

LEVENFELD PEARLSTEIN ATTORNEY RECRUITING

Every day is an opportunity.

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LEVENFELD PEARLSTEIN CONFIDENTIALITY STATEMENT

In connection with your consideration of a possible relationship with Levenfeld Pearlstein, LLC ("LP") we are prepared to make certain information available to you concerning our business, aspects of our financial condition and other information, all of which is proprietary to LP. You agree to treat this information concerning LP confidential in accordance with the provisions of this understanding.

The term "Evaluation Material" shall be deemed to include all notes, analyses, compilations, studies, operational processes or other documents prepared by LP which contain, reflect or are based upon, in whole or in part, the information furnished to you. The term Evaluation Material does not include information which (i) is or becomes generally available to the public other than as a result of a disclosure by you or any other person; or (ii) becomes available to you on a non-confidential basis.

By _____

Date _____

You agree that you shall use the Evaluation Material solely for the purpose of consideration of a relationship with LP and that you agree that, without the prior written consent of LP, you will not disclose the content or copies of the Evaluation Material that has or will be made available to you to any other person. The term "person" as used in this understanding shall be broadly interpreted to include any corporation, partnership, group or individual.

If you decide that you do not wish to proceed with establishing a relationship with LP, you will promptly inform LP of that decision and deliver all Evaluation Material furnished to you to LP or its representatives.

Please confirm your agreement with the foregoing by signing and returning one copy of this understanding.

LEVENFELD PEARLSTEIN ARE WE FOR YOU?

You are interested in joining a firm that has a focus on personal relationships and a commitment to excellence and exceptional client service. People at LP aspire to more from life than merely working in a faceless and impersonal law firm. We seek to provide the best possible service and value to our clients, to develop long lasting relationships with our clients and each other.

Attorneys join LP because they are builders. They want to be part of a firm that allows them to grow, both personally and professionally. They want a firm with a proven track record of success in helping laterals grow. At LP, attorneys can take control of their career, receive meaningful support from their partners and from management and can also have input into the direction of the firm.

We believe that what we do transcends merely earning a good living. A commitment to high achievement is a non-negotiable value at LP. At the same time, how we achieve our goals is as every bit as important as whether we achieve those goals. We do not cut corners, shirk responsibility or treat people badly in the name of short-term benefit.

You can work in a law firm that values people. You can work in a firm that embraces collaboration, a strong work ethic, non-negotiable core values and is devoted to enhancing and enriching the client experience. LP attorneys work hard, play hard and value our lives. We are proud of the fact that we are known as a good place to work. We do not tolerate primadonnas or people who do not share our commitment, no matter what their short-term economic benefit might be to the firm. Who would settle for anything less than that in their law firm? Not LP.



Rob Romanoff, Managing Partner

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LEVENFELD PEARLSTEIN VISION

Our vision is to be the dominant Chicago law firm to discerning businesses and their owners. Our clients appreciate value and the power of collaborative relationships. Our strategic advantage is the LP Way™ – our model for creating an unparalleled client experience at an exceptional value.

LEVENFELD PEARLSTEIN VALUES

- At Levenfeld Pearlstein, we are committed to building relationships with our clients that last a lifetime. Everyone at LP understands our core values. We incorporate those values in how we do business every day.
- There are 4 C's that are the cornerstone of our practice – our Clients, Culture (our identity), Cooperation (willingness to help) and Coordination (working together deliberately). Our clients come first, the firm second and then individuals.
- People are the key to our success. We encourage life-long learning habits and demand individual acceptance of personal responsibility. We understand the need for balance between home and work. No career is worth your life and family, but excellence requires more than a 9 to 5 mentality. We value people who can deliver what is needed and achieve balance in their personal lives.
- Our success today does not guarantee our success tomorrow. We are never content with the status quo. We continually seek improvement with a sense of urgency. We believe in bringing value to our clients, not just in getting a project done. We constantly challenge ourselves to dig deeper to reach for the solutions that may not be obvious.
- At LP, we focus on core values rather than the trend of the moment. We believe that EVERYONE needs to display leadership to shape our collective vision and to uphold our core values.
- At LP, we do not tolerate people who cannot treat others with respect and dignity. We value all contributions. We realize that none of us can do it alone. Individually we are strong but it is only together that we are able to realize our goals.

LEVENFELD PEARLSTEIN WHY CHOOSE US?

