips' son, Peter, himself joined the firm and, after leaving, was instrumental in instructing the firm on one of the largest transactions it would ever work on, the Eurotunnel project.

By 1956, the firm had 17 partners and a staff of around 175. There was pressure to find better office accommodation. An ideal solution presented itself in Barrington House (see page 54). Three years later, the firm also leased a flat just off Park Lane. This was for the exclusive use of partners, most of whom lived outside London but who might need to spend the occasional night nearer the office if they were working late or, more usually, to be more conveniently placed for the airport. The care of the firm's flat was entrusted to a couple who lived in the basement. It was a satisfactory arrangement until it was discovered that the husband helped himself regularly to the contents of the drinks cabinet. Later on, the firm rented a flat behind Harrods, where it had to contend with problems of a different nature. While redecorating, it was discovered that the flat had been insulated with asbestos.

For Mavis Rees, who joined the firm in 1959 as a secretary, the firm was steeped more in the bonds forged by wartime experience, than by the families. "Quite a few people, partners and staff, had fought in the war, and obviously lived through it, and that really shaped the culture of the firm," she recalls. "Those were really strong bonds, which to some extent bridged the divide between partners and the rest of us."

In 1961, the firm had 18 partners and a staff of about 120. Along with Slaughter and May, Linklaters was the largest firm in the country.

With the retirement of Sam Brown in 1961, the senior partner mantle was handed on to Andrew Knox. The family tradition may have continued (Andrew Knox was the son of Harry Knox, who had been a partner in the Paines side of the firm), but it marked a shift in the approach to running the practice. It started to become more commercial. The attention to the client became sharper. For the first time, also, the firm had a property lawyer, rather than a corporate lawyer, at its head. Mark Sheldon, who did part of his articles with Andrew Knox, was greeted with the words: "Very nice to meet you, Sheldon. My last articulated clerk was an absolute disaster." Chief among his articulated clerks' tasks was to buy Andrew Knox's second pack of cigarettes each day.

James Sandars, who succeeded Andrew Knox as senior partner in 1969, was another in a line of hard taskmasters. When he was presented with drafts by his assistants, all that remained of their words would generally be "Dear Sirs" and "Yours faithfully". He was a firm believer in offering his articulated clerks good all-round training

THE BROWNS

The Linklaters may have given the firm their name, but the firm really owes its strength and leading reputation to three generations of the Brown family who played a dominant role over the best part of a hundred years.

Harold Brown, who was the senior partner of the Linklaters side of the firm between 1895 and his death in 1910, established a leading reputation as an authority on bankruptcy. In 1882, he delivered a paper to the Social Science Association, called “On Bankruptcy and Liquidation”, in which he called for “great and fundamental change in bankruptcy legislation in order to bring about real purification of the commercial atmosphere”.

He wrote a pamphlet on the Suez Canal in 1884. He argued for reform to company law, commenting in detail on the Parliamentary Bill of 1888. His objections were that the bill would drive business away from London. He also argued in favour of voluntary, rather than compulsory, winding up. The bill was eventually passed into law in the Company Act of 1900.

Harold Brown was given to using what is quaintly described as “trenchant language” – a trait that had been enthusiastically adopted by one or two other Linklaters partners down the years (no names mentioned).

Harold Brown had wide-ranging interests besides politics and law, including the theatre, chess, cricket, poetry and the rearing of poultry.

His son, **Harold George Brown** (“HGB”, as he was always known), seems to have taken up where his father left off, becoming an eminent lawyer and renowned figure in City circles. He was the principal partner advising two of the firm’s main clients, The Debenture Corporation and BP (then called the Anglo-Persian Oil Company). He was appointed to the Board of the BBC in 1931, and became vice-chairman. He was a director of BOAC, the forerunner of British Airways, and a director of Lloyds Bank. He sat on the committee set up to recommend changes to the Companies Act of 1905 and on the 1936 Anderson Committee, formed to assess the viability and validity of unit trusts.

Also like his father, HGB was a keen sportsman, squash and golf being his chosen leisure sports. At Cambridge, he was the heaviest member of the Cambridge crew, whose boat filled with water (although did not sink) in the boat race of 1898.

HGB’s son, **Sam Brown**, was made partner in 1928 and was senior partner from 1956 until 1961. He was awarded a knighthood for his service for the government during the war, during which he became under-secretary at the Ministry of Aircraft Production and steered through the nationalisation of Short Brothers, the aircraft manufacturers of which he later became a director.

Like his father and grandfather, Sam Brown was in demand to sit on government bodies as an expert adviser. The post-war Labour



Harold Brown, Harold George Brown and Sam Brown.

government tried to tempt him to become chairman on one such body, with the minister promising him significant remuneration for his work. Sam Brown turned down the offer, since it was not in his nature to “be well paid for doing nothing”.

He had a reputation as a practical lawyer who believed that clients were best served by providing direct, straightforward advice. “It doesn’t have to be perfect, it has to be right,” he would tell his assistants and articled clerks. His client skills were also exemplary. One client, after finishing a meeting with Sam Brown, told another partner, Hugh Paine, “I always feel better after I have met Sam. I feel less worried about things.”

He felt that the system of charging articled clerks a premium to do their articles with the firm was unfair, and he stopped it. But, in return, he expected high standards. He would tell his underlings, “I don’t mind how many mistakes you make, as long you don’t make the same mistake twice.”

Charles Allen-Jones, who joined the firm after Sam Brown had retired as a partner but was still working as a consultant, remembers him as being a “towering figure, and very remote. You might see him walking down the corridor, but he would not say ‘good morning’.” But Barry Mayo, as a recently joined cashier, recalls that once he mistakenly entered his office to ask him to sign cheques (as had to be done by a partner each day), not realising that Sam Brown was the senior partner. “He never turned a hair,” Barry Mayo remembers. “He signed the cheques, quite happily, and did not rebuke me for having disturbed him.”

Sam’s son, Bill, followed him into the firm and was lined up to join the partnership, but before that happened, decided to leave the firm and emigrate to Australia. He joined the Australian law firm Allen Allen & Hemsley, one of the constituent firms with which Linklaters formed an alliance in 2012.

THE CHAUFFEUR'S TALE

Ted Unwin was the firm's chauffeur between 1969 and 1997.

"Before I joined, the firm had two female chauffeurs. The one before me left the firm car – it was a Wolseley – unattended while she was seeing her boyfriend, and it was stolen! I was recruited by Barry Mayo, the office manager, who hired me because I looked like a younger version of his father, who was also a chauffeur. The first car I drove for the firm was a Ford Zodiac.

I found out that the firm wanted its own car largely because Kenneth Cole, one of the senior partners, had a bad back. He had been injured playing rugby. To sit comfortably in cars, he had to position himself at the front of any seat. If taxis stopped suddenly or jerked, he was apt to fall off the seat. So, Raymond Shingles and John Gauntlett, other partners, decided we should have our own car with a more careful driver.

I got to know the partners very well, and I was on first-name terms with most of them. They became friends, and I got to know their families. I would be invited to their children's weddings. Raymond Shingles, who loved cars, would quite often invite me to his home in Hurst Green in Kent, so he could show off whatever new car he had acquired. He had a Bentley at one point. I would sometimes have pie and mash with Hugh Paine, for lunch, because Hugh preferred that to the partners' dining room.

I liked a joke, and most would share in them. There were a couple of exceptions. Peter Benham, who became senior partner, was always quite tense – especially when we got stuck in traffic. He would get out of the car and try to see what the problem was. When there were train strikes, I would collect a number of partners from their houses, so there would be six in the car. The Zodiac had a bench front seat. He was one of them, usually, and would sound off about the strike.

During the three-day week of 1974, which came about because of the miners' strike and power shortages, one partner came to reception and asked to be taken somewhere. I said I couldn't, I was afraid, because there was a power cut! He didn't get the joke and left without getting a ride.



Ted Unwin and Mark Sheldon, with Mark Sheldon showing his CBE.

We were one of the first firms to have a phone in the car. John Edwards, I am told, had applied for a licence to have a phone in his car. When the firm said it needed one, he let them have the use of that licence. It was like a walkie-talkie, so you had to say "over", when you had finished speaking and wanted the other person to speak, and press a button when you were speaking. Quite a few of the partners found it difficult to get used to that.

Bill Addison was one of the partners given to occasional outbursts of temper. Once he was in the car with John Sanders, who was a litigation clerk and had been working for the firm for years. There had been some kind of mistake made during a case, and Bill was shouting at John for having fouled up. However, John had had an accident in the war which had affected his hearing, and I think he had a hearing aid. After several minutes of Bill shouting, John turned to him and said, 'Sorry, Bill, were you saying something?' Fortunately, Bill saw the funny side.

I would spend quite a lot of time going backwards and forwards to the airport. I had to wake up Mark Sheldon on one of his trips to New York because he had forgotten

to adjust his alarm when the clocks changed, and he had overslept. Another time, I got a late-night phone call from Charles Pettit, who had returned from New York and said his car had been stolen from the parking lot. I drove over, and while we were in the car I asked him which of the Heathrow terminals he had flown from. It turned out to be a different one from the one he arrived back at, and his car was there all the time.

However, the partner I used to take most to the airport was Bill Park. For days, possibly weeks, I drove him to Heathrow where he would catch the 10.00am Concorde flight to New York, and then collect him that same evening after his return on Concorde arriving at 7.00pm. That was during the British Airways dispute with Freddie Laker.

I liked all of the cars we had, except for one – a Volvo, which we had towards the end of the 1970s. In the car's first service, 16 parts had to be replaced. It so happened that I was asked to collect the then chairman of Volvo from the airport, together with Charles Allen-Jones, and deliver him to the Dorchester. The chairman, Pehr Gyllenhammar, was interested to know my opinion of the Volvo. I told him straight. I told him about the 16 things that needed fixing. I said, "Whoever designed this car is not a driver!" Charles was sitting in the back, looking out the window and trying not to be uncomfortable. We arrived at the Dorchester, in the pouring rain. It was another feature of the car that you had to open the boot halfway so the rain would run off before opening it all the way. This time, I forgot to do that, and the rain soaked his case and coat, which were in the boot. "And that is another thing that needs fixing," I said. I had that car for a year, and I threatened to drive it into the river unless the partners changed it.

I worked with the firm for nearly 30 years. I only ever had two weeks off (when I ruptured an achilles tendon) and one day off sick, as did most members of staff when one of the tea ladies (not a regular) put bleach in the tea urn to clean it. It is a great firm, and I could not have had a better time."

because he described his own articles (not with Linklaters) in the early 1930s as being similar to that of an unpaid office boy. He came to Linklaters after playing squash with a young lawyer at the firm who said that Arthur Forde was looking for an assistant.

“Enormously conscientious” was the assessment of James Sandars by partner Ralph Aldwinckle. “He was also a visionary, and he recognised early on that we needed to be in Europe.” He instigated and supported the firm’s membership of The Club, a loose collection of law firms from different jurisdictions who would meet once a year to swap ideas. After visiting Moscow for the firm, he started studying Russian and reached a level of proficiency to be able to read the Russian classics in the original. He was also a painter, mostly water colours (and had his paintings displayed in the Law Society Art Exhibition).

The firm started paying articulated clerks a salary in 1960. Up until that point, articulated clerks were unpaid, but neither did they have to pay a premium for being trained (as was generally the practice). The starting salary for articulated clerks was £200 a year (equivalent to about £3,800 in 2012).



SIR SAM BROWN'S PORTRAIT AND THE JARDINES' CLOCK

On 19 September 1957, the UK government increased the Bank of England interest rate from 5 per cent to 7 per cent, ostensibly to avert a further run on Sterling. Never had the interest rate been raised by more than 1 per cent in a single move, causing the price of government bonds (gilt-edged stocks) to fall dramatically.

It was rumoured that a number of City institutions, among them Lazards, the Royal Exchange Assurance, Jardine Matheson and Robert Fleming, had been given advance warning (illegally) and were able to sell off their Treasury holdings before they fell in value. Linklaters was instructed to advise them.

The stakes were high: not only were the reputations of the institutions at stake, so was that of the City of London. However, the allegations proved to be groundless. A tribunal set up to investigate eventually found that there was no justification for the allegations.

Although the firm – in particular, Peter Benham – had put in a lot of work, it waived its charges, “for the honour of the City as a whole”. In recognition of this generosity, Lazards commissioned a painting of Sir Sam Brown, then the firm’s senior partner, by Edward Halliday, and Jardines presented the firm with a clock, with the following inscription: “Presented to the partners of Linklaters & Paines with gratitude and esteem for an act of unusual kindness in the City of London”.





Andrew Knox.

Andrew Knox, the senior partner from 1961 to 1969, had this put-down for a partner who came into the partners' dining room wearing a shiny navy-blue suit (then considered very loud and ostentatious): "I see our incandescent partner has arrived."

The trait that is most associated with James Sandars was the softness of his voice. "Whispering Jim" spoke so quietly that at the end of "kick-off" meetings when merchant banks and lawyers would gather to agree the overall terms of the deal, a hush would descend in the meeting room whenever he was asked his opinion because otherwise no one could hear what he was saying. Another partner who would also use the quietness of his voice to great negotiating effect was Adrian Montague, who formed the Projects group towards the end of the 1980s. It was said that many a term was agreed by the "other side" because they didn't like to ask him to repeat what he had said, so they simply concurred.

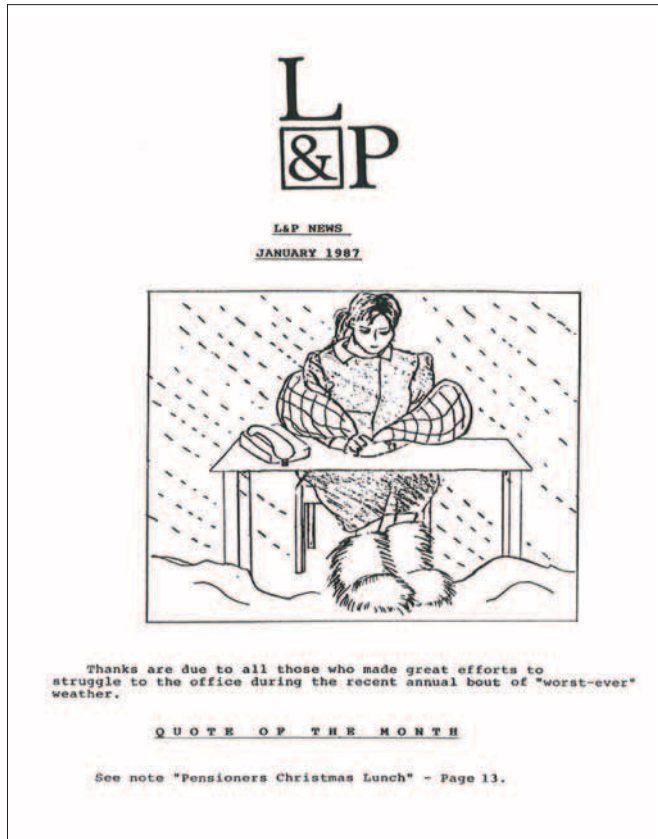
On retirement, James Sandars handed a file of green documents (the file copies, before the introduction of photocopies) to two of the other partners in his group, Len Berkowitz and Chris Gorman. These were carbon copies of letters he had written to all his clients informing them that the two of them would be looking after their affairs in future. "He had not consulted us," recalls Chris Gorman, "and it is quite possible he did not consult the clients either."

U p until 1967, law firms were not permitted to have more than 20 partners. From the early 1960s, this was proving to be an obstacle to the firm's development. There were candidates who clearly merited partnership and might be persuaded elsewhere if the offer of partnership was not forthcoming. At least that was the fear: talking to people of that generation, they would never have been so presumptuous as to assume they would be made partners; almost always, the call from the senior partner came as a surprise.

It was, however, perceived to be a problem so long as the maximum of 20 endured. One solution was for the senior partner to retire and become a consultant, which happened in the case of Sam Brown, to go "above the line" on the firm's headed notepaper. Another was to make the next in line "associates", and also put their names on the letterhead. The category of "associate" was also given to those lawyers who were not regarded as partnership material but who made a valuable contribution nonetheless to the firm, perhaps because of their expertise in a particular area of law, such as patents or European law. Jack Barounos, who retired in 1981, was the last of this category of "associate".

The limit of 20 was lifted by the Companies Act of 1967. By coincidence, the firm's 21st partner (Jeremy Skinner) was the nephew of the life peer who steered the 1967 Companies Act through Parliament. The lifting of the limit on the number of partners necessitated a meeting of the whole partnership to review the partnership deed. Astonishingly, this was the first time all of them had met, as a memo to the Finance & Policy Committee (FPC), the firm's principal management body, reported, "outside licensed premises". This was a reference to the licensing laws that applied in the UK restricting when and where alcohol could be served.

Four partners were made up in 1969, and five in 1970. Within five years of the limit being lifted, the partnership had grown by half, to reach 33 partners, 76 assistants, 19 legal executives, 32 articled clerks, 115 secretaries and 104 people working in "administration", making a total of 379 people.



Alison Joanes, then Charles Allen-Jones' articled clerk, drew this cartoon to hint at how cold the office was in the winter of 1986.

Peter Benham took over as senior partner in 1972. The son-in-law of Harold (George) Brown, he had “looked after the shop” during the Second World War and was made partner in 1946. Another in a line of dedicated lawyers that had come to typify the Linklaters work ethic, he would work in the evenings and at weekends, often rising before 6 o'clock on Saturday mornings to do three hours before breakfast. “He liked nothing more than complicated drafting,” his son, Keith, remembers.

It was under Peter Benham's stewardship that the firm made its first real moves internationally, opening offices in New York, Paris and Brussels and, in conjunction with local firm Deacons, in Hong Kong (see Chapter 4). He certainly supported the firm's growing internationalism, even if he could not predict how far and how fast the firm would change.

With the restrictions on the number of partners lifted and continued increase in demand for work – despite the so-called “secondary banking crisis” of the early 1970s – the firm continued to grow fast. It was by then occupying three floors and part of the ground floor of Barrington House and one floor in Garrard House, which was within easy walking distance of Barrington House.

THE “BOWLER” AND ITS PLACE IN THE FIRM

Think of the City after the war, and the image that usually springs to mind is the bowler hat. Made of hard black felt (which would withstand being stamped on), the “bowler” was a close-fitting, low-crowned hat that had originally been designed to protect people on horseback from low-hanging branches. But they came to be worn throughout the City. Henry Pickthorn, who joined the firm after the war, recalls that bowler hats served as a great leveller: “It made the City a more dignified and egalitarian place – we wore the same uniform, bank clerks looked like chairmen and chairmen looked like bank clerks.”

So it was in Linklaters. It was not just outside the office that they would be worn. The procedure was you would wear them into your office, and hang them on a hat stand. They had to be worn while walking down corridors, but taken off in the lift. John Phipson, something of a rebel even though a family member, claims to be the first articled clerk to refuse to wear a bowler. Many partners would also keep a second jacket in the office, wearing their best jacket to meet clients and the other for everyday use.

The tradition endured into the 1960s, the last of the bowler-hat brigade being John Gauntlett, John Mayo and Bill Addison, who refused to take an assistant with him to a meeting at a bank if he wasn't wearing a hat.

The best story about bowler hats, however, belongs to Sir Arthur Forde, who, each August before setting off on his summer holiday, would throw his bowler hat into the Thames off London Bridge.



THE MISSING CHOCOLATE BISCUITS



On Black Monday, 19 October 1987, a bull market which had lasted five years came to an abrupt halt. The bottom fell out of the London stock market, and shares on all stock exchanges plunged. It was the worst day for the City since the Crash of 1929. It was followed, as one might expect, by an economic downturn.

At Linklaters, the firm's management committee instituted a range of measures to address the downturn. Among them was the decision to stop providing chocolate biscuits in the meeting rooms, a saving of a few thousand pounds a year.

When this bold act of cost control came to the attention of the *Daily Telegraph City Diarist* (whose brother worked for Warburgs and fed him the information), an item duly appeared in the column on 4 May 1988. The column quoted a "portly financier" (presumably the Warburgs banker) saying, with a heavily laboured pun, "I've heard the City is slimming down, but this takes the biscuit."

The column had the desired effect. The following week, at the insistence of Peter Farren, the partner in charge of the firm's PR who realised that there was some damage limitation needed, the chocolate biscuits were reinstated.

Peter Benham was, in turn, replaced by John Field in 1976. He was the next most senior partner, and assumed the role on that basis (see Buggins' turn, page 117). He was somewhat quieter than his predecessors, and less given to anger outbursts. He was someone of "enormous common sense", according to Ralph Aldwinckle, who was assigned to his group on qualification.

The firm's growth continued unabated through the 1980s. On a number of fronts, the policies of the Thatcher government had a profound impact on the firm. For one thing, it made decisions about office space much easier. The decision to abolish exchange controls (one of the first measures to be introduced by the incoming government) led to the government's Export Credit Guarantee Department vacating three floors of Barrington House. In time, those floors were rented, redecorated and occupied by Linklaters. The Thatcher government's immediate reduction of the highest rates of income tax benefited the partners personally, and prompted a change in the lockstep ratios, to reduce the differential between the highest and lowest earning partner from 6:1 to 3:1. Later, that figure would come down further, to 2.5:1. The government introduced incentives to encourage more people to save for their own pensions, another measure which benefited the partners personally.

The increased profitability of the business provided scope for new investment: in people, in increased office space, and particularly in new technology. Linklaters was certainly one of the first law firms to recognise the value to the business of having access to the latest technology. In 1986 the firm invested some £3m (then a huge sum) in a desktop computer for every member of staff. The two proponents for investing in the Wang Office Information System, Richard Bailey, the finance partner, and Tony Angel, a tax partner, argued that the investment would be repaid in more productive lawyers. Tony Angel, in a paper to the Finance & Policy Committee, wrote: "The benefit to us from Wang is to be derived not from its word processing capabilities but from electronic mail and time management and accounting, management information and knowhow. The cost is justified on the additional productivity given to those who earn money in the front line."

The first Linklaters & Paines brochure, in 1986, could just as easily be written today, with some fine tuning to update the language: "We aim to produce businesslike and practical solutions to problems, and to give commercially based legal advice to clients to assist them in running their businesses. We possess the experience, the manpower and the technical resources necessary to undertake large and complex transactions at short notice and to complete them with speed and efficiency. We take every opportunity to exploit advances in technology to improve the service we can give to our clients."

With exponential growth, it was becoming increasingly clear that the firm was becoming too big to manage with the existing committee set-up. There was too much pressure on the senior partner. Brilliant lawyers though they were, and towering influences on the firm, it is quite likely that neither John Mayo (senior partner between 1980 and 1985) nor Ferrier Charlton (1985 to 1988) relished

JOHN MAYO

John Mayo is rightly regarded as one of the most influential, if not necessarily the most easy of people to have passed through the firm. Gifted with a brilliant mind (“frighteningly intelligent”, in the assessment of Anthony Cann) and possessing all the qualities invariably associated with the best lawyers (drafting skills, diligence, attention to detail, focus on the needs of clients), he also brought a commercial instinct that was rare for lawyers of his era. Together with Ferrier Charlton, John Mayo represented the post-war generation who helped in the transition of Linklaters from a predominantly family firm, albeit one with a great reputation, to a leading commercial law firm.

He joined the firm in 1947, and was made a partner in 1953. After contracting tuberculosis, he had to take two years off work. With weakened lungs, he would huff and puff his way around the office. The shortness of breath may have been a contributory factor to his temper outbursts, during which he was quite likely to pick up the nearest object and throw it at whomever had upset him. Bottles of ink, ashtrays and, sometimes, the phone would be hurled at potential victims. In the case of the phone, it would usually fall harmlessly to the floor once the cord had stretched to its limit, but on one occasion he threw it with such force that the phone was ripped from the wall. “He was like a volcano,” remembers John Edwards, “just waiting to erupt. He barked out orders, probably to compensate for his wheeziness.”

He didn’t brook any argument. “People said of John, you didn’t disagree with him, you asked him for his point of view,” James Wyness notes. “If you disagreed with him, he would shoot you down in flames!” Group meetings at which he presided tended to be more monologues than discussions, for that reason. His very presence could be intimidating: when he left in the evening to catch the train home, others would avoid him in the corridor. He would not acknowledge people while passing by in the swing doors. Strangely enough, the only person who was not intimidated by him was Agnes, one of the tea ladies, who would deliver his tray of coffee with a cheery, “Morning darling,” to which she would always receive a civil answer.

At the same time, people who knew him well remember a man of great kindness, devoted to his family and generous to his partners. When he was senior partner, he and his wife, Susan, entertained groups of young partners at their home, events which are remembered with great fondness by those who attended them. His tempers became fewer and farther between with age. He was a decisive and highly effective senior partner at a critical time of the firm’s development.

Above all, John Mayo was a truly exceptional lawyer with a City-wide renowned reputation. He was involved in many of the market’s most important M&A and other corporate deals. He had the brilliant lawyer’s knack of identifying problems and resolving them. “John not only had a terrific grasp of the law, his powers of financial analysis and comprehension were remarkable,” remembers Charles Allen-Jones. John Edwards says of him: “He had this ability to sit in a room of quarrelling bankers, and sum up what people wanted in two sentences.”

The same happened in meetings with Counsel. On one famous occasion, the firm instructed leading Counsel (Bob Alexander and his junior, Jonathan Sumption) to advise on how it should respond to a



crisis in Hong Kong involving its joint venture partner, Deacons (see page 74). While others were talking back and forth about the issue, John Mayo started writing on a piece of paper. With his head bent in concentration, and writing in his tiny handwriting, after 10 minutes of drafting he waved the paper with a flourish and said, “I’ve done it!” That was the letter that was finally sent to Deacons: there was no need to have instructed Counsel.

When the first version of the Takeover Code was published, John Mayo was working on the merger between Rio Tinto and Consolidated Zinc. The code was published in the morning; by lunchtime that day he had drafted the appendix to the offer document that complied with the new takeover conditions and had it circulated to all those working on the deal.

He embodied the firm’s core values, of dedication to clients, perfection, imagination, commerciality and also integrity. When Anthony Cann expressed his reservations about acting for Mirror Group Newspapers after the company was taken over by Robert Maxwell, John Mayo (then the client relationship partner) immediately phoned up the Mirror Group and said the firm would no longer act for them.

In his farewell message to the firm in October 1985, he summed up his philosophy and what he hoped would be his legacy: “Let all legal advice be practical and business-like, aimed at finding solutions rather than raising difficulties. Let our letters of advice be short, capable of being understood and including answers to problems. Let us operate pleasantly – even when we have to be tough in the interests of our clients, we don’t have to be unpleasant. To all of you who have worked with me over the years, I offer thanks for your help (and for bearing with me in moments of irascibility).”

THE TYPIST'S TALE

Connie Highman joined the firm in 1946 as a legal typist. She ran the typing pool for many years, retiring in 1980.

"I was hired by Mrs Vida de Vere Summers, a name I shall always remember. When I joined, Britain was still recovering from the war. The typewriters we used were antiques.

I started in Granite House, on Cannon Street. In 1947, we moved to Austin Friars, on Throgmorton Street. When we moved to Barrington House in 1956, we were on the 6th floor, but, as the firm rented more floors in the building, we kept moving on up to the 8th floor.

Over the years, I got to know many of the partners by their first names, having known them from when they were articled clerks.

In 1966, I took over responsibility for running the typing pool. My aim was to 'do the impossible'. I got to know everyone and was always treated with respect. My staff were excellent typists, and speed and accuracy were of the essence. The 'Queen of Speed' was Phyllis Roberts. Haydn Puleston Jones, a partner, always asked for her to do his work. Another typist, Mary Herd, was profoundly deaf, but she was excellent at lip reading.

Over the years, I saw how typewriters changed from manual to electric. We went from using carbons of many colours to photocopying to Roneo Stencils to IBM magnetic cards to Wordplex with A, B and C disks serving as back-ups.

Sergeant MacKenzie (always known as Mac) headed the general office in Barrington House. Mac would look after the New Zealand All-Blacks rugby team when they visited. He would take time off work and arrange a lot of the logistics. I think he was in charge of the kit.

When I retired in 1980, Ferrier Charlton gave me a glass figurine of an owl, which I still have to this day on my shelf, in gratitude and 'as a symbol of wisdom and patience'. I was also given a bound document, in the style of our formal documentation, full of good wishes and remembrances from friends, colleagues and staff members. Adrian Montague, one of the partners, wrote in it of 'your unfailing ability to work miracles without any notice at all'."



the role. Various options were considered, including appointing a chief executive from outside the firm, but it was decided that the best option would be to appoint a managing partner.

James Wyness was the obvious and ideal candidate, having set up and managed the successful growth of the Paris office (see page 72). He became managing partner in 1987, but took on the job somewhat reluctantly. "To use a sporting metaphor, I felt I was being taken off the pitch and put on the bench, but, once I moved, I threw my efforts into it." He introduced strategic analysis and set about introducing more business rigour into decision making. "My objective was for the firm to become more professionally managed, and run as a business. We had to pay more attention to our costs, and to the management of our finances," he reflects today.

He asked the practice areas to develop five-year plans, with clear targets and business objectives. These, stacked up one on top of another, made for a big pile, recalls Chris Gorman ("almost as tall as James Wyness himself"). Joking or not, the papers marked an important change in the approach to the business. It was probably necessary. The market was becoming increasingly competitive.

James Wyness also brought in people from outside the firm to manage the key support services. In addition to Tony Blackett, who had been recruited in 1983 to become director of administration, Geoff May was taken on to manage HR and Robin Landon as finance director. With the lifting of restrictions on law firms being able to advertise and market themselves in 1986, an outside PR consultancy, Goode Associates, was used to advise on the firm's public relations. The firm's first annual review, first proposed by Ferrier Charlton in 1987, was published in 1992.

Mark Sheldon succeeded Ferrier Charlton as senior partner in 1988. He was appointed after a consultation, rather than simply by virtue of being the next most senior in line, marking the end of "Buggins' turn". Honoured though he was, the timing was not ideal because he was also due to become president of the Law Society in July 1992. Mark Sheldon would have preferred not to have taken on both roles, but was persuaded to do so by his partners. He now modestly says that he felt others would have done a better job, and that a lot of the work was carried out by James Wyness, first as managing partner and then as joint

senior partner, from 1991 onwards. He is downplaying his own contribution. David Lloyd, a property partner and contemporary of Mark Sheldon, says of him: “Mark was clever, ebullient and forceful. He was undoubtedly one of the builders of the modern firm. There are partners who built the structure, those who maintained it and those who sheltered within it. Mark is definitely in the first group.”

James Wyness was succeeded as managing partner by Chris Gorman, in 1991. Chris Gorman was faced with two pressing issues in his time of office: the need for the firm to move into new offices, and the investment in and incorporation of a new, expensive but very superior IT system, NeXT. To this day, people argue whether NeXT was the right technology to adopt. It proved to be incompatible with the Microsoft systems used by all the firm’s clients, and the firm moved over to Microsoft itself by the end of the decade. More successful was the move into Silk Street (see page 56), the first major property deal since the early 1990s recession. Just as Linklaters had set the pace with the move to Barrington House 40 years earlier, so the Silk Street move was deemed to be a masterstroke.

Chris Gorman stood down as managing partner, for personal reasons, in 1995. It seems to be a Linklaters trait that he, too, is modest about his achievements in the role. “I did not feel it was a great success, but I survived for four years. I was at the cusp between the old firm, which was laissez-faire, and the new firm, which inclined towards firmer management. When we were juniors, our job was to work at the coal face and to make sure the firm continued to maintain its position. It was not our job to question what the older partners were doing. I think we should, in retrospect, have skipped a generation, but we didn’t. The Young Turks who were pushing up were much more concerned about the bottom line.”

Linklaters & Paines, as the firm was then still called, was unrecognisable from the small firm which had started in 1920. By 1998, it comprised 214 partners and more than 700 other lawyers, 230 trainees and a total staff of 2,300 (about a third of whom were outside London). The firm practised in 12 countries out of 14 offices.

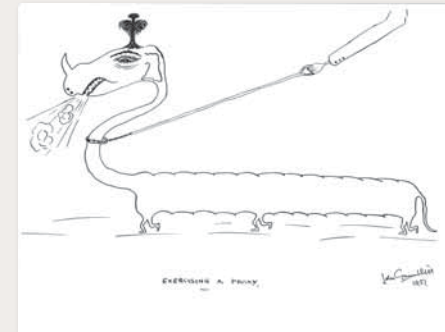
However, the key strategic decision for Linklaters & Paines in the 1990s was Europe. The die would be cast with a phone call, taken by Chris Gorman’s successor, in March 1997. ●

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Colonel Petherwick was a fictional client (some believe that he was a real client at some stage) used by partners as cover for trips to Lord’s, Wimbledon or Twickenham during working hours. They would write in their diaries “Meeting: Colonel Petherwick”.

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JOHN GAUNTLETT'S CARTOONS



John Gauntlett, who joined the firm after the Second World War having trained with another firm and was a partner from 1950 to 1978, was one of the great characters of Linklaters, not least because of his penchant for wearing colourful ties and socks at a time when sober was the order of the day, for his gregariousness and for his natural ability to get on with anyone and everyone. He would just as easily play marbles in the corridor with a secretary and chat to the cooks in the kitchen as command a meeting of merchant bankers to attention. David Caruth wrote of him: “John was self-effacing, without rancour and the most popular partner of my time with all who met him.” Sue Fowler (then Verey) is equally full of praise: “John Gauntlett was a pinnacle of a lawyer, as charismatic as anyone but always with a twinkle in his eye. He knew everyone, liked everyone and no one had a bad thing to say about him. The atmosphere in a room would change when he came in and he could always be relied on to say something completely off the wall. He was a true English gentleman.” He also had a talent as a cartoonist and for many years his cartoons adorned the walls behind the reception in Barrington House. Truth be told they are not to everyone’s taste, as comical representations of legal in-jokes, but readers can judge for themselves.

BARRINGTON HOUSE

By the mid-1950s the firm was finding it increasingly difficult to operate effectively, both because of increasing size and by reason of being based in separate offices. The issue arose as to whether it should find offices which would house everyone, and allow for growth.

There was not a huge choice, because large sections of the City of London remained bomb-damaged, but one new building, Barrington House on Gresham Street, was available. It was an eight-storey building which, wrote Judy Slinn in *Linklaters & Paines: the first 150 years*, “stuck out like a sore thumb among acres of desolation”. The building was named after the chairman of the company which owned the building, Legal & General: Jonah Barrington.

Not everyone was convinced of the wisdom of the move. Some partners felt that the site was too far from the City “proper” and not close enough to the Bank of England. Others complained that the area was not worthy of a firm of City solicitors, having previously been occupied by businesses in the textiles trade. Even being west of the Bank of England was enough to attract adverse comment from the firm’s competitors. Interestingly, much the same criticism was levelled at Allen & Overy when it moved to Cheapside two years later, so this may be another example of the firm bucking and then leading the trend.

John Mayo and Ferrier Charlton, then junior partners, drove a hard bargain with Legal & General, to rent the whole of the sixth floor and two wings of the seventh (a total of 25,000 square feet). One of the wings was immediately sub-let. The two secured the space at a rent of 15 shillings (the equivalent of 75p) per square foot, a 15 per cent discount on the prevailing market rate. Better still, the 35-year lease had no provision for rent reviews at any time. Over time, more floors were let, until by the time the firm moved into Silk Street, all but 5 per cent of the building was occupied by the firm.

The office of John fforde was on the 6th floor. On his desk was a button linked to a light outside to summon his secretary or articled clerk. In 1981, Nick Eastwell, an articled clerk in his group, surreptitiously pulled the wires out of the wall disconnecting the light. It was never repaired.

“THE SWAN WITH TWO NECKS”



Cover designed by John Clent.

Barrington House was built on the site of an old inn, The Swan with Two Necks, which dated back to the year 1500. Before he retired, Ferrier Charlton wrote a short booklet about the history of the site, which was circulated to the firm.

The “necks” in the name, he wrote, referred to the practice of marking swans’ beaks with two cuts (nicks, then spelled “nekes”), to show that they belonged to the Vintners Company. The Swan with Two Necks was burnt down in the Great Fire of London of 1666, before being rebuilt.

The inn came to prominence towards the end of the 18th century with the development of the mail coach. The coaches would depart from the inn to Bath, Liverpool and Manchester, among other places. Thomas Paine, one of the firm’s founders, is recorded as having travelled from the inn to his native Norfolk.

The inn was pulled down in 1856 and replaced by new buildings occupied by the London & North Western and the London & South Western Railway Companies. Those buildings were themselves destroyed in the Second World War bombing.

CATCH A THIEF

Barrington House was somewhat easy to access in the days before swipe cards and security guards. Despite regular warnings in *Office News* to staff not to leave handbags and wallets lying around, there was a spate of thefts.

Probably the most celebrated theft was that of the partners' television, stolen by a thief posing – in classic style – as an engineer, wearing white overalls. One poor temporary secretary, Cathy Rising, when challenging someone who she didn't recognise, was stabbed in her hand with a pair of scissors. One of the culprits turned out to be a solicitor (not named) with a gambling habit, according to the partner David Caruth in the book he wrote of his life, *A Life of Three Strands*.

However, there were a few successes: "On Friday 12th September Barry Mayo noticed a casually dressed young man strolling round the office on the 6th floor. The answers he gave when questioned as to why he was in the office were not acceptable and the police were called. He

attempted to leave the office and was restrained. It transpired that he was a borstal [prison for young offenders] escapee and has admitted to thefts in the region of five to six hundred pounds from offices." The note concluded: "Do not leave handbags or jackets containing wallets where a walk-in thief can see them." – *Office News*, October 1975.

"On Wednesday 8th May 1985, Bridget Edwards, secretary to the Office Services Department, saw a man entering the security doors of the 8th floor, C Wing, with a pair of scissors in his hand. She realised that it was the same man who had been on the 3rd floor in March and was suspected of taking a handbag. She asked him who he wanted, when he ran down the stairs. Bridget immediately informed Ray Rawlinson [who worked in the general office], while she called the police. Ray Rawlinson chased him down the stairs across the car park, and he was eventually cornered by Ray and the police from Wood Street in the gardens in Love Lane." – *Office News*, May 1985.

The deal struck by the two partners proved to be a master stroke: in later years, the firm did two "sale and leasebacks" of the original lease to raise capital for the partnership. As market rents rose over subsequent decades, the gap between the rent paid on Barrington House and the going market rate offered scope to realise capital. Rather than pocket the money, the partners decided in each case to sink the money back into the partnership. Mark Sheldon, one of the junior partners who benefited from the older partners' largesse, notes: "That was a remarkable act of selflessness and really reflected the ethos of the partnership – the partners putting the firm before their own interests."

At the time, the offices were considered to be smart but not over-pretentious. The staff were shown the building before the move, and it was regarded as being modern. The parquet flooring lent the offices a touch of class, although eventually had to be carpeted over because of holes left by stiletto shoes. The building started without a staff canteen, because Mecca, a restaurant in the basement, had the restaurant franchise. In February 1957, the staff were canvassed whether they would prefer to have a canteen (as they had had in Old Broad Street) or be given luncheon vouchers. The canteen would be in the Mecca restaurant. The response was overwhelming (a "washout", Colonel Clowes, the office manager, wrote in his notebook): of the total staff of 135, 106 voted against the canteen, with only 10 in favour. There were two reasons for this, remembers Barry Mayo. The food at Mecca was appalling, while, at the same time, a number of family-run restaurants in the area were starting to open up, where the food was infinitely better.

Each partner had his own large office, and outside his office would sit his secretary. Each assistant would also have his own office. (There was just one female assistant who was taken on in 1955.) Gerald Addison, who had been senior partner for 21 years, died shortly before the move, and never occupied the room that had been specially designed for him. ●



Kitty Langley, at Reception, 6th floor, Barrington House, probably in 1960. John Phipson says of her: "Mrs Langley was a lady with big writing and a big voice, who sat behind the raised reception desk and knew everything that went on. It was only when she got off her dais that she turned out to be tiny."

Barrington House was divided into wings, A, B, C, D and E. If anyone said they were going to "F" wing, with a knowing look, that meant they were off to the pub in the basement.

ONE SILK STREET

Through the 1980s Linklaters expanded in size and came to occupy all but 5 per cent of Barrington House. Nonetheless, there was pressure to find alternative premises. Barrington House was looking its age and was not equipped for the increased technological needs of the firm. Neither did it accommodate everyone; many other staff were in other nearby office buildings. It would be far better to have everyone under one roof.

While there was pressure to move, the firm took its time to find the right place. Property partner Robert Finch led the project. The search began in earnest in 1990, just as the UK was entering recession. Falling market rents and significant inducements by developers to attract tenants, such as rent-free periods and contributions towards fit-out, played into the firm's hands, but there was also nervousness about the costs of such a big move when it was not clear what impact the recession would have.

Robert Finch had clear instructions about the size and shape of the building ("we wanted a long, narrow building with plenty of natural light") and the facilities that the building should be able to accommodate (including plenty of room for conference and meeting rooms, canteen facilities and a large conference hall). Matching numbers to space gave rise to a calculation of cost per fee earner above which the firm would not go, in order to maintain the firm's competitiveness. The team developed a point scoring system for each building they looked at, which gave an instant guide on suitability.

