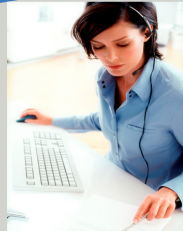


UNICITA

CONSULTING PVT. LTD.



Latest News:

U.S lawyers are moving to India

August 6, 2010

Indian lawyers hired to review and edit legal drafts of U.S attorneys

July 26, 2010

AIG pays \$725 million to settle class action

July 21, 2010

This issue

Legal Outsourcing on the rise **P.1**

Outsourcing to India draws Western Lawyers **P.2**

Latest News **P.4**

Quote of the month **P.4**

Legal outsourcing on the rise

It has become a way of life for most law firms to outsource the back end office work to legal companies in India, better known as legal outsourcing companies or LPOs. The trend however is changing with more and more firms choosing to use Indian attorneys trained in U.S law for highly skilled legal work. In the recent Ali G case, SmithDehn LLP, Channel 4's counsel hired the services of one legal outsourcing company in India to assist in the preparation of the defense and subsequent appeal.

Channel 4's Prash Naik stated: "U.S. court actions are extremely costly to run and even where a defendant wins, little if any of their costs are recoverable from the plaintiff. As so often happens in cases like this, the 'chilling effect' of the threat of substantial damages and significant legal costs, forces defendants to settle with plaintiffs who have no justifiable claim. However, combining the skills and expertise of US attorneys with US-law-trained Indian attorneys has proved to be an innovative and cost-effective way for Channel 4 to fight and win the suit."

The outsourcing company commented, "this is a case where outsourcing created more work in the US, rather than less. Because our team made the defense affordable, US lawyers were able to do the things in the US that they do best there, such as strategizing, supervising, editing, and appearing in court. The implications of this case are huge. With legal outsourcing, baseless lawsuits can be defeated on their merits, instead of settled simply out of fear of legal fees."

According to Ron Friedmann, "law firms have long outsourced many functions, from the mail room to travel services. In the past, outsourcing was restricted to what almost everyone would agree are "back office" tasks. Today, however, some firms outsource functions closer to the "front office," that is, what lawyers do, for example, legal research, drafting contracts, or document review by contract lawyers."

With the changing times and globalization, firms already not on the bandwagon need to get a move on and realize that legal outsourcing is more than just extra help when you need it, it is a way of life integrated into the work culture of the most successful law firms in the United States and its here to stay.

Outsourcing to India Draws Western Lawyers

Compiled from New York Times

Published: August 4, 2010

NOIDA, India — As an assistant attorney general for New York State, Christopher Wheeler used to spend most of his time arguing in courtrooms in New York City.

Today, he works in a sprawling, unfinished planned suburb of New Delhi, where office buildings are sprouting from empty lots and dirt roads are fringed with fresh juice stalls and construction rubble. India's legal outsourcing industry has grown in recent years from an experimental endeavor to a small but mainstream part of the global business of law. Cash-conscious Wall Street banks, mining giants, insurance firms and industrial conglomerates are hiring lawyers in India for document review, due diligence, contract management and more.

Now, to win new clients and take on more sophisticated work, legal outsourcing firms in India are actively recruiting experienced lawyers from the West. And American and British lawyers — who might once have turned up their noses at the idea of moving to India, or harbored an outright hostility to outsourcing legal work in principle — are re-evaluating the sector.

The number of legal outsourcing companies in India has mushroomed to more than 140 at the end of 2009, from 40 in 2005, according to Valuenotes, a consulting firm in Pune, India. Revenue at India's legal outsourcing firms is expected to grow to \$440 million this year, up 38 percent from 2008, and should surpass \$1 billion by 2014, Valuenotes estimates.

“This is not a blip, this is a big historical movement,” said David B. Wilkins, director of Harvard Law School's program on the legal profession. “There is an increasing pressure by clients to reduce costs and increase efficiency,” he added, and with companies already familiar with outsourcing tasks like information technology work to India, legal services is a natural next step.

So far, the number of Western lawyers moving to outsourcing companies could be called more of a trickle than a flood. But that may change, as more business flows out of traditional law firms and into India. Compensation for top managers at legal outsourcing firms is competitive with salaries at midsize law firms outside of major metropolitan areas of the United States, executives in the industry say. Living costs are much lower in India, and often, there is the added allure of stock in the outsourcing company.

Outsourcing remains a highly contentious issue in the West, particularly as law firms have been trimming their staffs and curtailing hiring plans. But Western lawyers who have joined outsourcing firms are unapologetic about the shift to India.