- LP has a vision – Our vision is to be the dominant Chicago law firm to discerning businesses and their owners. Our clients appreciate value and the power of collaborative relationships. Our strategic advantage is the LP Way™ – our model for creating an unparalleled client experience at an exceptional value.
- LP has a strong business platform with a proven ability to grow attorneys' business through commitment to personal growth and firm-wide collaboration.
- Our strong track record with lateral partners is not an accident. Our platform for integration of laterals has proven results.
- Attorneys have input in career development and shaping their own destiny. Our partnership is an input-oriented model and not a corporate top-down management system.
- We have a limited amount of conflict issues. Given our commitment to strategic planning at the personal, group and firm level, our business model is aligned and minimizes conflicts.
- High performance is a strong part of our culture. We are committed to continued professional development. We promote stars without a bias towards seniority.
- LP attorneys have an opportunity to be part of a building process. There is no ceiling above rising stars. We have seniority limitations on major management positions in the firm to ensure succession planning across the firm. Leadership positions are based upon ability, not business generation.
- Professional management runs day-to-day operations of the firm. Lawyers have the opportunity to practice law and develop business. We do not require extensive administrative attorney time for the firm to succeed.

LEVENFELD PEARLSTEIN WHY CHOOSE US?

Psychological Needs of Professionals in Law Firms

We have built our systems and our governance model around the needs of professionals in a law firm. Studies have shown that the following needs are at the root of why many of us attended law school:

- High Achievement – Attorneys need acknowledgment of their high levels of achievement: the most money, most hours, best clients, etc.
- Affiliation – Legal professionals want to work in a collaborative working environment with other professionals and engage in work which is challenging and intellectually stimulating. The desire to discuss the resolution of these problems with other legal professionals is a very high need for practicing attorneys.
- Input and Control over Career – Professionals want to have input in the direction of their career path and the direction of their firm even if they are not making the decisions that drive the firm.
- Attorneys can get satisfaction from acknowledgment of their high achievement in mega-firms, but they do not get meaningful input or control over their careers.

LEVENFELD PEARLSTEIN RECRUITING PROCESS

STAGE ONE: Interview Process (2 to 4 weeks)

Meeting with practice group and / or managing partner as applicable

Meeting with others outside practice group as applicable or requested

Offer / Rejection – process subject to diligence requirements

STAGE TWO: Diligence and Consent (2 to 4 weeks)

Diligence, license certification and reference checking

Discussion with Executive Director regarding diligence information (partners only)

Meeting with all partners and partner vote (equity partners only)

STAGE THREE: Transition (1 to 2 weeks)

Meeting with HR or the transition team for marketing, IT support and training issues

Review of arrival schedules and announcement preparation, etc.