After an extensive search, the firm decided on a building, or rather buildings, in Silk Street, just to the north of the Barbican. The site had once formed part of the large Whitbread Brewery, which, remarkably, was left largely undamaged by the Second World War bombing. Brewing stopped in 1976, and some of the buildings were demolished to be redeveloped for office use. That turned out to be Milton House and Shire House, both of which were leased by BP and then joined together. BP moved out in the 1980s, and the building sold to a Japanese developer. When the developer went bankrupt, the German fund CGI agreed to buy the buildings subject to agreeing a pre-lease to Linklaters.

The location was ideal. "The focus of the City was then moving northwards, and with Silk Street being close to the Barbican, we would be in at the centre of this trend, but the site also satisfied another of our criteria, to be within 10 minutes' walk or taxi ride to the Bank of England," Robert Finch says. Transport links were excellent, with Moorgate tube station in one direction and Barbican station in the other.



One Silk Street.

Robert Finch, ably assisted by Robin Landon, the finance director, struck an extraordinarily beneficial deal for the firm. The rent was in the range of £20 per square foot below the prevailing market rate (at the time £45 was considered to be a competitive rent). CGI also offered a major contribution towards the refurbishment and fit-out costs, so much so that the firm did not need to draw on partner funds, which, when you consider the fit-out costs were £35m, is pretty remarkable.

In fact, it was such a good deal for Linklaters that CGI, on reviewing the “heads of agreement” (the basic terms of the deal) pleaded to reopen some elements of the negotiations to make it worth their while. Linklaters agreed, but still achieved their objectives.

Simon Clark, a property partner with specialist tax expertise, advised on the tax structuring of the agreement. “It was an incredibly sophisticated deal, fully utilising the skills and expertise of those involved. I heard one senior corporate partner expressing his surprise after we had briefed the partnership. He hadn’t realised how complex such deals were.”

Linklaters took leases on 350,000 square feet with options on a further 100,000 square feet. Initially, four floors of Milton House were sub-let. The agreement involved staggered rent review dates to minimise the risk that a single review for the whole building might leave an expensive liability should rents start falling.

The agreement, signed in March 1995, drew public attention as the first big major pre-let to take place after the recession. Over the next two years, the buildings were completely remodelled and refurbished. One and three quarter acres of brown glass were removed from the old elevations for recycling. Some 1,600 people, 22,000 crates and 15km of files moved into the new premises in the summer of 1997. The official opening was February 1998, by the then Lord Mayor of London, Richard Nichols (himself a solicitor).

For the first time since 1982 the London office was under one roof. That one single benefit would add between 15 and 20 per cent to the firm’s profitability, Robert Finch estimated. He also negotiated with the Corporation of London to allow the firm to have one address rather than two for the offices. One Silk Street was chosen, a particularly suitable address given the firm’s prominence among law firms and the legal connotations associated with silk.

What might have been less suitable was the initial choice of postcode. Companies were allowed to choose the final two letters of the postcode. Having been allocated EC2Y 8, Tony Blackett, the director of administration suggested “ZZ”, until it was pointed out that would lead to different pronunciations (for Americans, that would be “zee zee”, rather than “zed zed”), and partner John Phipson’s observation that *zizi* is also a rude word in French). So the more logical and simpler letters “HQ” were chosen instead.

That was not the only move that year. The firm also rented 45,000 square feet in a business park outside Colchester, about 60 miles northeast of London, to become a new data, communications and storage centre. ●

THE RITUAL OF LETTER OPENING

In the pre-email era, there used to be a tradition of partners’ “Letter opening”. This would involve a selection of partners going to a meeting room first thing in the morning and reading quickly through all the mail that had arrived. A green baize cloth would be spread out on the table, and envelopes (which had already been split open by the postroom) would be set out. The partners would then read through each one, and set aside any which needed special attention, for example if any contained a complaint or even a suggestion that something was amiss. These letters would then be directed to the right group, or taken up in person.

“It was a simple and effective method of managing risk,” recalls Simon Clark, who took part in the process as a junior partner before it was stopped, “and it was very interesting. While we were opening the letters, the partners would talk and usually gossip. It was an excellent way to learn about the firm, and some of the personalities who have contributed to our history. Added to that, it was a type of informal training about what it meant to be a partner, at a time when there was no such thing as partner training. Many of the partners were relatively senior and would go on to take leadership roles. It was known as the alternative FPC (Finance & Policy Committee).”





C. Kishick '01

04

TAKING ON THE WORLD

Clifford Fishwick, Harbour Entrance 1967, oil on board, 60x60cm

THE INTERNATIONAL DIMENSION

Dating back to the 19th century, there has always been an international dimension to the firm's practice. By the 1890s, for example, partners on both the Linklaters and Paines sides of the firm that would merge in 1920 had advised clients in India, China, Japan, Australia and Canada. Harold Brown, the senior partner from 1895 to 1910, took six months away in 1906 to visit Canada, Korea and Japan, both for business and recreation (what would be called a sabbatical today). In Japan, he was introduced to the Bank of Japan, the Industrial Bank of Japan and Mitsui & Co. His verdict: "Japan will borrow too much, use the money badly and end with a financial crash."

The Linklaters firm had among its clients the Canadian National Railway, while the Paines firm served British interests in Latin America, particularly in Argentina. The relationship with one of the firm's clients, BP, dates back to 1919, when it was the Anglo-Persian Oil Company. Another was the newsprint company, Bowater, for whom the firm first started acting in the 1930s.

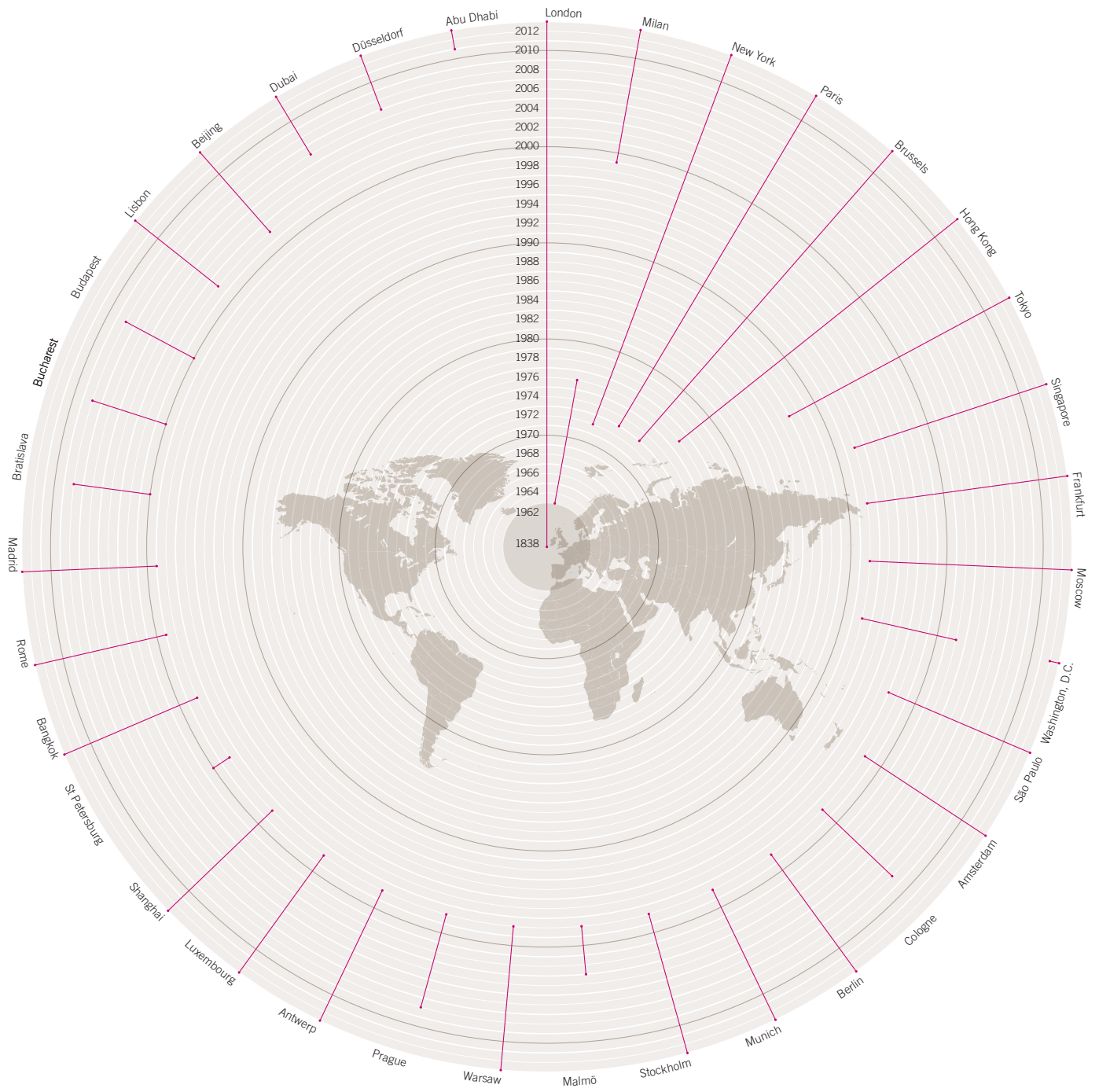
It was for Bowater that, in 1960, John fforde (a partner) travelled to New Zealand when Bowater was proposing to invest in a plant in the country. It took John fforde five days to get there (although we assume he must have stopped off on the way), and in all he was in the country for three weeks. The story goes that the deal was announced by the New Zealand prime minister in Parliament, after the country's attorney-general and John fforde had themselves finished the photocopying (all civil servants having clocked off at 4.00pm).

After the Second World War, the number of overseas trips by the firm's partners steadily increased as more deals involved an international element. Here is just a selection to give a flavour of the range of countries and the variety of deals: Harold (George) Brown to Iran on behalf of the Anglo-Iranian Oil Company; John Gauntlett to Aden, Tokyo and Nairobi (involving oil cargoes); Raymond Shingles to Burma (to form a joint venture national mining company, and again 10 years later after the government nationalised it completely) and to Saudi Arabia (to represent British Aircraft Corporation in a £150m export order, which was then the largest the country had ever received); James Sandars to Prague; John Mayo to Moscow (to advise the government of what was then the Soviet Union); Peter Benham and David Pearson to Tokyo (on Japanese fund raisings in London), Ferrier Charlton to South Africa (on behalf of De Beers); Mark Sheldon to the US (for a number of American banking and corporate clients); and David Caruth to Eastern Europe and Latin America (on behalf of the engineering company Davy).



Peter Benham.

OFFICE DATES





James Sandars.



John fforde.



David Caruth.

The establishment of the European Common Market in 1957, an economic grouping of France, West Germany, Italy, Belgium, Holland and Luxembourg, led some within the firm to wonder whether the firm should respond. John fforde and John Gauntlett believed there would be “profit in developing a European presence”. The supposition was that the UK would join the Common Market, the forerunner of the European Union. Milan was identified as the best location for a new office, both because Italy was considered to be an important European economy and also because an opportunity presented itself (“we met someone whom we thought we could work with,” Ferrier Charlton later explained).

The Milan office opened in 1963, but, with the benefit of hindsight, it was not a successful first foray into Europe. President de Gaulle (famously) turned down the UK’s application to join the Common Market, the firm found it difficult to get the right people to manage the office, it did the wrong type of work, mostly advising English expatriates on small English law matters, and, although this was not at the time so important a factor, it was loss-making. John fforde himself described the Milan office as a “red herring compromise between action and inaction”. It was duly closed, in 1976, and the office effectively given to David MacFarlane, the solicitor who had been running it.

Subsequently, following the establishment of Linklaters & Alliance (see Chapter 5), an office was reopened in Milan.

The firm’s first real international push can probably be traced to 1966, for it was in this year that the firm first became involved in the Eurobond market. Eurobonds were primarily US dollar-denominated bond issues, to take advantage of the estimated US\$3bn held outside the United States. In 1966 Ferrier Charlton was instructed to advise on three successive Eurobond issues by S G Warburg. Although Warburgs had instructed Allen & Overy to draft the first ever Eurobond, in 1963, they turned to Linklaters on these three new issues. That in turn led to the firm being instructed by White Weld, the US investment bank, whom it advised on all its Eurobond issues. The firm thereby moved into international capital markets work (see Chapter 2).

The Eurobond market attracted a number of American banks and securities houses to open in London, a process in which Mark Sheldon, then principally a tax practitioner but like others involved in a wider range of work, was closely involved. He saw a market opportunity, as he explains: “My idea was that we should have a presence in New York, not so much to practise but to act as a sales office, to get to the American banks before others did, so that when they came to Europe, we would be first on the list of law firms.”

After some years of urging, Mark Sheldon was finally sent out to open the New York office in 1972. In so doing, Linklaters became the first English firm since the Second World War to open in the city. The office had to operate under tight restrictions imposed by the New York Bar. English legal advice could be provided to American law firms and to in-house counsel, but not to lay individuals. It would be a further 20 years before the office, and the firm, would offer a US law practice. It is fair to say that the US market remains the most difficult one for UK law firms to succeed in: entrenched relationships between US corporates and financial institutions and their Wall Street law

firms, the high costs of running an office and the challenges of building an office to achieve “critical mass” have all been factors that have worked against all UK law firms, not just Linklaters.

Meanwhile, in Europe, consideration was given to the possibility of opening in Paris. There were fact-finding missions, and in 1972 a small group of younger partners was asked to present their views on “internationalism”. Among this group was James Wyness who argued in favour of opening in Paris. “Paris was a large commercial market, it was close to us geographically and it was a market in which many of our clients shared,” James Wyness relates. “At the same time, I outlined the ghost of a strategy, which was to follow our clients, and many of our banking clients were already in Paris.”

Unlike the position 10 years before, when De Gaulle had rejected the UK’s application to join the Common Market, the UK was due to join the European Economic Community on 1 January 1973. That served as justification for also opening an office in Brussels, where the most important EEC institutions were based. Both Paris (see page 72) and Brussels were opened in 1973, with James Wyness as the resident partner in Paris. The Brussels office was managed from London, with Jack Barounos, an associate, in charge on the ground.

As the Eurobond market continued to develop, international securities work involved an increasing number of partners. A change of law in Canada eliminating withholding tax on the interest paid on bonds triggered a multitude of Canadian-issued bonds. Keith Benham, Peter Benham’s son, recalls visiting Canada 23 times in two and a half years to handle many of these issues.

The Middle East, too, was proving to be fertile ground for the firm’s growing international finance practice. In 1974, John Edwards advised on the first Kuwaiti dinar issue, and, in subsequent years, the firm advised on a number of other “firsts”. These included the first Kuwaiti law domestic bond issue, albeit as legal consultants because the firm did not – and could not – practise local law. The prospectus was printed in Arabic and the Arabic transliteration of the firm’s name, when translated back into English, rendered it as “El-Linkletters & Beans”.

Some 18 partners had worked on Middle East, Africa and Indian sub-continental deals, not just on bond issues, but also shipping, litigation and property work. Charles Pettit and then Robert Finch, both property partners, advised on some of the first deals involving a mixture of English law and *Sharia’a* law. Linklaters was a recognised force in the Middle East, prompting the question whether it should open an office in the region. John Edwards, asked to write a report, concluded that the firm should not. He wrote: “We are, for better or worse, an English practice, and will stay so, even though, paradoxically, our international wings are spreading so dramatically.” He advised that the firm continue to service Middle Eastern clients from London on the “drop of a hat” principle. That turned out to be sound advice, especially with the overthrow of the Shah in Iran in 1979 and the outbreak of the Iran-Iraq war the following year.

It was not until the first decade of the 21st century that the firm opened in the Middle East, first in Dubai (2006) and then in Abu Dhabi (2011).



On 1 April 2005, the day a new Bar regulation was introduced permitting international law firms to employ Japanese lawyers (*bengoshi*), Linklaters established Japan’s first integrated partnership between Japanese and foreign lawyers. This was the first international merger in the history of Japan’s legal services sector. Two Japanese partners, Mitsuhiro Yasuda and Akihiro Wani, together with 20 associates, joined the firm. Akihiro Wani also became joint head of the firm’s Tokyo office, with Tony Grundy.

For any aspiring international firm, Hong Kong was another obvious place in which to have a permanent presence. Hong Kong law was essentially English law, which made it easy for English lawyers to practise. Qualifying was routine. Hong Kong, already a trading entrepôt, was on the way to becoming an international financial centre.

After James Wyness had acted on Jardine Matheson's first international issue in 1971, the company suggested that Linklaters open in Hong Kong. The idea was raised with the Finance & Policy Committee but nothing came of it. It was not until an opportunity presented itself five years later, in the form of a joint venture with a Hong Kong firm, Deacons, that Linklaters would open an office in the territory (then UK sovereign territory). Deacons was well established, had a good reputation and some top clients (also including Jardines). Office space would be provided, together with secretarial support. Charles Allen-Jones, who had long enthused about the merits of opening there, went out as the first Linklaters partner to start the firm's presence in late 1975, together with David Leonard, an assistant solicitor.

The joint venture, which was a convenient but never the happiest of arrangements, lasted for nine years. It was terminated in contentious circumstances, following which Linklaters opened an office in its own name in 1985. It has consistently been one of the firm's most successful offices (see page 74).

At the time the firm opened in Hong Kong, China was a closed market, but that was to change with the launch in 1978 of the open door policy. China would expand trade with the rest of the world and actively court inward investment. At that stage, there was no opportunity available to foreign law firms to open, but it was an enticing prospect. John Edwards, despatched by senior partner John Mayo to find out more, wrote up his findings for the *Poly Law Review*. He offered his thoughts on China's initial attempts to establish a legal system after the horrors of the Cultural Revolution. As the market opened, and as foreign law firms were permitted to open offices (although not to practise local law), Linklaters opened in Shanghai in 1998, and in Beijing four years later.

John Edwards was also a prime mover behind the initiative to open in Tokyo. The Japanese market for Eurobond work picked up with the collapse of the Middle Eastern market at the end of the 1970s. For close on two decades, Japanese corporates borrowed on the international markets, first corporate bonds, then convertible bonds, then bonds with warrants attached (giving an option to buy shares). There was plenty of work for international lawyers, not just those from Linklaters. The ritual was for lawyers to fly to Tokyo via Anchorage in Alaska on the JAL Saturday afternoon flight, spend up to a week negotiating and finalising the documents and return the following weekend. The "Big Bear Club" was formed among those who took this regular trip, in honour of a stuffed polar bear on display in Anchorage airport which was given a special Linklaters commendation (see *The Big Bear Club*, page 66).

In 1986, no fewer than 90 separate trips to Japan were taken by Linklaters lawyers. It was excellent business: the Japan deals accounted for about a quarter of all the work being done by what came to be known as the International Finance Section,

Following the Iranian revolution in 1979, in which the Shah was overthrown and replaced by Ayatollah Khomeini, Linklaters was one of a number of firms involved in tense negotiations to release deposits held by Iranian banks in London in exchange for American citizens held hostage in Iran. Linklaters represented one of the banks, Bankers Trust.

IFS FOUR

An Englishman, a South African, a (Northern) Irishman and a (half) Swiss were largely responsible for creating the practice area that marked the firm out for the first time as truly international and set it on a different path from its principal rival, Slaughter and May. That practice area was international finance, and was perhaps the defining change that happened within Linklaters within the past half century.

Their practice area became known as the International Finance Section, more usually known by its initials, IFS. Jim Watkins, David Barnard, Terence Kyle and John Edwards, in the same order as the nationalities listed in the first sentence, were of course not the only lawyers involved in international financial work, but they were certainly at the forefront. “Ferrier Charlton was the godfather of the International Finance Section,” says John Edwards. “He was the first to become involved in Eurobonds in the 1960s and saw the huge potential of the market for the firm.”

What marked out the four was their unorthodox backgrounds and their lack of convention, which appealed to those of a similar disposition in the merchant banks. “In the 1960s, the merchant banks

in London were formal, conventional and bureaucratic,” remembers Jim Watkins. “But, within them, there was a new breed of bankers doing international work, who were altogether different – less stuffy and who wanted things done quickly. The four of us got on well with them, and that really helped the international capital markets practice to take off.”

Terence Kyle says that the market also provided an opportunity to demonstrate innovation. “It was innovative because we took the classic English law debenture deed and we adapted it for the international market. We had to work through the practicalities as well as the cross-jurisdictional elements.” The common factor was that all the issues were done under English law.

It was not just the international aspect of the finance work that made the deals different. Transactions were done much quicker. The lawyers might also be involved in several deals at once, as opposed to the corporate lawyers, who typically would finish one transaction before moving on to the next. “The deals on which we worked within IFS were of a different order to what had gone before, being done at a faster

speed and involving a distinctive approach to the law,” says David Barnard, who moved to the New York office in 1982 and took the work to the Latin American continent.

The development of the practice was largely on individual initiative. The firm certainly did not discourage them, but neither did the senior management accord the practice full recognition as a group. IFS became, notoriously, within the firm the first “non-group” – that is, they did everything that other groups did, such as developing precedents and sharing knowhow, but without the formal seal of approval. That was until 1983, when, as senior partner John Mayo acknowledged, the case against creating an IFS group became “unanswerable” (see Groups and their significance, page 28).

In 1995 IFS was reorganised into two new groups, but shortly thereafter the IFS categorisation was replaced with its more specialist business lines (banking, derivatives and debt capital markets). Today’s practitioners in those areas owe much to the IFS Four for having the foresight and the willingness to seize the opportunities when they first presented themselves. The firm has never looked back.



The IFS Four: Watkins, Barnard, Kyle and Edwards.

THE BIG BEAR CLUB

From 1974 onwards Linklaters' partners became increasingly active in the growing – and lucrative – market advising Japanese issuers of Eurobonds. In that era of less sophisticated telecommunications, and no office on the ground, that required the partners and sometimes associates to fly to Japan. The flights from London to Tokyo involved a stopover in Anchorage, Alaska. There, taking pride of place in the terminal, was a stuffed polar bear, standing fierce, proud and tall (9 feet and 4 inches). Next to it was an inscription which read:

“This huge bear met his end off Cape Lisbourne in 1965 after about 20 years of rugged survival on the Arctic Ice Pack; an old male bear of many battles indeed. At the time of his death, he had fought another huge bear, won, and claimed the stranded whale, long dead, and frozen into the ice. His head is a mass of scar tissue, showing his aggressive attitude towards his own kind, and others, like the formidable walrus. Only the rifle of man caused his abrupt exit from life, and he gave not an inch to our solid front of arms. Whale oil ran from his cavernous mouth for 20 minutes after his last breath.”

With each visit and in what came to be a ritual, John Edwards and others would marvel at this splendid beast and be moved by the words. Gradually, the sign faded as airport visitors rubbed up against the display case to have their photos taken, and then it disappeared altogether as the bear was moved to a newly built terminal. Quite separately, and without knowing that the other was doing it, both John Edwards and Tony Grundy, another frequent traveller to Tokyo, made a note of the words.

In 1987, John Edwards had the words retypeset (both in English and in Japanese) and mounted both as a laminated sign and as a “tombstone”, with the help of Williams Lea and Company, the firm which the firm used for the printing of financial documents. The initials JE/CD/AJG were typed on the bottom of the sign. He then sent the sign and the tombstone to Anchorage Airport, with a request that it be hung up. “It will give us silent pleasure to know that we have preserved a little bit of your history for posterity,” John Edwards wrote to the airport director. The bear is still there to this day, but the sign, alas, is not.

To mark this event, John Edwards formed the “Big Bear Club”, the founding members of which were himself, Tony Grundy, Clive Deacon of Williams Lea and Gerald Thorburn, also of Linklaters. Membership remains open to those who ever have reason to pass through Anchorage and observe the Linklaters ritual of admiring the polar bear and saluting his bravery.

THIS HUGE BEAR MET HIS END OFF CAPE LISBOURNE IN 1965 AFTER ABOUT 20 YEARS OF RUGGED SURVIVAL ON THE ARCTIC ICE PACK; AN OLD MALE BEAR OF MANY BATTLES INDEED. AT THE TIME OF HIS DEATH, HE HAD FOUGHT ANOTHER HUGE BEAR, WON, AND CLAIMED THE STRANDED WHALE, LONG DEAD, AND FROZEN INTO THE ICE.

HIS HEAD IS A MASS OF SCAR TISSUE, SHOWING HIS AGGRESSIVE ATTITUDE TOWARDS HIS OWN KIND, AND OTHERS, LIKE THE FORMIDABLE WALRUS.

ONLY THE RIFLE OF MAN CAUSED HIS ABRUPT EXIT FROM LIFE, AND HE GAVE NOT AN INCH TO OUR SOLID FRONT OF ARMS. WHALE OIL RAN FROM HIS CAVERNOUS MOUTH FOR 20 MINUTES AFTER HIS LAST BREATH.

**HEIGHT: 9 FEET, 4 INCHES
WEIGHT: 1300 POUNDS
SKULL: 28½ INCHES**

この巨大な熊は、北極海の浮氷の上でおよそ20年間も荒々しく生き伸びた末、1965年リズバーン岬でその一生をとじました。思えば本当に数多くの戦いを経てきた雄熊でした。

死の直前にこの熊は別の大きな熊との戦いに勝ち、もう死んでから長い時間がたって、凍り、座礁している鯨を自分のものにしたのです。

頭部には傷跡が無数にあり、この熊の、自分の仲間や他の動物、たとえば手ごわいせいうちなどに対する攻撃的な姿勢をあらわしています。

この熊の一生に終止符を打つことが出来たのは人間のライフルだけであり、我々が万全の武装を整えて立ち向かっても、一步も後退しませんでした。最期の息をひきとった後、20分間もこの熊の口から鯨の油が流れ出てきたそうです。

高さ：9フィート4インチ
重さ：1,300ポンド
頭蓋：28½インチ

J E / C D / A J G 1987

and Linklaters acted for the four major players in the Japanese Euromarket. But it was also tiring for those taking part as well as being inefficient, in the days before laptops, email and mobile telecommunications. A solution was at hand, however, when the Japanese Bar relaxed the restrictions on foreign firms opening offices. The decision was taken to open an office in Tokyo, which would offer banking (cross-border financing) and corporate (outbound investment) work, as well as capital markets expertise. Tony Grundy was sent to open the office in 1987, registering as a *gaikokuho jimusho bengoshi* (a foreign lawyer entitled to practise his own home country law). Also sent out was another partner, James Croock, and Jeremy Parr, then a young associate and subsequently global head of the Corporate practice. The office was required to have the names of the resident partners, therefore being known as Grundy Croock Jimu Bengoshi (a name which caused a smile or two back in London).

The timing of the opening, however, was not ideal. First, there was the global stock market crash of 19 October 1987. Then the Japanese bubble burst and Japan entered a prolonged economic depression. Twenty-five years later, Japan has still not recovered: the Nikkei stock market index in 2012 was about a quarter of the level it reached at its peak.

There was further liberalisation of the legal market in 2003, permitting international law firms to practise local law. Two years later, Linklaters formed the first law firm joint venture, together with Mitsui Yasuda. Andrew Carmichael, a partner in Tokyo between 2009 and 2012, acknowledges that the Japanese market will continue to be a challenging one in which to practise. "Japan has always been under-lawyered, so it presents an attractive opportunity. Yet it remains a closed society, which makes it difficult for outsiders to crack, even for those who have spent decades absorbing the culture and learning the language," he notes.

The network in Asia continued to grow. In 1992, the firm opened an office in Singapore with the aim of serving the Southeast Asian region. As with Tokyo, the firm was not at that stage permitted to practise local law. In 2000, Linklaters was one of six foreign law firms permitted to enter into a joint venture with a local law firm. The firm already had a relationship with Lucien Wong of Allen & Gledhill (who had been on secondment with the firm) which made the choice of joint venture partner an easy one. The joint venture, Linklaters Allen & Gledhill, was formed in the same year and lasted until 2012 when diverging strategic directions brought the arrangement to a close. In February 2013, the firm was awarded a licence to practise Singapore law in its own right.

In 1998, the firm opened an office in Bangkok. It began with three people, headed by Chris King, who brought with him 20 years of experience of practising in Thailand, and Wilailuk Okanurak (still with the firm). As with the Tokyo office, the timing was not the best, coming in the midst of the Asian currency crisis of 1997/1998 which was precipitated by problems with the Thai currency, the baht. However, the Thai economy quickly recovered and the office has prospered.

India is another Asian country in which the firm has long had an interest. In the 1950s and 1960s, John Gauntlett would travel once

LINKLATERS AND JOHN AND YOKO



"We used to sit on a large sofa in one of their Dakota building apartments, overlooking Central Park and with John's famous white piano on which he composed 'Imagine' just in front of us." So, Charles Pettit, then head of the Linklaters New York office, recalls the many times that he advised two of the firm's most famous private clients, John Lennon and Yoko Ono, in the late 1970s.

The advice mostly centred around the fiendishly complicated commercial and tax arrangements arising from The Beatles' company, Apple Corps. As is well known (at least to those who follow The Beatles), Yoko Ono was primarily responsible for handling the couple's business matters. "John was happy for Yoko to make the business decisions," Charles Pettit remembers. "He would occasionally liven up our discussions by doing something silly, like suddenly bursting out from a clothes cupboard or entering the room on his hands and knees!"

Charles Pettit continued to advise Yoko Ono after John Lennon was murdered in 1980. "I think some of the more strait-laced partners in London were uneasy about the firm advising people in 'show business', but I felt they were very good clients."



John Gauntlett.

a year to Calcutta on behalf of Calcutta Electric Tramways. This was an English-incorporated company, all of whose business was in India. On one famous occasion, the company had a strike while John Gauntlett was there. In keeping with usual practice when strikes happened at the company, the board members were barricaded in the boardroom for the duration (with food and drink supplied). He lived to tell the tale, and dined off it for many years.

In the early 1980s, James Wyness acted for the French bank, Banque Nationale Paribas, on a major financing in the state of Orissa. Initiated by partner Nik Mehta, the firm formed an India Business Group in 1993, and a Global India Group in 2000, to co-ordinate the firm's India-related practice. Today, the head of the India practice (as well as being regional managing partner of the firm's Emerging Europe, Middle East and Africa (EEMEA) practice, is Sandeep Katwala.

Foreign firms are not permitted to practise India law, and so to overcome this obstacle Linklaters started a "best friends" relationship with local law firm, Talwar, Thakore & Associates, in 2007. If and when the regulations permit, the firm intends to open an office in Mumbai, the commercial capital.

With an abundance of natural resources, growing ties with China and an increasingly outward-facing economy, Australia became an attractive market in the early part of the 21st century. Linklaters had explored a possible arrangement with the Australian law firm Mallesons in 2000, but abandoned the idea when it was realised that the strategic rationale did not exist. Twelve years later, in 2012, the rationale was more promising, only this time the

Iain Murray, who had joined Linklaters from the merchant bank Robert Fleming, was also for some years a very successful finance partner and very popular with the rest of the partnership for his astute investment of the partners' tax reserve (money set aside to pay future tax). He had a sharp sense of humour, and an even sharper intellect, which many could not follow. "He was very circumlocutious, and I could never understand what he was saying," recalls John Edwards. For a young Anthony Cann, "Iain Murray used to send round learned notes to the partners which I could not understand and was much relieved to find others could not either."

THE ATHENS AIRPORT (NON) SIGNING

Projects partner Alan Black was involved in the project financing of the new international airport in Athens from 1992. The deal was eventually closed in 1995 but might have been completed 18 months before but for the insistence of the project sponsors to initial every page of a vast document. Alan Black explains: “The project negotiations had started in 1992. We were on the point of completing in 1994, when we were told by the Greek government, who were our clients, that the government was likely to fall, possibly the next day. If we wanted to get their signature, and for the project to proceed, we would have to sign immediately.”

Hochtief, the German company leading the winning consortium that was going to build, own and operate the airport, arranged for Alan Black and an articled clerk to be flown to Athens in a private jet, for the signing. The Linklaters team arrived in Athens at 10.30pm with all the documentation and went straight to the Greek lawyers’ offices. The documents ran to several thousand pages (as was typical for projects). Alan Black told them that the deal would have to be signed quickly, otherwise it might not get through. However, the consortium insisted on everyone initialling every single page – 13 signatures per page – and they stayed up all night signing. At 7.00am, before the 13 had finished their initialling, Alan Black was phoned by the Greek deputy prime minister to say that the government had just fallen. The project could not proceed.

The story has a happy ending, however: negotiations recommenced the following year and the project for a new airport was finally signed in 1995, although the financing took another couple of years. This became the first, and probably last, Greek law passed in a foreign language.

firm found another partner (Allens) and entered into a different arrangement (an integrated alliance, not a merger). The agreement involves each firm maintaining separate profit pools, but sharing revenues on individual deals on which they work together. As part of the exclusive alliance the two firms also formed an Asian joint venture in respect of an Indonesian practice already established between Allens and its Indonesian joint venture partner, Widyawan & Partners, as well as a joint venture for energy, resources and infrastructure projects work across Asia.

As the 1990s began, the firm’s main focus was on Europe. The talk in the partners’ dining room was all of the Alliance of European Lawyers, a grouping of top European law firms established in 1990. Partly in response, the firm set up the European Business Unit, within the fold of Group 17. The intention was to co-ordinate European work, both with other London practice areas and with Linklaters’ European offices and “best friends” firms in Europe.

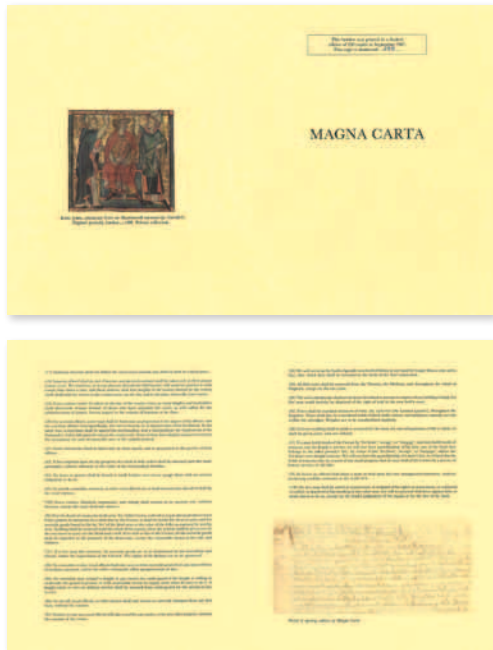
As the firm debated – at length, and often heatedly – how to target the European market, it opened an office in Frankfurt in 1992 as an English law-only office, a representative office in Moscow in the same year (see page 78), started a joint venture with the Hamburg-based German firm, Schön Nolte Finkelnburg & Clemm, in 1995, and then, finally, took the plunge by joining forces with the Alliance of European Lawyers in 1998 (see Chapter 5).

In 2000, offices were opened in Budapest, Bucharest and Bratislava, following approaches by local lawyers to join forces with Linklaters. The Alliance offices in Prague and Warsaw were fully merged the following year to create, together with the Moscow office, a Central and Eastern European regional offering. Four of those offices (all bar Warsaw and Moscow) were transferred to the firm of Kinstellar in 2008, with whom Linklaters maintains a “best friends” relationship. (For the crossword-inclined reader, “Kinstellar” is an anagram of “Linklaters”, a deliberate choice of name to allow the new firm to build on its legacy in the brand name.)

On the Iberian peninsula, Linklaters opened offices in its own name in Madrid (1999) and Lisbon (2001), led by Miles Curley and Jorge Bleck, respectively. Sebastián Albella, currently senior partner of the Madrid office, was one of those attracted to join the firm in 2005 after the firm had made the breakthrough into Europe. As someone with a leading reputation in the market, he had much direct experience of working with international firms, mainly in capital markets transactions. Linklaters appealed to him for its excellence and international ambition – “and Jean-Marc Lefèvre, the regional managing partner, was very persuasive in signing me up. He convinced me that Linklaters was the best law firm in the galaxy,” he jokes.

In the next three years the office’s revenues more than doubled, before entering a period of some turmoil when a number of lawyers left. “Seen with perspective, it is clear that such a difficult time was a positive growing experience,” he says. By 2012, the firm had grown to become one of the leading firms in the local market, with 100 or so lawyers, and had used its strengths to capitalise on opportunities arising from major market turmoil.





Each participant attending a Linklaters event held at Sotheby's during the International Bar Association conference in London in 1987 was given this beautifully presented version of the Magna Carta, the document that serves as the basis of English law.

Sebastián Albella believes the office has been successful because of the high quality and commitment of its lawyers but, above all, because of the willingness of the Madrid partners to be proactive in seeking new work. “The Spanish legal market is very open and competitive. One of the key reasons for our success has been that we are very entrepreneurial.”

Linklaters became the first of the magic circle firms to open in Portugal and, unusually, opened without an English partner at the start. Jorge Bleck notes the part that the country's history has played in helping to bring about a quick and easy integration into the Linklaters network. “We Portuguese have always been merchants and that has made it easier for us to align, and to make us look abroad. Tony Angel [then managing partner] told me that the most international-minded of the offices were London, Amsterdam and Lisbon, which was a legacy of them all being maritime powers, and having an outward perspective. There is a lot of truth in that.”

In 2005, the firm was able to offer Dutch law capability in its Amsterdam office, with the recruitment of Pieter Riemer, since when the office has expanded and developed.

An office was opened in Düsseldorf in 2008, following an opportunity to recruit a team led by one of Germany's leading M&A lawyers, Ralph Wollburg. This coincided with the contentious decision to close the Cologne office. “It was an unpopular move at the time,” admits Simon Davies, the firm's managing partner, “but it was absolutely necessary. The move transformed our German corporate practice.”

Neither was the African continent neglected. The firm has long acted for De Beers, the mining company, and in 1977 John Edwards spent the best part of six months going back and forth to Sudan on a case involving a Kuwait government investment in Kenana, a giant sugar plantation/mill complex managed by Lonrho. From the 1990s the firm was increasingly engaged in Africa-related deals, managed from the London and Paris offices. With the opening of the Lisbon office in 2001, Linklaters became the only international law firm with direct links to Anglophone, Francophone and Lusophone Africa. Not having an office in Africa, the firm established a network of local firms to provide local law advice.

In South Africa, Linklaters formed a close association with leading South African law firm, Webber Wentzel. This association was cemented into an alliance in February 2013. The alliance is intended to capitalise on the emergence of Africa as a growing economic force – over the five years from 2010 to 2015, seven of the world's 10 fastest-growing economies will be in Africa, according to the IMF – and the rising levels of inward investment, especially from other emerging markets, particularly China, India, the Middle East and Brazil.

Linklaters had come to dominate the market for international capital markets work, advising on issues governed by English law around the world. It could justifiably claim that its leading international position was unchallenged. That was until the early 1990s, when a change of law in the US in 1990 opened the US capital markets, far and away the world's largest, to foreign borrowers. In that year, an amendment to the 1933 Securities Act – Rule 144A –



New York: Linklaters was the first English law firm since the Second World War to open in New York, in 1972.

enabled foreign companies to raise money from US institutional buyers without registering their securities with the US Securities and Exchange Commission. However, US underwriters required the protection of a so-called “10b-5 letter” from US counsel to provide part of a “due diligence” defence to US securities litigation from investors.

Without a US law capability, Linklaters would be excluded from this market. The threat extended beyond this if, as anticipated, US law firms pitched to European and international borrowers who might take advantage of the change in the regulations to raise money in the US. The issue was not as clear-cut as might be imagined: there were those in the firm who opposed a move into US law on the basis that it would be seen as competing with US law firms and therefore cause a loss of referral work, practising US law might expose the firm to claims of liability (always a high risk in the notoriously litigious US market), and, in any event, Linklaters was an English law firm through and through. Ranged on the other side were those who contended that the greater risk was of losing ground to US law firms in a key area of practice. New York law and English law were the two major laws of international business: if the firm aspired to be a global law firm, there was no option but to offer a US law capability. Chief among the proponents to practise US law was David Barnard, who headed the New York office. The advocates in favour of practising US law prevailed.

Having taken the decision, the firm moved quickly. In December 1994, Ed Fleischman (who had been a commissioner at the US Securities and Exchange Commission at the time) was taken on as a consultant in New York, to provide a credible presence and to oversee the recruitment of US lawyers. Steve Thierbach was recruited in January 1995 in London as the firm’s first US-qualified lawyer, and also the first ever laterally hired partner. There was further recruitment of US lawyers in New York, London and Hong Kong. The first US law graduates joined the firm in September 1996. The firm had opened a small office in Washington in 1992, which it closed 10 years later but then re-opened 10 years after that.

To capitalise on the New York office’s Latin America-related capital markets practice, which had grown considerably since 1991, the decision was made to open a “portakabin” (a temporary office without a partner, offering purely English law) in São Paulo in 1997. A more permanent establishment followed, and in 2001 the firm entered into an association with local firm, Goulart Pentead, Iervolino e Lefosse (now Lefosse Advogados), adding a Brazilian law capability. That initiative was led by Caird Forbes-Cockell and Christian Roschmann, both of whom believed that Brazil was on the cusp of achieving the potential it had promised for so long. The co-operation lasted until October 2012 when a change of local Bar regulations made such an arrangement impermissible. However, the two firms agreed to continue working on a “best friends” basis. ●

PARIS: 40 YEARS AND COUNTING

This year, Paris celebrates its 40th anniversary. Originally established to provide English law advice in an international financial centre, the office has grown to become one of France's leading law firms. Vindication, then, of the decision to open the office at a time when the firm was essentially a City-based, domestically focused operation.