Many legal outsourcing firms have offices around the world to interact with clients, but keep the majority of their employees in India; some also have a stable of lawyers in the Philippines. Thanks to India's low wages and costs and a big pool of young, English-speaking lawyers, outsourcing firms charge from one-tenth to one-third what a Western law firm bills an hour.

Employees at legal outsourcing companies in India are not allowed by Indian law to give legal advice to clients in the West, no matter their qualifications. Instead, legal outsourcing companies perform a lot of the functions that a junior lawyer might do in an American law firm. Even global law firms like Clifford Chance, which is based in London, are embracing the concept.

"I think the toothpaste is out of the tube," said Mark Ford, director of the firm's Knowledge Center, an office south of New Delhi with 30 Indian law school graduates who serve Clifford Chance's global offices. Mr. Ford lived in India for six months to set up the center, and now manages it from London. "We as an industry have shown that a lot of basic legal support work can successfully be done offshore very cost-effectively with no quality problems," Mr. Ford said. "Why on earth would clients accept things going back?"

Many corporations agree that outsourcing legal work, in some form or another, is here to stay.

"We will continue to go to big firms for the lawyers they have who are experts in subject matter, world-class thought leaders and the best litigators and regulatory lawyers around the world — and we will pay a lot of money for those lawyers," said Janine Dascenzo, associate general counsel at General Electric. What G.E. does not need, though, is the "army of associates around them," Ms. Dascenzo said. "You don't need a \$500-an-hour associate to do things like document review and basic due diligence," she said.

Western lawyers making the leap to legal outsourcing companies come for a variety of reasons, but nearly universally, they say they stay for the opportunities to build a business and manage people.

"In many respects it is more rewarding than jobs I had in the United States," said Mr. Wheeler, who moved to India when his Indian-born wife took a job here in 2006.

Shelly Dalrymple left her job as a partner at a firm in Tulsa, Okla., in 2007 and is now based in India as the senior vice president of global litigation services at a legal outsourcing company. When she first joined the industry, she said, growth was being driven by corporations that were pushing law firms to outsource to save money. Now, Western law firms themselves are starting to embrace the industry, she said. "We are seeing law firms who are putting a lot of thought into their future coming to us with interesting and creative ideas," she said.

Partners in the West are asking legal outsourcing companies in India to create dedicated teams of lawyers for their firms, for example. Those teams could expand and contract depending on how much business the Western firm has. "That means a law firm with 500 members in Chicago can compete with a 2,000-member firm in New York," Ms. Dalrymple said.

QUOTE OF THE MONTH

Efficiency is doing things right; Effectiveness is doing the right things
- **Peter Drucker**

NEWS CONTINUED

U.S lawyers are moving to India

August 6, 2010

According to an article in forbes.com, Larry Ribstein comments that Indian law firms are hiring American lawyers to work in the legal outsourcing companies. Many such lawyers are excited to make the move as they are offered managerial positions in a country with a lower standard of living. He states, "The days when associates fresh out of law school billed hundreds of dollars an hour to learn their trade have been ended by global competition for legal services". He continues, "Clients once stayed with the same big law firm for generations because they needed the comfort of the brand. Then law firms got greedy and imagined their brand could justify billing out the time of associates in perpetuity. Clients got leaner and more cost-conscious, and their in-house legal departments became much more sophisticated consumers of legal services. Global transportation, communication and computing got cheap enough that legal projects did not have to be done in a single physical space. These developments fueled the demand for legal outsourcing firms."

Indian lawyers hired to review and edit legal drafts of U.S attorneys

July 26, 2010

In an interesting development in the LPO industry, it has come to light that several large U.S law firms are hiring Indian lawyers to check the grammar and edit their legal drafts and contracts. An article in the American Bar Council Journal states that highly-trained LPO (legal process outsourcing) attorneys in India have been assigned the task of correcting grammatical and other mistakes of partners and associates at some of the top 100 law firms in the US. The article continued to state that "Indian LPO companies have taken a lot of heat from US lawyers for siphoning work, but they now may need to steal themselves against editors."

AIG pays \$725 million to settle class action

July 21, 2010

In what is known as the 10th largest securities litigation settlement in U.S history, the American International Group Inc. (AIG) have agreed to settle fraud claims in the amount of \$725 million in a class action investor suit. AIG was accused of \$3.9 billion in fraud, bid-rigging, stock price manipulation and more. This historic settlement is an excellent result for all shareholders harmed by AIG's misconduct," said Ohio Attorney General Richard Cordray, who represented the pension funds. He continued, "Ohio is determined to send a strong message to the marketplace that companies who don't play by the rules will pay a steep price."