On-boarding and training scheduled

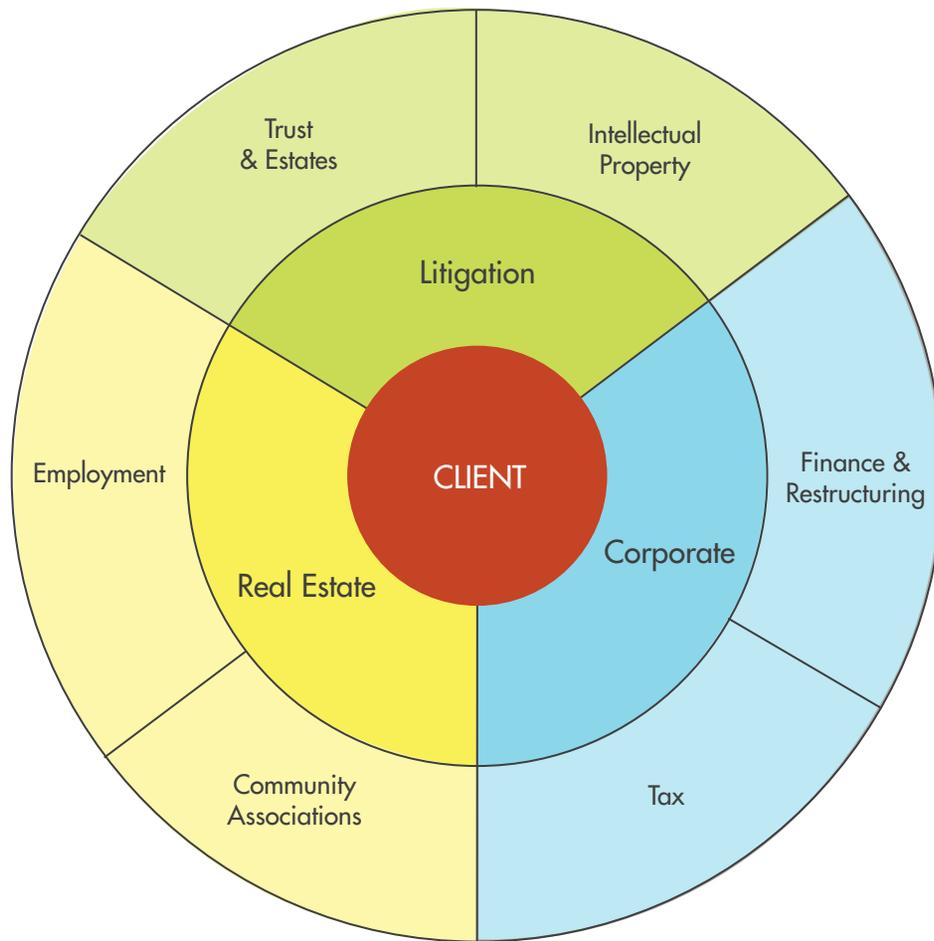
LEVENFELD PEARLSTEIN RECRUITING PROCESS

Variables that extend or hasten the interview process

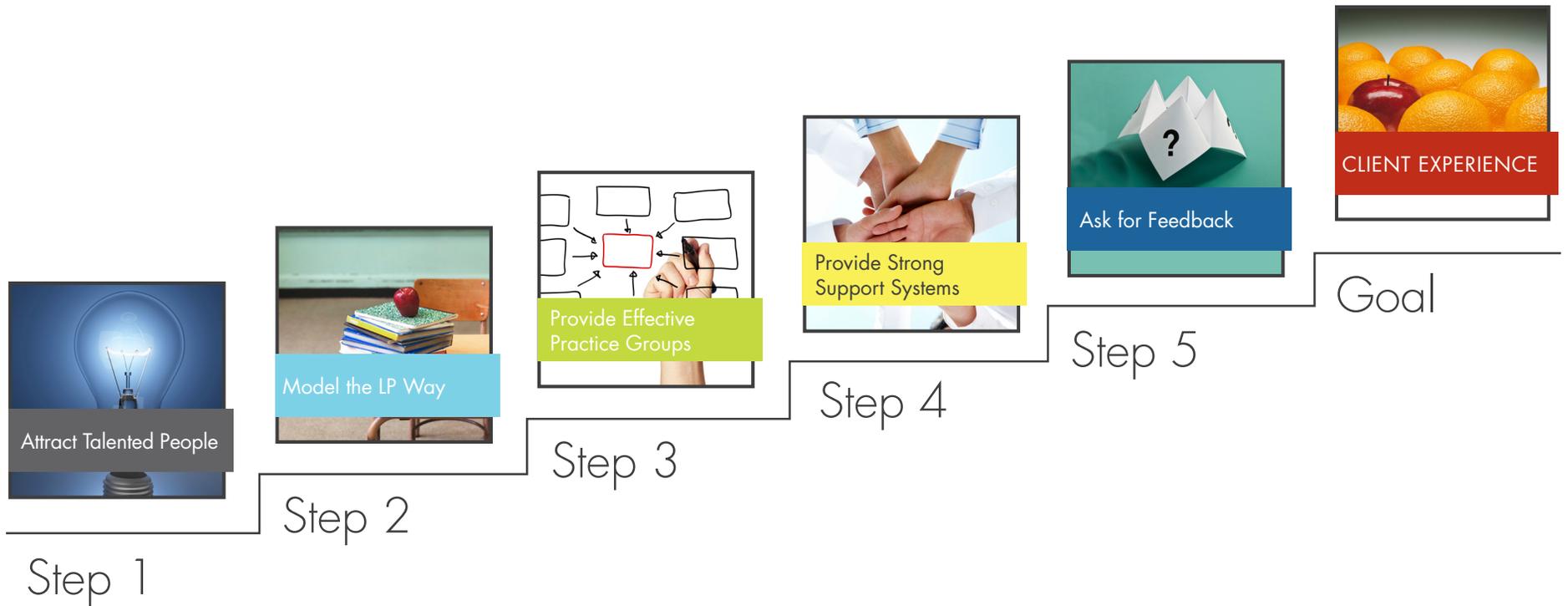
- Scheduling availability
- Compliance with diligence requests
- Scheduling meetings directly rather than through recruiters
- Availability of contact during the work week by cell phone or by personal email account