The impetus to open stemmed from James Wyness. He went out to Paris on an exploratory mission in 1972, spending six months in the offices of Gide Loyrette Nouel, a French law firm, which was then a member of the "Club" of law firms of which Linklaters was also a member. While there, he formed the clear view that the firm's English clients preferred to deal with a branch of Linklaters & Paines (as it then was), rather than have to deal with local law firms. "The law and language were strange to them, and the quality of local advice often uneven," he explained at the time. Also, the UK was about to join the European Economic Community, and the thinking was that law firms would be needed to advise on the growing business that membership would generate.

The Paris office was opened in January 1973, initially in Gide's offices. Shortly after, the firm opened its own office, and put some distance between itself and Gide. In those days, too, communications were not as easy as they are today, and each of the "overseas" offices (which also then included Milan, New York and Brussels) were expected to look after themselves. James Wyness knew it was important to deliver a profit for the firm, so much so that if the office cash flow was not looking healthy at the end of any month, he confessed to using his own money once or twice to make up a cash flow deficiency.

The next significant step in the development of the Paris office – indeed, in the history of Linklaters – was the recruitment of Jean-Marc Lefèvre in 1978 and the following year of the dual-qualified Richard Bain to offer a French law practice. Again, the move was made without the express approval of head office. Jean-Marc Lefèvre soon discovered the Linklaters culture was one in which he was expected to fend for himself. "The first ever file I worked on was the establishment of BP Chemicals in France. I don't know how I managed, but I loved it!" (James Wyness, who led on the deal, was of course not far away.)

Jean-Marc Lefèvre was promoted to local partner in 1982 – the firm's first non-British partner – and achieved full equity partnership in 1986. Richard Bain, who brought "intellectual rigour and a delightful, quirky sense of humour to the Paris office", as James Wyness puts it, followed a similar path to partnership.

Others followed. Malcolm Campbell was the second English lawyer to move to Paris. John Simpson, another of the growing band of internationalists within the firm, succeeded James Wyness as head of the Paris office in 1985. Meanwhile, the office was attracting some key French lawyers with the aim of winning French clients. These included Gilles Endréo, who joined the firm in a professional support capacity having taught law for 15 years. He progressed to doing client work and came to head the office's capital markets practice.

By the end of 1985 the office comprised eight French lawyers and a *stagiaire* (trainee). Linklaters was going head-to-head with the best local firms in its chosen areas of practice. The objective of building up a French practice by having lawyers that were capable intellectually, linguistically and culturally of "straddling the Channel" could safely be said to have been achieved.

The firm was in at the start of what would become one of the biggest and longest running transactions on which it had advised: the Channel Tunnel. A report to the Finance & Policy Committee of January 1986 noted, with admirable understatement, "it currently looks as if this [the Channel Tunnel] might be a major source of work for some time to come." In fact, the work continued on and off for the best part of two decades, taking in the initial financing, periodic refinancings and restructurings. Bertrand Andriani, a commanding figure in the finance market in Paris and now head of the Paris Banking and Projects department, started his career working on this instruction.

In 1992, the Bar regulations changed, so that the firm became a firm of French *avocats*, requiring most of the 36 lawyers in the office to requalify. The office did not have a managing partner, rather a *chef de bureau*.

In October 1998, Linklaters pulled off the coup of attracting the leading M&A lawyer in Paris, Thierry Vassogne, and a team of three others (including current partners Marc Loy and Arnaud de La Cotardière). This was significant because, as the Project V proposal to the partnership put it, "the arrival of V [Thierry Vassogne] and his team would in one fell swoop provide Linklaters Paris with a premium takeover capacity as well as making our corporate department one of the largest and most powerful in the Paris market".

The timing, a month ahead of the formal launch of Linklaters & Alliance, could not have been better. Anthony Cann believes the two events are linked. "The Alliance enabled us to look interesting, and probably helped us to attract Thierry and his team, who then helped to transform the office."

Lachlan Burn, after being made a partner in 1982, was sent to work in the Paris office. The only problem was that he did not (at that stage) speak French. The French phone system, which was often unreliable, came to his rescue. If he did not understand what he was being told down the phone, he had a solution. “I am afraid I pretended the phone was playing up, and hung up! I then got one of my French colleagues to phone back.”

Marc Loy recalls one potential stumbling block in the negotiations. “Our offices at Gide, where we were then all working, were huge, and we were being offered the use of far smaller offices at Linklaters. This mattered to Thierry, so he made it a condition of our coming that he be given a car and a chauffeur. He also joined as co-managing partner, with Jean-Marc. Honour was saved!”

Other notable hires were Olivier d’Ormesson and Philippe Derouin. The additions not only assisted the firm but shook the market: no other international law firm was able to offer – under one roof – M&A, finance, competition, litigation and tax.

The Paris office’s enhanced reputation was confirmed in 2004 when Sanofi instructed Linklaters, rather than a local French firm, to advise it on its takeover of Aventis. Since then, the firm has been appointed on most of the major transactions in the French market.

As the Paris office marks its 40th anniversary in 2013, it can reflect on its leading position in the market, across all the main practice areas, with the development of real estate, restructuring and insolvency and public law departments. The client base has developed. The office advises at least half of the 40 major French companies. All the major practices are ranked in the first tier of the *Chambers* directory, which no other firm in the French market has



James Wyness.

reached. Linklaters has come to be well regarded throughout the French business community and by the public sector institutions. It is the centre of the Francophone Africa practice.

Paul Lignières, a public law specialist and currently managing partner of the Paris office, is happy with the progress and the position of the firm in the market: “We have grown over 40 years, which gives us a stability and a sustainability which you won’t find at many of our competitors, and it’s something to be proud of. Our reputation is clearly established. We are a benchmark for our competitors. Our objective is to be widely recognised by clients as the leading law firm in France. History is in our favour, so I am sure we will achieve that.” ●

HONG KONG: THE FIRST LINKLATERS OFFICE IN ASIA

Linklaters has had a long relationship with Jardine Matheson, the most venerable of the special administrative region's "hongs" (local large companies). Today, Jardine Matheson continues to be a prized client. The group's current general counsel, Giles White, is a former partner of Linklaters, as was a predecessor general counsel, Jim Watkins.

And it was Jardine Matheson who first encouraged Linklaters to open an office in the territory. The company made the suggestion, following its first international issue in 1971 (on which James Wyness advised) and then again the following year, after Linklaters acted for Dairy Farm when that company was acquired by Hongkong Land (an affiliate of Jardine Matheson).

It took a few more years for the idea to come to fruition, following an approach by the local firm, Deacons (who also represented Jardine Matheson), with the idea that the two firms join forces. Charles Allen-Jones, who had been sent out to assess the viability of this option, concluded it was a good idea. "Hong Kong was a humdinger of a place, the law was basically English law and the lawyers in the territory weren't terribly good, which meant, as I saw it, a fantastic opportunity for us." The other benefit of the joint venture was that it enabled the firm to "get going" without any start-up costs.

The joint venture started in 1976. A secretary from Deacons, Brenda Yeung (see *The Office Manager's Tale*, opposite page), was seconded to work for Charles Allen-Jones and his assistant, David Leonard. Two years later, there were two partners and a staff of 10. Other lawyers arrived in turn from London, including Donald Williams, David Egerton-Smith and David Cheyne (all of whom headed the office in succession), David Barnes, Nick Eastwell, John Turnbull and Richard Godden – formidable lawyers all who helped the firm to establish a top reputation.

Another who arrived was Alan Black, becoming the third partner, and, as he relates, somewhat to his surprise. "I initially said 'no', only to attend a partners' meeting at which the senior partner John Mayo announced to the assembled company that they had found exactly the right person to go to Hong Kong. Everybody was looking at me and started clapping. It was, of course, news to me. John Mayo then followed that up with a note to the partners: 'I am delighted to say that our need for a third partner in Hong Kong has been met by the generous agreement of Alan Black, despite the personal problems caused by short notice, to fill the bill.' That was very John Mayo!"



Charles Allen-Jones.

The joint venture lasted for nine years. Arguments about profit share (Linklaters was taking out more from the joint venture than it was contributing), personality differences, resentment that clients were choosing Linklaters lawyers over Deacons lawyers and a general clash of cultures would probably have led to the joint venture coming to a natural close at some point. But the trigger for dissolution came in the wake of the collapse of a local company, Carrion, in 1983, which led to allegations of fraud against a number of Deacons partners (and to the suicide of the Deacons senior partner, John Wimbush). That event gave grounds for termination of the joint venture on Linklaters' part, but in the end the two sides reached agreement to go their own ways. They operated as separate firms, although still based in the same premises, until September 1985 when Linklaters found its own new offices.

THE OFFICE MANAGER'S TALE

Brenda Yeung, the Hong Kong office manager, started to work for Linklaters in January 1976 and has been with the firm ever since.

"I was working at Deacons at the time when the two firms agreed to form a joint venture. I was one of two secretaries up for promotion. The more senior secretary was asked to work for a Deacons partner, and I was asked to work for the Linklaters partner, who was Charles Allen-Jones. All we had then was an office for Charles, a desk for me and the use of support services provided by Deacons. When we officially set up in September 1976, we had our own telephone switchboard and a few more offices for other lawyers' secretaries.

Although we worked well with the Deacons lawyers and support team, we were referred to as the 'Linklaters people', but not perhaps in a friendly or complimentary way. The Deacons lawyers did not much like it when matters they felt they should be handling were done by Linklaters.

Charles was never flustered by this. He got on with the work, and maintained very good relationships with clients. He was extremely client-focused and commercially aware, which is why clients liked him so much. As I saw it, Charles was well respected by the Deacons partners and lawyers notwithstanding that there were cultural differences or other issues from each firm's perspective.

The break with Deacons came at a very difficult time, following the Carrion crisis and the death of their senior partner. We felt very sad for them. After the firm set up on its own in 1985, we had a small office in which everyone was always very busy, but we had a fantastic team spirit. Everyone got on well with one another. We really felt we were on a roll. Associates rushed into partners' offices to report new deals almost every day.

The Hong Kong office has been doing well in making profits, but we did have some difficult times during the Asia financial crisis (in 1997/8). The outbreak of the SARS

virus resulted in redundancies and we had to surrender one whole floor to cut costs.

But overall in my time with the firm we have grown substantially, and the office performs a very important role within the firm, in its own right, supporting the China offices in certain respects and by virtue of the fact that most of the Asia region management team is based in Hong Kong.

As office manager of the Hong Kong office, in addition to overseeing the operations function as a whole, I am responsible for the management of secretaries and operations staff (including front of house, general office, document centre, and the two boat boys). I am also the line manager of the Greater China translation team (consisting of members based in Hong Kong, Beijing and Shanghai).

I have stayed with the firm for so long because I enjoy the work but above all because of the people. We feel supported, and I have been given plenty of opportunity to develop. We live our values, and we are clear that we would like to be a leading international law firm. The time has simply flown by."

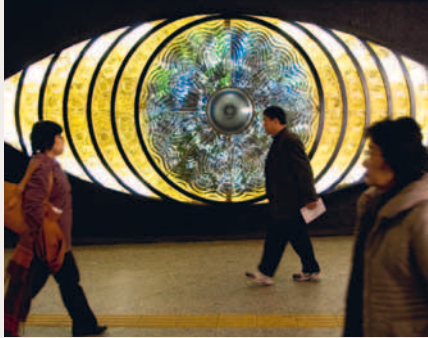


HONG KONG BOAT BOYS

Kam-ming Fung (known as Ming to his friends and colleagues), left, and Tat-man Leung (known as Jackie) are the Hong Kong boat boys – the crew on the firm's 60-foot boat, Sea Lynx 5. The boat, which is used by everyone in the firm and to entertain clients, is the firm's fourth, preceded by Sea Lynx 1, 2 and 3 (the

number 4 is unlucky in Chinese, which is why that number was skipped). Ming is one of the firm's longest serving employees, having joined in 1979. (Jackie joined in 1991.) Ming has seen many a partner, associate and business services staff member in his time, all of whom he has enjoyed meeting and serving.

DEVELOPING INTERNATIONAL RELATIONSHIPS



The internationalism found expression in other outlets. On the initiative of senior partner James Sandars, Linklaters joined The Club in the early 1970s. This was a grouping of law firms in different jurisdictions who got together once a year to compare notes and generally develop relationships, as well as refer work to one another. Linklaters continued as a member through the 1970s until a succeeding senior partner, John Mayo, decided that it was an unnecessary expense. The firm then switched its attention to developing relationships with other law firms through the International Bar Association (IBA). That, in turn, became less important as the firm opened its own offices. More recently, the firm has strengthened relationships with firms in those jurisdictions in which it does not have an office.

The split was definitely to Linklaters' advantage. Jim Watkins, one of the IFS Four (see page 65), moved to Hong Kong in 1986, succeeding David Cheyne as head of the office. There were then four partners and eight assistant solicitors, but within a year the office had doubled in size.

The firm's strengths in corporate and international securities work fed through to the Hong Kong office. Take capital markets: after Charles Allen-Jones had started and David Cheyne had developed the capital markets practice, Nick Eastwell took it over. He estimated that the Hong Kong office was involved in every Hong Kong-sourced capital markets deal for five years. In conjunction with Citibank, Linklaters developed the world's first "revolving note facility" – a hybrid between a bond and a bank loan – which came to be widely used as a financial instrument. Litigation was added with the arrival of Brinsley Nicholson.

Following the global stock market crash of 1987, the firm gained the Hong Kong Stock Exchange as a client and advised on the first listing of a Hong Kong company with a manufacturing facility in China. In 1988, by which time the office was 57-strong, Linklaters acted on its first major Chinese project financing, the Guangzhou-Shenzhen superhighway.

By 1995 the office comprised 11 partners and a total staff of 129. As well as English law and Hong Kong law, the office had acquired a US law capability. China was becoming an increasingly important market in its own right. The firm advised on inward investment into China, joint ventures and the IPOs of Chinese state-owned enterprises on the Hong Kong Stock Exchange. A new office was opened in Shanghai in 1998, to which Kevin Wong relocated. The Hong Kong office managing partner, David Mullarkey, then pulled off a coup with the recruitment of Zili Shao, a top international but native Chinese lawyer.

Simon Davies says that Zili Shao's contribution was significant, even though he left the firm in 2010 to become chairman and CEO of JP Morgan in China: "Zili was vital for the firm, because of his ability to bridge China and the outside world. He really helped us attain a leading position in the China market."

The Asian currency crisis, which began immediately after, although not caused by the handover of British sovereignty to China on 1 July 1997, and the SARS (severe acute respiratory syndrome) epidemic of 2003, had an adverse impact on the fortunes of the Hong Kong office. But, like the territory itself, the office has proved resilient. Today, it is the third largest office in the Linklaters network: there are 28 partners, 129 associates, 24 trainees and a 163 business services staff, making a total of 344. The current Greater China managing partner, Marc Harvey, has imbued the office with a sense of energy and humour that stands it in good stead for the future.

There is another reason that people give when citing the significance of the Hong Kong office in the firm's history. The entrepreneurial spirit, which is soaked up by all those who spend time in the office, permeates the rest of the firm. ●



Hong Kong: The firm's first office in Asia and now its third largest in the network.

GETTING GOING IN MOSCOW

Dominic Sanders, now a partner, was an associate in the early 1990s. He was given the responsibility for opening a new office in Moscow.

“The chance to go to Moscow came as a result of a meeting in February 1991 at the USSR Academy of the National Economy with Charles Allen-Jones and Adrian Montague, Charles then being head of Corporate and Adrian head of Projects. One of Adrian’s clients, Clive Hardcastle, had won a job advising Gazprom, then the USSR Ministry of Gas, and he encouraged us to open an office or at least to make friends with the Academy.

The Academy said that they would be willing to have someone from Linklaters on two periods of secondment, each of three months. That someone was me, even though I was just six months’ qualified. Off I went in September 1991, two weeks after the failed Gorbachev putsch.

The Academy had previously been an institution where managers of state enterprises from all over the Soviet Union would come to study Marxist-Leninist economics, but, with the fall of the Wall and *perestroika* (economic liberalisation), it was changing its spots and was now a business school. This was also, in theory, the era of *glasnost* (political opening), but some things did not change that easily. If I wanted to call London or send a fax, I had to get special permission from the foreign relations department to use their international line and fax machine.

It was a fascinating time. The legal environment was changing. New laws would be published in newspapers, which people would carefully cut out. No one really spoke English so my Russian improved in leaps and bounds.

After my first three-month stint, I wrote a report, as I had been asked to do, concluding that there was not a compelling case for opening an office. Immediately after that, I was called into a meeting with Charles Allen-Jones, Adrian Montague, David Egerton-Smith, David Barnes and John Edwards. It was clear that they wanted us to open an office, whatever my opinion was, and they were keen to do it quickly, without having to get a full partnership vote. They lit on the idea of a representative office. Charles was particularly keen. He was an entrepreneur and he thought that the opening of the oil and gas industry would present us with real opportunities.

By March 1992 the Soviet Union had collapsed and I was back for my second three months, with instructions to open a representative office. I had to negotiate the space – which was really just a couple of rooms – from the Academy. Getting everything done was difficult.



Adrian Montague.



Dominic Sanders (left) and David Egerton-Smith in the diamond processing plant at Udachny, Sakha-Yakutia.

I signed the lease and went to the office only to find that the occupants refused to move! After I managed to coax them out, I then had to decorate and fit out the office. There were no private firms, so I had to contract the Academy's works department. Even getting hold of paint was difficult.

We officially opened on 26 October 1992, the same day as our then Washington representative office. Allocation of telephone lines was strictly controlled and I was sweating right up to the last minute on whether our precious two international lines were going to be connected. Immediately, the work started coming in. The market was still undeveloped and most of it was not what you might call typical Linklaters work, but we had to be prepared to do anything. Other firms had opened with partners on the ground and we were not practising Russian law.

It was hard-going in the early days with our limited resources and the great responsibility of representing the firm. I was very junior and terrified of letting the firm down. However, in time, we hired a couple of Russian lawyers and in the summer of 1993 we persuaded some of the Americans who were helping the privatisation committee to throw us some work, helping the Russian Securities Commission to draft the new securities law. Paul Nelson, Simon Firth and I spent just two weeks on this in a windowless meeting room in Barrington House but it helped to get us noticed, and gave us credibility. We also helped draft a joint stock companies law in 1994.

I was joined by a second lawyer from London, Simon Crofts, who had made the 2,300-mile journey by pushbike! The first thing he had to do was to buy a pair of trousers, because all he had was a pair of biking shorts.

How we managed to recruit Dmitry Dobatkin and Denis Uvarov, our first two Russian partners, is also interesting. I used to play tennis with Professor Alexander Kurennoy, head of the law faculty at the Academy, and through him met Andrei Sherstobitov, a law lecturer at the Moscow State University. After a game of doubles, he mentioned that he had a couple of decent students and asked if I was interested. I remember Dmitry turning up to his interview wearing jeans, with his CV typed out on rough Soviet paper. But it was clear that he was very bright – in fact, he was a brilliant chess player, who had played Kasparov. What a stroke of luck!

Those early days were hard, but fun. There was another attempted political coup and I had to take refuge in a friend's flat. I had the thrill of being something of a pioneer, though I was



Moscow: "a chaotic and difficult market".

very young and inexperienced and at times it was pretty stressful. Charles Allen-Jones would often call to give encouragement. David Egerton-Smith, who was head of what we called the CIS Desk, was also supportive. In April 1993, I dragged David off to see Russia's main diamond mine in Sakha-Yakutia; I had got to know the chief engineer who had been studying at the Academy. This involved two flights, including a stopover at 3.00am at Krasnoyarsk. The stopover was meant to be an hour, but when there was no announcement, I started to get worried. Finally, I asked an airport official and they said that our flight had taken off. In fact, it hadn't, and we were directed to an exit door which led onto the airfield. A huge number of Tupelevs were lined up on the tarmac and one was pointed out in the far distance. I remember running with David across the airport, as the sun was coming up, thinking my bacon was now well and truly cooked. There was a magical moment when, through the early Siberian dawn, I saw the airport stairway wavering and then moving back towards the aircraft. David had run the marathon the year before. 'You're lucky it wasn't John Edwards,' he remarked.

Within a year, we had five lawyers and three secretaries/administrators. It was not all work and as a foreigner you had opportunities which you would never have got back home. I had a cameo role in a Russian film (occasionally people would come up to me in the office and say, "I could have sworn I saw you on TV last night..."), and I took part in a cricket match in Moscow in 1992 that was featured on national television. I married a Russian, and we have two children.

The representative office lasted for three years before the decision was made to upgrade it into a branch office. It had its ups and downs but a key moment was the arrival of Nick Rees as the office managing partner in 1996. He did an absolutely fabulous job and really got things onto a sound footing. A lot of other partners, associates and business services staff made heroic contributions in what was a chaotic and difficult market. We worked on the Russian Federation's return to the Eurobond markets, the first issue since before the revolution, and a number of other landmark deals followed.

We had a brief spell with an office in St Petersburg. The timing was not the best, with the office opening six weeks before the Russian financial crisis of August 1998. It was an amazing time, with the entire financial system in total collapse. The economy reverted to barter and cash payments for several months; the rouble devalued by a factor of six. It was devastating for our practice. We downsized

POSTSCRIPT

Diana Good remembers a particularly chaotic partners' meeting when it was decided to formalise the Moscow office: "The partners' meeting started at 5.30 in the evening. This was some time in October 1993. We were debating whether the Moscow office, which Dominic has described, should be upgraded. There we were in a closed room shut off from the outside world, without phones, BlackBerrys or the other instant forms of communication that prevail today, debating the issue back and forth. After four hours, we decided that, yes, it would be a good idea to upgrade the Moscow office. We came out of the meeting to discover that Moscow was in a state of turmoil and that Boris Yeltsin and his supporters were besieging the Kremlin. All hell had broken loose, but no one knew!"

and two years later folded the St Petersburg office back into Moscow. It was a wrench to leave St Petersburg but by 2001 the good times were back with a vengeance.

Today, although I am based in London, I still spend much of my time on Russian-related work. It was an incredible experience and I was so fortunate to have had the opportunity, the support of a visionary like Charles Allen-Jones, the help of David Egerton-Smith and others and to be surrounded by so many willing and talented people. I had the luck of the devil to grow up professionally in such a fascinating market." ●



Sarah Medway, New York Night 1998, oil on linen, 152x152cm

05

LINKLATERS & ALLIANCE:
1998-2001

THE ADVANCE IN EUROPE

Terence Kyle took the phone call some time late in the morning of Thursday, 13 March 1997. On the other end of the line was Louis van Lennep, a senior partner of the Dutch firm De Brauw Blackstone Westbroek. More significantly, Louis van Lennep was a member of the management committee of a group of continental law firms that called themselves the Alliance of European Lawyers. (Some elements within the alliance had wanted a simpler name, Blackstone, but that had been rejected.) Would Terence and his colleagues be interested to meet Louis and his De Brauw partner, Cees de Monchy, for dinner that evening at the Goring Hotel in London?

Terence Kyle was interested. The firm had been pondering its European strategy for six years, probably longer, and was looking for a route into Europe at a time when its rivals were forging a clearer path. Linklaters had a successful and growing office in Paris, and a small EU law practice in Brussels, but its Frankfurt office (a joint venture with Schön Nolte) was seen to be ineffective and its Milan office, which had been closed in the 1970s, had been an aberration.

The Alliance of European Lawyers, for its part, had come to the conclusion that the Alliance would need to expand to include either a US law firm (ruled out) or a leading UK law firm. The grouping was diffused and unfocused, and was not making any headway in capital markets or M&A work. What Terence Kyle did not know was that Louis van Lennep had met Slaughter and May that morning, who had turned down the invitation.

That evening, Terence Kyle, together with Tony Angel, who had written a European strategy paper for the partners' retreat the previous November, and Guy Brannan, headed to the Goring Hotel.

It was a productive evening – Louis van Lennep went so far as to call it historic. Photos were taken. The wide-ranging discussion lasted several hours. The parties agreed to meet again in Amsterdam the following month. The men parted with the tantalising possibility that Linklaters would join forces with the Alliance. Terence Kyle, Guy Brannan and Tony Angel then, in Linklaters fashion, created a project with a code name, only what should it be called? They thought about Project Goring (after the name of the hotel), but realised that if anyone mistakenly placed an umlaut over the “o”, that would have an unfortunate association with Hermann Göring, the head of the Luftwaffe in Nazi Germany. So, they lit upon the nearest large open park space with London connotations, and it became Project Hyde Park.

Both sides had been working up to this position since 1990. The Alliance of European Lawyers had been formed that year by

five firms. As well as De Brauw, the Alliance comprised Jeantet & Associés of France, Uría & Menéndez of Spain, De Bandt, van Hecke & Lagae of Belgium, and Boden Oppenhoff Rasor Schneider & Schiedermaier of Germany (which became Oppenhoff & Rädler following a merger in 1995). The firms combined their Brussels European law practices in 1990, opened offices in London and New York in 1991 and in Prague in 1992, welcomed in the Swedish firm of Lagerlöf & Leman in 1993, and had opened a joint Warsaw office shortly before the Goring Hotel dinner. The Alliance also had a small representative office in Alicante, the site of the European Patent Office. Within Linklaters, there was recognition that the move to establish the Alliance changed the market, or potentially did so. “The game changed,” managing partner James Wyness told the partnership.

Linklaters was already holding its own debate about how to tackle Europe. The fall of the Berlin Wall in 1989 and the pending single European market in 1992 lent some added urgency to the discussion. Diana Good, in the Brussels office, wrote: “From this European viewpoint, I see, more than before, the need for a strategic foothold somewhere besides Paris and Brussels.” The issue essentially revolved around which was the best strategy for Europe. Was it best to serve clients for their corporate requirements by forming “best friends” relationships with the best firm in each jurisdiction? Or was it better to start and build from scratch Linklaters offices in the key European markets (considered to be Germany, The Netherlands, Spain and Italy, as well as France, where Linklaters had opened an office in 1973)?

To put the case for and against each of these strategies, John Edwards, head of a European Business Unit formed in November 1989, invited “the two Schneiders”, the grand old men of German law, to present to the partners' retreat in Brighton in late 1990. Each speaking perfect English, Dieter Schneider of Boden Oppenhoff and Hannes Schneider of Mueller Weitzel eloquently made their case, Dieter arguing in favour of the one-firm approach and Hannes the “best friends” strategy, what came to be known in Linklaters terminology as “PUF”, premium unaligned firms.

There were strong views expressed on both sides, as John Edwards, himself an ardent internationalist who had been one of the “IFS four” who had taken the firm on its international course, remembers. “My instinct was international. But somewhat to my own surprise, my own attitude was that I shied away from institutional moves which involved creating offices.”



The deal is done: signing ceremony to create Linklaters & Alliance, 22 July 1998, Genva, Belgium. Front row, left to right: Peter Wakkie (chairman, De Brauw Blackstone Westbroek), Per-Erik Hasselberg (chairman, Lagerlöf & Lemman), Charles Allen-Jones (senior partner, Linklaters), Michael Oppenhoff (chairman, Oppenhoff & Rädler), Johan Verbist (chairman, De Bandt, van Hecke & Lagae). Standing, left to right: Ingvar Zander (managing partner, Lagerlöf & Lemman), Louis van Lennep (member, management committee, De Brauw Blackstone Westbroek), Roel Nieuwdorp (member, management committee, De Bandt, van Hecke & Lagae), Michael Abels (member, management committee, Oppenhoff & Rädler), Terence Kyle (managing partner, Linklaters).

JEAN-MARC LEFÈVRE

Jean-Marc Lefèvre has the distinction of being the first non-English law qualified lawyer to be recruited to the firm, the first non-UK law partner, the first non-English office managing partner, and the first European regional managing partner. He was instrumental in forging the firm's French practice and in promulgating a European perspective. He was a true internationalist and Linklaters loyalist.

Fellow partner Nathalie Hobbs says of him: "Jean-Marc's enthusiasm, his love of the firm and loyalty were transformational both for the Paris office and for Europe. He enabled the firm to grow more quickly and successfully than would otherwise have happened." Another of his partners said of him: "Jean-Marc's frankness and ability to say what he thinks can be disorienting, but he was able to push things through without worrying about politics."

These are great achievements in themselves. But what makes them remarkable was that Jean-Marc did it all with a smile on his face. He could even tolerate being referred to – with affection – as Monsieur Le Frog by Anthony Cann.

He joined Linklaters in Paris in 1978, after spending six months on secondment in the London office. For the first two years, he shared an office with James Wyness, the founder of the Paris office, and found himself right from the start working on major deals.



His first file was assisting BP Chemicals to open in France. James Wyness and Jean-Marc had a close working relationship, which survived the cloud of smoke generated by Jean-Marc's then chain smoking habit ("not once did James complain").

He succeeded Michael Canby as head of the Paris office in 1995, becoming the first "local" lawyer to head a Linklaters office. When he became part of the firm's management, sitting on the International Board, he would speak with passion and fervour. "We have to put emotion into this," he would say, in his quest to counter the increasing business focus that developed through the first decade of the 21st century. He regarded himself as offering the diversity in meetings, whispering to Jill King, the HR director, "We are the different people." He served a record 13 consecutive years on the firm's management committee.

But he had his limits. He threatened to leave if Jeantet & Associés joined Linklaters & Alliance.

He approached everything with great enthusiasm. Even though he was not a strong proponent of the Alliance, once it had been done, he worked hard to help integrate the continental law firms and the European offices into the Linklaters set-up. Indeed, being regional managing partner was the best job of his professional life. "I loved the challenge of working across cultures, and hiring the right people."

Over the next five or so years, the advance into Europe stuttered. An office in Frankfurt was opened in 1992, but only offering English law, and not with ideal timing as Germany entered recession and the huge costs of reunification became apparent. It did not get off to the best start with a misprint on the letterhead: *anrufen* (to ring up) was printed as *anruten* (a somewhat rude expression which non-German speakers will have to look up).

In the same year, a new office opened in Moscow under the initiative and wing of Dominic Sanders, even though he was then only an associate (see page 78). In December 1995, the firm signed a joint venture with the Hamburg-based firm, Schön Nolte Finkelnburg & Clemm, combining forces in Frankfurt. For Schön Nolte, the venture was a success (according to Eleni Pavlopoulos, a senior associate and German speaker, who went to the firm on secondment, the German firm thought it was a "marriage made in

heaven"), but for Linklaters there was continuing frustration at the lack of penetration in the German market.

The senior partner election of 1996 returned a victory for Charles Allen-Jones, who wasted little time in commissioning a report on the firm's European strategy. The task fell to a team headed by Tony Angel, then head of the Tax department but who would become managing partner two years later. "The time has come," he wrote, "to reconsider our approach to the practice of law in continental Europe. Our present policy is our so-called PUF policy. There is increasing concern that this approach does not enable us to achieve our mission of pre-eminence. We [the European Strategy Committee] consider this concern to be justified. Our present approach will not, in our judgement, prove a successful basis for Linklaters & Paines in Europe in the 21st century. We should change it."

The question was: change it to what? It was thought that the approach should be governed by five fundamental principles: more European offices practising local law; Anglo-Saxon/national lawyer teams; an integrated approach; Linklaters quality standards; and Linklaters branding. The Angel report presented the principal options (branch, alliance or joint venture) to be discussed at that November's retreat but strongly suggested that only a branch (or branches) or a joint venture were likely to achieve the result. The option of the Alliance of European Lawyers was omitted since Tony Angel believed that this option, should it arise, should only be dealt with once the strategy had been determined.

The prevailing opinion at the retreat was a preference for branches, but there was a need to be pragmatic should other options arise. There had already been bilateral meetings with two of the alliance firms (Uría & Menéndez and De Bandt, van Hecke & Lagae) for a couple of months exploring the possibility of closer co-operation with each; in the case of Uría & Menéndez, there had even been mention of a joint venture.

In February 1997, Guy Brannan prepared a note for the Finance & Policy Committee, reviewing in greater detail the option of joining the Alliance of European Lawyers. There were more “cons” than “pros”, but he identified the one major advantage: “in one single move, we could have a European presence equal to, or better than that possessed by any other UK or US law firm. There could be considerable “splash” value.”

And so the scene was set for the historic dinner at the Goring Hotel.

Shortly after, in great secrecy, negotiations began for hammering out a “heads of agreement”, the terms on which Linklaters would join forces with the Alliance of European Lawyers. For Linklaters, the negotiating team comprised Anthony Cann, Terence Kyle, Guy Brannan and Peter King (in the role of the lawyer advising on the negotiations).

It was vital that news did not leak of the discussions. There were two perfect venues available, away from chance encounters with other law firms and from the media. The first was in offices rented by Linklaters in St Clements Lane, off Portugal Street behind the Law Courts, mostly used by the litigation lawyers during breaks in Court proceedings. Known to the firm as the “Tardis” (after Doctor Who's time machine telephone box), the convenience of the location was not quite matched by the comfort of the rooms themselves. The second venue was in the offices of De Bandt in Brussels, which happened to be in the same building as offices rented by Linklaters. Linklaters lawyers could come and go without arousing suspicion.

The negotiations were fraught, but fun, recalls Louis van Lennep. “We all got on very well as individuals, and we really felt we were on to something great.” The terms that needed to be agreed were extensive, covering everything from the sharing of costs, offices and of course profits, to co-operation on practice areas and tax issues.

It was like European Union negotiations on a smaller scale. The negotiations inevitably exposed differences of structure, philosophy, history and culture between the “Anglo-Saxon” model of Linklaters and the continental approach. The negotiations required of the negotiators great reserves of patience and willingness to adjust, which in turn exposed personality differences.

FIRM ROOTS

Luxembourg: Loesch & Wolter



In 1896, Adam Loesch, immediately on being admitted to the Bar, started practising as a sole practitioner. His two sons, Fernand and Alfred, joined in 1922 and 1924 respectively. After Adam Loesch died, the two brothers continued the practice until 1940 when Germany invaded Luxembourg and imposed German law on the country. They were debarred and forcibly removed to Silesia (now Poland).

Alfred Loesch returned to Luxembourg after the war finished, in April 1945, but left the firm to take another position. Fernand Loesch, who survived the Dachau concentration camp, returned the following month and reopened the family practice. Fernand's son, Jacques Loesch, joined the firm in 1952.

In 1972, the practice combined with two other lawyers, Jean Claude Wolter and Janine Biver, to become Loesch & Wolter. The aim was to take advantage of Luxembourg's growing role as a financial centre. In the following years three of Jacques' sons, Tom, Marc and Guy, as well as others, joined the firm.

In 1999 Loesch & Wolter merged with De Bandt, van Hecke & Lagae, at the time the largest Belgian law firm and a member of the Alliance of European Lawyers. In 2002, De Bandt, van Hecke, Lagae & Loesch became part of Linklaters.

FIRM ROOTS

Germany: Oppenhoff & Partner

The Oppenhoffs have been jurists and lawyers for many generations. In 1929 Walter Oppenhoff joined the practice of Becker, Ströhmer and Lang, which started in Cologne in 1908. The firm had international connections from the earliest days, but it was Walter Oppenhoff, having previously worked for McKennas in London, who extended those links to the Anglo-American world.

His international practice led to Walter Oppenhoff being appointed as an administrator of foreign property. In that capacity, he was appointed administrator of Coca-Cola, a company he had advised when it opened in Germany. He also served as administrator for several other foreign companies.

After the Second World War, Walter Oppenhoff became the first lawyer to practise in the American zone in Bavaria, as well as continuing his practice in Cologne, operating from offices in the remaining part of a destroyed building.

Dieter Schneider joined the practice as a clerk in the early 1950s, moved to the United States where he taught law and returned to the practice at the end of the decade.



Michael Oppenhoff.

Michael Oppenhoff, Walter's son, joined the practice in 1967.

In 1969, taking advantage of a change of regulations, the practice adopted the firm name of Boden Oppenhoff & Schneider.

The firm continued to expand and develop an impressive client base of international companies and banks. It opened a New York office in 1988 and in Brussels the following year. In 1989, the firm merged with the Frankfurt law firm, Rasor & Schiedermaier, in order to safeguard its financial practice. This was followed, two years later, by a merger with the Berlin law office Raue Braeuer Kuhla.

In 1995, the firm completed the last of its German mergers, joining with the Munich tax and business law firm of Rädler Raupach Bezenberger, to form Oppenhoff & Rädler. The Rädler merger was challenged by the Notary Bar in Berlin, but the Constitutional Court ruled in favour of the firm in 1997.

In 2008, almost a hundred years after the foundation of the original firm, some of the Oppenhoff partners returned to being a national partnership in Cologne.



FIRM ROOTS

Belgium: De Bandt, van Hecke & Lagae



Jean-Pierre de Bandt and Jean-Pierre Blumberg.

De Bandt, named after its founder, Jean-Pierre, was a firm with a difference right from the time it was founded in 1969. For one thing, it was deliberately created as a firm, rather than as a collection of individual practitioners that was the conventional way of organising lawyers on the continent. The firm operated a lockstep profit-sharing system among the partners.

For another, the firm would have a strong international focus, again right from the start. The internationalism partly derived from the founder's philosophy ("Nationalism, in any of its forms, is one of the great threats of our contemporary society," he says), but also because of the opportunity an international practice offered.

Belgium attracted much inward investment, particularly from US and Japanese investors. The new law firm would help them with the legal aspects of investment. Among the firm's clients were Esso, General Motors and General Foods, all large US corporates. Patrick Kelley became the first American to join a Belgian law firm in January 1979.

A third unusual feature of De Bandt, van Hecke & Lagae, was that, even though it was a Belgian law firm, the working language of the office was always English. That got around linguistic and regional differences between the Flemish- and French-speaking members of the firm, as well as making the firm more attractive to the international community. Even the partnership agreement was in English.

The firm developed just the way Jean-Pierre de Bandt hoped it would. It had a strong work ethic, treated its people well (the firm had full-time associates who were both paid a salary and awarded a share of the firm's profits), and made a mark outside the law. In his own history of the firm, Jean-Pierre de Bandt wrote: "Partners' contributions [would] not be measured by figures and statistics only. Contribution to legal science, client relationships, commitment, team working, social behaviour were considered equally important."



The firm originally operated from offices in Rue Ducale, close to the US embassy, but later moved to one of the city's historic buildings that had previously belonged to Société Générale de Belgique in Rue Brederode (see page 91).

The firm opened an office in New York, in 1984, and formed close ties with the Dutch firm, De Brauw. The two firms became founder members of the Alliance of European Lawyers in 1990, together with Oppenhoff & Rädler of Germany, Jeantet et Associés of France and Uría & Menéndez of Spain. The Alliance of European Lawyers joined with Linklaters to form Linklaters & Alliance in 1998, and the following year De Bandt merged with the Luxembourg firm Loesch & Wolter.

In 2002, De Bandt merged with Linklaters, and after operating with their joint names for two years, dropped the name De Bandt. At the time of the merger, De Bandt, van Hecke & Lagae was by far the largest firm in Belgium, both in terms of revenues and in the number of lawyers.

Jean-Pierre Blumberg, who joined De Bandt in 1982 and negotiated the merger with Linklaters (as well as becoming the firm's first regional managing partner from a legacy firm), says Jean-Pierre de Bandt's vision for the firm continues to this day. "Jean-Pierre was ahead of his time for the Belgian legal market and laid the foundations for the firm's leading position today."

FIRM ROOTS

Sweden: Lagerlöf & Leman



Jörgen Durban.

The Leman firm was founded in 1849 in Gothenburg, making it the oldest Swedish law firm. Philip Leman was one of the founders of the Swedish Bar Association. Erland Lagerlöf founded his law firm in Stockholm in 1900. Doktor Philip Lemans Advokatbyrå merged with Advokatfirman Lagerlöf in 1990, to create Lagerlöf & Leman.



Remarkably, negotiations proceeded apace, so much so that by the summer of 1997 the negotiating teams felt ready to sign the deal. “We came out of Portugal Street one summer’s evening, and it was all high fives and celebration. But then the senior partners became involved and everything started to unravel,” remembers Terence Kyle. Terms that had been agreed were suddenly reviewed. At several points, it appeared as though the Germans were going to pull out.

The Spanish firm of Uría & Menéndez did just that. On 8 June 1998, Rodrigo Uría interrupted Charles Allen-Jones’ dinner with a phone call to say the Spanish would not be joining. Rodrigo Uría felt that he could not join the new grouping, among other reasons, for fear of losing Uría’s independence in relation to its Latin American practice and desire to retain a “federal” concept, as well as arguments over the proposed Spanish letterhead. But probably at the root of the collapse was a personality difference between Terence Kyle’s no-nonsense directness and Rodrigo Uría’s sense of grandeur (he was given occasionally to arriving at meetings in a helicopter). After one heated exchange, Rodrigo Uría turned to Terence Kyle, the colour in his cheeks rising, and said: “Terence, that is the first time anyone has ever spoken to me in such a manner.” To which Terence Kyle replied: “That, Rodrigo, is precisely the problem!” With Uría & Menéndez opting out, the conjecture is that they were anticipating the other firms within the Alliance of European Lawyers would follow suit.

Meanwhile, the position with Jeantet & Associés, the French member of the Alliance, was also creating high tension. Jean-Marc Lefèvre was adamant that, if Linklaters joined the Alliance with Jeantet as a member, he would leave Linklaters.

That presented a dilemma, given Jeantet’s key position within the Alliance (although there had been hints both by the Germans and the Dutch that they were not that enamoured of Jeantet). It was left to Anthony Cann, Linklaters’ chief negotiator, to present Jeantet with a finely pitched proposal that he knew would not be acceptable but which looked like a genuine offer to the rest of the Alliance members.