(Using office phone and office e-mail is not recommended)

LEVENFELD PEARLSTEIN SERVICES



LEVENFELD PEARLSTEIN WAY



LEVENFELD PEARLSTEIN GOVERNANCE

Levenfeld Pearlstein is a limited liability company. We have limited committee decision making and instead focus on client service, excellence and collaboration. Our committee structure is focused on strategic planning, not on management. Task forces are often used instead of standing committees.

OUR COMMITTEES

Executive Committee – The Executive Committee includes the Managing Partner, the Executive Director and three other partners in the firm. The EC is responsible for overall firm strategy and direction of the firm. The EC also approves equity partner compensation, makes committee and leadership appointments and is responsible for the direction of the firm’s Managing Partner. The EC also is responsible for the appointment of task forces when appropriate.

Compensation Committee – The Compensation Committee includes five equity partners and the Executive Director. The Compensation Committee determines equity partner compensation subject to ratification by the Executive Committee. The Compensation Committee also determines associate and income partner compensation.

Promotions Committee – The Promotions Committee oversees the promotion of legal professionals in the firm. The PC has a deliberate process to evaluate candidates and make promotion recommendations to the partnership.

LEVENFELD PEARLSTEIN GOVERNANCE

MANAGEMENT

Managing Partner – Our Managing Partner chairs the Executive Committee and is a member of the Promotions Committee. The Managing Partner also oversees the management and direction of the Executive Director and is responsible for execution of firm plans and strategies.

Executive Director – Our Executive Director is responsible for the day-to-day management of the firm and is in charge of administration, facilities management, accounting, human resources and organizational development, information technology, knowledge management and marketing. We have directors in each of these areas who have advanced degrees including CPAs, MBAs and JDs. The Executive Director is the liaison between the professionals and staff and serves as the firm's business manager.

Practice Group Leaders – The practice group leaders are the key to alignment of personal and group planning and performance. Practice group leaders work closely with the Managing Partner and Executive Director in establishing group plans. Practice group leaders are chosen based upon ability, not the size of a book of business.

LEVENFELD PEARLSTEIN FINANCIAL OVERVIEW

Financial discipline is a core business principle. Personal guarantees are not used to secure firm debt or leases.

We do not borrow money to make distributions to equity partners.

Sustained realizations exceed 95%. Average collection is less than 60 days from the date of billing.

Average Billable Rates

- Paralegals \$190 to \$245
- Associates \$275 to \$375
- Partners \$375 to \$640

Average Billable Hours

(depending on role in the firm and market conditions)

- Paralegals 1400 to 1600
- Associates 1800 to 2000
- Income Partners 1700 to 1900
- Equity Partners 1600 to 1800

LEVENFELD PEARLSTEIN COMPENSATION

Associates

- Compensation for associates is determined by the Compensation Committee, with significant input from Practice Group Leaders and the Managing Partner.
- Annual reviews are used to provide guidance on career development.
- Salary adjustments are made in July of each year and are separate from the attorney review process.
- Bonuses are awarded in January of each year and determined based upon merit.
- At LP, compensation is based upon a subjective analysis. Objective criteria are only some of the factors. Excellence in client service and commitment to professional development, adherence to personal plans and citizenship are essential.

LEVENFELD PEARLSTEIN COMPENSATION

Income and Equity Partners

- Compensation for income partners is determined by the Compensation Committee. Compensation for equity partners is determined by the Compensation Committee and is subject to approval by Executive Committee.
- All partners at LP participate in 360 degree surveys. Survey results are shared among all partners to foster personal growth and ensure behavioral commitment to citizenship.
- The Compensation Committee analyzes each partner's profit contribution to the partnership relative to the firm's expectations. Profitability information is shared with individual partners but is the only financial information which is not shared with all equity partners. Profitability information is used as a management tool to help motivate attorneys to modify their behavior to obtain better results.
- The Compensation Committee reviews financial performance metrics (billing, business, realizations, utilization and collections) and also reviews survey results and attorney personal plan performance. We have a focus on profitability and strategic fit of clients over originations.
- Income partner bonuses are awarded by the Compensation Committee based upon merit and achievement of personal plan objectives.
- Income partner salary adjustments are made in July and are separate from the attorney review process.

LEVENFELD PEARLSTEIN COMPENSATION

Equity Partners

- We are not a lockstep firm. Tier placement for each equity partner is determined prospectively. Tiers are viewed with an emphasis on partner trends, up or down, over two or three year periods. Capital contributions of 26% are required to be maintained as a percentage of expected earnings at all times.
- Net income is projected at the beginning of each year through a deliberate budgetary process involving the management team and the professionals in the firm. The annual budget is aligned with the firm plans, strategy, practice group plans and personal plans of each professional. The Compensation Committee can award a bonus to equity partners who substantially exceed expectations in business, production, management or citizenship. This is usually based upon recommendations from the equity partners. The Compensation Committee can also withhold 5 to 10% of a partner's final draw if there has been substantial non-compliance with a partner's personal plan or significant underperformance. This is also based on the input of a majority of the equity partners. A downward adjustment is infrequently and sparingly applied since the emphasis of compensation is to focus on the strengths of partners rather than weaknesses.
- A draw of 65% of each equity partner's expected net income is paid semi-monthly. Remaining income is distributed as it becomes available and based upon prudent financial management standards.
- We have a commitment to transparency. The Compensation Committee shares information on equity partner compensation with all equity partners. Each equity partner meets with a member of the Compensation Committee to discuss his or her contribution and personal plan compliance.

LEVENFELD PEARLSTEIN PROMOTION

The promotion process at LP is managed by the Promotions Committee. The promotion process includes both formal and informal input from the professionals in the firm, leading to a recommendation by the Promotions Committee to the equity partners.

Associates – Associates advance through established Levels I through IV, based upon input from the partners with the decision made by the practice group leader. Class year is irrelevant.

Associate to Income Partner – Promotion to income partner is based upon the recommendation of the Promotions Committee, subject to equity partner vote. Objective standards have been established and are published, although there is a subjective application of those standards. Associates are typically eligible to be considered to promotion to income partner after eight years of practice.

Income Partner to Equity Partner – The Promotions Committee shadows the practice group leader’s development of younger partners. Objective standards for promotion to equity partnership have been established and are published, although there is a subjective application of those standards. Promotion to equity partner is based upon the recommendation of the Promotions Committee, subject to equity partner vote.

LEVENFELD PEARLSTEIN **HIRING**

Roadblocks in hiring a candidate

- Conflicts – Actual / Potential / Industry
- Lack of alignment of attorney's practice with firm strategy
- Lack of specialization
- Incongruent fit from financial standpoint - rates/collections/write-offs/profitability
- Compensation / Draw / Cash Flow per value of candidate
- Billing credit selfishness
- Client Fit – Lack of sophistication of work
- Culture Fit – Lack of proven interest in collaboration with other lawyers within practice area or across multi-disciplinary lines
- Reluctance to participate in 360° review process

LEVENFELD PEARLSTEIN **HIRING**

Due diligence for Partner recruiting

- A list of clients and origination fee receipts for each of the past three years and summary of current year results.
- A brief summary of candidate's significant business relationships.
- A breakdown of any origination credits that may currently be shared with others.
- A list of clients for whom candidate personally works but does not claim origination credit.
- A report of personal production for each of the last three years that includes billable hours, value, and realization on own time.
- Current billing rate and projected rate for next year.
- An aging report for WIP and AR and a summary of practice and approach in this regard.
- Anticipated resource and leverage requirements necessary to support candidate's practice.
- Special billing arrangements or locked rates that may exist.
- Any claims or potential claims of malpractice or disciplinary action within the last five years.
- Disclosure of any officer position, financial investments in/with clients and any personal or financial affiliation that may give rise to a conflict.
- Current compensation and compensation expectations.

LEVENFELD PEARLSTEIN TRANSITION

Do's and don'ts upon departure from your prior firm

The weeks and days leading to your departure from your current firm are the time when many people will form a permanent memory of your integrity. You will need to be on guard during this time period. Everyone is watching how you behave. This period will leave a lasting impression on your colleagues about your integrity as a human being and as a professional.