There was another casualty. Late in 1997, Linklaters informed its German joint venture partner, Schön Nolte, that it would be terminating the arrangement. By joining the Alliance, it would henceforth be partnering with Oppenhoff & Rädler. The partners of Schön Nolte were quick to argue that, since this was not a development of its own choosing, the firm was entitled to compensation – which they duly received.

At the very last minute, an issue arose as to what should be the governing law of the agreement. The Alliance members proposed a neutral law, Dutch law. That was agreed, although in the final rush – and perhaps because everyone was exhausted by the process – Linklaters did not take the precaution of consulting a Dutch lawyer.

By July 1998, more than a year after negotiations started, the different parties reached agreement. “We had overcome formidable obstacles to get to this point,” says Louis van Lennep. “I believed it would be a great step forward for all of us, combining the intellectual power of the continental law firms with the organisation, structure and worldwide reach of Linklaters. The combination of law and business would be unbeatable.”

HISTORY AND ARCHITECTURAL SPLENDOUR IN THE BRUSSELS OFFICE

Can there be an office in the Linklaters network grander than Rue Brederode 11-13, in Brussels? De Bandt, which today is Linklaters, moved into part of the building in 1982 and today occupies the entire building.

The building is an historical landmark in the city, opposite the back entrance of the King's town palace and one-time centre of Belgian-Congo trade and business.

The building was erected at the beginning of the 20th century by the Banque D'Outremer (which means "overseas"), an investment trust that had global aspirations; a grand company with grand designs. Jules Brunfaut, the architect, used a neoclassical style with the outside decorated with balustrades, obelisks and bas reliefs and the inside dominated by sweeping staircases and marble sculptures. The principal sculpture is that of the Roman goddess Flora, who is the firm's mascot. A painting by Constant Montald, done in 1911, reflects the building's historical role as the centre of trade and industry.

That is not the only architectural feature. The office now occupied by the firm's founder, Jean-Pierre de Bandt, was designed by the

renowned Austrian Jugendstil architect Joseph Hoffman.

Banque D'Outremer was acquired by Société Générale de Belgique (which then controlled 30 per cent of the Belgian economy). The banking operation later became Fortis Bank.

The building underwent thorough renovation in the early 1990s, masterminded by architect Aldo Sanguinetti, with new heating, lighting and air conditioning.

The street itself is named after Count Henri de Brederode, who was beheaded for demanding the abolition of the Inquisition. In the 20th century, the street formed the focus of Belgium's relations with its colony, the Congo, comprising societies, banks and companies such as the Railway Company of the Congo.

De Bandt took a lead role in an attempted hostile bid by Benedetti of Italy to take over Société Générale de Belgique in 1987. The deal resulted in the target company being taken over by Compagnie de Suez (today's GDF Suez). With the reorganisation, the firm was offered the chance to acquire more space in the building at a very favourable price.



The Joseph Hoffman-designed office, currently used by Jean-Pierre de Bandt.

ALBERT RÄDLER

Albert Rädler was Germany's most renowned tax expert during his life. He died in February 2012, aged 78, having continued to advise companies, governments and international organisations, as well as individuals, on their tax issues right up to his death.

A business economist by education and training, Albert started a tax practice together with a professor of tax law, Arndt Raupach, in Munich in 1971. Rädler Raupach & Partner soon became Germany's leading tax firm and was notable for combining tax and corporate law. In particular, the firm offered tax advice to leading German and foreign multinationals.

The firm expanded through the following decades, and opened offices in Frankfurt, Berlin and Leipzig. The merger with Boden Oppenhoff in 1995, the creation of Linklaters & Alliance and the eventual merger of Oppenhoff & Rädler with Linklaters in 2001 marked successive milestones in Albert's illustrious career.

His advice, as someone who really understood how governments should structure their tax systems efficiently, was much sought after. He advised the German government on the reform of business tax law, the European Commission on the future of company taxation within the European Union, and new member states, including Slovakia, on their tax laws. He was a professor of tax law in Hamburg.

Such was his reputation that he also developed an enviable client base of high net worth individuals. After a session with Albert, they would leave not just having had their problems solved, but also, says Andreas Schafitzl (who started with Rädler & Raupach and is now a partner with Linklaters), with "good inner feelings, such as his skill at making clients feeling comfortable".

Tax expert and pre-eminent economist, Albert Rädler was also a successful businessman. He was a major shareholder in a German IT company that became big during the dotcom boom of the early 2000s. Yet he was a modest man and certainly never flaunted his wealth. He reinvested the money in his practice, and joked that he had bequeathed his firm at least three times to his younger partners. He shared his clients, including some of Germany's leading industrialists, with his partners. Jens Blumenberg, currently a partner in the Frankfurt office and head of the firm's German Commercial division, admits he learnt everything at the feet of the great man, and inherited some of his legacy.

Throughout his life, Albert developed a formidable network of tax experts across the world. Not the most organised of people, his secretaries would despair at having to send out 2,000 Christmas cards well into December each year.

He suffered a severe illness as a child, as a result of which he walked with a pronounced limp. But he never regarded this as a disability – still less sought sympathy from others. He remembered everyone with whom he came into contact; interns, who had spent less than two months working in the Munich office, would be astonished that years later he remembered them.

"Albert," Andreas Schafitzl would say to him as they worked together, "you are a tax legend."

Jens Blumenberg adds: "Everyone who came into contact with Albert was entranced by him, by his knowledge of his subject and his love of the law, but also by his humility. His legacy continues in all of us who learned from him."



Terence Kyle was appointed chief executive, a board set up and practice area heads appointed. Into the agreement was written the clause that the firms would work towards merger to create a unified full-service international firm within five years. Linklaters & Alliance comprised:

- > UK: Linklaters & Paines
- > Holland: De Brauw Blackstone Westbroek
- > Belgium: De Bandt, van Hecke & Lagae
- > Luxembourg: Loesch & Wolter
- > Sweden: Lagerlöf & Leman
- > Germany: Oppenhoff & Rädler

The Alliance brought together 480 partners, 1,450 other lawyers and a total staff of 4,100 working in 28 offices. “Our clients will have access to our combined technical excellence, breadth and depth of expertise and a strong tradition of delivering a high-quality service which will be delivered consistently by just one provider,” the official announcement said.

Formidable obstacles had been overcome, both sides had achieved their objective of joining forces. That, however, was just the beginning, as Tony Angel, who had written the 1996 paper advocating expansion into Europe and would become managing partner in 1998, says. “Alliances are not, and we knew were not, a long-term viable strategy. We undertook and agreed to merge, but merging law firms on this scale across Europe had never been done before. We did not appreciate quite what was involved.”

Amid great fanfare, the six member firms signed an agreement to create Linklaters & Alliance in Genval in Belgium on 22 July 1998. The agreement was due to come into effect in November. It was a co-operation agreement, but expressly stated “with a view to merger”.

It was intended that the process towards merger would be a gradual one over a period of five years, but by the time of a meeting of the firms’ management committees the following April (also in Genval), the feeling was that progress needed to be faster, that a committee should be set up to start the process and that each firm would designate a two-person negotiating team. For Linklaters, that team was Anthony Cann and Richard Holden. The committee decided, first of all, that it needed some external assistance. The consultants, Bain & Co, were appointed, with one Bain consultant assigned to each of the six firms.

Bain helped the firms and the committee to articulate the potential benefits of merger and the vision and strategic objectives of a merged firm. By the time of a partners’ meeting of all partners in Euro Disney outside Paris in November 1999, the merger committee was able to present the results of the combined discussions in a show of unified thinking. All did not, however, quite go to plan: only one member of the German two-man negotiating team turned up (Michael Lappe), the other officially maintaining that he was snowed in at Munich airport but, in reality, on the point of leaving Oppenhoff & Rädler. He was replaced, at short notice, by Klaus Saffenreuther.

SONG FOR THE ALLIANCE (1)

[To the tune of Funicoli Funicola]

If I were Freshfields, Clifford Chance
or Slaughters
I’d ask myself: Are we alright?
Is what we’re doing fine or simply stupid?
I’d worry every day and night
Will future young recruits find us attractive
Or will they find us a big bore?
Will they fall for those gorgeous continentals
Those Dutch and Swedish girls and...more?
Yes! I would be scared out of my pants
That we’d lose our very best clients
To those fantastic and majestic intellects
at L&A
Who in the spate of seconds would reduce
us to purée!

Good lawyers, you may find them the
world over
That’s plain to see, we all agree
They’re mostly brilliant, mega ego trippers
Who take themselves quite seriously
But when a client with a big transaction
Needs legal help, who will he see?
Who will provide him seamless satisfaction
“Almost for free”, who will that be?
We’re the greatest, yes, we are the best
We are far ahead of all the rest
We are so clever, we are seamless
We are charming and we’re smart
And miles and miles ahead before
the others even start!
(So, if you need top notch assistance,
come and see us any day
We’re Linklaters & Alliance or, in short,
we’re L&A!)

Words by Louis van Lennep

Jim Watkins, who headed the Hong Kong office in the late 1980s, was well known as a bon viveur. One year, when the International Bar Association held a conference in Hong Kong, Linklaters hosted an event at Gaddi's restaurant in the Peninsula Hotel, one of the territory's finest. Linklaters had already gained a reputation for throwing the best parties at International Bar Association events, but this was exceptional. Jeremy Skinner, head of the Linklaters delegation, congratulated Jim Watkins on arranging such a wonderful event. "It must have cost a fortune," Jeremy Skinner apparently said, to which Jim Watkins replied, "Don't worry about the cost. It is all on the Hong Kong budget, and you will never find it!"

By early 2000, it became apparent that multilateral negotiations were too unwieldy. The path to mergers would only be successful on a bilateral basis. Each was complicated enough: among the issues that needed to be addressed were: the size, shape and composition of practice areas; what types of clients any merged firm would focus on; differences in firm cultures; and, above all, profitability, and how profits would be shared between the partners.

Germany was the top priority. Things were changing fast in the market. Freshfields and the German firms of Bruckhaus Westrick Heller Loeber and Deringer Tessin Herrmann & Sedemund were in the process of merging (which concluded in August 2000). Oppenhoff & Rädler, with just over 100 partners to Linklaters' then 200-plus, was also the second biggest of the Linklaters & Alliance firms, and therefore likely to require more time.

As the firms' negotiators met through the first months of 2000, the talks proceeded and many of the issues were resolved. However, some obstacles remained, including the number of German partners that would be brought into the merged firm. Linklaters offered to put up a fund to assist with the departure of certain of the German partners. This was clearly a sensitive issue which, together with some other major bones of contention, required the intervention of Michael Oppenhoff, as senior partner on the German side.

In the summer, Michael Oppenhoff met Anthony Cann at Düsseldorf airport (Anthony Cann wearing the hat of acting senior partner, filling in for Charles Allen-Jones who was having an operation). A two-hour planned meeting turned into six, during which most of the issues were resolved. This meeting was followed up by a further meeting of the negotiators (this time at Frankfurt airport) to seal the deal. It was a close-run thing. As Michael Oppenhoff remembers: "Had it not been for a one-to-one meeting between Anthony Cann and myself, when we put the derailed negotiations back on track, their success would have been seriously endangered."

Richard Holden agrees the process had stalled and that Michael Oppenhoff's role had been crucial: "Michael, who had until then carefully kept himself above the negotiations, showed courage putting his authority behind a proposal to the German firm, which would necessarily involve many German partners being excluded from the merged firm. He did insist on running the process himself, which may well have been politically necessary, but left us with a larger restructuring task after the merger."

The merger agreement was signed in November 2000, and took effect on 15 January 2001. It should have been 1 January, but there was a last-minute hiccup involving the tax arrangements.

Having reached agreement with the Germans (which was not to say that it was plain sailing within the merged firm, and the challenges of integration proved to be just as difficult as the negotiations), attention then turned to the other firms. Negotiations between Linklaters and Lagerlöf & Leman started in earnest in early 2001. The Swedish negotiating team was headed by Jörgen Durban, who, with the backing of Per-Erik Hasselberg (the senior partner), had the unenviable task of persuading his Swedish partners to go along with the prospect of merger. It brought out the differences between those in Stockholm (by and large in favour of the merger)

and those in Gothenberg and Malmö (almost all against the merger), who had in any event been forced together by the earlier merger of the two component parts of the firm. “For me, it was imperative that we did the deal. But the negotiations were made that much easier by the ease of the relationship between us and Linklaters and the deliberately constructive approach to them that we took,” Jörgen Durban remembers.

The agreement was signed in June 2001. As the glasses were about to be raised in celebration, it was noticed that one of the Swedish partners had not signed (the Swedes had insisted on all partners putting their names to the document). It then transpired that Sigvard Jarvin was on the way to the airport to catch a flight to Paris. Ingvar Zander thereupon drove to the airport (we imagine without particular notice of the speed limit), forced his way through security at the airport, tracked down his fellow Swedish partner, secured his signature and returned in triumph to the celebrations.

What about the Benelux countries? Negotiations with the Belgian firm of De Bandt hit an early problem. Following the establishment of Linklaters & Alliance, De Bandt’s negotiating team was led by Roel Nieuwdorp. He had been in favour of the decision to expand the Alliance of European Lawyers to include a UK firm, then to include Linklaters, and then to merge with Linklaters post-Linklaters & Alliance. However, in June 2000 he announced, to the amazement and consternation of his Belgian colleagues, that he was stepping down from the negotiations. The English, he said, could not be trusted.

Into the breach stepped Jean-Pierre Blumberg, Roel Nieuwdorp’s protégé. It turned out for the better: Jean-Pierre Blumberg and Terence Kyle, who led the Linklaters negotiating team for Belgium and Luxembourg, were well suited. “Terence could be difficult, but he was always direct. That is the way we continentals prefer,” Jean-Pierre Blumberg remembers of the discussions.

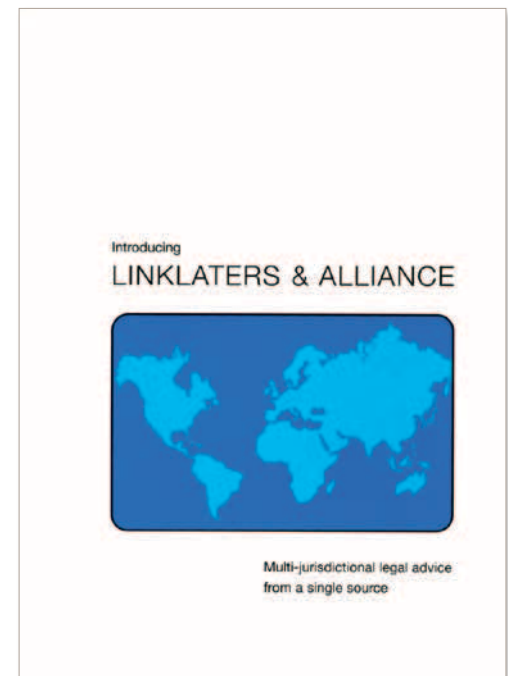
De Bandt and De Brauw had long had a close relationship, which was further cemented by a good working relationship between Jean-Pierre Blumberg and Peter Wakkie, De Brauw’s senior partner and chief negotiator. Late in 2000, Jean-Pierre Blumberg proposed that the two firms negotiate jointly with Linklaters. That process lasted for some six months before it was recognised that such an approach was not going to work. “We realised that our respective partnerships had a different vision. In March 2001 we decided – with some regret – to continue the negotiations bilaterally,” remembers Jean-Pierre Blumberg.

The bilateral discussions with the Dutch did not get much further. Both sides fairly soon concluded that because of cultural and strategic differences it was not in their interests to merge, certainly not on the terms that Linklaters was proposing, which would involve only about half of De Brauw’s 80 partners being included in any merged firm. Officially, it was announced that Linklaters and De Brauw had “amicably agreed to discontinue” their merger discussions, although they would continue to work closely together. By September 2001 a deal was reached with De Bandt of Belgium and Loesch & Wolter of Luxembourg (the two firms having themselves merged in 1999).

AND THAT’S NOT ALL...

You might be forgiven for thinking that the Alliance negotiations and machinations were the only thing that was happening in the world of Linklaters in 1997/1998. But a snapshot of that year shows a whole succession of developments. Among them were:

- > the opening of the new IT and back-up premises in Colchester
- > new office in Bangkok
- > completion of the fit-out of One Silk Street
- > new office in São Paulo
- > celebration of the Hong Kong office’s 21st and the Tokyo office’s 10th anniversaries
- > formal opening of One Silk Street
- > rebranding of the name of the firm
- > move of the New York office to 6th Avenue
- > receipt of licence to open an office in Shanghai
- > new office in St Petersburg



Brochure introducing Linklaters & Alliance.

When Bass, the brewing company and client of Linklaters, bought the Belgian beer maker Lamot in the early 1970s, completion was complicated by the fact that there were two groups of shareholders in Lamot who refused to speak to one another. Each accused the other of being collaborators with the Nazis during the war. To get all the shareholders to sign the agreement for selling the shares to Bass required the two sets of shareholders to be in different rooms, and then to file separately and alternately into the room where the documents were being signed so that they would not meet one another.

That the mergers did proceed in Germany, Sweden and Belgium and Luxembourg is due in large measure to the invaluable role played by the negotiating teams within the European firms. “Michael Lappe, supported by Klaus Saffenreuther, Jürgen Durban, backed by Per-Erik Hasselberg, and Jean-Pierre Blumberg, supported by De Bandt’s chairman Jean-Marie Nelissen Grade and Freddy Brausch from Loesch & Wolter, went out of their way to support the mergers and, at great personal cost, were prepared to take the flak from their partners for proposing in each case that fewer than all partners would be carried over,” says Richard Holden.

This was not the only Alliance activity. In 2000, Linklaters had merged with firms in Warsaw and Prague, each of which had been local operations with whom the Alliance had run joint projects and seconded lawyers. In the case of Warsaw, the added complication was that two Linklaters partners (Nick Eastwell and Peter Farren, himself half-Polish) had simultaneously been in preliminary discussions with a top Polish law firm. It came as a surprise to them when a deal was then struck with the Alliance-approved firm.

Linklaters & Alliance had been joined in 1999 by Gianni, Origoni, a leading Italian law firm, and, on the face of it, an excellent new member for the Alliance. However, the relationship didn’t go the way of the other Alliance firms, and cultural incompatibility, client conflicts and what Sarosh Mewawalla, who was sent to Italy in 2003 to help develop a joint banking practice, describes as “lack of alignment of commercial objectives” meant that a merger would never be realised. Anthony Cann signalled the end of the co-operation in 2004.

Technically, the departure of the Italians marked the formal end of Linklaters & Alliance. It had been seven exhausting years for all those involved. The question is: was it worth it?

Miles Curley, who was involved in early discussions with Uría & Menéndez before the formation of Linklaters & Alliance and then

helped to set up the Linklaters office in Madrid, has no doubt that the very fact of entering the Alliance helped the firm to become established in Spain. “Linklaters & Alliance demonstrated to the market that we were serious about creating a top firm in Europe, and that attracted top people to come and work for us in Spain. It gave us credibility, with ambitions to be a firm at the top of the market.”

Thierry Vassogne, who joined the Paris office in October 1998, cited the creation of Linklaters & Alliance as a compelling reason why he decided to come on board.

Terence Kyle, who saw the Alliance at closer quarters than anyone as chief executive, believes the move marked a defining change in the firm’s development. “There was no blueprint for what we were trying to do. Inevitably, a lot of things had to be done on the hoof. But it was transformational and a huge achievement in the space of just five years. It gave impetus to our European expansion and set the foundations for what have now become leading practices across Europe.”

Tony Angel notes: “We knew, intellectually, before embarking on the Alliance that there would be a trade-off: the Alliance would catapult us into Europe on a bigger scale but at the cost of maintaining our cohesive culture once we brought in continental law firms whose traditions were very different from ours. The big thought behind the Alliance was that we would leapfrog everyone else, and then sort it out afterwards. It is just that we underestimated the amount of work, time and money for building a cohesive, integrated firm.”

Anthony Cann is also clear that, without the Alliance, the mergers with the separate firms would have been very difficult to achieve. “The Alliance was a means to an end, and definitely the best route then available for us into Europe.”

The last word, however, goes to Jean-Marc Lefèvre: “The Alliance was a shambles, but, at the same time, it was a miracle!” ●



Cover of publication celebrating the Brederode building architecture.

SONG FOR THE ALLIANCE (2) *[To the tune of "Oh What a Beautiful Morning"]*

British lawyers like charging high prices
 For transactional work and advices
 They know how to market,
 they know how to sell
 In fact everything that they do,
 they do well!

Chorus:

*Look at the lives of us lawyers
 Most of our lives are a mess
 Slaves of our mobiles and E-mails
 And constantly suffering from stress*

Belgian lawyers are truly exciting
 They will bend any rule and love fighting
 No laws and no rules they take seriously
 Except for the rules of deontology

Chorus

German lawyers resist domination
 By the English or any old nation
 And this is the reason, they'll always repeat
 That London shall never be L&A's seat!

Chorus

All **Dutch** lawyers just love to be teaching
 Though to some it seems much more
 like preaching
 In all the league tables,
 they're first and by much
 Which is hardly surprising:
 the tests are in Dutch!

Chorus

Every lawyer who is **Italiano**
 Wants to practise in Rome or Milano

For all brilliant talent the best place to be
 Is, without doubt, Gianni Orioni

Chorus

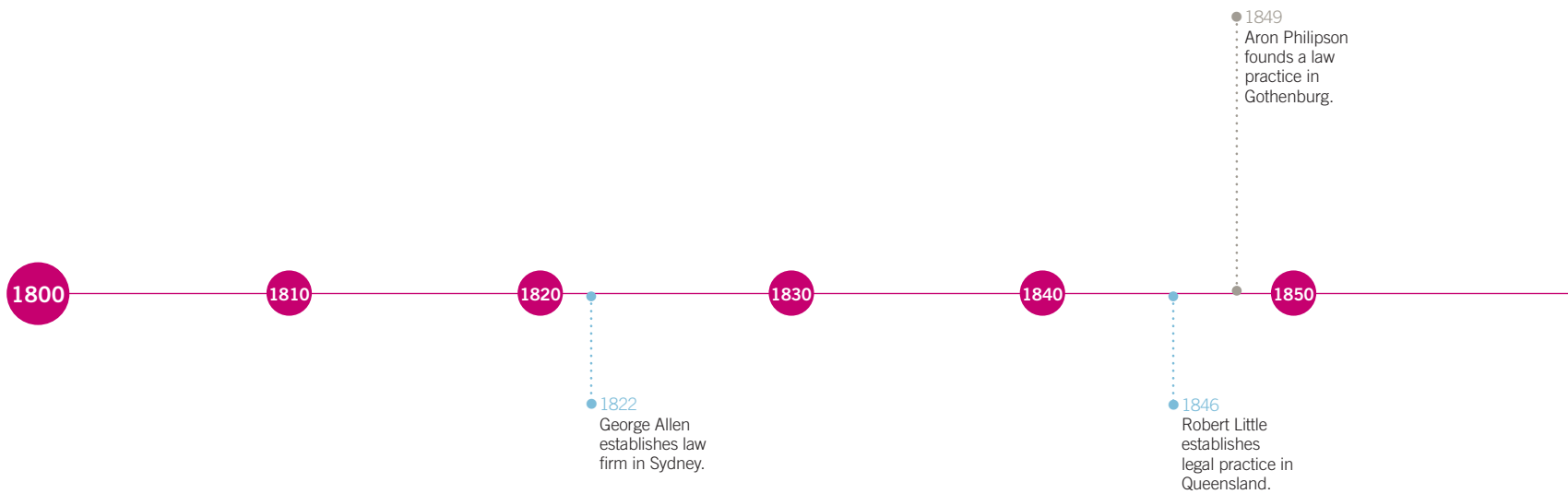
Finally, for all lawyers in **Sweden**
 This is really the garden of Eden
 In winter their "day" runs from
 midday to three
 And in summer they simply all
 seem to be free!

Chorus

We like our own jurisdictions
 None of us would like to switch
 We share the same aims and convictions:
 To maximise profits, get rich!

Words by Louis van Lennep

LINKLATERS: PATHS TO ALLIANCES AND MERGERS



● Linklaters

● Mitsui, Yasuda, Wani & Maeda
Japan

● De Bandt Van Hecke & Lagae
Belgium

● Oppenhoff & Rädler
Germany

● Loesch & Wolter
Luxembourg

● Lagerlöf & Leman
Sweden

● Allens
Australia

● Webber Wentzel
South Africa

1860

1863

Henry Hedderwick establishes partnership with Charles Palmer in Melbourne.

1868

Edward Solomon starts law practice in Eastern Cape.

1870

1872

Philip Leman takes over law practice.

1876

Hedderwick & Palmer join Crisp & Lewis.

1880

1890

1894

Allen Allen & Hemsley firm created from original practice of George Allen.

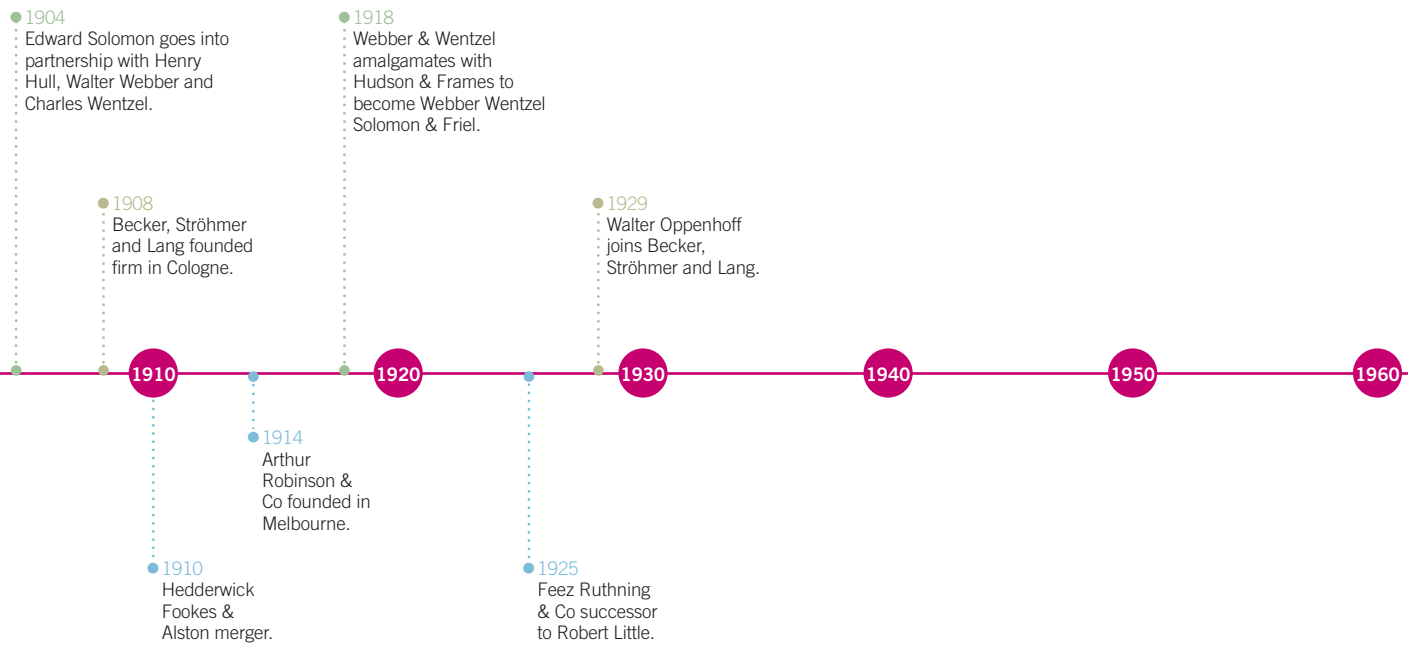
1896

Adam Loesch starts a practice in Luxembourg.

1900

1900

Erland Lagerlöf founds law firm in Stockholm.



● Linklaters

● Mitsui, Yasuda, Wani & Maeda
Japan

● De Bandt Van Hecke & Lagae
Belgium

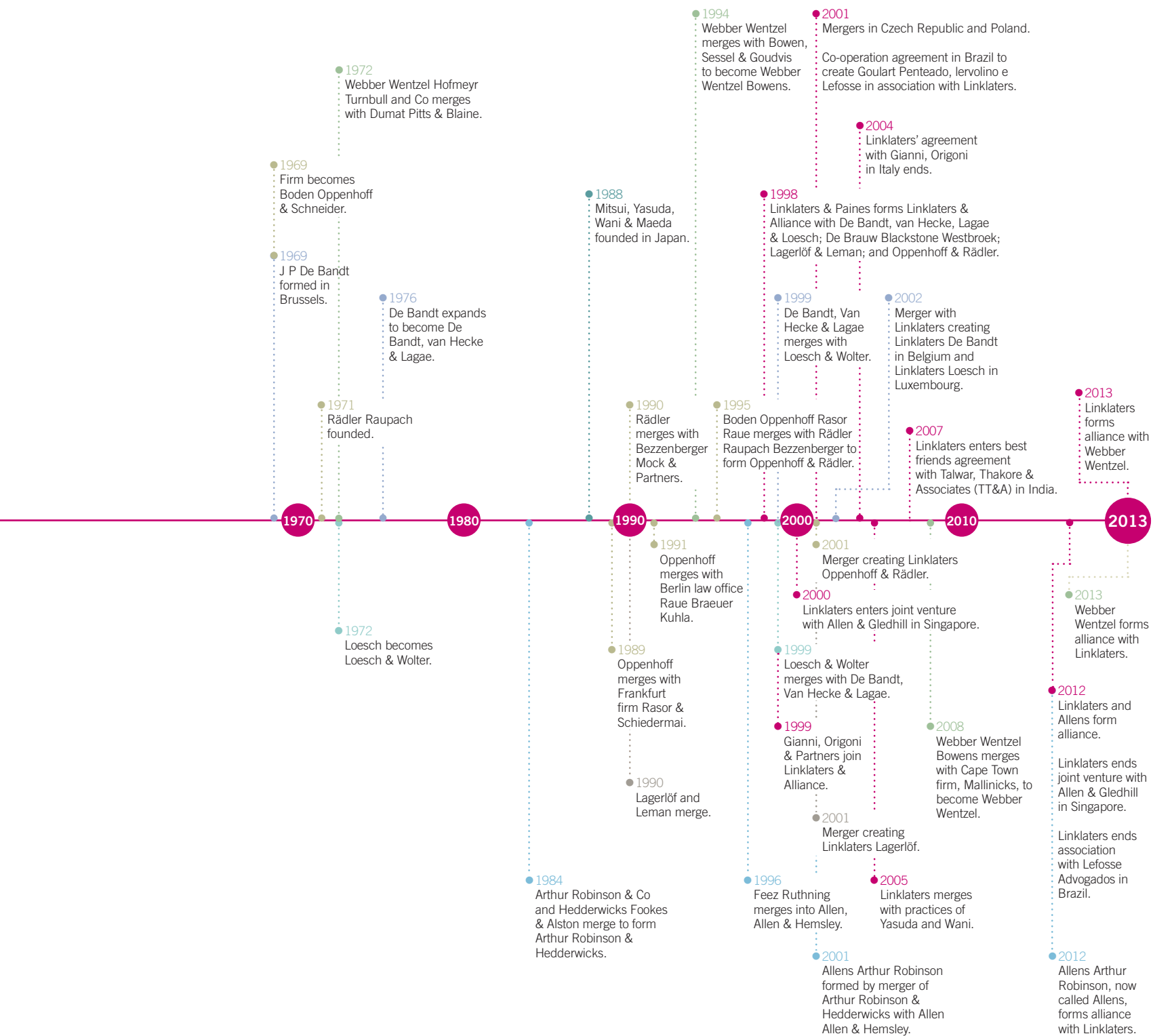
● Oppenhoff & Rädler
Germany

● Loesch & Wolter
Luxembourg

● Lagerlöf & Leman
Sweden

● Allens
Australia

● Webber Wentzel
South Africa





06

CULTURE MATTERS



Maurice Cockrill, Black Skein 2 2009, oil on canvas, 25x30cm

CULTURE MATTERS

The Linklaters of 2013 bears virtually no relation to the solicitor's practice that John Linklater joined some time in 1838. How could it? We can imagine that was a dark, austere, candlelit office just off The Strand in London from where John Linklater's principal, Julius Maitland Dods, ran his legal practice. Papers, books and files would be stacked high on the floor. Clerks would scratch on parchment with their ink quill pens. The office was heated by a coal fire, which would have provided little warmth in the exceptional cold winter of that year which caused both the Thames and the Serpentine to freeze solid.

Today, Linklaters is a firm of more than 450 partners, some 4,500 people in total across 27 offices in 20 countries. It is one of the world's largest global law firms by revenue (well in excess of £1bn a year). You still find plenty of books and filing cabinets, although, in the modern-day firm, the lawyers will be working on

desktop computers, laptops and iPads. In 1838, the telephone had not been invented; in 2013, the mobile phone and BlackBerry dominates.

And yet, perhaps in one important respect, there is a similarity between the Dods & Linklater of 1838 and the Linklaters of 2013: the culture of the firm. John Linklater was an ambitious, hard-working, highly able lawyer whose practice concentrated on providing excellent legal advice to the prominent businesses of the time. The same could be said of Thomas Paine when he went into practice a short while later. That philosophy and approach has served the firm well over the course of its history.

There are many dimensions to culture, and this chapter will endeavour to round up as many of them as possible. Inevitably, they may be disconnected, but taken together they may help to paint a picture of the type of firm Linklaters is.



Partners and staff dinner, 1939.

First and foremost, the ethos of the firm is that it operates to the very highest standards. It is a top law firm, with top-quality people, and everything follows from that. Linklaters aspires to be nothing less than the leading global law firm.

Excellence is one of the core values (see Chapter 7), and that permeates the firm from top to bottom. As Derek Willoughby, a legal executive, writes (see page 25): “I regarded [my job, as an outdoor clerk] as part of the service the firm was giving to its clients. I always felt that Linklaters was the best firm, and I intended to keep it that way.” The quest to achieve is a further hallmark of the firm, combining intelligence with ambition. For a period in the early 2000s, the firm considered giving itself the tagline “Achieving the Unachievable” as being a fair representation of what it stood for. (It was rejected by the more down-to-earth members of the partnership who felt it was unwise to promote something that was technically impossible.)

The firm certainly expects its people to work hard. In the 19th century, solicitors and clerks worked 10-hour days, six days a week. The work ethos was set by the partners, who would nearly all take work home. Throughout history, you find examples of dedication, combined with a passion for the work, which suggests that enjoyment is a further characteristic of Linklaters lawyers and Linklaters people.

Hard-working, but understated: it was not the style to show off. Linklaters people go about their business with quiet professionalism. There have been a few partners who have been the exception to the rule, notably Raymond Shingles in the post-Second World War years who, from time to time, would turn up to work in his Bentley, and Thierry Vassogne, who joined the Paris office in the late 1990s and who insisted on the firm providing him with a chauffeur.

The culture has been one in which people have been well rewarded. This can be dated back to January 1921, shortly after the merger between Linklaters and Paines. In a move that was ahead of its time and regarded as being highly innovative, the firm started a profit-sharing scheme. Ten per cent of the firm’s total wages and overtime payments were paid into a staff participation account. Up to a certain amount would be paid as bonuses to the staff, at the partners’ discretion, and the rest paid into a newly established pension fund.

Articled clerks (trainees) were not paid until 1960, but then neither did the firm insist on articled clerks paying a premium for doing their articles with the firm (as happened in many law firms).



Partners and staff dinner, 1957.



The Linklaters rugby team (in dark-green and white stripes) and their opponents, the All-Ireland Solicitors Apprentices, taken during the team's first rugby tour, December 1994.

The office working environment, and the facilities, have also made for an exceptional firm. Talk to anyone, from those who started in the firm after the Second World War to those working for the firm today, and all without exception will comment on how good the partners have been to their staff in making sure that they have access to the best facilities. Silks, the staff restaurant in One Silk Street, must surely rank as one of the best staff canteens of any business, not just law firms.

The firm has a long history of organising top-quality social events for its staff. There is a photo of a dinner for partners and staff held in 1908 (see page 3), and it is possible that the dinners were held before them. We know that there was a concert for staff and clients in 1925. Thereafter, there were annual dinner dances for the whole firm, until the firm became so big that this was not logistically feasible. The last firmwide dinner dance was held in 1987 to mark the firm's 150th anniversary (see page 125). There were boat trips in the summer. In Barrington House (into which the firm moved in 1956), "sherry parties" were laid on every few months in the restaurant in the basement of the building. More recently, as the firm has grown in size, the social events have revolved around practice areas, groups and offices or become part and parcel of offsite discussions and awaydays.

Sport has been another important part of office life. The firm has had a cricket team since the 1920s. When the firm worked on Saturday mornings (up until the 1950s), there would often follow a cricket game (in the summer) or football game (in the winter) on the Saturday afternoon. It was, for a while, the tradition that the partners vs staff match would take place on a Sunday, at or nearby the country house of one of the partners, with families invited on what would be a real firm social occasion. Cricket games would also be played against clients, and even short tours arranged (see *On the Cricket Pitch*, opposite). Social change, greater pressure of work and competing interests mean that the cricket match is now a 20-20 game on a weekday evening.

Other main sports, and for which the firm provided teams to play in competitions and on tours, were football and rugby. There have been internal, international football tournaments: men's and women's teams compete for the grandly named "Global Football Cup". A highlight of the rugby season is the Law Society's Sevens Tournament, in which the Linklaters team triumphed in 2008 and 2010. Netball, softball and volleyball have attracted a lot of participation. There have been golf days, and, for many years, Linklaters took on Slaughter and May in a "friendly" golf match competing for the Peter Marriage Trophy (named after the senior

ON THE CRICKET PITCH

Simon Clark, real estate partner and keen cricketer, recalls some priceless moments on and off the pitch.

“Cricket goes back a long way in the firm. Look at the first history, and there are references, and photos, of teams going back to the 1920s. In my time, which dates back to the 1980s, there was a lot of cricket played: partners vs staff matches, inter-firm games (particularly needle matches against Slaughter and May), and cricket tours.

With the firm that much smaller than it is now, and more concentrated in London, the mid-week cricket games were a good opportunity for people in the firm to get together. The cricket in Linklaters has always been a good way of bringing people together. Martin Elliott, Charlie Jacobs and Miles Curley were among those who made their presence felt as articled clerks and are now senior and successful partners. Terence Kyle was a regular. There were some talented cricketers among us: Robin Human, a Cambridge blue, was still able to produce immaculate cover drives well into his fifties. Gideon Moore, now head of Global Banking, always seemed to do well with bat and ball.

In one match against Slaughter and May, played at South Hampstead CC's ground, several last-minute withdrawals meant that I was asked to open the bowling. For the cricket-minded readers, I should explain that I bowl – or used to bowl – gentle leg breaks. The opening batsman for Slaughters was a ringer doing work experience who played minor counties cricket. My first three overs went for 50

runs. Stephen Edmann, standing on the boundary, could only watch the balls flying over his head. He subsequently had to put up with an irate householder, who lived in a house adjoining the pitch, berating him for the danger she felt to her person and property.

The tours were memorable. In one tour of Yorkshire, we stayed the night at a particular pub in the centre of Ilkley. We were warned by our opponents, Bolton Abbey, that this might not be such a good choice. The Bolton Abbey cricketers explained that the clientele were very rough and they suggested that we stayed away until after chucking-out time. The price was £8 for bed and breakfast, and, when you understand that the breakfast alone was worth probably £10, that tells you something about how much the beds were worth.

We would also play against clients, which, of course, was a mixed blessing: it was very good to have an opportunity to mix with clients, to ‘deepen’ the relationship, but you always wanted the result to go the right way, so as not to upset them. That was a tricky balance. One year, probably 1990 or 1991, we were invited to the ground of Royal Insurance, the Property practice's most valued client. Their chief surveyor, who was the source of many of our instructions, was a good and keen club cricketer. He strode to the crease with an air of quiet confidence, looking forward to a long innings. He was then bowled first ball by Xavier Hunter, an articled clerk and now head of our Real Estate practice in Moscow. I will never forget the appalled silence that followed. Our umpire did not even have the presence of mind to call a ‘no ball’.”

.....

David Foster left the firm in 1972, after being a partner for eight years, to become a writer and then actor (using the stage name David Forest). In order to support himself, he became a tour guide and a taxi driver and would often collect his former partners from the office.

.....

partner of Slaughter and May and also the father of Jeremy, later a partner of Linklaters). People have run marathons, done bike rides, climbed mountains, often for charity, but with the support of the firm.

Other clubs have come (and sometimes gone) for those less sports-inclined: bridge, chess, darts, among them. For many years, the firm ran an arts and crafts competition, following the gift by partner Anthony Whinney on his retirement of a David Backhouse bronze sculpture. The winning entries in different categories (including ones for children) were displayed in the open space near the reception in Barrington House. The competition lapsed for a few years, but was revived after the move to Silk Street and connected to donations to LinkAid, the firm's charity fundraising programme. The Backhouse bronze, called "Hand and Eye", would be awarded to the overall winner, who would get to keep the sculpture for a year. The winner's names were also inscribed on the sculpture until it was discovered that had the effect of seriously diminishing the sculpture's value.

If you had stepped inside the offices of the two separate firms of Linklaters and Paines at any point in the 19th century, one thing would have struck you: the complete absence of women. Around about a hundred years ago, the first woman was employed, Miss Butcher, the telephone operator. After the First World War, the firm took on more women, perhaps more out of necessity than choice in the wake of the war, though we cannot be sure. At that time, all of the typists were men and it was not until the 1930s that women were hired as typists. In the bias against women that prevailed, the men were known as "short-hand typists" and the

women as "secretaries", the inference being that secretaries were of a lesser status. In the 1950s, secretaries were not allowed to talk to one another. Partners addressed them as "Miss" or, in rare cases where it applied, as "Mrs".

Any woman employee who got married was not expected to come back but could do so if she wanted. However, those who became pregnant were expected to work in a back room, so as not to be seen (and presumably discouraging other female staff members from following suit). There was no such thing as maternity leave, certainly up until the 1960s.

The first female articulated clerk was not taken on until the late 1950s, Celia Wannan. On qualification, she chose not to go into practice, but opted instead to become a secretary. That may have set back recruitment of female lawyers by a decade because it was not until the early 1970s that female articulated clerks started to be hired in earnest. Three women were taken on in 1971, one of whom, Sue Ball, went on to become the firm's first female partner 10 years later. Diana Good, who herself became a partner in 1988, remembers Sue Ball as being "unbelievably clever and charmingly eccentric": as an articulated clerk, she would sit on the floor to do her work, while when a partner she often sat cross-legged in her swivel chair. Not so unusual now, perhaps, but certainly out of the mould for those times.

Another of the 1971 intake was Margaret Hillier, whose arrival stirred another cultural change. She had been at university with, and was engaged to be married to, another of the articulated clerks taken on that year, Rob Williams. When he was offered articles, Rob Williams told Henry Pickthorn (the partner responsible for recruitment) of their intention to get married ("before we had even told our parents",

HOPE OUT OF TRAGEDY



Late on 12 January 2006, Tom ap Rhys Pryce, an associate in the Litigation department and then on secondment to the bank RBS, was robbed and murdered outside his home. The murder was all the more senseless because he had very little on him that was worth stealing.

Tom's parents, John and Estella, fiancée Adele Eastman, friends and work colleagues resolved that Tom's memory should be honoured and, if possible, some hope should come out of tragedy with the establishment of a trust that would fund charities and projects supporting disadvantaged youth. The initiative was supported by *The Evening Standard*. Nigel Reid, a Linklaters partner, set up the trust within 48 hours. The goal was to raise £1m.

Tom's Trust aims to prevent young people expressing their anger and frustration destructively by providing them with expert educational assistance as well as positive opportunities for their development in various fields, such as sport, media and music. Tom was a beneficiary of educational funding (for which he was always grateful), and another of Tom's Trust's goals is to provide educational

and vocational training opportunities to individuals who might not otherwise have access to them, in the hope that they too can achieve their potential and lead rewarding lives. A third goal is to help tackle the root causes of violent gang culture and violent street crime.

Since its establishment, Tom's Trust has raised £1.75m, which has been paid out to many charitable organisations and youth groups. Linklaters has contributed a substantial donation and there have been many individual contributions from partners and staff. The firm offers pro bono assistance to the trust, including administrative support by two secretaries in their own time, space for Trust meetings and, in future, volunteers who will work with the Trust's partner organisations. Two current Linklaters partners (Alan Walls and Andrew Hughes) and one former Linklaters partner (Michael Firth) are trustees, together with Adele Eastman, Callum McGeoch (a school friend of Tom's) and Tom's parents.

Alan Walls says: "We still miss Tom very much. He was a wonderful, lively and engaging person whom everybody liked. It is hard to come to terms with what happened. His memory lives on through the trust, and we hope as much good as possible comes out of his tragic death."



Linklaters v Savills 1983

| Player | Clubs | Runs | Points |
|--------------------|---------------|------|--------|
| David Lloyd | 6 | 3 | 31 |
| Kyle Forham | 11 | 6 | |
| Robin Haman | 6 | 2 | |
| Robert Finch | 10 | 8 | 68 |
| Jan Mappath | 22 | 13 | 99 |
| Simon Dave | 8 | 1 | 195 |
| Totale | 63 | 33 | |
| Savills | | | 91 |
| George Hye | 23 | 12 | |
| David Douglas Bunt | 20 | 8 | |
| Robert Dean | 20 | 8 | |
| Tim Simon | 6 | 4 | 73 |
| David Mitchell | 16 | 9 | |
| David Ross | 14 | 6 | 1164 |
| Totale | 98 | 47 | 209 |

The Linklaters shooting team and client opponents, Savills. The Hubert Lobster Trophy (for which the teams competed) began as a snooker match at the Reform Club where Savills presented the winner with a live lobster.

OLYMPIC GOLD MEDALLIST



Philipp Zeller, a corporate legal assistant in the firm's Düsseldorf office, is the first and so far only Linklaters Olympian. He is a double Olympic gold medallist, having twice been a member of the winning German field hockey team, in Beijing in 2008 and London 2012. Furthermore, Philipp was in the victorious teams in the world championship in 2006 and the European championship in 2003 and 2011. Having finished his sporting career on a winning note, he is now turning his attention to qualifying as a lawyer in Germany.

Linklaters has another – equine – connection with the Olympics. 'Lionheart', one of the horses ridden by the British silver medal-winning equestrian teams in the London Olympics, is owned by former partner Jeremy Skinner.

Rob Williams recalls). That was not considered to be a problem, and both were taken on as articled clerks. They were married the following year, possibly making them the first ever married couple within the firm. However, Margaret Williams was later told that she would not be offered a job on qualification, because the firm was not prepared to employ a married couple as solicitors. Why is not absolutely clear, but it may have had something to do with the fact that it was somehow unprofessional to have a married couple working together.

The decision did not go down well. Such was the controversy (Rob Williams himself nearly left the firm as a result) that it caused the firm's management body, the Finance & Policy Committee, to debate the issue and arrive at a policy. Marriage would henceforth be permitted but not between partners and associates. There was a happy outcome for the Williamses: both were taken on by Charles Allen-Jones in the Hong Kong office later in the decade.

Matthew Middleditch recounts what happened when, in the early 1980s, it emerged that he was going to marry an articled clerk: "John fforde came to my room, shut the door and rather seriously told me that he was delighted by the news and he just wanted to tell me that it was 'absolutely not a problem'. The implication was that I should probably have asked permission, or at the very least told someone that that was what I was planning to do!"

Times moved on. Women were recruited in ever greater numbers. Today, the trainee intake divides equally between women and men, and three-quarters of the business services support staff are women. But the issue of work-life balance remains a difficult one for the firm, ensuring that people are able to combine the requirements of a high-performing, demanding work environment with a satisfactory home life. Diana Good, who was the first female partner to take formal three months' maternity leave (the only previous woman partner to have had a child took two weeks off), was instrumental in introducing flexible working into the firm in 1996. The policy was the first of its kind among City law firms. Since then, the policy has undergone refinements. There are other initiatives in place, such as the Women's Leadership Programme, which are designed to develop and retain the firm's talented women. The aim is to increase the number of women who become partners and for current women partners to act as role models and mentors for future generations.

In more recent years, the firm has made significant strides to make the firm one with a diverse and inclusive culture, recruiting from all sections of society. As it has become more international, so the changes in composition have happened naturally, but the impetus for change has also come down from policy initiatives. There was a conscious attempt to move the firm away from being dominated by white, middle-class, Oxbridge-educated men – certainly among the lawyers. There are more people of different ethnicities (although the percentages are still small) and of different faiths and sexual orientation. Linklaters is a member of Prime, an organisation that endeavours to attract young people from socially disadvantaged classes to become lawyers.

Stretching back to Thomas Paine's time, the partnership has long shown an admirable commitment to making a wider contribution to society beyond the business. Thomas Paine

HENRY PICKTHORN

Henry Pickthorn had as great an influence on Linklaters as anyone. Not that you would ever know that on meeting him. Quiet, modest, unassuming, in his time a consummate professional lawyer, Henry would never say that of himself. Yet, as the partner in charge of the recruitment of articled clerks for many years, he brought in a whole generation of the very best people who came to define the character and reputation of the firm.

Henry Pickthorn had an instinct for knowing who was right. He would take it as read that anyone he interviewed was intelligent and able. He was greatly assisted by university tutors, for example at Cambridge by John Collier of Trinity Hall and John Hopkins of Downing and at Oxford by Teddy Burn of Christ Church, who sent many bright pupils to Linklaters.

Speak to anyone who was interviewed by Henry to join the firm as an articled clerk and they will either say they were not even aware they were being interviewed, or that the interview covered every subject but the law. With Nick Eastwell, the sole topic of conversation was the difference between Graham Greene's books and entertainment, for Richard Godden, the implications of the firm's client Kerry Packer's cricket tournament (over which one Linklaters partner, an MCC member, allegedly threatened to resign) and the Reformation in England. Any prospective candidate who was too pleased with himself might be deflated with a question about the English Civil War.

Henry Pickthorn did not take notes; he relied on his judgement, which was invariably right. Successful students going back to their university colleges after a series of interviews would find a letter awaiting them offering articles at Linklaters. His record is remarkable. At one point, you could count half the Linklaters partnership as those whom he had chosen.

His choice of Linklaters' trainees is far from his only achievement. He was an effective corporate lawyer, who advised on countless listings and mergers and acquisitions and bond issues. Henry Pickthorn was happier to concentrate on delivering a top service for his clients and less, it is fair to say, on the administrative aspects. One of his clients was presented with two years' worth of bills when he retired in 1990. However, they never complained, either about the lateness of the billing or the amount charged. "Although," he notes, "I was told by the secretary of one client company that he always had to sit down before opening my bill."

He was not concerned with his own status or career. Mark Sheldon, an exact contemporary, recalls the time they were both summoned in to see the then senior partner, Sam Brown. "I was expecting to be told off, because there had been a mix-up on a client matter for which I was being blamed. I was therefore somewhat surprised to see Henry coming in with me, and wondered what he might have done to upset Sir Sam. Instead, much to the surprise of both of us, we were both offered partnership. That was the only time I ever heard Henry swear. As we came out of the senior partner's room, he uttered a profanity in his clipped Old Etonian accent." (Horror of being summoned to the senior partner seems to

be a recurring theme. When Jeremy Skinner, later head of the Tax department, was told that the senior partner Andrew Knox wanted to see him, his first reaction was to put his head in his hands and ask himself, "What have I done wrong?" He didn't need to worry, either: he was offered a partnership.)

Henry Pickthorn was a stickler for the correct use of language, with a dislike for such and such "impacted upon" the situation rather than "affected", to "head up" a team rather than just "head" and thinking things "through" rather than "out". "We used to talk about 'selecting' a person for a job, or 'spotting' a problem, or 'finding' an answer to a problem. Now the universal verb is to 'identify'," he wrote in an article for the firm newsletter on his retirement.

His natural professional habitat was the City of London, although he recognised that the firm needed to expand and change to adapt to global forces. "I viewed growth as inevitable," he says today. "We had to grow to stay competitive. It was left to the Young Turks to drive us forward into new markets." He joined the firm in 1951 and retired just under 40 years later.

He recalls when seeking articles himself more than 60 years ago someone remarking that Linklaters' stock-in-trade was company law. He prefers to look on the stock-in-trade (or the hallmark) of the firm as being straight as a die.



DIANA GOOD

When Diana Good applied to join Linklaters as a trainee in 1976, women lawyers were definitely in the minority. Her father advised her, when applying, to dress as much like a man as she could, in case being a woman counted against her. Diana picks up the story: “Good is my married name, and my maiden name was Hope. When the receptionist at Barrington House called out, ‘Mr Hope, Mr Pickthorn [Henry Pickthorn, the interviewing partner] will see you now.’ I thought, I’m in, they think I’m a man!” The story is followed by a characteristic laugh that many a colleague will have heard over the years.

Her acting ability may have helped. She once considered swapping law for treading the boards, and acted in her youth both with Rowan Atkinson (well known to international audiences as Mr Bean) and Rik Mayall.

As it happens, the firm was not set against hiring women. The first female articled clerk was taken on in the 1950s. Diana Good was one of two women taken on in 1976. What impressed her to apply to Linklaters was the advertisement for prospective articled clerks, which read: “Please do not waste our time or yours unless you consider yourself to be of outstanding ability”. She started her articles in 1979.

Diana Good went on to become a litigation partner, the first woman resident partner of an office outside London (in Brussels), the first female partner to have maternity leave, the first female group leader (of what was then Group 32), the first woman on the firm’s management Finance & Policy Committee in 1993, and then on the newly created International Board in 2002. She devised and recommended changes that led to the firm offering a flexible working policy.

She became a partner in 1988, the sixth woman to be made partner in the firm and the second to come from the litigation side of the practice.

She qualified into the Litigation department, what was then regarded as an “odddity” within the firm, although that was being changed under the department’s head, Bill Park, supported by Brinsley Nicholson and Chris James (who died tragically early). Later, she specialised in regulatory investigation, EU law and anti-trust litigation.

The department was an oddity in several ways. Bill Park can certainly claim to be the most unusual practitioner in the City, and one of the most unusual people in the firm’s history (see page 23). Brinsley Nicholson and Chris James would like to practise their golf swings and ski exercises while talking through cases; Bill Park once compared the size of his stomach with Alan Walls’ pregnant wife while negotiating on the loudspeaker phone with Freddie Laker in the celebrated BA-Laker Airways dispute.

After being made partner, Diana Good moved to Brussels to head the Linklaters office and becoming the first resident partner. Previously, it had been run by another partner, Tony Morris, but he had never lived in the city. In 1998, she stood in the election for managing partner, but lost to Tony Angel (“I was disappointed, but subsequently relieved,” she says).

A part-time judge for 11 years, she has now moved into the international development sector. She became closely involved in the charity Camfed, with which Linklaters formed an association in 1997. Camfed (the Campaign for Female Education) aims to fight poverty and AIDS through the education of young women in Sub-Saharan Africa. Camfed has the mission of delivering girls’ education and the empowerment of young women as the route to lasting social change. She has since become one of four commissioners on the Independent Commission for Aid Impact which reports to Parliament on the effectiveness of UK government spending on international aid and development.

On 23 September 1994, the FT carried a short item that Linklaters was now permitting female members of staff to wear trousers. This created a media storm, with follow-up interviews and articles appearing in the Evening Standard, The Daily Telegraph, Today, the Asian Age, Frankfurter Allgemeine Zeitung and The Irish Times. One headline ran, “Last bastion falls to women in trousers”.

was one of three presidents of the Law Society that have been provided by the firm (the other two being Joseph Addison and Mark Sheldon). Linklaters has also furnished a Lord Mayor (Sir Robert Finch), members of the Bank of England, the International Bar Association and many members of professional associations, specialist committees, advisory panels and other expert bodies. Others have served as school governors or as trustees on charities.

Added to that, over the years many lawyers have offered their services free to those who have need of legal advice but cannot afford to pay. This “pro bono” advice (the Latin term persists), however, was generally done by individuals in their own time and not at the behest of the firm.

As the firm became bigger and better managed, so its charitable, pro bono and community activities were given a clearer structure and purpose. The first step was the establishment, in 1991, of a Corporate Good Citizenship Committee. The committee co-ordinated the firm’s donations, such as those to the City Solicitors Educational Trust, The Citizenship Foundation and the Solicitors Benevolent Association, and sponsorship, which included sponsorship of the Tate Gallery, Royal Academy, and the Royal Opera House. (There was another link to the Royal Opera House: over a period of more than a decade from the mid-1990s, Linklaters advised on the modernisation and commercial development of the UK’s most prestigious opera venue.)

The firm also joined the Per Cent Club. The members of this group give one per cent of pre-tax profits to charity or to the community, half in cash and half in kind.

By the mid-1990s, the firm’s lawyers and trainees were participating in and advising at a number of law centres, including the Toynbee Hall Legal Advice Centre, Newham Advice Centre and the Royal Courts of Justice Citizens Advice Bureau (which helps litigants in person), and advising the Disability Law Service, an organisation providing legal advice to disabled people.

In 1996, James Wyness, the senior partner, asked property partner Christopher Coombe and litigation partner Alan Walls to propose a structure that would bring together in a more co-ordinated way the firm’s various charitable activities. That resulted in a group of partners, also including Jane Murphy, Lucy Fergusson, Ian Karet and Nigel Reid, as well as John Ledlie, the partnership secretary, creating a strategy for the firm’s donations and charitable efforts. The group initiated a programme to match donations more closely with the projects the firm supports through volunteering and pro bono legal work and to lead this work more directly through partners and a community investment team, for which Caroline Knighton was hired as the first manager in 1997.

After an approach by the headmaster of a school near to the London office (Thomas Fairchild School in Hackney), a reading programme was started. Members of staff visit the school during their lunch hours to read to children who have fallen behind in their learning. The scheme has since extended to more schools and has involved many hundreds of staff members.

Another good example of a long-term project is the firm’s support for the Mary Ward Legal Centre. As well as providing core funding (and donations of second-hand equipment) and

DAVID LLOYD’S PRIZED SINGING VOICE



David Lloyd is best known within Linklaters for his long career as a property lawyer with the firm. He was head of the Property department from 1984 to 1996. But he is also a prize-winning singer. A baritone, David sang The Count’s Aria from Mozart’s *The Marriage of Figaro* to win the Open Operatic prize at the Welsh National Musical Festival (Eisteddfod) in 1982, and Renato’s Aria from Verdi’s *The Masked Ball* and Aros mae’r mynddau mawr (The Great Hills Remain) to win the Blue Riband Prize (which he is wearing in the photo) at the same festival in 1988.

THE PRINTER'S TALE

Jan Sherwell joined the firm in 1971, in the print room, and presided over the changes and expansion of the printing operation until she left the firm in 2004.

“When I joined the firm in 1971, the print room was then called “Reproduction”, which, of course, we thought was hilarious. Other service departments were on the 5th floor of Barrington House: they included the copy typing room, telex and the plan drawing department, as well as reproduction.

The equipment we used before the days of the photocopier comprised multilith machines, small offset printers which we used to reproduce engrossments. Engrossments were typed on ‘skins’ by the girls in the copy room; odd number pages were printed first and allowed to dry and then the even numbered pages. No such thing as doubled-sided in those days!

When the Rank Xerox photocopying equipment able to copy 120gm engrossment paper became available in the late 1970s we developed a good working relationship with Xerox, ensuring we always had the best equipment for the job. We placed photocopiers all around the building then for others to use, as well as reproduction.

Years later, I progressed and became the manager of the renamed print room. Copying was on the increase as many documents were reproduced in draft form before the final engrossment was produced. This meant we were using tonnes of paper (no on-line amendments like nowadays).

We soon had many photocopiers around the firm, both in London and in our other offices. The photocopying costs rocketed. At some point in the early 1990s, we also introduced Equitrac, a device on each photocopier which enabled us to charge each client and matter for the amount of copying. I remember one partner from the Tax department calling me to his office and asking me if I was aware that every time he wanted to use the copier it took him nine seconds to type in details before he could use it. When I told him how much photocopying he had done on that matter and how much was charged to the client, he changed his tune. ‘Why didn’t we do that sooner, then?’ he asked.

During my time in the print room I established a print managers’ group with other law firms, so we could share product and technology information and experience of suppliers. We never talked about pricing, careful that we were not construed as a cartel. We established a good relationship between the firms, and in difficult or pressured times, we would help each other out.

When I became head, I was put in charge of a large budget, half of the service departments and a staff of 150, which also



Jan Sherwell (left), as sketched by John Clent.

gives an indication of the growth of the business services section of the firm. It was stimulating work, and I was responsible for a range of contracts, sourcing paper, licensing for maps and many other aspects that I never imagined I would look after when I joined the firm. That was Linklaters for me: if you showed aptitude they would give you responsibility.

Of course, at a time when people would come up (or down) to the print room, we got to know many people in the firm, an aspect of the work I really enjoyed. We would get to know the articulated clerks, many of whom

went on to become partners. The partners would also come into the print room from time to time. I particularly remember John Forde, one of the more senior partners at the time, working on a particular deal late one evening. As he waited for the printing to be done, he lay down on the floor for a rest. That was an indication of how relaxed he was – or maybe just very tired.

Sometimes we had contact with the client. In 1977, we acted for Kerry Packer in his dispute with the cricket authorities over his proposal to start a breakaway cricket series. When the deal was completed he sent me a handwritten thank-you note and a box of chocolates from Harrods. I really appreciated that.

One matter we worked on some time in the 1990s was regarding Robert Maxwell and his pension fraud. The 6 o'clock news was on the radio in the print room saying that all his documents had been confiscated. At that very moment, the post boys were wheeling the very same documents into the department. They all had to be copied overnight and returned by the following morning, which of course we did.

I became the manager of several operations departments when we moved to Silk Street. The whole process was becoming more professional, both to support the increasingly multinational practice needs and with more sophisticated technology. Operations was expanded to meet the increasing demands of the firm, and most departments were operating 24 hours a day, seven days a week.

We added departments like HelpLine and the Service Desk, again in line with the greater professionalisation of the firm’s business. We started recruiting graduates and increased our training and development for people within our departments. I held monthly meetings with the business managers so we could always look to improve our customer service.

Linklaters was a great place to work, demanding for sure and with very high expectations, but it gave me some of the best times of my life and allowed me to grow. For that I will always be grateful.”

SMOKING STORIES

- > In the late 1960s, the senior partner was James Sandars (more usually known as “Whispering Jim” because he spoke so quietly that people could barely hear what he said). He was, like most lawyers, a smoker, and would smoke in the office. His then articled clerks had to be on the lookout for his wastepaper basket catching fire from discarded, but still-lit matches. He was evidently unfazed by this possibility: the story goes that he calmly asked his then articled clerk, Robin Human, who later went on to head the Trust department, to put out a fire that had been sparked, while he continued to dictate to his secretary. In another version of this same story, in *A Life of Three Strands*, another former partner David Caruth records it as happening when one of the managing clerks was in James Sandars’ room. “Mr Thomas,” he is reported to have said, “would you please throw the wastepaper basket out of the window?”
- > Until smoking was finally banned by the firm in 1992, there were regular warnings in the office newsletter (which started in 1969) not to throw away lit cigarettes into litter bins.
- > The partners’ dining room table on the 6th floor of Barrington House would have arranged, at intervals of about every four spaces, a stand on which were placed a box of tall panatellas (cigars), two boxes of smaller panatellas, plain and filter-tipped cigarettes and matches. Ashtrays were also provided at regular intervals. The panatellas were supplied by Fribourg & Treyer. When Len Berkowitz, as a new

partner, asked Henry James who had the responsibility for choosing this particular brand, the reply was that they were chosen by Agnes, the lady who served the partners their lunches. And the reason? She knew someone who worked for Fribourg & Treyer.

- > Adrian Montague, head of the Projects group, was renowned for smoking large cigars (for which he earned the nickname “007” from his assistants). Eleni Pavlopoulos, then an associate, recalls a lunch to which she was invited by Adrian Montague and Charles Allen-Jones, both of whom were endeavouring to persuade her to join their groups. The cigars came out after lunch, in the small confines of a client dining room in Barrington House. The cigar smoke that filled the room made it difficult for her to choose, so she opted instead for Litigation.

- > When smoking was finally banned, *The Daily Telegraph* called Linklaters “health fascists”.



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When the Document Centre started and word processing came in, there was a strict minimum of 10 pages, otherwise they would not do it, so the trick was to send down a two-page document, allowing space for eight pages of appendices, and then at the last moment, when the document had been finalised, to inform the Document Centre that it had been decided not to have any appendices.

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Linklaters received the Big Society award in 2012 in recognition of the firm's Learn for Work programme. Accepting the award from Prime Minister David Cameron were (from left) Robert Elliott (senior partner), Rae Potter (deputy head teacher at Clapton Girls' Academy), Matt Sparkes (global head of corporate responsibility), Sarah Wiggins (partner), Tom Shropshire (partner) and Hasnan Ahmed-Khan (assistant associate head teacher at Clapton Girls' Academy). The Learn for Work programme includes debating, interview experience and advocacy training as well as work experience, careers events and enterprise projects to help raise the skills, aspirations and experience of those who might not otherwise think of a career in law.

BUGGINS' TURN

Since 1991, the senior partner has been selected by a process of consultation and, where there has been more than one suitable candidate, by election. It was not always so: indeed, for most of the firm's history who became senior partner was simply a question of seniority. On the retirement (or, in a number of cases, death) of the senior partner, the next person on the list of partners would (usually) automatically fill that role. This process was known, with the usual Linklaters abhorrence of anything that smacked of individual self-aggrandisement, as "Buggins' turn".

Buggins' turn had, for the most part, delivered the right people to do the job. But there was little choice in the matter. If you were next on the list, you had to become senior partner whether you wanted to or not. There were exceptions to this rule, Henry Pickthorn being one of them.

Becoming senior partner was, of course, a great honour but it brought with it a heavy burden, especially as the firm grew in size. Many a senior partner tried to combine the management responsibilities that came with the role with continuing client work, and ended up doing neither to their satisfaction. Peter Benham did little client work, John Field none at all, and, in 1982, John Mayo, one of the firm's top corporate lawyers with a formidable reputation, was able to devote just 15 per cent of his recorded time to client work.

The opportunity to review Buggins' turn came during the senior partnership of John Mayo, in the early 1980s. The next person in seniority who would take over was Ferrier Charlton, who was an obvious successor in every respect – a huge figure within the firm, admired by clients, adored by staff, revered by his partners, and widely respected

in the City. If the review decided there should be elections, then Ferrier Charlton would have been a shoo-in. By reviewing the process, a new system could be introduced without the risk of an unwanted result.

A group of three partners, headed by John Mayo, wrote a report recommending that Buggins' turn be abolished. "The days when the senior partner's role was essentially that of leadership with occasional touches on the tiller are long past. Looking into the future, that role cannot but become even more important. We expect that the particular qualities required of the senior partner may not always be found in the partner who would be identified by Buggins' turn. We have to exercise a conscious decision and select for ourselves the partner who we believe is best suited to become senior partner."

The report offered three choices: selection by committee, selection by consultation, and selection by election. The debate that followed was heated. Buggins' turn was simple and left no room for doubt, it avoided divisiveness that elections would create, and it invested the position with natural authority, the supporters for keeping it argued. It was out of sync with the way that other law firms were appointing senior partners, it did not lead to the best people doing the job, and change was inevitable was the gist of those calling for change.

Ferrier Charlton became the last Buggins, although he would rather have been given a mandate. Mark Sheldon, his successor, was appointed after a consultation, and James Wyness, who succeeded him in 1991, was the first senior partner to be elected. There have been four elected senior partners since then, and Buggins was given a decent burial.

several generations of advice centre volunteers, Linklaters has provided secondees and pro bono property and corporate advice for the organisation which has given the centre safe, secure, accessible and affordable new premises. Diana Good (see Profile, page 112) is chair of the board and a trustee of the legal centre. The holistic support for the centre has won the firm recognition for its imaginative community involvement and earned it awards.

The community programme has expanded significantly in the years since. All staff are encouraged, although not compelled, to take part in voluntary activities or community programmes. The activities are firmwide and co-ordinated on a global basis to make for consistency. There are four full-time staff based in London dealing with the firm's community investment across its offices, as well as many people part-time in other offices. One in three of the London office staff and partners, and at least a quarter of the staff in every one of the firm's offices, take part in voluntary, charitable or community activity.

The firm takes its responsibility to the environment seriously, and has put in place measures to reduce its carbon output, to increase energy efficiency and to make sure that it sources

from suppliers who themselves behave in an environmentally responsible way.

There has been an evolution of the firm's support of communities outside its work, from donations to charity and unsystematic pro bono contributions to well structured community investment programmes and to the position today where Linklaters can rightly claim to have corporate responsibility engrained into its culture and operation.

There is one word that is often used to describe the Linklaters culture: meritocracy. That remains as true today as in the past. Two examples (although there could be many more) illustrate this. Arnold Lloyd left school at 14 in the First World War to work as an office boy, joined Linklaters as a managing clerk in 1942, was offered articles by Sam Brown, qualified in 1954 and was rewarded with partnership at the age of 50 the following year. When it was announced to the office that he was being offered partnership, the whole office applauded. Ben Coleman, a qualified Australian lawyer, joined Linklaters as a secretary in 2006, became a paralegal, qualified as an English lawyer and joined as an associate in April 2008. This was recognition of hard work and commitment, and,

THE COOKS' TALE

Jaci Godman-Irvine and Harriet Meade-Fetherstonhaugh were the partners' cooks between 1968 and 1972 when Laetitia (Tish) Olney, already a friend of Jaci, took over from Harriet. Jaci left in 1976, succeeded by Nemmy Elliott, who, in turn, left when she was expecting a baby in 1981. From then onwards until 1991 many cooks came to work in the kitchen, including Pippa Stephens, Lydia Brownlow, Antonia Dudgeon, Caroline Marson and Rosie Weston. In 1991, catering was provided by outside caterers.

Jaci: "In 1966 I did the year course at the Cordon Bleu and became good friends with Harriet, who was also on the course. Harriet met David Caruth, then a Linklaters partner, at a cocktail party, and discovered that Linklaters were considering having Cordon Bleu cooks for their partners' dining room. She suggested that she and I might be perfect for the position: we went for an interview and were offered the job at a salary of £800 a year, which was a big step up for me as I was only earning £10 a week at the time.

Before I arrived, the firm had a butler called Robbie who was also the cook, helped by a splendid tea lady, Agnes, who was also the waitress. Robbie originally worked in the general office. Having had experience as a cook in the RAF, he offered to cook for the partners. I was told he had to make do with an electric grill and a primus stove, before it was decided to convert one of the rooms on the 6th floor of Barrington House into a proper kitchen, which is where we took over.

The partners' dining room was a large room opposite the kitchen, and had a small ante room at the end which could become, when needed, a private dining room. The partners would meet up, some more often than others, in the ante room before lunch if they had time for a glass of sherry or wine, and here one could often find 'eminence grise' in the shape of John Gauntlett who would entertain us with matching socks and braces, and Raymond Shingles. These two colourful characters would often appear a few minutes before lunch, having called into the kitchen earlier to make sure all the 'girls' were behaving themselves.

We started off cooking for up to 20 partners, the maximum number then allowed in a partnership, and by the time I left eight years later they were up to 50. There was no particular budget, and we did try not to be wasteful. However, the partners' lunch book where everyone booked themselves in or out, was not very reliable, as people would be unexpectedly delayed, or meetings would be cancelled, and occasionally one might cook for 50 with only 20 people turning up, or vice-versa, which was a much worse problem. If there was any food left over that could not be reused, we were allowed to take it home, and I was known for giving some of the best dinner parties in London.

In those days there was no menu choice, and we would record the menu each day in order not to repeat things. We were very much left to our own devices except occasionally we would get requests such as John fforde asking if we could cut down on calories as he hadn't the strength of will to resist our cooking.

Harriet left in 1972 as she was expecting a baby. I knew Tish had trained at Winkfield, and suggested that she would be a good replacement for Harriet. She came in for an interview with Robin Human, who was the partner looking after catering arrangements at the time, and was offered the job. I was incredibly lucky with both Harriet and Tish in that I have no patience in doing the 'fiddly things' that catering sometimes demands. They were both brilliant at that kind of thing so they both made an ideal partnership with me.

I decided after eight years at Linklaters a change was necessary and left to go to America, where among other things I had a cooking school, a catering company, ran a gourmet retail store and organised some of Ronald Reagan's inaugural parties. As a leaving gift from the Linklaters partners I was given a beautiful gold bracelet that I still treasure and enjoy wearing."

Tish: "When I arrived in 1972 there were 32 partners. Jaci and I would start at 9.30am, and we would cook for about 20 people each day. We had someone to help wash up, and a small team of waitresses led by Agnes, who looked after the lunch room. There was also Minnie who helped with cleaning in the dining room before going to look after the partners' flat. Two of the firm's secretaries (and friends), Laura Fraser and Valerie Byford, were of invaluable help, alternately typing the menu for us – depending on whose office was closest to the kitchen at the time – and even doing a bit of cooking in an emergency.

By the time Jaci left to go travelling the number of partners was steadily increasing. However, by then we had excellent help from some Jamaican girls, first of all Joyce, and then also Wilhelmina, who were a wonderful help with food preparation and washing up.

Cooking at Linklaters was never dull. I am not sure exactly when Keith Benham had the dubious pleasure of taking over supervision of the kitchen and dining room. But around this time, the whole set-up had a makeover, and the resulting new kitchen equipment was vastly superior. We had use of a magimix and microwave, a fabulous steamer and a brat-pan capable of making up a chicken korma for 100 people. This was a fantastic help on the one day a month when people selected from all departments of the firm were invited by the partners to a buffet lunch in the dining room, and there could be a gathering of at least 100 or more.

From then on, because of ever-increasing numbers of partners, it was decided it would be a good idea to have both a hot and cold menu, and we cooks much enjoyed consulting our extensive collection of cookery books. In those days, Raymond Blanc was our particular idol, and I think and hope the partners enjoyed our latter ventures in *haute cuisine*. There were days when we were particularly inspired and the choices on the menu might be between fillet of beef with truffles and lobster salad. One person we sadly rather neglected in those days was Tony Angel. He was the only vegetarian at the time and was very long-suffering because somehow, on the days we had made a big effort to do something special for him, he was unavoidably delayed, and in the end he quite often had to survive on omelettes with salad.

Although generally the partners were far too busy to worry about the choice of menu as long as it was delicious, Nemmy can remember one occasion when I was not so popular. Having been to a health farm over the weekend, I had the bright idea that the partners might enjoy the sort of food I had been given there, which was an extensive array of wonderfully colourful vegetables beautifully prepared to create a selection of different salads, displayed with cheeses and fruits. Several partners sent messages afterwards asking to be advised in advance of any such menu in the future so that they could make arrangements to be out!

There was also one funny incident with Peter Benham. I was always very careful about washing salad but, for some reason, one day I was told to hurry up and just serve. The worst happened: a beetle leapt out of some watercress straight onto the egg mousse that Peter Benham was eating. Fortunately, he took it all in good spirit.

Looking back, I feel we were all incredibly fortunate, as we all very much enjoyed our work. I was particularly grateful as my parents were ill for many years needing nursing help, and whenever there was a problem, provided I could find a good replacement, I was allowed to take unpaid leave. Without this flexibility it would have been very hard for me to hold down a job.

When made redundant in 1991 I spent three weeks and some of my redundancy money at a cookery course at the Ritz Hotel in Paris, which was a great way to start off my own small freelance cooking business, which I have been continuing with ever since.”



On his second day of work, the firm's chauffeur, Ted Unwin, was driving back to Barrington House. On Wormwood Street, a man suddenly stepped off the pavement in front of the car. Ted Unwin jammed on the brakes, but not enough to prevent the car from just clipping the man on the back of his legs and knocking him to the ground. Ted Unwin leapt out of the car to make sure the man was alright, to learn that he was fine and that it was his own fault for not looking. The firm's new chauffeur returned to the office and was relating the story to Mac, the head of the general office, when who should walk down the corridor but the man whom Ted Unwin had knocked down. It was the partner Iain Murray.

THE FAIRY QUEEN



To mark the firm's 150th anniversary, Linklaters took the decision to sponsor two performances of Purcell's *The Fairy Queen*, performed by the Guildhall School of Music and the Royal Amsterdam Academy of Music. Mark Sheldon, who, together with David Lloyd, had begun the firm's support for and sponsorship of the arts, was at first anxious about the choice of the conductor, William Christie. He relaxed, however, when he met him: "He looked just like a City solicitor", was his comment.

Raymond Shingles, a partner in the post-war era of Linklaters, reared ducks at his country house. He would sell them to the staff, having brought them up to the firm's offices in Barrington House in the boot of his Bentley.

he says, a reflection of no barriers to his progress "in spite of the uniqueness of my situation". And it was always the meritocracy that John Collier, the Cambridge tutor who put many a graduate Linklaters' way, would single out as being the firm's distinguishing characteristic (see photo, page 150).

Terence Kyle expresses it this way: "If you were a good lawyer, energetic, open-minded, prepared to work hard, then the firm would grab you with both hands. It really didn't matter where you came from." Such a view is echoed by Len Berkowitz, who was very surprised that as a South African lawyer in the 1960s the firm found space for him, and enabled him to do articles and qualify as an English lawyer while continuing as a partner with a South African firm. "It was an unconventional arrangement for what I had believed to be a conventional firm." In fact, there have been a number of South African lawyers who have joined the firm over the years. Charlie Jacobs, one of the firm's high fliers, notes that at one time the University of Witwatersrand in South Africa was the third most represented university among Linklaters' lawyers.

In his note of June 2000 to the German partners of Oppenhoff & Rädler in what he called "an attempt to describe the prevailing ethos amongst the partners of the firm", Charles Allen-Jones wrote: "The partners of Linklaters are a diffuse collection of individuals. We have always prided ourselves in our capacity to welcome partners of different backgrounds and cultures. Individual initiative is not stifled, but encouraged (of course, within reason)."

There have, of course, been many contentious issues with which the partnership has had to grapple. But it remains the case that – mostly – the arguments have been conducted with great decorum. Ralph Aldwinckle, who joined the firm at the beginning of the 1960s, puts it this way: "It was a harmonious and democratic partnership. We never had any of these fractious arguments that other firms seemed to have." John Edwards, of a slightly later generation, agrees. "My latter years were coloured by the debate over Europe. Everybody felt that it should not be a dispute about personalities, although sometimes the nature of personalities had a bearing on which way the argument went." Jeremy Marriage, another partner, expressed it best of all: "Let's discuss this rationally, not rudely."

Above all, the firm prides itself on its collegiality, which might be described as the sort of environment where everyone is made to feel welcome and believes they are part of something more inclusive than a mere place of work. The collegiality is probably the most enduring legacy from the time when the firm was dominated by family members. The partners put the interest of the partnership above their own self-interest, even though technically each one is self-employed albeit bound together by the partnership deed. There is perhaps no better example of this than the partners' effective gift to the firm of the long lease John Mayo and Ferrier Charlton had secured on Barrington House in 1956. This was achieved by "sale and leasebacks" of the lease, which realised the value of the lease (negotiated at a fixed rent over 35 years) as the market value of the lease went up. The proceeds of the sales were invested in the firm, rather than being distributed to the partners

COPING WITH THE UNEXPECTED

11 September 2001. A date that will be etched onto everyone's minds, as the date of the terrorist attacks on the Twin Towers in New York.

It also happened to be the very date that had been chosen, months in advance, for farewell parties for the outgoing senior partner, Charles Allen-Jones. There were two events planned for that day: a surprise lunch onboard one of the "pods" on the London Eye and a much higher-profile (obviously) client event at the Orangery, in Kensington Palace.

Sue Fowler, then Sue Verey, relates what happened: "At the time, the events team were based in CityPoint (near Moorgate). We were there in that building on 11 September, in the course of finalising that evening's event.

"Everyone was evacuated from CityPoint because it was a high glass building, and we were on the 13th floor. At about 3.00pm, just four crucial hours before the event was due to start, the team had to leave the building in a matter of minutes. However, they managed to take all the table plans, menus, papers relating to the event, and their evening dresses, although many accessories, including shoes to be worn with the dresses, didn't make it.

"A small meeting was quickly convened in Charles' office to decide what to do. We managed to get Terence [Kyle] on the speaker phone. We all agreed that the event should proceed. We booked a load of taxis, which became in effect our offices. We phoned the caterers and florists to make sure they turned up."

While this was happening, Anita Parsley was busy organising a hamper lunch at the London Eye. "This was a group farewell lunch for Charles. We managed to keep it secret from him, which in itself was a miracle because Charles had a habit of finding out about anything and everything. We only realised when we got back to the office just what had happened in New York. That afternoon, the London Eye closed."

Sue Fowler continues: "The Palace allowed us to go ahead. We got hold of everyone to tell them they had to bring their invite for security purposes. The atmosphere was electric. Jeremy Marriage delivered a moving tribute to those who had been killed in the attack, including many from Warburgs whose offices were in one of the Twin Towers, and then to Charles. Charles also gave a brilliant speech.

"Ours was one of the few, if not the only major event to have happened that night. Of all the events in which I was involved for Linklaters, that was undoubtedly the most memorable."

of the time. Unlike most partnerships, new partners did not have to contribute towards goodwill, and neither were retiring partners repaid for their contribution to goodwill. The emphasis has – broadly speaking – been on working together, rather than working separately, sharing clients rather than keeping them to themselves.

The bedrock of the collegiality is the firm's method of distributing profits among the partners: the so-called "lockstep". This is the system of sharing profits between partners based on shares ("parts") that each partner holds. The focus is on the distribution of profits rather than on individual contributions, as opposed to the "eat what you kill" system found in some of competitor US and other firms, which is the obverse. In the Linklaters lockstep, the "ladder" extends over 10 years, from a partner holding 10 parts to a plateau of 25 parts. Differentials exist for "country factors" to take into account those jurisdictions where the market does not reward the firm's work at a level that justifies the full lockstep. But the abiding principle is that lockstep underpins the core value of the firm, which places the collective ahead of the individual.

In his introduction to *Clear Blue Water*, written in 2004 (see Chapter 8), Tony Angel gave as good an explanation of the rationale for lockstep as one might have: "Lockstep is a bet that the benefit we derive from removing barriers to teamwork and co-operation across practices and offices will be more effective over time than incentivising particular individual behaviours with financial rewards under some alternative system."