LEVENFELD PEARLSTEIN TRANSITION

The Do's

- Give adequate notice, even if your firm indicates that you may leave earlier. You want to remain on your prior firm's short list for referrals when conflicts arise.
- Immediately after you give notice to your firm, notify key people and friends through face-to-face meetings about your departure. Your firm will want to control the communication of your departure. You should respect that but you must talk to your friends or they may feel betrayed.
- Agree to make yourself available for assistance after your departure.
- Collect your client receivables before you leave so that files can be released to LP.
- Organize your files since the records department at your prior firm will review the files before releasing them.
- Leave memos in the file, with status and contact information of key people, if the firm is retaining the file. Make yourself available to meet with the relationship partners on those files to effectuate a smooth transition.
- See your key clients personally very soon after you give notice of resignation.
- Work hard for your firm right up until your last day and maintain your billable hours. It is a question of integrity.
- Take the high road on your departure. Share your positive moments with your former colleagues about the firm.

LEVENFELD PEARLSTEIN TRANSITION

The Don'ts

- Don't disparage your prior firm, its management or its partners. This is unprofessional conduct and reflects badly both on you and your new firm.
- Don't believe that your colleagues will keep secrets about your departure.
- Don't take vacation between the transition of firms until you have first personally communicated your departure to your key clients and have ensured that they will move with you.
- Don't run up firm expenses (like conferences, dinners, etc.) prior to resignation. We would rather work those things out with you.
- Don't write off or write-down bills because you are leaving a firm. It is a question of integrity.
- Don't take prior firm trade secrets without permission, including forms.
- Don't use your internal e-mail to communicate with your friends about your departure. Your firm owns your e-mail.

LEVENFELD PEARLSTEIN **TRANSITION**

Your time in transition will be challenging. You have two jobs: the one you are leaving and the career you are planning at LP. You will need help and you can rely on us to assist you in all aspects of your transition.

After you have accepted our offer, and prior to your arrival at the firm, we will establish a meeting with you and our transition team. Our Director of Administration acts as the transition team leader. Our staff handles most of the responsibilities but they require your input, guidance and assistance.

LEVENFELD PEARLSTEIN TRANSITION

At our transition team meeting we will cover the following areas:

Office Services

- Arranging movers
- Support staff location
- Office location
- Additional furniture, fixtures and equipment
- Firm business cards

Marketing

- Announcements to the media, clients and contacts
- Preparation of marketing biography and collateral material to support your marketing presence

Records

- Letters to clients regarding transfers of files to the firm and assimilation of files into our system.
- Docketing of important dates related to client matters, such as expiration of statutes of limitations.
- Special filing needs.

Technology

- Computer related issues and technological transfers of information including contacts.
- Cell phone, PDA and other software issues.

HR

- Training schedule.
- Support staff hiring (requires interview and cultural approval).

Knowledge Management

- Library issues – special needs beyond Westlaw.
- Software issues related to library applications.
- Intranet – sharing forms generally.

Practice Group Assimilation

LEVENFELD PEARLSTEIN INTEGRATION

Elements of a successful lateral integration

INTRODUCTIONS

You can plan on being busy from your first day at LP. Be prepared to hit the ground running. We will want to introduce you to two critical constituencies. We need to educate and excite members of the firm about what you can do through a systematic internal marketing campaign. We also provide creative methods for communicating and demonstrating your capabilities to our existing clients and to potential new clients. From your first day at LP you will shift from individual to collaborative action.

INTERNAL MARKETING

During your first six months with LP, 60% of your non-billable time should be devoted to an internal marketing campaign. The focus of this effort is on meeting our people and educating them about your personal capabilities as well as practice or industry issues they need to learn about. Internal marketing is also about creating rapport, building trust and forming strong bonds with other attorneys. This is the basis for our collaborative approach.

Your credibility and trust with other attorneys in the firm are your currency.

After the first six months, the amount of time needed for internal bridge building will decrease but it is still important. At that point, 25% of your time should be allotted to building internal relationships. During the second year, approximately 15% of your time should be devoted to solidifying firm relationships and internal marketing.

LEVENFELD PEARLSTEIN INTEGRATION

Lateral integration

The internal marketing campaign centers on four areas: communication about the new vision, education about issues in your field, formation of personal connections and a practice of giving before receiving.

THE NEW VISION

Hiring lateral attorneys always comes out of a new vision. Communicating this vision is a shared responsibility, residing first with management and later with the attorneys.