In more recent years, that collegiality has been put under strain. Various factors can explain this: most obviously the increase in size; the firm's strategic objective of achieving high profitability, which has led to "under-performing" partners being asked to leave the partnership; and diminishing loyalty to the firm, as a result of greater movement of lawyers between firms – what are called "lateral" hires. (That, of course, works both ways: Linklaters has been successful over the years in recruiting from other law firms.)

Terence Kyle traces the start of the change of attitude to the early 1990s. "The market was becoming increasingly competitive. We could no longer count on client loyalty. The environment had changed. As never before, we had to go out and win business. What that meant was that we started to address the issue of those partners who did not pull their weight, we instituted processes for partner appraisal, and we inculcated a business ethic. That suited most of the partners, but not all."

John Tucker, an Australian who has helped develop the firm's top-tier banking capability, says the tension between the firm as a professional organisation and as a business is a perennial issue that will have to be managed. "Part of the evolution of the modern Linklaters is that these issues about expectation, responsibility and loyalty get put under strain. The firm used to be more akin to a club, and we know that it is simply impossible for a firm of our size and international presence to be a club now. The question is: how do you combine the best elements of clubbiness with good strong business practice?"

However, when faced with the choice of whether to replace lockstep with an alternative system, the overwhelming response has

FROM AMATEUR TO PROFESSIONAL: THE TRANSFORMATION OF BUSINESS SERVICES

“Linklaters can only produce the service to which it aspires if it has people of the highest calibre both in front of the footlights and behind the scenes. Producers, directors and those responsible for lighting, preparing and setting the scenes, hiring the actors and selling the tickets are just as important to the commercial success of a play as are the actors.”

The analogy, included in the 1998 Strategy Paper written by Alan Black and others (see Chapter 8), is apt. The firm has long attached importance to the quality of its business services, but what it does not convey is the complete transformation of the support functions. In the post-war years, the lawyers and paralegals were supported by a general office, which was mostly for the mail, some admin staff, secretaries, the print room, a “butler” who cooked for the partners and that was about it. Most of the administration was done by the partners themselves. There was a finance partner, an administration partner, an articulated clerks partner, a PR partner (from 1986 on, when the Law Society regulations permitted law firms to advertise and market) and so on.

As at October 1988, the support services were categorised as being: general office; print room; office services (maintenance); records; word processing; examiners; Wang training unit; and reception.

With the increase in size through the 1980s, and the increasing administrative burden put on the partners, it became clear that not only was greater support needed, but that the support functions should be put in the hands of professionals. The first step was the recruitment in 1983 of Tony Blackett as director of administration, followed by the arrival of Jim Galbraith as partnership secretary.

The next significant move was the decision to assign to one of the partners the role of managing partner. That person was James Wyness, who became the firm’s first managing partner in 1987. He set about recruiting more professionals to run different aspects of the business (see Chapter 3). They, in turn, started the process of hiring for and developing support functions.

The firm has backed its commitment to having the best support services with investment. For example, in the late 1980s Linklaters became the first law firm to provide everyone with a desktop computer. Some investments were better than others: by common agreement, the £30m investment in the NeXT computer system in the 1990s was an expensive mistake.

Just to take one of the functions: knowledge & learning. The extent of the firm’s knowhow (as it was then called) in the late 1960s was a poorly stocked library. In the mid-1980s, Anthony Cann, recently elected onto the Finance & Policy Committee, pointed out the inadequacy of the firm’s knowhow and training. He was asked to recommend improvements, which he did, and then to become the knowhow partner. He, in turn, was supported by another partner, Steven Turnbull (“who did a huge amount”, notes Anthony Cann) and in 1986 the firm appointed its first director of training and knowhow, Professor Barry Dean.

The result was a co-ordinated effort (following the initiative of the fast-growing capital markets practice) to write manuals for the first time, establish precedents, initiate training programmes, make greater use of technology for searching and indexing and generally to establish a far superior capability. In 2008 Michael Voisin was appointed as the firm’s first global knowledge & learning partner and now the knowledge and learning operation is as sophisticated and advanced as you would find among any law firms. Charles Clark, who succeeded Michael Voisin in 2012, says “the responsibility for knowledge and learning is that of everyone in the firm. The clients are entitled to the sum of our collective knowledge globally. It’s what they pay for.”

This is supported by excellent professional support lawyers and knowledge management, information and learning professionals, a network of knowledge & learning partners across the globe, a big investment in knowledge management and information services (both legal and non-legal) and, under the framework of the Linklaters Law and Business School, extensive global and local training in both technical and soft skills for everyone in the firm – lawyers, business services staff and secretaries.

At the same time as the London office moved into Silk Street, the firm opened an IT centre in Colchester, east of London, to house the main computer servers and as the site for the ISS staff. They provide IT support for the firm around the clock. So, too, does the Service Desk in the London office, which manages the production and printing of documents.

How the firm recruits its graduates serves as another illustration of the changing nature of the firm, and in particular the professionalisation of the process. The system has evolved from one where people were chosen largely on the recommendation of university tutors (in particular, John Collier) and on the personal judgement of the recruitment partner to a rigorous, fair – and global – selection process that aims to choose the best and most suitable lawyers whatever their background.

While a half-century ago graduates would be drawn essentially (but not exclusively) from two universities (Oxford and Cambridge), currently the firm recruits from many hundreds of universities (50 for the London office alone). Another significant difference is that the firm casts its net wider to recruit from among the less privileged, an integral part of its aim to be a fully diverse organisation.

Each year some 300 graduates are selected around the world, chosen from the 5,000 who apply. Of that 300, the largest number (110) is recruited in London, followed by Germany (40) and the rest of Europe (80), the US (25), Asia (20 or so) and the rest in the EEMEA region (Eastern Europe, the Middle East and Africa).

With so many people applying, recruitment is highly systemised, involving psychometric testing, day-long assessments, testing of analytical skills and comprehensive interviews. “The purpose behind such an extensive recruitment process is to make

it fair, transparent and, of course, to identify the most suitable candidates,” says Claire Cherrington, head of global resourcing. The process is as much to give an opportunity to the candidates to learn more about the firm as it is for the firm to learn about the candidates. “The new generation of recruits are more discerning than they have ever been, and want to know what we have to offer. It is a real two-way process.”

At its root, however, recruitment is still based around a very simple proposition: recruits still choose Linklaters because they like the people. That has not changed over the past half-century and, in all likelihood, throughout the firm’s history.

The support side of the business now covers a wide range of functions: finance, technology (information support services), administration, secretarial, executive support, human resources, knowledge and information learning, training, business development, marketing, public relations, risk management, environmental expertise, catering, events management and travel. As the delivery of legal services has become more sophisticated, so the support services have developed their own specialisms. Other functions now include, for example, strategy and planning, business process and shared services.

The increasing sophistication of clients’ financial systems operations, the greater demands of clients (for example, in their requirements for information in pitches), the internationalisation of the firm and greatly intensified competition are all factors that have led to the need for law firms’ support services to be leading operations in their own right. Furthermore, the firm has had to organise its support functions not just to work globally but to be consistent everywhere. Every office has to have the same access and capability. As Peter Hickman, the chief operating officer, notes, “The Beijing office, say, has as much to be able to present the credentials of the Brussels office’s capabilities, as Brussels itself.”

The success of the operation depends on the lawyers working collaboratively with the business services support, he continues. “You have to have both sides working together: the professionals, who understand their specialist support areas and understand the lawyers, and the lawyers, who understand clients and the market.”



Peter Benham (in white) invites the whole firm to his house for a summer party, 1967.

The Peter Marriage Trophy

Linklaters & Paines v Slaughter and May
25th Anniversary Match held at Woking Golf Club
on Saturday 13th June 1998

| Linklaters & Paines | Slaughter and May |
|--|--|
| Steven Turnbull & Keith Gallen 1/2 | 1/2 Peter Marriage & Richard Grandison |
| Len Berkowitz & Nik Mehta (5/4) 1 | 0 Giles Henderson & Steve Edge |
| Philip Heyes & Stephen Thierbach (2/1) 1 | 0 Iain Goldie & Richard Hall |
| David Greenhalgh & Richard Wheen 1/2 | 1/2 Peter Morley-Jacob & Ben Dore |
| Lee Parker & Maeve Feeney 0 | 1 David Rowe & Neil Hyman (1 up) |
| Richard Hughes & Charlie Jacobs 0 | 1 Martin Real & Derrick Rice (2 up) |
| RESULT 3 | 3 |

The Linklaters and Slaughter and May golf teams in the last match for the Peter Marriage Trophy. Fittingly, the match was drawn.

GOLDEN EAGLE

Richard Stilgoe, a celebrated lyricist, pianist and well-known TV personality, was the star turn at the firm's dinner dance in 1981. This was a coup engineered by partner David Lloyd, whose turn it was to host the event. The hardest part was persuading John Mayo, the senior partner, to pay his fee. David Lloyd tipped Richard Stilgoe off about some of the personalities within the firm. Richard Stilgoe duly composed a song which he performed at the event. Here are the lyrics (with explanatory footnotes).

High over the City flies a great golden eagle
Picking up lawyers – all perfectly legal
He chains them all up in his Gresham Street¹ eyrie
And drops in their beaks the occasional query
On corporate law, or on contracts, or tort
Which golf club to use and which way to pass the port
Or how to get clients to pay on the dot
Who Mayo² a little or mayo a lot.

Chairman Mayo spends most of this time deep in thought
Let's hope his wife never turns up in Court
The other Chairman Mao's wife³ screamed – then wouldn't budge
Which wouldn't impress the average judge
Now Pickthorn⁴ and Paine⁵ say "The firm needs new blood -
Let's enrol James⁶ and Marriage⁷ at Bretherton's⁸ stud."
Murray⁹, meanwhile, has been checking the audit
And is telling one partner, "We cannot f-forde¹⁰ it."

The eagle has eyries elsewhere – don't forget it
For instance, to New York by Concorde goes Pettit¹¹
While Wyness¹², no shyness, in Paris displays
(He went there 10 years ago just for two days)
In Hong Kong they greet Allen-Jones¹³ like a brother
(An hour after one Hong Kong case, you want another)
While Mr Park¹⁴ simply stays up in the air
He's always too busy to park anywhere.

One Mayday the eagle was out for the day
So the partners decided they'd run away
They said – since they couldn't remove all their chains -
"We'll cut the Linklater till then bear the Paines"
So they jumped from the nest. But, alas, way up high
Another golden eagle saw them from the sky
And it picked them all up. The event, to this day,
Is known in the City as the "Slaughter in May".



¹ Gresham Street – Linklaters' Barrington House office

² John Mayo – senior partner

³ Jiang Qing – the wife of Chairman Mao Zedong, who was then appearing in Court on charges of treason

⁴ Henry Pickthorn – corporate partner, and responsible for recruiting many of Linklaters' partners over the years

⁵ Hugh Paine – real estate partner, and great grandson of one of the firm's founders, Thomas Paine

⁶ Chris James – litigation partner, who died early in 1992

⁷ Jeremy Marriage – corporate partner, whose father was senior partner at Slaughter and May

⁸ Derrick Bretherton – real estate partner, whose wife ran a stud for Arab horses

⁹ Iain Murray – the finance partner, who was apt to give regular dire warnings about the state of the firm's finances

¹⁰ John fforde – corporate partner, and son of Sir Arthur fforde

¹¹ Charles Pettit – property partner, who was based in the New York office. He flew on the first scheduled Concorde flight from New York

¹² James Wyness – senior partner, first managing partner, and partner who opened the Paris office

¹³ Charles Allen-Jones – senior partner, and partner who opened the Hong Kong office

¹⁴ Bill Park – litigation partner, who practically commuted from London to New York on a case involving BA and Laker Airways

A VERY SPECIAL BALL

To celebrate its 150th anniversary, Linklaters booked the Inner Temple, complete with marquees, to hold its last ever dinner dance. Anita Parsley recalls a memorable evening which showed the firm at its best.

“The 150th Anniversary Ball was held on Friday, 24 June 1988 at the Inner Temple. This was a very special event to mark a very special occasion in the history of the firm. All current members of staff were (I believe) invited to the ball. In all, around 1,900 attended, which made it the largest ever social event that the firm ever organised. It was the first firmwide dinner dance for some years as the firm had grown too large to entertain all staff at a London hotel for a dinner dance as they had done for many years previously.

It was a superb evening with delicious food and drink and splendid entertainment, all laid on in the best Linklaters tradition. It was a lovely, warm evening, and everybody was wearing their best – to this day, many of my female friends at the firm remember fondly the special dresses they wore for the occasion.

A fleet of coaches was laid on to take people from Barrington House to Inner Temple and, after the ball, to take them to various London railway stations. There was a main marquee and several marquees leading off it, in each of which dining tables had been laid out. The marquees were decorated with silk drapes, and the flower arrangements were stunning. Partners and senior admin managers hosted the tables, with each table being staff and guests from their group/department. Photographers took ‘official’ photos of each table which many of us still have as a souvenir of the evening. For those in the side marquees there were screens so that



they could watch the main speeches. The toast was proposed by Mark Sheldon, then the firm’s senior partner.

The entertainment was provided by the cabaret act Instant Sunshine (still going strong), who poked fun at the British way of life in their humorous songs. The top-class dance band led by Johnny Howard ensured that many people took to the dance floor after the dinner. For those of us who preferred a different type of music, the Ritzy Roadshow performed in the disco marquee, which had a twinkling night-time sky effect on its ceiling. The Royal Artillery Band brought the evening’s events to a close.

We have said it often before, but that really was a great night to remember.”

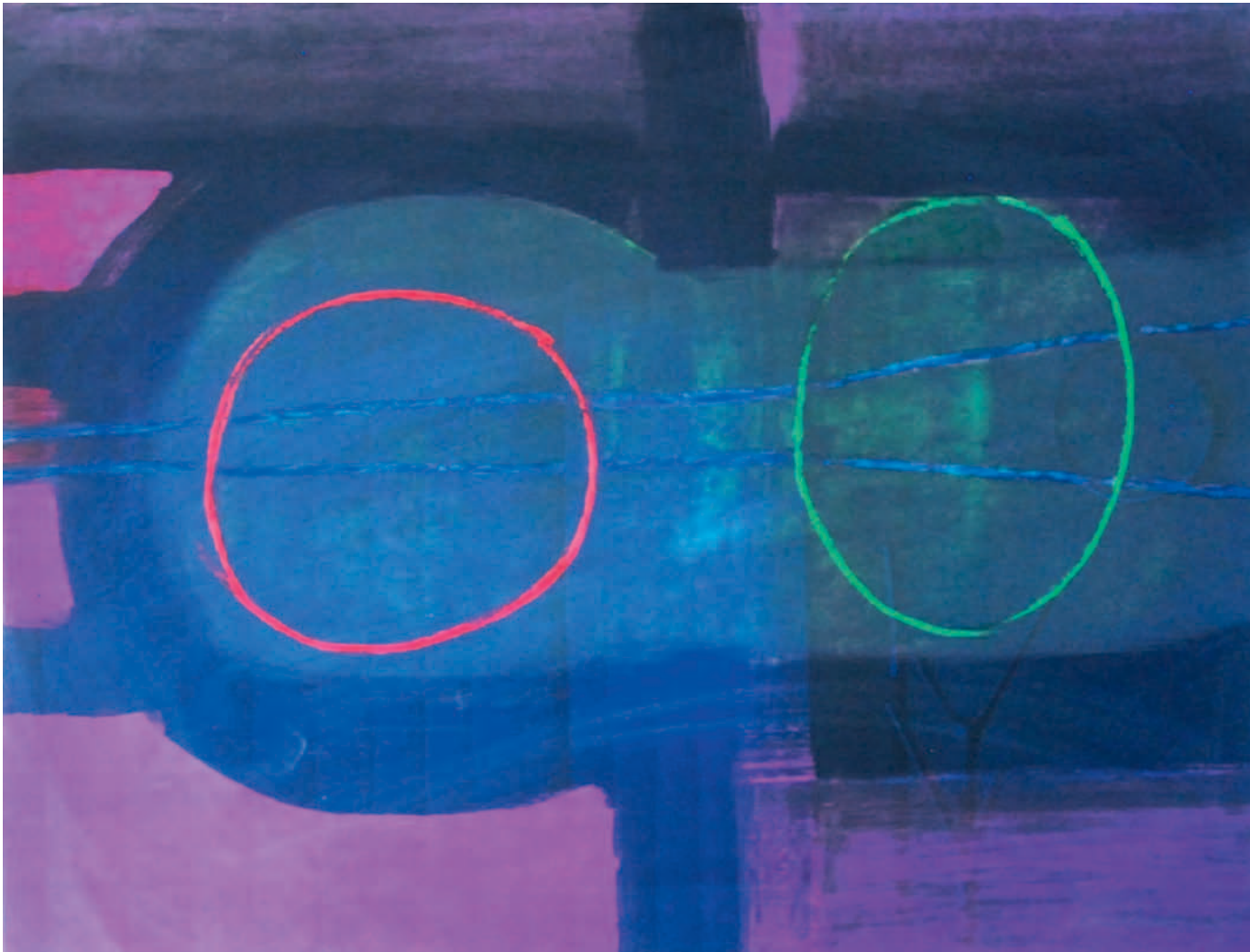
been to keep it. Indeed, the partnership’s commitment to lockstep was recently reaffirmed, following a review led by partner Richard Holden. All that changed were some small enhancements, with confirmation of flexibility to allow downward movement on the lockstep ladder, as a means of keeping highly valued partners who are senior or who contributed in ways other than by fee-earning.

Richard Holden believes that lockstep has served the firm well, despite the challenges that have faced the partnership in the first decade of the 21st century. “The key ingredients that underpin lockstep being acceptable to the partnership are that: the firm has to be in the front rank, that the partners feel they are working on the best quality deals and that there are acceptable levels of profitability. At the same time, the partners have necessarily to accept that in such a system every now and then some partners will be asked to

leave, with suitable compensation. Like democracy, lockstep is not the perfect system, but it is far better than all the others.”

Jeremy Parr, currently head of Corporate, believes it is vital that partners play their part to ensure that a firm with such an illustrious history continues to have an equally successful future. “It is a great privilege to be a partner in this firm, and should never be seen as an entitlement. Partners need to never forget that.”

Robert Elliott believes that the strength of the firm’s culture, and in particular lockstep, has not only enabled it to adjust to the seismic changes of the marketplace that have happened in the past decade with its core intact, but will position the firm all the better to take advantage of future opportunities. “Lockstep goes to the heart of the culture of the firm. It is a hard taskmaster, but it works because it ensures that we accept nothing less than the best from all of us.” ●



Wilhelmina Barns-Graham, Two Circles on Paper 1992, lithograph 48/70, 60x76cm

07

LINKLATERS:
2002-

WINDS OF CHANGE

As Linklaters started the new century, the main focus of the firm continued to be on Europe. It had been agreed that the process towards merger with the Alliance firms should be accelerated, and that mergers would proceed bilaterally. By 2002 mergers with the German, Belgian, Luxembourg and Swedish firms had been completed, and even though technically the alliance continued with the presence of the Italian firm Gianni, Origoni, the name Linklaters & Alliance was dropped (much to everyone's relief: it had never been popular).

That left a much larger, diverse and disparate firm. As Anthony Cann succeeded Charles Allen-Jones (who signed off his last message to the firm with his trademark “Biff on!”) as senior partner in 2001, he was clear that most of his attention would need to be on integrating the newly incorporated parts of the firm into one. With the legacy firms each with their own histories (see pages 88-90) and their own cultures, that was always going to be a challenging task. The first step was to summarise and define what the values of the combined firm were. What was the cultural “glue” that held the firm together? Wolff Olins, the brand experts, were brought in to assist (as they were on the firm's rebranding).



Following the introduction of Magenta as the firm's colour, these cards were issued for guidance.

There followed an extensive consultation within the firm, and also involving some clients, to define and then articulate the firm's values. The results were interesting and encouraging: that Linklaters' people felt that the firm was different from others and that it was the firm that went the extra mile in search of challenging solutions for clients. “What we found out from clients was that, whenever they had a really difficult problem, they would come to Linklaters,” recalls Anthony Cann. “That was a great reputation to have, and we wanted to encapsulate that in the values.”

The values and motivations were published in a document “Way Ahead”, which summarised the values as follows:

“We share certain characteristics and are motivated by:

- > getting things done
- > being recognised as the best in everything we do
- > building strong relationships with clients and with one another.

We strive for **excellence**, value **teamwork** and encourage **imagination**. We are **determined** – whatever the challenge we will deliver. We do all this exercising **commercial judgement** and **integrity**.

Our values and motivations form the ‘glue’ that keeps the firm together, creating an environment that:

- > guarantees we give excellent service to our clients
- > attracts and retains the best people, who win the best work and the best clients
- > is challenging but supportive
- > gives everybody the opportunity to develop their potential to the fullest extent.”

Reflecting on those values now, Anthony Cann says he would have liked to add “enthusiasm” in the mix.

At around the same time, the firm used the opportunity of the completion of the mergers to commission a rebranding (see page 134). With a shorter name, a new colour (magenta), a new font and a new image, Linklaters looked altogether new.

The mergers also provided an opportunity to review the firm's governance structure. In 2002, the Finance & Policy Committee, which had been the firm's main management body for some 40 years, was replaced by two bodies. Governance and management

THE HR DIRECTOR'S TALE

Jill King was with the firm between 2005 and 2011.

“I joined Linklaters because, to use a football analogy, I wanted to join a team at the top of the Premiership. It was an exciting but challenging time. Tony Angel, then managing partner, had set an ambition of market leadership for the firm. He believed that, if the firm achieved this goal in every market it operated in, then financial success would follow. I thought that was a really inspired approach.

What struck me, as someone who had experience of other law firms, was the real sense of ambition amongst the partners I met – to be the best, to get the best mandates – with a clear strategy of how to achieve those goals. The principles of the strategy were ones I sensed everyone had signed up to, but the approach was flexible enough to allow for adaptation in different markets, countries and practice areas.

Another really strong feature of Linklaters at the time was the quality of business services. Tony Angel regarded business services as the engine room of the firm: if business services were working well, those in legal practice were liberated to do what they were best at. Tony didn't have any truck with partners who treated business services as inferior or subsidiary.

However, when I joined, I didn't feel that the firm was paying enough attention to its people, whose energy and enthusiasm are, of course, vital to deliver the strategy. There was real focus on technical excellence, practice development, clients, and on IT and premises. I sensed that people were not seen as the priority they needed to be. It was my task to rebalance that. I made a presentation early on to the International Board on a proposed 'people agenda', and things started to change after that, especially once I was invited to join ExCom (the firm's executive committee).

It was daunting at first being the only woman on ExCom and I took my role very seriously as the first human resources director to be granted this privilege. I was supported in inimitable style by Jean-Marc Lefèvre who was regional managing partner for continental Europe at the time. He made it clear to me that he and I represented diversity on the committee, and with that came a responsibility to speak out. So I did.

As a director, I was given full partner privileges, and I was keen to demonstrate my appreciation of that. I attended partners' meetings, took part in consultation exercises, regularly used the partners' dining room and exercised my voting rights. I wanted to understand the business like an owner, to build the trust amongst partners that I would always put the firm's interests first in the decisions I took.

I was determined to use the new focus on people to help the process of global integration that Anthony Cann, as senior partner, had initiated following the mergers with various European firms. It wasn't always easy. There were suspicions between countries and different perspectives on a range of issues. I saw that HR could play a critical role in bringing about closer integration by introducing a globally consistent career deal for associates and business services staff, and by making sure that everyone had access to a world-class training and development curriculum. I travelled extensively around the firm's offices and built a strong global HR team with common goals and a shared understanding of the people strategy and how it could best be implemented across the world. With time, the barriers broke down, and Linklaters became a truly global firm. I was very proud to be part of that.

We went through some difficult times of course, particularly after the collapse of Lehmans in 2008. By then, the firm was well managed, which enabled it to cope well during the crisis. It could take tough decisions, if it needed to. I thought the firm took responsible decisions early on in the crisis and treated its people with respect throughout a very difficult period.

My approach was always to treat all partners as my clients. My role was to help them succeed, not to be famous myself. At times, I challenged them and the status quo, but always with a view to create the conditions where everyone had the opportunity to develop and achieve their objectives. The partners may not always have thanked me for it at the time, but I like to believe they respected and appreciated the difference I could make.

I chose a really interesting time to be part of Linklaters. I look back on what my team, and the firm, achieved with great satisfaction. Linklaters helps you raise your game.”

TONY ANGEL

When Tony Angel first addressed the rest of his partners as managing partner at the partners' retreat of November 1998, Richard Godden turned to his neighbour and said: "We have got our first chief executive." Today, he explains what he meant, "No powers had changed, but Tony just assumed a different role and the partnership was ready for it."

Simon Clark, who qualified four years behind Tony Angel in the Tax department, concurs: "Tony had enormous energy and a great mind. He could inspire the partnership with his presentations. At partners' retreats he would always set tough targets but make people feel great about themselves. That is a real attribute."

Tony Angel would continue as managing partner until his retirement nine years later, during which time the firm completed eight mergers or alliances, opened 10 offices (not counting those that came with the Alliance of European Lawyers) and closed three, had grown from more than 200 partners to 500 and seen its revenues increase from under £200m to more than £1bn. He was a prime mover in the three-year strategy for the firm to achieve market leadership. At his instigation, the firm invested £25m in a new computer system that, for a while, was far more advanced than that used by the firm's competitors.

All these things might have happened under his watch, but he is at pains to stress the teamwork involved. "It was a time of huge change for the firm and you saw the speed at which the firm was

transforming. But what was really transformational was that we had an amazing executive committee who had the drive to carry through the changes that needed doing." He developed close, if sometimes fraught, relationships with his senior partners, first Charles Allen-Jones and then Anthony Cann. "Tony was the outstanding managing partner of his generation," Charles Allen-Jones says of him.

Unusually for a lawyer, Tony Angel enjoyed management, if not more than, then certainly as much as, practising law. He was elected on to the firm's Finance & Policy Committee (FPC) in 1986, the youngest ever elected member. Strategy was his forte. He wrote a paper in 1996, in advance of the approach by the Alliance of European Lawyers, recommending that the firm become a global, rather than an international firm.

He was fiercely ambitious on behalf of the firm, but recognised that this posed challenges and would encounter resistance. He was criticised for his focus on financial performance, but he argued that market leadership and high profits were two sides of the same coin. "High profitability makes the firm attractive to the best lawyers, who then attract the best clients and lead to market leadership."

Jill King, who was HR director for the latter part of Tony Angel's time as managing partner, says his contribution to the firm was immense: "Tony had a profound interest in the business and a manager's mindset. He put Linklaters at the top of the league and helped the partnership appreciate the value of a well managed firm."

were separated. The International Board (IB), chaired by the senior partner, became responsible for governance and setting policy; the Executive Committee (ExCom), chaired by the managing partner, became responsible for implementing policy.

The change in governance also gave rise to the establishment of the Client Committee, the first time that the firm had had a committee dedicated to clients, potential clients and client review. It was chaired by the senior partner, Anthony Cann, but led by Richard Godden, whose suggestion it was to form sector groups (see Chapter 2).

Following the mergers, the rebranding and the reorganisation of governance, Linklaters was in some ways unrecognisable from the firm it had been just five years previously. It had been an expensive and time-consuming process, and the first results were not encouraging, as Tony Angel remembers. "The total cost of building our international network was somewhere in the region of between £350m and £500m. Yet just at the time when we had built an integrated firm to do complex cross-border M&A and other deals across Europe that we believed would come from globalisation and the single market, we hit a perfect storm. The post-tech boom recession hit and those deals disappeared. And partners were exhausted by the five-year saga of L&A."

Neither was the process without casualties: a significant number of partners from the legacy firms had been asked to leave. Lower than desired profitability cast a spotlight on the more poorly performing partners. The management agonised over what to

do. The collegiality of the firm suggested they should be kept on and helped to "get back on track"; the harsh commercial reality dictated otherwise. The truth was the marketplace for legal services, certainly at the top end, had become far more competitive; business won out over sentiment. "Asking partners to leave gave me a lot of sleepless nights," remembers Anthony Cann.

What was needed, the senior management felt, was a reinvigoration of the firm, and a new strategy. As envisaged by Tony Angel, this was the *Market Leadership* strategy, a conscious attempt to help set the firm on a positive, ambitious course to be the leading global law firm (see Chapter 8). The strategy set ambitious targets for improving the client base and the practice and for growth. It also focused on metrics, in particular for "profits per partner" (commonly used to measure the performance of law firms), as better indicators of success.

As Anthony Cann said in a message to the firm in 2004: "We all need to stretch ourselves to do the best we can and increase the quality of our work and client base. Doing as much of the best work for the best clients as possible will take the firm to being the leading global law firm and thus the highest profile. Market leadership will bring high profits."

In 2006, Anthony Cann was succeeded by David Cheyne, who had earlier succeeded him as head of the Corporate department. David Cheyne, one of the firm's great "rainmakers", was the right person to drive the business forward.

THE FIRM'S BIGGEST TRANSACTION (AND IT IS CONTINUING...)

7.56am, Monday, 15 September 2008. Room 107, One Silk Street, the offices of Linklaters. At that moment and in that location, an event occurred that shook the world's financial markets, indeed brought the financial system perilously close to meltdown and marked the start of the largest ever corporate insolvency. It was at that precise moment that Lehman Brothers, one of the largest US investment banks, went into administration. The administrators were PricewaterhouseCoopers who, in turn, instructed Linklaters as their lawyers.

That was the start of the largest matter on which the firm has ever advised, involving at its peak 300 lawyers, working across 17 practice areas in 11 countries and covering 82 jurisdictions. More than four years later, the work continues. Lehman Brothers in administration is one of the firm's largest clients.

The call had come in the previous Friday to Matthew Middleditch, a corporate partner, from the European general counsel for Lehman Brothers, warning him to be on standby "just in case". He said he expected the group to be sold to Barclays but that one or two people were getting "a little nervous". Richard Holden was the only banking partner available because it so happened that most of the Banking group were in Monaco that weekend on a departmental retreat. Matthew Middleditch phoned Robert Elliott, then head of that group, and other key partners. Tony Bugg and Richard Holden were available in London, while David Ereira returned from the retreat and they led the effort that weekend.

The group discovered (on reading the BBC's Robert Peston's blog) that Barclays had withdrawn from the process. "It was like the Titanic after that," recalls Tony Bugg. "We were heading towards the iceberg of insolvency, and we could only wait for the ship to hit."

More team members arrived on the Sunday night, including the counsel team of William Trower QC and Daniel Bayfield. They were working against the clock to ensure that Lehman Brothers went into administration in as orderly a way as possible before the markets opened the following day. The Hon. Sir Launcelot Henderson, a judge, was put on standby from midnight. A series of board meetings was held from 5.00 in the morning, linking up board members on the telephone and those physically present both in Silk Street and at Lehman Brothers offices in Canary Wharf. At 6.00am, a court was set up in Room 107. At 7.30am, the Financial Services Authority (FSA) and their lawyers were ushered in, along with the Linklaters team. The administration of Lehman Brothers (International) Europe (LBIE) was effected at 7.56am, four minutes before the London market opened. At that moment, LBIE held about US\$23bn in client assets.

That was but a mere prelude to the real action. Linklaters lawyers took over the top floor of 25 Bank Street in Canary Wharf to create in effect a mini-Linklaters office complete with fully

functioning IT systems. They were to work around the clock for weeks. The lawyers had to review and assess many thousands of counterparties and trading deals, determine what was client money or client securities, and consider what were the assets of the insolvent estates. There were numerous court applications and meetings with the FSA and hedge funds. The full-time team comprised 100 lawyers, who were supported by others as the need arose. Within two weeks, part of Lehman Brothers had been sold to Nomura, the Japanese investment bank, itself a major transaction, under the guidance of Matthew Middleditch.

The insolvency was not just the largest there has ever been (the realisation of assets to date has yielded £12bn), it was also certainly the most complicated, as Tony Bugg explains. "No one expected Lehman Brothers to go bust. Much of the terminology in the standard market contracts covering default was predicated on counterparty failure, not on the bank failure. The regulatory environment had not kept up. We had to create our own framework to govern the distribution of securities." The insolvency has involved many issues of construction that have been tested in the Court of Appeal and the Supreme Court.

The Lehman Brothers' insolvency showed that Linklaters had the best people in financial regulation, debt "structured" products, derivatives, capital markets, litigation and corporate, as well as in banking and restructuring and insolvency, who were able to rise to the challenge of advising on a matter of such complexity and enormous market importance. Says Tony Bugg: "The special ingredient was the intellectual capability and level of collegiate trust within the firm, and the relationship between Linklaters and PwC who had worked together on Enron and MG Rover."

After a four-year wait, the first distribution of 25 pence in the pound to creditors was paid out by the end of 2012. Lehman Brothers' debt, which was trading in the distressed market at around 25 per cent in the months following the insolvency, came to be traded at more than 100 per cent in late 2012. Who would have thought that would be the case when Lehman Brothers first went into insolvency, with literally billions of dollars in trades which were frozen at a point in time?

Linklaters has been centrally involved in a corporate episode that will have ramifications for decades to come. To coin a phrase, it was the mother of all bankruptcies. It probably ranks as the most significant transaction on which the firm has ever worked. Tony Bugg earned the accolade of Lawyer of the Year by *Legal Business* in 2009, and Linklaters won many awards for R&I team of the year. Reflecting on the deal, he comments, "It was tremendously stressful with many highs and lows, but at the end I feel huge relief that I did not open the *Financial Times* on the morning of 15 September 2008 to read that Lehman Brothers had gone bust and another law firm had been appointed. That, I could not have lived with!"



Managing partner Simon Davies meeting Wen Jiabao, then China's Prime Minister, during the EU/China Business Summit, Brussels, September 2012. Watching is Peter Hartman, CEO of KLM.

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The practice of referring to partners by their initials was dropped in 2001. Mark Payne, the executive partner, wrote in The bulletin: “When I took on the role, I found myself baffled at first by the initials scattered through the notes and papers I had to read. I am sure those new to the firm have been through a similarly frustrating experience.”

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Over the three-year period from 2004, revenues increased by 50 per cent, while profits doubled. An article in the *American Lawyer* at the time pointed out that Linklaters' revenues, which exceeded £1bn for the first time, were bigger than three leading US law firms (Davis Polk, Cleary Gottlieb and Debevoise) combined. In 2007, the firm had nearly 550 partners, more than there had ever been, and a staff of nearly 5,500 operating from 30 offices in 23 countries across 21 practice areas.

It seemed as though it was too good to be true. David Cheyne warned that the boom years were about to finish (“which didn't make me popular in the partnership”). Simon Davies, who was about to succeed Tony Angel as managing partner in that year, also sensed that the good times might be about to end. When Tony Angel gave him a gift at his (Tony Angel's) “lunching out” ceremony, Simon Davies held it to his ear and said: “Is that a bomb I hear ticking?” (In fact, the gift was a replica of Aladdin's magic lamp. Tony Angel's parting advice to Simon Davies was: “Don't use up your three wishes in the first week.”)

The first warning signs of the impending crisis came in the summer of 2007 with the run on the British bank Northern Rock, which required a government bailout. Trouble was also in store for RBS, which, as the main component part of a consortium, had bought the Dutch bank ABN Amro (a huge transaction on which the firm advised RBS, involving 400 lawyers in 24 offices). But worse was to come in September 2008, when Lehmans, the giant US investment bank, failed.

The Lehmans' insolvency triggered what is now known as the global financial crisis and then a global economic downturn. For Linklaters, the immediate impact of Lehmans was beneficial: the firm won the prime mandate to advise PricewaterhouseCoopers, the administrators of Lehman Brothers International Europe (roughly half the global group), on what has turned out to be the biggest and most complex corporate insolvency ever (see previous page). The strategy of building up a banking client base over the previous 15 years also paid off. In the aftermath of Lehmans, the phones in the firm rang off the hook.

The Linklaters team was ready: providentially, an exercise had been conducted in spring 2008 by Simon Davies and a group of 50 partners from across the network to map out possible scenarios in the global economy. The worst-case scenario was remarkably prescient and involved the demise of an international investment bank. As the financial markets collapsed in the days following Lehmans going into administration, a series of crisis meetings was held between senior partners of the firm as Simon Davies (literally) drew up on a flip-chart expected distressed deals that would arise in the crisis. Potential conflicts checks were carried out in advance. That provided the priceless advantage of being able to accept or reject mandates within minutes of requests coming in. In the same year, the firm enjoyed the highest revenues of any law firm in the world.

The Lehmans crisis tested the firm's capacity to the full. Huge deals were done in record time. In addition to the insolvency of Lehmans itself, the firm advised on the sale of Lehmans' Asian businesses, the bailouts of Fortis and Dexia in the Benelux countries, the recapitalisation state support for RBS and Lloyds TSB

THE SECRETARY'S TALE

Anita Parsley joined the firm in 1968 and continued for a further 38 years.

"I was recruited by Barry Mayo, then deputy office manager, to work as secretary for Robin Human, then an assistant solicitor but who became the partner to start the Trusts department as an offshoot of Tax. His previous secretary had worked for him for three years and I thought there was no way I would be there that long. Robin was a really nice man – definitely human by name, human by nature. He was very patient with me, as someone who was straight out of college learning to be a secretary.

In the early days one of the main features of office life was the coffee or tea trolley. The tea ladies, Bella, Alice and Lou, would wheel them down the corridor. I think tea and coffee were free, but you would pay for Club biscuits, buttered rolls or cheese rolls. Later on, the tea trolleys were superseded by kitchens/pantry areas on each floor wing. In Barrington House all areas of the office were described by their location on any floor. There were four wings (A, B, C & D, with E wing running off B wing up to 6th floor).

Agnes, another tea lady, would deliver trays of coffee to partners' offices in the morning. Secretaries made partners' tea in the afternoon. The partners' crockery was a make called Beryl, which was a very popular make in a variety of colours; green was the colour used for the Linklaters partners. That would always be what you saw on their desks.

I had worked for Robin Human for a year when he was made a partner. I was convinced I'd be moved sideways to make way for someone more senior. No one said anything to me about my own position in the interim between his partnership being announced and taking effect – and I certainly wouldn't have felt able to ask. The appearance of a partner's tea tray in my office on Robin's first day as a partner was the unspoken confirmation that I'd still got the job and should just carry on.

We were issued with luncheon vouchers, worth three shillings a day (this was before the currency decimalisation in 1971), with which you could buy soup and a sandwich at Valsar, the sandwich bar on the corner of Gresham Street and Wood Street. From 1977, we would buy our lunch in the Buttery, on the 7th floor. The Buttery was quite small and there were always queues, so another trolley service was introduced selling pre-packed sandwiches, rolls, crisps and chocolate bars. The shout of "trolley" down the corridors every morning would bring people rushing out of their offices. Subsequently, a smarter and much larger restaurant was built on the 6th floor. And then, when we moved into Silk Street, we had the largest of them all – Silks restaurant, with its wide-ranging menu choices.

In Barrington House partners had a separate dining room on the 6th floor. Once a year, partners' wives came in to have lunch (presided over by the senior partner's wife) in the partners' dining room. There was a men's toilet solely for 'partners only' on the 6th floor, but, when the wives came in, the nearest ladies' toilet would bear a notice 'Reserved for partners' wives' – which did cause some other notes to be put up alongside from female members of staff indicating they felt slighted and annoyed by this.

I worked for Robin Human for 20 years, until 1988. I then moved to work for Barry Mayo and helped him with various tasks, many involving partnership matters. That was not in Barrington House, but in Streets House. The lift there was often out of action. When we had a partner distribution of brown envelopes, we used to lug them in the post-trolley trays up and down the stairs ourselves!

Jim Galbraith was taken on in the mid-1980s as the first partnership secretary, to advise on partnership matters, after him, John Pestell and, after him, John Ledlie. I worked for both Johns. There were gaps in between one finishing and another starting, during which time I stood in as the partnership secretary myself.

Another memorable period was the three-day week, first in 1972 and then again in late 1973 and early 1974, caused by electricity shortages. We were issued with Tilley lamps, and we had candles at the ready. We would also come into work early to make full use of the winter daylight hours.

There were also several rail strikes during my time at Linklaters. The firm organised a series of coaches from various outlying destinations which called at several pick-up points en route to the office. (I was not affected personally, as I lived in north London and could come in by bus and tube.) Good friendships and camaraderie were forged on these (sometimes very lengthy and delayed) journeys. Coaches were open for all – partners, lawyers, secretaries and admin staff. Tony Blackett, as director of administration, was in charge of overseeing the coach arrangements – and it was a pretty thankless task.

All partners, and some admin staff, were known and referred to by their initials. Some turned into (mostly affectionate) nicknames. So Charles Allen-Jones (initials, CMAJ) became known as 'Smadge', Anthony Cann (JWAC) as 'Jaywack'. The initials persisted, even when numbers were introduced for people for the purposes of matter codes.

Mark Sheldon, when senior partner, coined a name for me. I was known as 'Sergeant Major Parsley', presumably because of the way I tried to boss them about and would organise them all when we had lots of documents to circulate and stuff into brown envelopes. That name actually fitted as my middle initials are 'S' and 'M'. Mark was always very good at joining in, and would not worry about being on his knees surrounded by documents, envelopes and sellotape.

During my time I saw big changes in the typing equipment we used. I started, fortunately, on an IBM electric typewriter. We moved on to typewriters which had a correcting ribbon, then typewriters with storage capacity. The first word processing machines were shared between four and six secretaries. In the early 1980s, we all used the Wordplex word processing system, followed by Frame and then we moved on to Wang at the end of that decade. In the early 1990s, the firm invested in NeXT, which was an all-singing, all-dancing system but swapped for Word in 1999, due, we understood, to concerns that NeXT might not cope with Millennium issues but in reality because of the incompatibility of NeXT with our clients' IT systems, all of whom used Microsoft.

I had a very interesting and enjoyable career at Linklaters, working with some very good people. I could never have imagined any of it when I started work there all those years ago."

PANTONE 227 AND ALL THAT

Linklaters, as a plural, takes its name from the firm's founder, John Linklater, and his brother, James. More than 125 years after either of them ceased to practise (and none of their children lasted in the firm), it may seem strange that the firm retains their name to this day. But the name has endured because of the value that lies in it as a brand (although the brothers Linklater would never have seen it in those terms).

The name carried through into Linklaters & Paines, following the merger of two firms in 1920. That name continued through the rest of the century. From the mid-1960s onwards, the firm both inside and outside was quite often referred to by its initials, L&P. The letters and design even became a (much-derided) feature of the firm's carpets in Barrington House. The internal newsletter, *Office News*, changed its name to *L&P News* in August 1986.

The abbreviation was certainly easy to say, but did it have any value in the marketplace? That was one of the questions put to Saatchi & Saatchi, the advertising and design agency, who were commissioned in 1997 to review the firm's brand. Linklaters was in the process of moving the whole of its London operation to a new office in Silk Street, and that was seen as a good opportunity to make changes, if needed, to the name and design. Just as importantly, the imminent move into Europe (although at that stage it was unclear what shape this would take) also offered a chance to think again about the brand.

In their report, produced in May 1997, Saatchi & Saatchi recommended shortening and simplifying the firm's name to Linklaters. The name was recognised internationally, was more focused and "potentially more dynamic", they asserted. By contrast "L&P" was not recognised internationally and the "& Paines" was regarded as obsolete. They also suggested another reason for dropping the "Paines" was that it led to mispronunciation by non-English speakers.

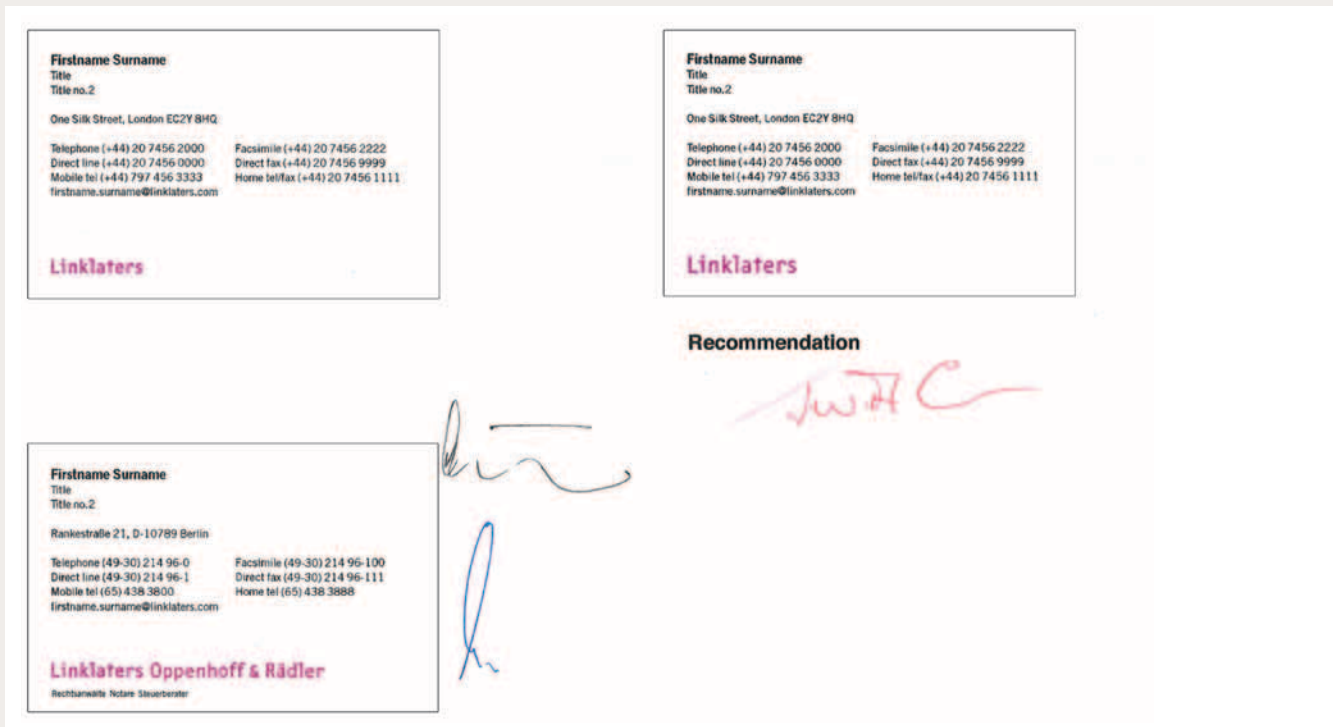
Saatchi & Saatchi also recommended the use of a "mark" in association with the name, a mark (not a logo) being an "abstract device intended to convey and reflect the image of the firm". The mark designed by Saatchi's, two wavy shapes in near parallel with one another, was intended to approximate a star, but came to be known within the firm as the "flying knickers", since the mark also resembled washing hanging on the line.

The other problem with the mark was that name cards were printed like a set of postage stamps with the mark covering the whole set. "When I gave my clients one of the cards only, they were bitterly disappointed," remembers Alan Black, a projects partner who was later to be involved in a further rebrand. "They asked if they could have the full set."

In 1999, following an extended debate within the full partnership, it was agreed that the "Paines" should be dropped from the firm's name. Henceforth, the firm would be Linklaters, in all its manifestations.



Alan Black's name cards, displayed to reveal the Linklaters' 'mark', 1998.



The new Linklaters font and logo for use on name cards, as signed off by Anthony Cann, Michael Oppenhoff and Tony Angel in 2002.

The conclusion of the mergers with European firms in the early 2000s provided yet another opportunity for a rebrand, although this time involving an extensive review not just of the name but of the positioning of the firm in the market. The rebrand was founded on the basis that, as its core ethos, Linklaters had the will, technical skill, judgement and integrity required to achieve for its clients that which other firms might consider unachievable. The consultants, Wolff Olins, introduced as part of the comprehensive rebranding two major innovations: a new typeface (font) and the use of colour.

Both generated controversy. The typeface was a new font based on the keys used on the original IBM golfball typewriters. The backward, upside down “l” led to heated arguments. Another point of contention was whether or not to deploy a full stop after the name, as in “Linklaters.”. (Later on, after the font had been chosen and was being used, it was pointed out that the “t” resembled a cross.)

Passions ran high, and rose higher still over the question of the colour. The use of colour was brilliant, innovative, modern and groundbreaking, one side argued. It would lead to ruin, countered the opponents. Our competitors will poke fun at us (“Pinklaters”), they asserted. The American partners said they would refuse to use it; the Europeans did not understand why it was so important. Finally, colour

won over black and white. The colour chosen was magenta – more accurately, Pantone 227, the precise colour from a palette of colours used in design and industry. “Finally approving that colour was one of the scariest decisions I ever had to make,” reflects Anthony Cann, who was senior partner at the time.

In April 2002, Alan Black presented the results of the branding review to the partnership, including the findings, the recommended strapline (“Achieving the Unachievable”) and the colour. First reactions were not good, particularly to the introduction of colour, but, as the meeting progressed, most came around to the idea.

Ten years on, it is hard to see what the fuss was all about. The brand has been integrated into every aspect of the firm’s activities, from recruitment through client events to client service. Even the most hard-nosed of sceptics, the legal press, acknowledged the boldness of the move. The lettering and the colour are well established and have indeed helped the firm to carve out a new image in the marketplace. Sue Fowler, then Sue Verey, who was head of events management, said the colour was ideal for the full range of literature and marketing materials. “The colour just worked. It was like someone had channelled all this aggression, and it all floated. Pantone 227 launched us into the new era. It made us stand out in style against our competitors.”

IN VERSE

Keith Johnson, a corporate partner, penned this poem to sum up his time with the firm.

A blonde eyebrowed lad from Linklaters,
Thought that he would prove wrong, his berators,
He set out for Hong Kong,
Land of malls and mahjong,
With a passion for law and wine waiters.

It was here he pursued his career,
Punctuated by whisky and beer,
But a contract a day kept the doctor at bay,
So he knew he had nothing to fear.

Although he was quite a late starter,
The help of his friends made him smarter,
But for outspoken views,
And his poor taste in shoes,
Perhaps he'd have made senior partner.

Yet the future presents him no worry,
For you see, he is not in a hurry,
The next mountain to climb,
Surely can't take the time,
That a grand slam just took Andy Murray¹.

¹Andy Murray won the US Tennis Open in September 2012

in the UK, and the merger of Bank of America and Merrill Lynch in the US. As Keith Johnson, a corporate partner, wrote in the firm's internal newsletter, *The bulletin*, "In the face of chaotic and uniquely challenging circumstances, the true strength of our people and franchise was clear. No other firm could have committed the depth of resources and breadth of specialism these deals required."

The planning, which partner Olivia McKendrick acknowledges was a mixture of "luck and judgement", paid off handsomely. In the subsequent five years, Linklaters has, by its own reckoning, advised on two-thirds of all the M&A deals, recapitalisations and restructurings within the banking sector that have taken place since the Lehmans' collapse of September 2008. It is also a complete vindication of the focus on sectors (see Chapter 2); the firm's expertise in the banking sector has never been more valued – and that expertise will continue to be used, as the regulatory environment causes that sector further transformation.

However, there was a downside. The financial institutions sector, which by now comprised nearly half of the firm's clients, was in the thick of the storm. There were seismic changes in the market. That translated directly into a loss of business. In response, the firm did something it had never done before in its history. It initiated a programme of redundancies. In all, some 200 lawyers and 200 business support staff were laid off.

It was a very serious step, but in the view of the firm's management a necessary one to make the firm as robust as possible. Neither was Linklaters alone: other law firms had similar redundancy programmes. Nevertheless, it was a traumatic period. Simon Davies recounts the draining effect it had on him personally. "In January 2009, I stood up in front of over 500 staff in Silks canteen to explain that everyone was put on notice, which I had to do as a matter of employment law. It was probably the most difficult thing I have ever had to do. By the end of the day, I was absolutely shattered. But I was heartened by the comment by a managing associate who happened to be sharing a lift as we were leaving late that night. He said, 'You did a good job', and that will stay with me. It showed that people understood that this was not a cold, calculated move. For the good of our people and the firm, we needed to put ourselves on a sound footing to move forward."

Great care had been taken to ensure that Project New World (as the redundancy programme was named) was carried out with "transparency, honesty, quickness" and that people were treated "consistently, fairly and with integrity". Richard Godden, who was then on ExCom, recalls: "It was ghastly because we had never done anything like it before. Afterwards, a secretary sought me out to say that the secretaries felt that we had handled the process in the right way – openly, quickly and fairly."

The expectation was that this would be a one-off exercise. But the markets continued to be volatile. The banking crisis was followed in short order by sovereign debt problems, particularly in Europe, which then in turn created a crisis in the Eurozone. As the European economies entered deep recessions (with the exception of Germany), world trade patterns adjusted. The trend was for greater trade and investment between the world's emerging markets. As a global law firm,



Robert Elliott.

serving the world's leading corporations and financial institutions, "we have to be in those trade flows," as Simon Davies puts it.

The result was a further realignment of the firm with a reduction in the number of partners but leaving associates untouched. "It was of course very difficult and we have taken a buffeting," says Robert Elliott, who succeeded David Cheyne as senior partner in 2011, "but we needed to rebalance the firm's capacity to cope with the new reality."

He accepts that, coming so soon after previous reductions, morale within the firm was damaged. "Asking partners to leave certainly challenges and strains the culture, but I took, and take, the view that the culture was strong enough to withstand it. Not to have taken those steps would have been reckless."

Robert Elliott became the first senior partner to have succeeded to that position without having spent all, or nearly all, of his career with the firm. (James Sandars, John Mayo, James Wyness and Charles Allen-Jones all joined the firm after doing their training with other firms but rose up through the ranks thereafter.) It is also the case that all the senior partners since Ferrier Charlton have spent time in offices outside London, in Robert Elliott's case with a previous firm. That fact alone sets the firm apart from its closest rivals, as well as reinforcing the firm's international perspective.

While financial performance – turnover, and in particular profitability – remains the key measure by which the firm judges its performance, in recent years it has sought to broaden the measures to take into account qualitative as well as quantitative performance. The measures include tracking progress in such aspects as the firm's diversity and inclusion, community investment, engagement of staff, and knowledge and learning, as well as the extent to which the firm's values are upheld.

Having completed this process in early 2012, the firm was ready to move on. "You can't just reduce, you have strategically to build.

The straight-talking Terence Kyle once told a client who was insisting on seeking tax advice from lawyers in Luxembourg and Belgium for the third time in a row on an identical bond issue, after being told that tax would not be payable, "Michael, you are our client and I will do as instructed. But I must say that it is a complete and utter waste of your shareholders' money."

THE LINKLATERS TREE



Opposite the Bank of England, on the corner of Princes Street and Lothbury adjacent to Gresham Street (on which Barrington House was sited), there is a red-twigged lime tree. On the pavement underneath it, there is a plaque, now slightly fading, which reads “Presented by Linklaters & Paines, Jubilee Year 1977”. The gift of the tree to the Corporation of London was part of the beautification or greening of the City, for the Queen’s Silver Jubilee.

There was a suggestion, maybe even a complaint, that this gift amounted to advertising which at that time was forbidden by the Law Society. Some years later, a similar complaint was made that a plaque on the back of a seat in the Barbican also fell foul of the ban on advertising.

The complaints were rejected, since in neither case was the firm touting for business (the plaques did not identify the firm as solicitors). In any case, wrote John Mayo to the other partners, “business off the street is the last thing we want.”

The two go together,” is how Simon Davies puts it. The partnership developed and agreed a five-year strategy, still based around the goal of becoming the world’s leading global law firm, but reassessing its approach to different markets. Those markets were divided into: core, secondary and other. The intention was to be present through Linklaters’ own offices in all the core markets. For the secondary markets, a range of options from opening offices to entering into arrangements with leading local firms would be considered.

There was an early vindication of the strategy. In Australia and South Africa, both regarded as important but secondary markets, Linklaters entered into an exclusive alliance with the top Australian firm, Allens (formerly Allens Arthur Robinson) and the top South African firm, Webber Wentzel, respectively. However, given the trials and tribulations associated with the establishment of Linklaters & Alliance (see Chapter 5), this begs the question of why the firm chose this form of collaboration again. Richard Godden, the partner who negotiated the deal with Allens, believes that the mistakes from the European venture will not be repeated, and that collaboration was the best vehicle for the firm. “What were the key lessons we learned from the Alliance that informed our decision to go in with Allens? Make sure you are very clear about the end game. With Allens, we are clear the end game is not merger. Secondly, make sure the firms share the same culture. I am confident that Allens is the same type of firm as us. Thirdly, do your due diligence properly, and make sure your client base is aligned. There is no question that this is the case with Allens, while with Linklaters & Alliance the lack of client alignment meant we had endless conflicts. And, finally, be honest about the issues. There is a risk in every deal, but I am absolutely confident we can manage those risks.”

There is one market in particular that is likely to feature highly in the firm’s priorities in the coming years: China. At the end of 2012, it was the world’s second largest economy, after the United States. Having transformed themselves on the back of inward investment and export-led growth, Chinese businesses have in more recent years taken to investing in overseas markets. That alone makes the China market of value to Linklaters. With that expansion comes the prospect of the Chinese currency, the renminbi, becoming a global reserve currency and, of possible greater significance still, the possibility that Chinese law may become a third law of global business, after English law and New York law.

For Simon Davies, that is an intriguing and exciting prospect for which the firm is preparing. “We already have a strong China practice, but we need to build on that, increasing the number of mainland Chinese practitioners and, over time, ensure they are present in a number of offices to support the international expansion of China Inc. We also need to position ourselves for the potential ascendancy of PRC law as the third governing law for cross-border transactions.” ●

OUTSIDE THE LAW

Linklaters encourages entrepreneurialism among its lawyers and business services support staff. It has helped the firm to win new clients and do better by its existing ones. Some of the firm's people have taken that spirit with them to new business ventures.

Thibaut Deleval worked in the Paris office between 2000 and 2003, before creating his own internet/charity business, Valioo. Recently voted one of Spain's best new businesses, Valioo aims to turn data into funding for not-for-profit concerns. The company's first product allows users to review the products and services of Valioo's customers via a web- and mobile-based tool.

Helena Boas was a finance lawyer before helping to set up Bodas, one of the most successful lingerie and nightwear companies of the last few years. Once described by *Management Today* as one of "35 women under 35 with the potential to reach the top of their chosen careers", Helena's ambition is now to add a new Bodas store in New York to the company's flagship store in Notting Hill.

A finance lawyer at Linklaters between 1999 and 2003, Damian Collier has since moved into the entertainment industry. From bases in London and Los Angeles, he has produced films and promoted concerts under the banner of Damian Collier Entertainment.

Neil Blair's professional journey began as a Linklaters litigation lawyer in London in 1990. He moved to Warner Brothers, where he was involved in the negotiations by the company to acquire the film

rights to the Harry Potter books, became a partner in the Christopher Little Literary Agency and has subsequently become literary agent to J.K. Rowling.

Jane Dodd, a tax lawyer who worked in London and New York between 1993 and 1997, became an actress and is writing plays and film scripts. Although equally comfortable performing on stage or in front of a camera, Jane's heart remains with the "endless possibilities" of the film industry.

Gillian Holding, who worked in the London and Paris offices between 1982 and 1990, became an artist, setting up a studio with East Street Arts in Leeds, and more recently she forged a connection with Debut Contemporary in London. Her approach to her art is shaped by what she describes as "the ordness of everyday life".

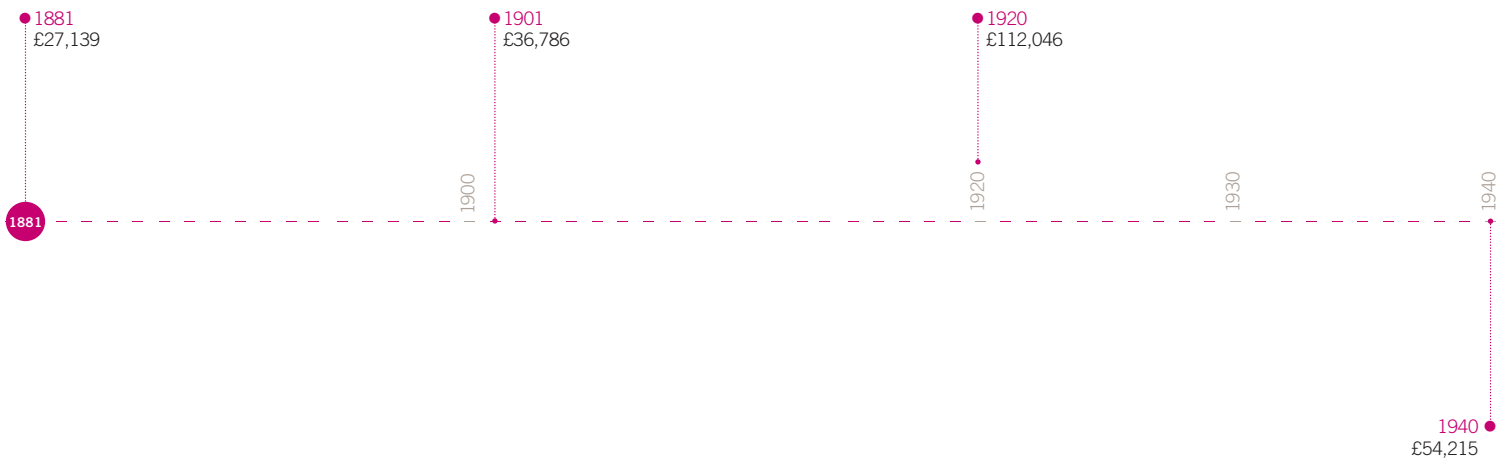
Neil Midgley, who was a trainee and a litigation lawyer between 1990 and 1994, moved into journalism after leaving the firm with a particular interest in reporting on and about the media. Now Assistant Editor (Media) at the *Daily Telegraph*, Neil leads the paper's news coverage of the media, as well as writing commentary and interviewing senior broadcasting executives.

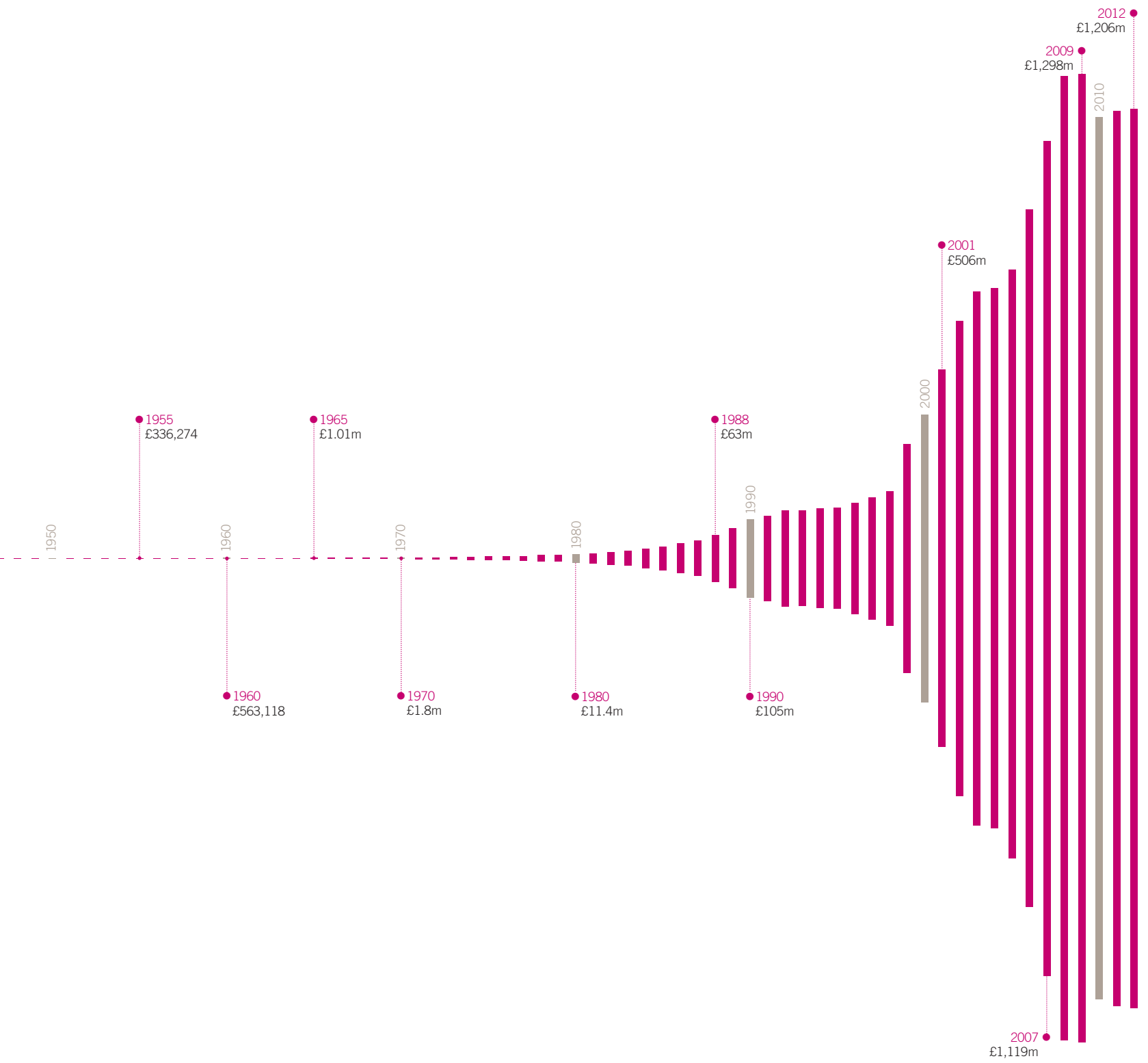
Shamini Mahadevan Flint, who worked as a corporate lawyer in Singapore between 1997 and 2002, is a writer who has written a series of successful detective novels. Each is set in a different Asian country and their success has made Shamini one of just a handful of Malaysian writers ever to be published abroad.



Gillian Holding, *A Portrait of Everyday* (Westbourne Grove) 2012 (detail), Digitally drawn diptych, 240cmx60cm, Fuji Crystal Archive DPII print, acrylic glass, edition of 5.

RISING REVENUES: FEE INCOME, 1881-2012







William Johnstone, Untitled 1, ink on paper, 77x57cm

08

STRATEGY

WHAT IS THE STRATEGY?

For most of the firm's existence, it did not have a strategy, and neither did it need one. With an established reputation as a leading commercial law firm, virtually from the day that John Linklater started in practice, the work flowed in. The partners got on with the business, in a quiet, understated way delivering a top-quality service that spoke for itself. Clients came to them; they did not need to go to the clients. "It was almost as if you put your hand out of the window and another piece of work flew in," recalls Tony Angel. Why bother with strategy?

That, of course, is oversimplifying it; other factors came into play. The very busyness of the firm militated against devoting time to strategising. In 1974 the senior partner, Peter Benham, wrote: "The firm seems to be reasonably competent at dealing with day-to-day problems as they arise, but there never seems to be time to sit down and think about the future." Another consideration was that, before the Law Society changed its rules to allow law firms to advertise and market, strategy may have been too closely associated with marketing. If you couldn't promote yourselves, there was no need for a strategy. Finally, and probably most pertinently, the very idea of a strategy was anathema to those partners (probably most of them) for whom strategy smacked of business. The law was a profession, not a business.

Insofar as any consideration was given to the question of what direction the firm should take, that was left to the individuals. A strategy review, led by partner Alan Black in 1998, described it in these terms: "The firm had grown not as a result of a rigorous pursuit of a strategy, rather by bringing into the firm talented people, allowing them to rise to partner and 'giving them their heads to do what they will'. The junior partners look with a mixture of admiration and horror at the cavalier way the more senior partners have developed the firm."

It is not altogether fair to say that no thought at all was given to the possible future direction the firm should take. In 1974, Ferrier Charlton, perceptive as ever, noted that the firm needed to make a strategic choice – between offering a high-value, premium service and offering what he called a "mass-produced article" (what would today be called "commodity work"). He wrote: "Continued economic growth in the UK will mean, as it does in America, that the handmade article becomes relatively speaking more and more expensive compared with the mass-produced article. Legal services will become more and more expensive. We must consider how to get nearer to a mass-produced article."

In 1982, James Wyness, who went on to become managing partner and senior partner, commented: "We should be spending more time on analysis of our market, our business and our competitors so as to be in a better position to influence events rather than be dominated by them." David Caruth, another partner, was more direct. "We should decide what sort of work we are going to do, how we are going to do it, and how much we should charge. We should also decide whether or not our overseas offices are there to make a profit or provide a service or to look good in the eyes of the clients. Is there a policy? If so, it's never been enunciated to me and to the other partners. Surely we should have one."

David Barnard, who had moved to New York in 1982, was yet another who insisted that more attention be given to strategy. At his instigation, David Maister, formerly a Harvard Business School professor, was invited to talk to the partners, initially in 1986 and on two or three further occasions. Drawing on the experience of US law firms, he suggested that not only could law firms map out their future direction and their position in the market, but also they should. His contribution marked a real turning point for the firm. Tony Angel has no doubt that the impact was significant. "We talked to him for hours, and the discussions really sparked people's interest that we could have a strategy." For Charles Allen-Jones, too: "David Maister completely opened my eyes to the fact that people inside a law firm could do things to change the positioning and success of the firm."

The fact was that the firm had to change its approach. Growth in size, internationalisation, greater complexity of work and, above all, fiercer competition meant that it could no longer rest on its laurels.

By the time of the partners' retreat of 1987, Ferrier Charlton (by then the senior partner) said that there was general agreement that the firm needed a more structured method to manage its affairs. "We have to be clear where we wish to go and how we wish to get there, that we organise ourselves properly and that we can adjust quickly. Work demands may well change, which increases the importance of the firm being efficient, effective and adequately profitable – in a word 'lean'."

It was in answer to these concerns that Jeremy Skinner, leading a team of five partners (also including Ted Spencer, James Wyness, Adrian Montague and Christopher Coombe), was asked to draft a strategy. His paper, written in advance of the October retreat of 1987, identified the firm's "principal strategic objectives". The strategy is worth reproducing in full, firstly, because it is admirably short and, secondly, because the strategy, in large part, holds true 25 years later:

“The Goal

We aim for pre-eminence by reason of our standards of excellence and practicality across the whole range of our service to clients. We further aim to be the market leader in significant domestic and international fields of practice selected by us. If we achieve these aims, the firm will be, and be regarded as, the pre-eminent English law firm and will enjoy revenues sufficient to meet the aspirations of partners and staff for high levels of reward.

The Pursuit of the Goal – the elements of the strategy

The goal is to be pursued by setting ourselves five principal strategic objectives, being:

1. To provide, across the whole range of our activities, excellent and highly practical service
2. To develop a practice offering a full business law service comprising specialist areas which have the expertise needed to satisfy the requirements of their specialist users
3. To build up a few only of these speciality areas (our “banner areas”) and by promoting their services with particular vigour establish the firm as the leader in each banner area
4. To promote to financial and other professionals the transaction handling expertise of each specialist area
5. To strengthen the firm’s corporate client base by promoting the whole range of our specialist services to companies which are either:
 - > large national or multinational companies, or
 - > dynamic companies with growth potential and dynamic management

These principal strategic objectives are to be:

Pursued recognising:

- > the firm’s need for a high level of earnings
- > the challenge to expand the firm at the rate which will enable the firm’s goal of pre-eminence to be achieved, and

Promoted:

- > by managing the firm so as to achieve the most effective direction and use of all our resources, and
- > by the recruitment, training and motivation of people of the highest quality

Always recognising that the traditional values of the firm have enabled us to aim so high.”

The recommendations were followed. Linklaters would neither be a full-service firm – what was described as a “legal supermarket” providing all products adequately well across the widest range of services – nor a series of specialist “boutiques” delivering those services at the top of the range. The firm would aspire to strike a balance between being a pre-eminent full-service firm for major corporate clients and being regarded as a top-tier firm in certain specialist (“banner”) areas, leaving open what those specialties might be.

Earlier in 1987, the two firms of Clifford Turner and Coward Chance had merged to form Clifford Chance, to create the largest law firm in the City. The move set the cat among the pigeons and resulted in not a little panic among Linklaters’ partners that the firm’s primary position was seriously threatened. Jeremy Skinner was more sanguine: “We do not see size relative to other law firms as in itself strategically important,” he wrote in his paper. “We do not believe we should always aim to be the biggest, or the next biggest firm.” That said, he recognised that, inherent in the strategy which he and his team recommended, there would be a need for more lawyers and business support staff.

Following his appointment as managing partner in 1987, James Wyness tackled the issue by producing his own annual strategic plan for the partnership to consider (a practice which he continued as senior partner). David Maister approved the plans twice, as in another year did John Kay (later of the *Financial Times*) and Evan Davis (later of the BBC), when they were part of the London School of Economics. After a few years, James Wyness asked practice area heads to write plans for their respective practice areas for presentation to the firm in a full partnership meeting at the Barbican, which they did with such enthusiasm that the pile stood high on the presentation table.

The establishment of the Norton Rose M5 Group in 1990, which Linklaters was invited to join, offered a further dimension to a possible change of strategy. The M5 Group aimed to link some of the main regional city-based firms in the UK, and, through Norton Rose, offer access to international markets. The option of joining was explored by the partnership but rejected. “That was kicked into touch,” recalls Chris Gorman, who would become managing partner in 1991, “because everybody believed the future lay with larger, outward-looking clients.”

One issue, however, that was the subject of extensive and prolonged debate was that of the firm’s European strategy.

THE BLACK BOOK

For many years, anyone who wanted to check whether the firm could act for a particular company in a deal needed to look in the “Black Book”. The book dates back to 1970, when John Field (who later went on to become senior partner) suggested that there was a need for a book, not necessarily to check for conflicts but to record the names of companies for whom the firm did not wish to act.

Before that, resolving conflicts was somewhat ad hoc. Prior to the (proposed, but aborted) merger between ICI and Courtauld, both of whom were clients, it was decided that whoever approached the firm first in the deal would be accepted. That turned out to be ICI, but resulted in the loss of Courtauld.

The Black Book became a Black Box, complete with index cards, held in the senior partner’s office, to serve as a conflicts-checking mechanism. On the cards would be written basic information. When a partner was instructed by a client or potential client on a takeover they were supposed to contact the senior partner who would in turn consult the Black Box and enter brief details about the deal and on which side they were acting. If the Black Box revealed that another partner was already acting, a discussion would be held about whether the firm could act on either or both sides. In the event of a dispute, the senior partner had the final decision.

The box was originally held in the senior partner’s office, but then moved to the office of the head of Corporate. As it was kept in a locked

drawer, if a question arose over a weekend, the head of Corporate would have to make a special trip into the office to unlock it.

By the end of the 1990s, the time had come to make the conflicts-checking system a little more sophisticated. Donald Williams, former head of Corporate and then retired, set up a compliance unit to manage conflicts in the spring of 2001. Eleni Pavlopoulos, a litigation managing associate, was taken on as head of conflicts in 2001. Ten years later, 38 people were on hand to provide around-the-clock checks.

Setting up an on-line system, for which dedicated software was developed, involved not just input from the Linklaters partners but integration of the conflicts checks done by the then Alliance partners. In 2001, at least 300 people were inputting information, with no consistency of approach. Project Ajax (named after the cleaning powder) entailed months of combing through thousands of matters, before setting guidelines on logging information.

The result was the establishment of the Conflict Checking System (CCS) in 2004. The system has proven well able to handle the conflicts requirements of a global firm. Is it 100 per cent foolproof? No system is, says Eleni Pavlopoulos: conflicts will always require human judgement. It remains a challenge to keep pace with the increase of regulatory and commercial issues in play and the speed of response necessary in an era of instant communications. And the Black Book itself? A relic of a by-gone age.

The firm’s presence in Europe, as defined by having an office, dated from 1963, when the Milan office was opened, and, more significantly, from 1973, when both the Paris and Brussels offices were opened. Linklaters had contacts with European firms, through its membership of The Club (a network of firms who met once a year to exchange ideas and who treated one another as “best friends”). But as the European market became more important, particularly with the prospect of European Union in 1992, it had become strategically more important to agree how the firm should approach Europe.

As is covered in Chapter 5, two approaches to the strategic direction of the firm gained hold. In one camp, led by James Wyness and John Edwards, were those who believed the correct approach was to combine having offices in international financial centres (which would include Paris and Frankfurt, as well as London) with a network of “best friends” firms in other European jurisdictions, who would provide local law advice. (The issue of local law broke down further still: should the firm offer local law advice as required on cross-border, international deals, or offer a local law capability on domestic matters in different European jurisdictions?)

The view in the other camp, most forcibly articulated by Charles Allen-Jones but supported by Anthony Cann and Tony

Angel, was an expansionist one. Linklaters should open offices in more jurisdictions, particularly in Europe, to be able to offer clients integrated, multijurisdictional advice under one roof.

The recession of the early 1990s gave rise to another strategic review in 1993, the aim of which was to provide a “co-ordinated set of objectives and actions designed to enable the firm to maintain significant advantage over [our] competitors”. The market in which Linklaters was operating was changing markedly: the volume of premium work in the UK was diminishing, as a result of both the recession and increased globalisation; client loyalty could no longer be guaranteed, while at the same time clients were starting to look to their legal advisers to deliver more than just legal advice (there are references for the first time to “adding value”); and, above all, competition was intensifying, which, when combined with an increasing propensity of top firms to attract partners from their rivals, made for unfamiliar territory.

Anthony Cann, then a senior corporate partner who would later head the department and become senior partner, recalls of this period: “In the period up to the 1990s, work flowed in and it was a question of what you might turn away. But, with the recession and the downturn, the boot was on the other foot. We had to work harder

on our big clients, to be more proactive. The way the world was going, there was going to be more competition, and we needed to get people more acclimatised to winning it.”

The first major strategic review, as opposed to strategy paper, was the Alan Black-led review of 1998. The review, which took place over a number of months, analysed the firm’s business in every detail. The team working on the strategy included David Cheyne, who, like Anthony Cann, would become head of Corporate and then senior partner; Christopher Style, who became the firm’s first Queen’s Counsel in 2006; Casper Lawson; and Giles Pugh, the director for strategy. Their report was a model, too, of tight writing, condensed into exactly 100 pages (“so that it could be read on the train between London and Brussels, where we were holding our retreat to discuss it”, Alan Black says) and with the conclusions strategically placed in the middle of the document so that no one could “cheat” by looking only at the end.

The paper started by expressing what partners liked about working for the firm. That, it said, was a “combination of buzz, profitability and congenial surroundings” together with the “kudos of doing the best work” and being known as a partner in the “best” firm. It was the “best work” because it involved “technical complexity, innovation, a great deal of money or a massive or special resource”. The “congenial surroundings” were characterised by a “generally non-hierarchical, collegiate society, where the corridor is full of generally like-minded people”.

The principal recommendation of the review was that the firm should concentrate on advising large corporates and commercial and investment banks with a strong international focus; globalisation was an unstoppable force. The firm should also aim to have a strong domestic practice in each jurisdiction where it practised.

The review exposed an unwelcome development – falling profitability. This was despite years of increasing revenues. The review believed that to increase profitability would require the firm to: focus on key clients; prioritise certain practice areas; improve working practices; and manage costs. The report endorsed lockstep as an integral part of the firm’s culture, but highlighted significant differences in contribution between the best and the lowest performing partners. The authors recommended that partners would in future have to have their performance reviewed (fairly, “not as some sort of star chamber”). “In today’s age, with external competition becoming stronger, we cannot hide poor performance behind the veneer of collegiality.”

The focus on profitability was a core component of the next major strategic review, written in 2004 by Tony Angel, the managing partner. Originally titled *Clear Blue Water*, so-called because clear blue water is a term used in rowing and yacht racing signifying the gap between the leading boat and those following, it was renamed *Market Leadership* after someone pointed out that ClearBlue was the name of a pregnancy-testing kit. The aim was to achieve market leadership among global firms within three years by drawing together the newly merged global firm around a single focus: the most complex and challenging work for the world’s leading companies, financial institutions and governments, across boundaries of practices and geography. This would, in concept, drive profitability up to the levels of the top US firms, something previously thought unachievable.

Before Andrew Carmichael went out to Japan for the first time in the 1980s, his Japanese hosts asked him how tall and how heavy he was. When he wondered why this was important, he was told that one of his predecessors was 6’4” and weighed 200 pounds. This had caused embarrassment to his Japanese hosts at a dinner because he had proved too large for the small chair they had provided for him. They wanted to make sure that they had the right-sized chair for Andrew Carmichael and would not make the same mistake. And who was the tall, heavy person? Readers will have to work it out for themselves, but there are clues in Chapter 4.

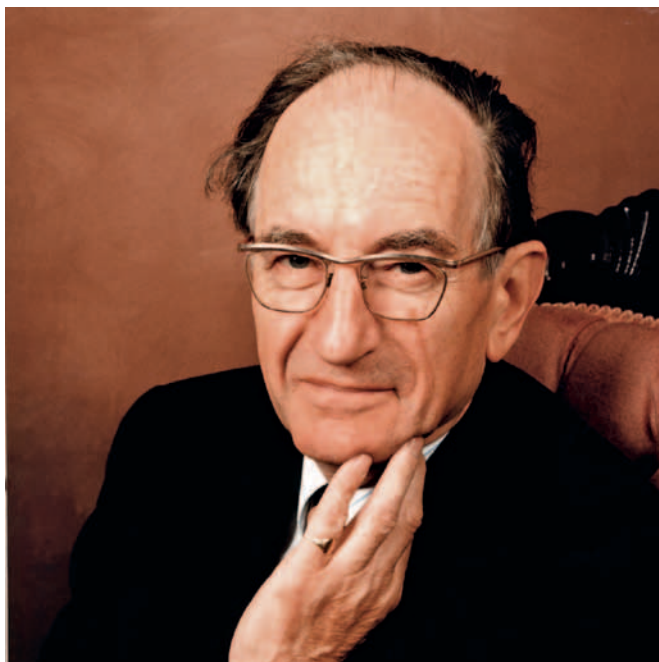
FERRIER CHARLTON

Ferrier Charlton would often refer to an incident that happened during the war, in which he served as a decorated fighter pilot, that shaped his attitude to his subsequent life as a lawyer. While he was in Maiduguri in Nigeria, the Dakota plane he was piloting was grounded, awaiting a piston for one of the engines before it could fly on to join the squadron in India. An aircraft belonging to the US Air Force was similarly out of action. While the British insisted on following due procedure to order the replacement, the Americans flew in a spare engine from neighbouring Ghana, fitted it onto the stricken aircraft and flew it out all within 24 hours. While the Brits had dithered, the Americans got on with it. Disobeying orders, Ferrier Charlton then took the initiative to get himself to Accra in Ghana, procure a replacement engine, sign for it “on behalf of His Majesty’s Government” (which he was not authorised to do) and fly back with it to Nigeria. The new engine was duly fitted and the plane able to fly. Nowadays, that would be referred to as a “can-do” approach that he brought with him to his practice as a lawyer and to the firm of Linklaters.