Our communication does not end with the internal dissemination of why you were hired and your credentials. News about you and the impact to your area of the firm is presented to all of our people, formally through our intranet and practice group structure and informally through your interactions with people in the firm.

The Managing Partner and your practice group chair will help to press the flesh of the attorneys. The excitement and underlying potential offered by your arrival must be conveyed to everyone.

LEVENFELD PEARLSTEIN INTEGRATION

Lateral integration

EDUCATION ABOUT YOUR PRACTICE AREA

Education about your practice area can take place in a variety of ways. Often a lateral attorney is brought in to launch a new industry focus. At other times, an attorney is brought on board to provide needed depth. Everyone needs to appreciate what you bring to LP.

We will all benefit if our people understand what you can offer and if they appreciate the issues in your specific area. Attorneys may have contacts or prospects in your area. These leads may never have been mined prior to your arrival because the expertise was lacking. Once informed, attorneys in the firm can be excellent communication channels for you.

You should have a plan to educate our people about your skills and experience. This is not an invitation to brag but to allow our people to appreciate what you can bring to our clients and prospects. Informal educational programs can be given at practice group meetings, breakfast collaboration sessions and brown bag lunch sessions. In all likelihood, one educational program will be insufficient and multiple internal forums should be scheduled.

It is important that you recognize that the first requirement for success is to get over the feeling that internal marketing is boasting or unnecessary. It is foolish to think that everyone who could be helpful in referring business and making introductions already knows enough to do that effectively. Presenting yourself tactfully is a way of expanding the possibilities for the firm, your practice group and you personally. This is a very positive contribution to the firm.

LEVENFELD PEARLSTEIN INTEGRATION

Lateral integration

PERSONAL CONNECTIONS

The formation of personal connections to others at LP is your single most important task. Without these connections, even the most successful rainmaker will feel unconnected and uncommitted. Without a high degree of trust, existing partners will not extend themselves by making introductions to their networks. This is your responsibility too.

Industrial psychologists tell us that the addition of one new member requires that the entire team regroup and rebound, finding new ways of working and ultimately recreating the group's dynamics and working style. It is important that you respect what those who have come before you have created at LP. Try to recognize human nature. Personal connections are best established through one-on-one contact, and these interactions cannot be left to chance. Just as your internal educational presentations are a mirror image of how you

will address prospective clients, these individual sessions should be approached with the same care and commitment given to courting potential clients. Lunch meetings are an ideal way for you to begin to get to know other attorneys individually.

Meetings with other LP attorneys can serve several functions. They provide an opportunity for otherwise skeptical attorneys to begin to develop confidence in your personal style. They can also help foster friendship between otherwise busy colleagues.

We have informal and formal social events. Look at firm social occasions as an opportunity rather than a burden. This is your opportunity to discover commonalities beyond your business relationships.

LEVENFELD PEARLSTEIN INTEGRATION

Lateral integration

GIVING BEFORE RECEIVING

The last internal component, like so much in relationship building, seems like common sense. You must give before you receive. You should open every door and make every introduction possible before expecting anything in return from your new colleagues.

In every way, you should go out of your way to make the process comfortable and easy for the other attorneys. Like the earlier components, this should be carefully orchestrated and not left to chance.

EXTERNAL MARKETING

External marketing can be viewed as a series of opportunities. Campaigns are designed to establish presence, demonstrate expertise and generate new business. A rollout plan is created around five core components: media relations, mailed messages, advertisements, welcome events and team presentations. When

used in combination, this type of campaign creates a powerful platform for launching the practice and generating new business. We seek to craft a message about you that is consistent and in furtherance of the firm's strategy in the business and legal community. We would like you to plan and attend seminars for clients. We would like you to participate in the preparation of your collateral materials for presentations to clients in writing, in announcements and on our website.

Write up case studies of your significant and unusual cases or deals for publication on our website. Present your published articles and information on your speaking presentations to our Marketing Department for posting on our website or other public media.

Do not be shy about using your new colleagues in your external marketing activities. Everyone here is eager to help you in the transition of clients to LP and in helping you in outreach to prospective clients and referral sources. Our collaborative approach has proven results.

LEVENFELD PEARLSTEIN

We seek to be a different law firm.

A better choice.

A better career.

A better life.

Every day is an opportunity.