It may have been for that reason that Ferrier Charlton was comfortable acting for Americans while some of his other partners were not. One particular client was White Weld (later Credit Suisse), for whom he acted during the Eurobond boom of the 1960s onwards. As the client sought to develop new lines of business, they looked to Ferrier to provide the legal mechanisms to achieve what they wanted. As he related it, they would tell him, “If something sounds commercially sensible and is not dishonest, there must be a legal way to do it. Now, go and do it.” Sure enough, often while walking to catch his morning train, the answer would come to him, and it would be converted into the right legal language when he arrived at work.

Ferrier Charlton was a man brimming with ideas. He would say that if only 10 per cent of his ideas came to fruition “that was not a bad percentage”. He had a love of the law, and became an expert on corporate law, finance law, VAT, stamp duty and exchange control, among others. As was usual at the time when he practised (from the 1950s through to the 1980s), he could turn his hand to anything and advise on any transaction that came his way. He would say to his partners, colleagues and juniors: “You can’t know everything about everything, but you should try to know everything about something and something about everything.”

He became renowned for his expertise in three areas, all of which had a major impact on the fortunes of the firm: property unit trusts, Eurobonds and privatisation. As he describes it, the Eurobond work came about almost by accident, but he seized the opportunity and became a leading figure in that line of work (see Chapter 4). So it was with privatisation (see Chapter 2). He advised on the British Aerospace and British Telecom privatisations, and devised the legal structures for privatisation by instalments. He was awarded the CBE in 1986 for his contribution.



His humanity shone through. He abhorred class distinctions (which he said were designed to “divide, not to unify”). He treated everyone in the firm with equal respect and courtesy. In the café in the basement of 118 Old Broad Street (the firm’s offices after the war), where the partners and staff ate together, he would be seen doing *The Times* crossword with his secretary, Edith Sanders. It did not bother him that she held radical left-wing political views. He was as much at ease talking with office boys about the latest football scores (although he preferred cricket) as he was advising chairmen of listed companies or taking phone calls at home from American investment bankers at a time when such things were not done. He may even have the distinction of being the first Linklaters partner to ride a bicycle into work. When living in Pimlico, near Victoria in London, he rode his bike into Old Broad Street, parking it in the basement. He was not averse to taking off wet socks and hanging them on the radiator in his office if he got caught in the rain.

There is a celebrated case when in 1977 he took a phone call out of the blue from an agitated lady who insisted that she speak only to him. Rather than putting the phone down (he had no idea who she was), he listened to her complaint. It transpired that she had been dismissed from her job selling paint. Then aged 73, she had been on the same wage (£15 a week plus commission for paint sales) since 1956. After a lengthy call in which he had calmed her down and explained very gently that she had no unfair dismissal claim, redundancy rights or

discrimination claim, simply a claim for breach of a three months' notice period, some £195 or so, Ferrier Charlton asked, "By the way, what was your commission?" She then revealed that the previous year she had earned commission of close to three-quarters of a million pounds. Linklaters took on the case, and secured a massive settlement for her. Tony Angel, who was then Ferrier Charlton's articled clerk and went on to become the firm's managing partner, heard the whole phone call on speakerphone (always referred to as the "squawk box"). "Had it been anyone else other than Ferrier, it is quite likely that she would never have been given the chance to make her case," he says.

Ferrier was a great teacher, and taught legions of articled clerks. When he became senior partner, he invited all his previous articled clerks, whom he called his "pupils", to lunch in the restaurant in Barrington House. People came from far and wide to be there. He insisted that his articled clerks learn to dictate, rather than write documents, a discipline which he believed was essential for lawyers, as well as being more efficient. What made the process more unnerving for his articled clerks was that they would have to learn that craft within Ferrier Charlton's earshot. It worked both ways, of course; the articled clerks could learn from him, as Matthew Middleditch, now a partner, remembers. "I once listened to him dictate an agreement, from fresh and without any mistakes, in its entirety. It was by no means a straightforward deal. From recollection, we were acting for Gulf Oil, which was selling businesses in exchange for oil deliveries, and involved many difficult legal issues. I kept that agreement for many years as a reminder of how it should be done. He was a massive influence on the whole firm, an extraordinary man, of huge stature and ability."

Even when confined to bed with illness, he continued to work. During a trip to Sri Lanka he contracted jaundice and was confined to hospital on his return. During that time, he reviewed the government's first Telecommunications Bill to privatise British Telecom. He spent a whole day dictating a memo commenting on the Bill. The reaction of the civil servants in the government department that had drafted the Bill was not one of gratitude but of anger that outside lawyers had dared to interfere. "Thereafter, I had a jaundiced view of government," Ferrier Charlton told Judy Slinn, the author of *Linklaters & Paines: the first 150 years*, no doubt with a broad smile on his face. During that same spell in hospital, he asked Simon Clark to send over some recent VAT cases that interested him. He was a real polymath.

His philosophy, which he would repeat endlessly to his partners, articled clerks and the firm at large, was: "Clients first, staff second, partners third". In 1987, when senior partner, he wrote: "Although far from guiltless, I would like to go back to schooldays and require any partner heard to use the words 'my clients' or even 'my department's clients' to stay behind after school and write 100 lines reading: 'Only L&P have clients; I have no clients.'"

He was a visionary. He anticipated the use of "electronic" mail, well before email was used. In 1986, he came up with a radical proposal that the firm should publish its accounts, again well before the firm converted to a limited liability partnership. The following year, he suggested that the firm should write an annual review, and wrote a first draft himself. "I attach a draft of the sort of thing which I have in mind," he wrote in an accompanying memo, "so that you can all tear it to pieces." There was no need: the drafting was a model of clarity, simplicity and honesty – exactly what annual reviews should be. He was also ahead of his time in recommending to the firm that they seek feedback from clients (he preferred to call them "customers") about the service they were receiving. He was adamant that the firm's strategy should not be explicitly to maximise profit; rather, the firm should choose what practices it wanted to develop, where and how, and the profit would follow naturally from that.

Outside of work, his interests ranged from politics, literature, music and history to botany. He was an expert gardener, hedger and ditcher. When he retired, he became president of the Alpine Garden Society, not merely as a figurehead but as an authority. He studied Mozart scores for fun, but liked any music ("even pop music, so long as it is of reasonable volume").

If there is a slight downside to the story, it was that he did not enjoy being senior partner – he found it "lonely" and "burdensome" – and, by his own admission, he was indecisive. Many believe that the burden was too great, which, coupled with the heavy-duty requirements imposed by the privatisations, caused his health to deteriorate. He died in 1999, at the age of 75.

Chris Gorman, who was the firm's second managing partner, reflects: "Ferrier was a remarkable man: a prodigiously good lawyer, with a wonderfully wide-ranging intellect and with great humanity. The staff loved him and the partners in many ways idolised him."

Len Berkowitz says of him: "Ferrier was very humane and incredibly open-minded, as well as being a brilliant lawyer and draftsman. Whether he was dealing with Lloyds Bank or the Alpine Garden Society, they got exactly the same treatment from him. So many people went through his hands and became stars in the firm."

Ferrier Charlton personified the best of Linklaters, its values, traditions and culture. He was a key figure in helping the firm make the transition from a family-led firm to a strong commercial practice. In his time, Linklaters moved from being a firm of solicitors to a law firm. He was a pioneering lawyer, whose groundbreaking work set market standards and kept the firm at the very top of the legal profession. He was a man of absolute integrity. He wrote: "Trust rewarded adds more; the stock of mutual trust, once lost, is hard to replace." Above all, he set the firm on a path of internationalisation to become not just a leading law firm but a leading global law firm.

Not that he would ever have accepted this accolade because it was simply not in his nature, but he deserves it nonetheless: Ferrier Charlton was the single most important person in the history of Linklaters.

SENIOR PARTNERS

Linklaters

| | |
|------------------------------|-----------|
| James Dods | 1838-1845 |
| John Linklater | 1845-1870 |
| James Linklater | 1870-1879 |
| William Hackwood | 1879-1895 |
| Joseph Addison (joint) | 1895-1910 |
| Harold Brown (joint) | 1895-1910 |
| Harold Addison | 1910-1933 |

Paines

| | |
|----------------------|-----------|
| Timothy Tyrell | 1849-1857 |
| Thomas Paine | 1857-1898 |
| William Paine | 1898-1918 |

Linklaters & Paines

| | |
|--------------------------------------|-----------|
| Harold Addison | 1910-1933 |
| Harold George Brown | 1933-1935 |
| Gerald Addison | 1935-1956 |
| Sam Brown | 1956-1961 |
| Andrew Knox | 1961-1969 |
| James Sandars | 1969-1972 |
| Peter Benham | 1972-1976 |
| John Field | 1976-1980 |
| John Mayo | 1980-1985 |
| Ferrier Charlton | 1985-1988 |
| Mark Sheldon (joint 1991-1993) | 1988-1993 |
| James Wyness (joint 1991-1993) | 1991-1996 |
| Charles Allen-Jones | 1996-2001 |

Linklaters

| | |
|----------------------|-----------|
| Anthony Cann | 2001-2006 |
| David Cheyne | 2006-2011 |
| Robert Elliott | 2011- |

MANAGING PARTNERS

| | |
|--------------------------|-----------|
| James Wyness | 1987-1991 |
| Christopher Gorman | 1991-1995 |
| Terence Kyle | 1995-1998 |
| Tony Angel | 1998-2007 |
| Simon Davies | 2007- |

JOHN COLLIER'S MAGIC LADS



Definitely deserving of a place in the Linklaters history is Cambridge law tutor and vice-master of Trinity Hall John Collier, who pointed many a law student Linklaters' way – those he called his “magic lads”. Celebrating John Collier's 61st birthday in 1994 are left to right (back row): Chris McFadzean, Stephen Boughton, Richard Godden, John Ellard, Tim Shipton, Guy Brannan, Simon Clark, Christopher Style, Alan Walls and Jeremy Parr; (front row): Stephen Edlmann, John Collier, James Wyness (John Collier's first “magic lad” dating from his time at Emmanuel College) and Nick Eastwell.

Linklaters occupies about a million and a half square feet around the world, of which Silk Street comprises 450,000 square feet.

The idea behind the *Market Leadership* strategy was both offensive (to be proactive in changing the firm's operation and focus to concentrate on practices which could be market-leading and profitable) and defensive (to prevent other firms from poaching lawyers or poaching clients). "If we aim to be 'one of the pack'," Tony Angel wrote in the introduction to *Clear Blue Water: A Vision for Linklaters in 2007*, "we risk one of our global competitors taking on the challenge of market leadership and succeeding."

In terms of its geographic reach, and market coverage, the strategy envisaged the firm having "strength in depth" in the US, Japan, Germany, the UK and France, and to have established itself in Italy, Spain and the Netherlands. It needed to be strong in the emerging markets of Russia and China, and have "regional" strength in Benelux, the Nordic region, Central and Eastern Europe, North Asia, Southeast Asia and India.

Setting challenging targets to increase the profits per partner (PPP) was the most contentious element of the strategy. However, as Tony Angel argues, profitability and market leadership are two sides of the same coin. "You can only be the best firm by being financially successful, and you can only be financially successful if you are a market leader. Partners would get annoyed by my focusing on PPP as a key metric, but for me that was a key indicator that we were implementing our strategy, being successful in our business, and getting closer to becoming market leaders, a goal which everyone shared."

"Alignment" was another principal theme of the strategic review. The strategy was clear that the firm should align its practice with the requirements of its clients, as they dealt with the opportunities and challenges presented by globalisation.

The firm aimed to be the premium global law firm, but the "premium" was dropped after the financial crisis. Instead, the focus changed to relationships with the clients. Now, the objective is to become the leading global law firm. "Premium sent the wrong message to the market," notes Simon Davies. "It was talking about us, rather than about the clients." Similarly, Linklaters no longer makes a big play about how many offices it has; rather, it projects itself as a firm that can handle its

clients' requirements wherever in the world they have need of top-quality advice.

In 2012, the firm carried out another major strategic review, mapping out the direction for the following five years until 2017. The backdrop to the review was a market as challenging as anything Linklaters had ever faced. The trigger had been the collapse of Lehman Brothers, the US investment bank, in 2008, which precipitated the global financial crisis, economic recessions around the world and a currency crisis in Europe.

The market for top-end legal services, already undergoing significant change, was putting added pressure on the business. "Disaggregation" of legal work and clients generally wanting "more for less" were unfamiliar developments that threw into question the whole business model of the firm, based as it was on billable hours, gearing and the lockstep compensation structure. It was not all bad news, though: as noted, Linklaters secured the prized mandate of representing the administrators in the Lehman's insolvency (see page 131).

The vision to be the world's leading global law firm was reaffirmed, even as it was recognised that that goal had yet to be achieved. There was no need for a fundamental change of strategic direction. The mantra "Leading with Relationships" remained core to the strategy.

The strategic review identified five key themes to be addressed in different ways if the strategy was to succeed: quality; clients; coverage; culture; and financial performance. The successful prosecution of the strategy, said the review, required of the partners an "unashamedly hardworking environment where everyone makes an equal contribution". Pursuing the international strategy involved identifying primary, secondary and other markets, with the secondary markets offering scope for alliances and developing relationships with partner law firms.

As with previous strategic reviews, the 2012 review, titled "Towards 2017: a strategy for the partnership", stressed the key importance of profitability. Above all, the review underlined the firm's ambition. "When we focus on achieving a shared goal, we invariably achieve it," the report said. It is a simple truth that speaks of the firm's unceasing ambition. ●

SENIOR PARTNERS' ROUNDTABLE

In September 2012, five former senior partners and the current senior partner, Robert Elliott, met at Silk Street to discuss how Linklaters has changed and developed during their time at the firm...

Robert Elliott (chair): Mark, you started with the firm before any of us, in the 1950s. Can you describe the culture of the firm as you remember it?

Mark Sheldon: It was still then dominated by the families: the Browns and the Addisons, in particular. But it was starting to move away from the families, although the family influence on the culture was very strong.

James Wyness: At the time I was managing partner, and before, the culture was very ambitious, very professional and backed up by standards and values which were extremely high level, cemented by the family. The partners gave it terrific force. But the family was becoming less important and the competition was becoming hotter and hotter. We realised that we had to let some light in, and that is when lateral hiring started. We got some real movers and shakers, but I don't want to toady up to the present senior partner!

David Cheyne: The fact is, Robert coming in and being willing to come as an assistant and then get elected to be a partner gave the partnership an understanding of the merits of sensible lateral hiring. We realised that, if you hire the right people at the right time, not just in the UK, but in Spain, Italy, other places, you can create a brilliant business, which you might not be able to create by internal growth. We would never have had a banking practice had you, Robert, and John Tucker not joined us. We might have, but in a very small way.

Anthony Cann: The first partner lateral hires in modern times were the Americans. I agree, we decided it was something we could do.

Charles Allen-Jones: In the good old days what the firm could achieve was dependent on who the partners were. But today, if there is something that the firm wants to achieve and it hasn't got the people to do it, you obviously go outside.

Mark: The addition of laterals, as long as it doesn't get totally out of hand, shouldn't affect the culture. But the bigger the firm becomes and the more locations it has, the more difficult it is to communicate the culture.

Anthony: There is another danger in that approach [of hiring laterals]. That is all good business sense, but I think it has made us

slightly idle – sometimes – in making sure that we are filling the spaces up from the bottom.

Robert: And also encouraging people to be versatile and flexible. A reaction from those days of being overspecialised, and we are quite conscious of that.

Charles: I always thought that it was very important that the firm was tolerant of oddballs, the people who didn't fit in but who could actually make a huge difference.

Anthony: There are good oddballs, and not so good oddballs. [laughter]

Mark: There was a fierce loyalty to the firm, a cohesion and a unity that was reinforced by the lockstep system. I don't know whether it still applies, but, in my view, lockstep is absolutely of key importance to how a law firm runs, as distinct from other businesses.

Robert: We still have lockstep, and it has just been reaffirmed by the partners, with some flexibility around the edges.

Mark: You have to have flexibility, particularly when new firms are joining and you've got to bring people up to the same stage of profitability.

James: When I became a partner, the gearing was disproportionately loaded in favour of the senior partners, I mean quite loaded.

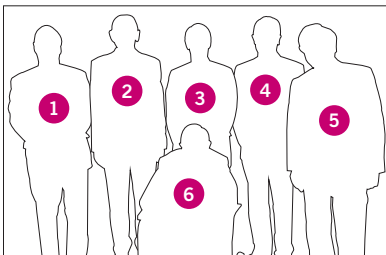
Anthony: When I became a partner in '78, I was originally offered five parts, and the top partners were on 33. There was "level pegging", with £15,000 to everyone first and then the profit share. The ladder was 12 years.

James: The even-ing out happened as more partners came in, didn't it?

David: When I became a partner, John Mayo was senior partner, and he changed the ratio to 3:1. For my generation, the ladder was 11 years and then a year or two later came down to 10 years. Then, the ratio went to 2.7:1 and then to 2.5:1.

Robert: Which is where it is now.

“There was a fierce loyalty to the firm, a cohesion and a unity that was reinforced by the lockstep system.”



Key

1. Anthony Cann
2. James Wyness
3. David Cheyne
4. Robert Elliott
5. Charles Allen-Jones
6. Mark Sheldon

“If we were going to maintain our lead level with Slaughters in the market, then we had to support our people with a cracking good back office. So we hired in people from outside to manage human resources, finance, PR.”



David: The senior partner had absolute discretion over lockstep. He could change lockstep for any individual partner or any group of partners.

Charles: A big discussion, when James was managing partner, was whether or not to put figures to the success or otherwise of individual partners.

James: The question was: “Can any assistant or partner sell himself to the market?” From the grassroots, you got a force to begin to move out people who were not able to perform because they couldn’t sell themselves to the market.

We evolved a system, didn’t we, Mark, to ask the practice areas whether anyone was holding them back. That went up to the Finance & Policy Committee level. We would talk to the person, give him a chance – or girl, although there weren’t any really at that time – and we would say: “You’ve got to raise your game.” Very gently, some people began to leave the firm.

Robert: Was the ethos that the business was common to all, and that therefore the individual components should not be known?

Anthony: It was felt that, with individual performance measurement, collegiality and cohesion would fall down.

Mark: Even group income figures were not released to the rest of the firm. Every group, in effect, developed its own ethos without looking at other groups to see what they were making.

David: Interestingly, separate accounts were produced for the overseas offices. We knew exactly how much an office might be making or, in one case, losing. That changed when the partnership resolved that they would like the information. If you wanted to work out where to expand, it did help to know if you were making money in that area. Anecdotally, people had their suspicions as to where we made our money and where we didn’t, and it turned out the guesswork was remarkably accurate.

We kept expanding Property which had been a phenomenal money maker, I suspect, in the 1970s. But, with our cost base in the 1980s, the figures showed that it was extraordinarily unprofitable.

Robert: You had the modernisers who wanted to understand the financial performance and the antis, who didn’t. What were the arguments in terms of culture and around cohesion?

Anthony: Well, I wasn’t an “anti”, but the concern was that the partnership would break up if you saw that Mr A was doing so much better than Mr B. It sounds ridiculous nowadays, but that was the concern at the time.

Charles: The firm was very paternalistic, and, to a large extent, the publishing [of financial performance information], if it did not destroy the paternalism, certainly eroded it hugely.

Anthony: The other thing was we started managing the clients and directing work. In the early days, clients came to you, and there was very little central direction as to who actually would best deal with the work.



James: The other thing you have to have within the culture – which we did not have really when I was senior partner – is to find a way of dealing with those who run out of steam, either by bringing them back into the practice or by humanely getting rid of them. Or, as someone who once came to speak to us called it, “proactive outplacement”, which sent a shudder through the senior people.

Charles: When I started practising, company law was only handled by a tiny number of firms. We therefore handled the small stuff, as well as the big stuff. When I was head of Corporate, we had a debate, believe it or not, as to whether we were going to go for big matters or small matters. A partner who shall be nameless, who is not round this table, said the trouble with big matters, first of all, is that they are things like awful privatisations, and, secondly, how are we going to train our young people if we don’t do small matters? Fortunately, we agreed that big matters were the thing to go for.

Robert: James, would you talk about the professionalisation of the management of the firm, from your perspective?

James: I don’t know the process by which a managing partner was decided on and then chosen, but I got landed with the job [in 1987], slightly reluctantly, because everybody wanted to practise law and not be a manager. In looking round, it was quite clear to me that the older retainers who were managing the money, the human resources and all those areas were wonderful people, but it wouldn’t do, it had to be changed and quickly. If we were going to maintain our lead level with Slaughters in the market, then we had to support our people with a cracking good back office. So we hired in people from

outside to manage human resources, finance, PR. Earlier, in Ferrier Charlton’s time, we brought over an American professor, David Maister, who spoke to us about management of law firms. That was the start of it.

Charles: He was a complete revelation. It was a new concept, that the firm could be managed at all. He completely opened my eyes to the fact that the people inside the law firm could do things that would change the positioning and the success of the law firm. Until then – and this would have been the end of the 1980s – we were a whole bunch of individuals doing our thing, albeit in a collegiate and positive way, but there was no sense that the sort of community of effort could change things.

David: He had this concept of finders, minders and grinders. But it went further than that. If you look at the way we operated then, we were completely unable to contemplate controlling our costs. We hadn’t allowed for the fact that our rent shot up in ’87. After the ’87 crash, every other law firm saw their profits go up and ours fell sharply, despite the fact that our turnover went up. That induced a certain amount of angst among the partners and a belief that we should try to start to run ourselves.

Anthony: Just as an aside, with reference to the way things operated before we professionalised things, up to the early 1970s if you wanted to work after 7.00 in the evening, you had to give notice. I remember having given notice once, but still got locked in. I shoulder-charged the door and smashed it and no one ever came and asked me what happened!



Robert: Can we talk about the internationalisation of the firm? When can we date that internationalisation from? When was the first office?

Mark: James and I opened the Paris and New York offices, respectively, in January 1973 and November 1972. I was doing a lot of work for American banks, including Merrill Lynch. As they set up in London, I was helping them to get established on the right regulatory basis, with the Bank of England, tax and so on. As they developed their business here, they became clients of the London office. I also acted for one or two big US corporates, such as Johnson & Johnson. We were also getting quite a lot of work from major New York law firms. My job, among other things, was to improve relations with those firms. So I was the guy selected to go to New York, something I had been pressing to do for five years.

James: So far as Paris was concerned, I was sent out [in 1972] to write a paper on whether we should open in Paris, and I came to the

absolutely astonishing conclusion that it was a really good thing to do. My theory was that we should open [offices] where our clients wanted us – to follow the market. To the financial centres, Paris, New York, Frankfurt, Hong Kong. Were we already in Hong Kong, Charles?

Charles: No, we opened in January 1976, in a joint venture with Deacons.

David: The first office, though, was Milan, in 1963.

Charles: We opened in Milan because John Gauntlett had this view that we needed to have something in Europe. Other firms were already in Paris, so I think he thought that Paris was crowded. He, John Gauntlett, happened to have this pal in Milan, a former barrister, and so we opened in Milan.

James: It wasn't a very bad idea, it was just a bad idea!



.....
“There was virtually no flow of work that we could identify that came from any of our best friends.”
.....

Charles: Well, the first man in Milan was very good. Then, when he wanted to move on, we decided that we were going to put two problems together, to put a thoroughly disappointing man into what was a disappointing office and see what happened. In due course, Milan got closed.

Robert: Can we talk about the alternative strategies to expanding in Europe, which were debated in the early 1990s? Which was, in essence, either putting our own people in or using best friends?

James: My own view was that you could have both – our own people in major centres and best friends in secondary centres.

Charles: As business internationalised, what our clients in London were telling us was that the service that they got from an English law firm was much better and much more responsive than that you got from the local [law firms].

Anthony: They wanted a more joined-up service.

David: Interestingly – although this is taking things forward a bit – clients also gave two completely separate comments as and when we did have offices in all these countries. They would publicly say “we do not like going to a one-stop shop” while privately doing just that.

The other thing about best friends, if you were a UK firm, was it was largely a one-way ticket: we gave them work, we got nothing back. There was virtually no flow of work that we could identify that came from any of our best friends. One or two of them actually consciously used to use other firms, because they didn’t have the quality of work or wanted to maintain relationships [with them].

James: We risk passing over the question of practising local law, which is very important in the context of the development of the firm. After six months or a year in Paris, it became apparent that we absolutely had to practise French law if we were going to do anything there and particularly make any money. So we started trying to hire a good French lawyer, and failed maybe three or four times before we got Jean-Marc [Lefèvre].

Charles: And Richard Bain.

James: And Richard Bain, who was dual-qualified.

Anthony: Did we approve the move into French law?

James: No, I don’t think so. The way the firm worked is that, if they didn’t approve of what you’re doing, you soon get told to do something else. They knew I was starting to practise French law and nobody came and rapped me over the knuckles, so we got on with it!

Anthony: You did something until someone found out. Look at how we have ended up with the Moscow office. We sent a chap on secondment [Dominic Sanders] and suddenly found he created an office! [laughter]

Charles: You are right, James, about the need to practise local law. When we opened in Frankfurt in the early 1990s, we tried it as an English law-only office, and of course it was a spectacular failure.

Mark: New York was different, because, when I went out and for 20 years, we were just practising English law. We were not competing in US law.

Anthony: I followed you in New York, Mark. I thought it was a huge advantage to me to be in New York early in my career, because the New York law firms were a long way ahead in terms of professionalism.

Charles: I agree. I thought the US law firms practised to a much higher standard than we did. We learnt from them. I think partly going into US law, partly the increased competitive environment and generally just the way we changed meant that we then practised to a higher standard than the US law firms.

David: Not just the practice. When I first became a partner, the American firms used technology much more efficiently than the UK firms, but then in the 1980s firms such as ours started to spend money on technology. By the middle of the 1990s, it totally switched and we made better use of technology than they did. Even though NeXT, the system we introduced in the 1990s, was not one of our great successes!



Robert: We probably invest more in knowledge and learning than they do.

David: Much, much more. The US law firms used to have better precedents, and there again there has been a switch. When I first started, I don't think we had any precedents, so it used to be an interesting exercise when you were trying to do a transaction.

Charles: It certainly used to be the case that the US firms would not provide free knowhow for clients, whereas we at Linklaters and the English firms do a huge amount of that.

Mark: Just coming back to the question about the practice, I spent the last six months of my time with the firm looking at the question of whether we should practise US law. I started firmly with the idea that we shouldn't. Then, after talking to various people, I came to the conclusion that we should, in order to complete our international finance practice.

Robert: We then hired Steve Thierbach and Ed Fleischman in 1994.

Charles: In my view, one of the absolutely key developments in the firm's internationalisation was the establishment of the international finance section in the early 1980s. By virtue of having a dedicated international finance section, which had some of the best, most outgoing people of that level in the firm, we moved sharply ahead of the competition. It was probably that development that moved us ahead of Slaughter and May.

Anthony: It forced us to be more international and generated a lot of growth as well.

Charles: The two most effective people in the group – although it did not become a group until 1981 – were David Barnard and Jim Watkins. They produced the precedents, were standardising what they did, were focusing on banks and hugely growing the practice.

David: More specifically, it was really a capital markets practice. I subsequently spoke to Slaughters on the subject, who told me they consciously decided to shrink the business because capital markets was a less profitable line of business. They pulled out from representing the banks.

One of the weaknesses of the section, from our point of view, which was subsequently cured, was that we didn't have a strong banking section.

Another issue was whether we stretched ourselves too thin. Because some of our most talented lawyers went into the international finance section, that may have had an impact on the pulse of our business in terms of not having some of our best lawyers remain on the company side.

Robert: So, the firm became comfortable with practising law other than English law in certain core jurisdictions, but then we went further in our internationalisation by contemplating mergers. Charles, would you like to kick that one off?



Charles: In the early 1990s, there was a major debate about the difference between practising local, international law – in other words, local law to support international transactions – and practising local, local law. Offering local, local law was what drove us into the [European] Alliance and the mergers.

Examples occurred where we found that we were at a disadvantage when compared particularly with Clifford Chance and Freshfields for corporate deals. We had a decent EU practice, but that was it.

The issue was how were we going to expand in Europe. Tony Angel wrote a paper, in 1996, suggesting that we should move into Europe and that was followed by a paper written by Guy Brannan, who recommended a possible link with the Alliance of European Lawyers. I think we were all agreed that the firm was not configured to permit a grow-your-own strategy, added to which the mindset of the individual partners was very conservative. We didn't have partners who said, "Give me the opportunity and I will go." The opportunity [of the Alliance] was presented to us, and we decided we would pursue that opportunity.

James: During Mark's and my time, the Alliance firms were "tacking to cover", by which I mean they were happy with their authority over Europe from very good offices. But, when they could see Freshfields and Clifford Chance becoming serious competitors, they had to do more than tack to cover, they had to get into somebody else's boat.

Anthony: The big prize, which we didn't think we had any chance of doing on our own, was Germany.

Charles: The Alliance was an immensely time-consuming business, first to negotiate the Alliance and then the negotiations with the individual firms. But that whole process changed the mindset of the firm. One of the most dramatic changes of mindset was that of Jean-Marc Lefèvre, who had been very opposed but then came around to the idea. He then produced this top-notch team from Gide.

Anthony: That is not how it happened. Jeantet were part of the Alliance, a firm which Jean-Marc didn't like or want. We managed skilfully to persuade them that they didn't want to join [Linklaters & Alliance], but then there was great pressure from the other firms to beef up the Paris office and to be more domestically focused. I remember you, Charles, telling me I should see this chap, Thierry Vassogne, but it [was] obviously no use...

Charles: Did I say that?

Anthony: I came back and said that I think he is going to do the trick. [laughter]

Mark: This is wonderful, because I am learning so much about what happened after I left! How did you handle the successive stages that led from a link with the Alliance to merger?

Robert: The name [Linklaters & Alliance] was awful.

Charles: Yes, but the great thing about that awful name was that we knew it would change. We were going to export the UK way of doing things into these continental firms, and they were going to change their practice.

Anthony: The original agreement with the Alliance did say that it was with a view to merger. We had a committee with two people from each firm. The original idea was that we would have a grand coming together. But this was never going to work, so we started negotiating bilaterally, starting with the Germans. The brilliant step was to involve Bain, who appointed a partner for each firm, and got everyone thinking strategically.

David: Our strategy [of going with the Alliance] was the right one, albeit our implementation may not have been perfect.

Robert: Anthony, you became senior partner around the time the mergers were completed. What impact did that have on the senior partner role?

Anthony: It meant a huge amount of time trying to make people feel involved, important, joined in. A lot of work had to be done, not necessarily by me, in trying to make people see the benefits for us all through joint clients, joint work, joint marketing. It was crucial that everyone in the firm, and certainly the clients, could see advantages through getting a good consistent service.

Charles: Also, the firm's present committee structure was adopted in your time. That must have changed things?



Anthony: Part of making everyone feel part of [the change] was that we needed to change the structures. We created the International Board and ExCom. All the different offices were represented on the International Board. It was a change that was overdue. We separated out management and governance in a good way.

We also spent a lot of time on the brand, which was an attempt to consult with everyone to try to establish the values of the new firm. Actually, they were all quite similar in all the firms. We had them written down, to try to re-emphasise that culture. And I think that was an important thing to have done.

Robert: I remember being a bit of a sceptic about writing down those values until I saw them on the kitchen in our new Beijing office in both Chinese and English. It illustrated the point why we had to be expressive about what we are about.

Anthony: That was also done in other offices. A lot of people were helped by the feeling that there were global values.

So that took up a huge amount of my time, especially when the economic climate deteriorated. Everyone says that you have a high after a merger and then about a year later it goes down to the bottom. Well, that happened just as the financial situation was getting worse and worse.

Robert: We have looked at the past so far. I could never have imagined 20 years ago where we would be now. Can we now look at where we go from here? David, as the most recent incumbent, would you like to start off?

David: You're absolutely right. I could never have predicted where the market has gone, let alone where Linklaters has gone.

We have largely covered the world outside the United States. The real difficulty for any law firm is whether it will do a successful UK/US merger. Otherwise, we will just have to wait very patiently for another 50 years as the US economy slowly declines and ceases to be relevant, and then Linklaters will reign supreme!

Robert: We are taking a good look at our relationships with international US corporates. I was seeing GE only last week in Stanford. GE now does 60 per cent of its business outside the United States. So we're looking at how we fit the firm's services to US international corporates in a much more thorough way than perhaps we have done.

When we recast our strategy this year, part of that was deciding which jurisdictions are core, where we will be physically present. So, we are currently looking to open in Korea, where the local rules are permitting international law firms to open. Then, we had a look at "secondary" jurisdictions, and others where we may decide to be physically present or to establish alliances. Australia came in as a secondary jurisdiction and we have entered into an alliance with Allens.

Mark: Where do we stand on China?

Robert: We have offices in Beijing and Shanghai, as well as Hong Kong. We have elected three Chinese partners this year. One of the key partner elections this year was a mainlander, Judy Ng Shortell, a PRC national, and she will help us to form close relationships with Chinese corporates, whether they're state-owned enterprises or in the private sector. We have seen a change of work. Before it was foreign direct investment, now it is Chinese outbound work.

.....

“The Euro is the migraine that dominates everything at the moment, and is overhanging world trade in general.”

.....



Our strategic approach is to understand all the growth markets, not just Asia, but Latin America, Africa as well, and their relationships with the mature markets. If you get into the detail of our strategy, it's understanding all those flows and client relationships that make up that.

Charles: The most important key to China is, in my view, Beijing. It used to be Shanghai, but it is now Beijing and that is because that is where the government is and that is where the head offices of the big companies are. The investment banks are also moving there.

The second point is that, when China becomes the most economically powerful country in the world, Chinese law is going to become an important international law – even if that appears unthinkable at the moment.

China is the biggest challenge for the firm in future.

Mark: What about the Euro?

Robert: The Euro is the migraine that dominates everything at the moment, and is overhanging world trade in general. At the same time, you've got a financial system that is being restructured and reformed with changes to Basel, which will run through to 2017, 2018. So the whole of the financial sector is going to look different.

I think this presents the firm with a huge opportunity. We are now used to working with the Eurozone migraine, as I have described it. I tell my partners that we are going to play a leading role in the reshaping of the banking system, and the rebalancing of trade.

Charles: My impression is that the firm has got its approach to the banks in thoroughly good order.

Robert: I'd like to thank you all hugely for taking part in this discussion. This is genuinely a unique event, for us as individuals and unique in the history of the firm. Any closing remarks from any of you?

Anthony: Keep up the culture.

Mark: I agree. It has been fascinating that the firm has maintained its culture/ethos over the past 60 years and more to continue as an absolutely top-rank firm, and that is due largely to you guys around the table.

David: I agree. In the 40-odd years I have been with the firm, the firm has changed dramatically, but actually, in terms of the way people behave, the way people talk to each other and operate, it remains remarkably similar.

James (looking at Robert): I think we've got the right man. [laughter] ●



Adrian Heath, Study Pienza 2 1986, oil on board, 32x20cm

APPENDIX: THE ART OF LINKLATERS

The paintings in this book are a small sample of the works of art owned by Linklaters. Over the past quarter-century, the collection has grown to become one of the most interesting and individual not just among law firms but of any business. The art is intended to reflect the key attributes of the firm: understated quality, technical excellence, innovation and diversity. We have acquired art works, not because of an artist's reputation, but because of the quality of the individual piece and the contribution it makes. We have thus built up a group of artworks designed to stimulate and enhance the working lives of those who work in and visit our buildings.

The original rationale for acquiring the art was pragmatic. The property partner, Robert Finch, tasked with overseeing the refurbishment of the firm's then offices in Barrington House, discovered that it was noticeably cheaper to paint walls, instead of wallpapering them. Rather than simply save the difference, he proposed, with others, including William Grant, Nigel Reid and Patrick Plant, that the firm start an art collection. The art would elevate the aesthetic surroundings, creating a culturally stimulating and creative environment for those working in and visiting our offices.

It was clear from the outset what type of art the firm would collect. Linklaters is a modern, forward-thinking law firm; the art would all be contemporary. Other ground rules were established. All paintings or works of art would be displayed in common spaces, and not in partners' rooms or individual offices.

Linklaters' art collection now consists of over a thousand paintings, prints, sculptures and drawings, hung throughout its Silk Street offices in London. There are works by world-renowned artists alongside young art graduates. Among the range of artists hung on our walls, there is a representation of modern British works from artists such as Barbara Hepworth, Terry Frost and Patrick Heron; from the artists that came in their wake, such as Patrick Caulfield

and John McLean, and from contemporary artists at a range of stages within their careers. Non-British artists are also represented, such as Charles Christopher Hill, an American minimalist painter, and FD Schlemme, a German contemporary artist.

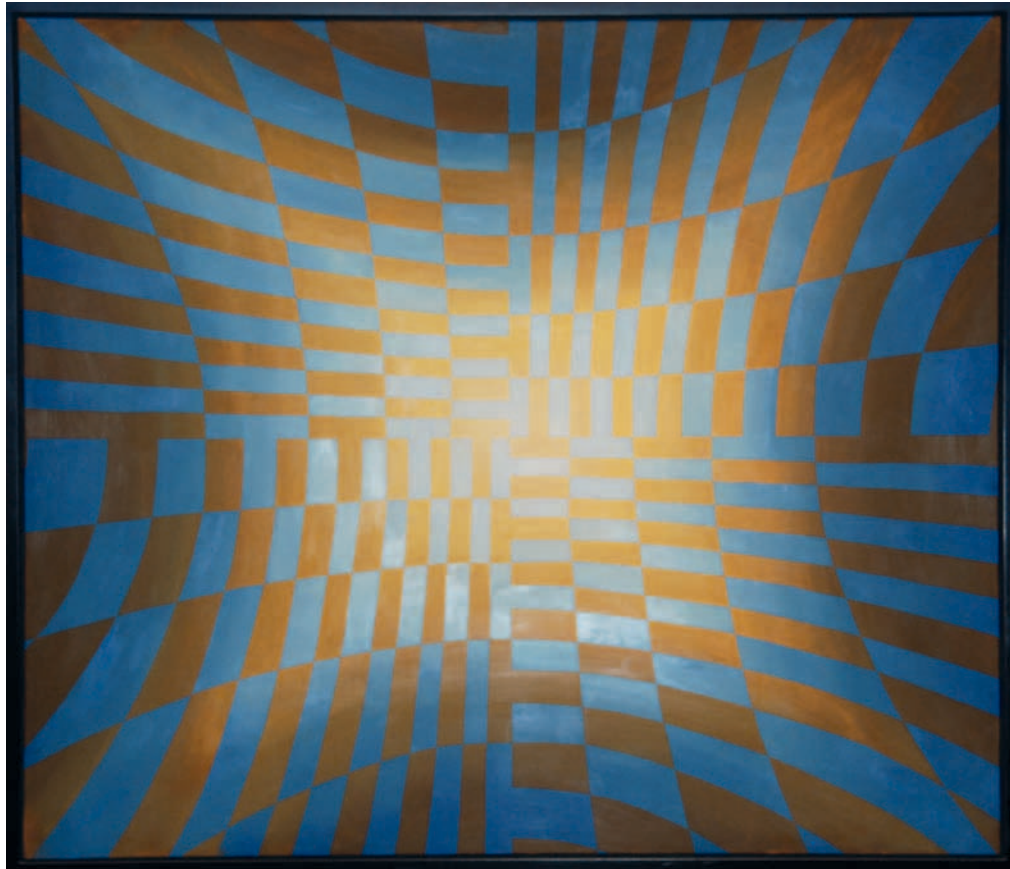
In some areas around the building we have commissioned works specifically for that space. A large painting by Carl Laubin in the main foyer depicts an imaginary view of the city, as though through the eyes of Linklaters and featuring institutions and companies which have a link or relevance to the firm. Sculptures by Anthony Burke are placed on each floor of the Shire Building at Silk Street. A glass bubble within each sculpture represents the position of the floor within the building.

The key works of the collection are hung in the meeting rooms across the 1st and 2nd floors. Paintings by young artists such as Eric Butcher and Mark Pearson hang alongside more established artists such as Adrian Heath and Sandra Blow. A visitor may pass a painting by Lawrence Gowing, whose other works hang in the Tate, or sit in a meeting room featuring an emerging artist whose work was bought at his or her degree show.

Each piece of art is picked because of its technical excellence, compatibility with the rest of the collection, and the individual contribution it is perceived to make. The quality of the piece is more important than the artist's reputation. We work with art schools, galleries and individual artists, as well as choosing celebrated pieces of art from the best known artists. The result is an eclectic range of work which demonstrates the variety and diversity of attitudes and approaches evident within the firm.

We continually assess the collection and monitor trends in new art to make sure our artworks represent a cross-section of ideas to stimulate the people who see them every day.

Catherine Shearn
Art Collection Curator, Linklaters



Lawrence Gowling, Parabolic Perspective 1964, Oil on board, 142x122cm

PARTNERS ON 1 JANUARY 2013

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