

Firms Pledge Nearly \$2 Million for New 'Low Bono' Effort

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Nineteen major law firms have pledged \$1.9 million to help provide affordable legal services to people in the New York City area with modest incomes who make too much to qualify for free legal aid.

The effort, dubbed the Court Square Law Project, marks the second “low bono” project announced this year by firms attempting to address the pressing need for legal services for limited-income clients.

Davis Polk & Wardwell partner Carey Dunne, who sits on Court Square’s executive committee, said the project aims to address a fundamental paradox in the legal profession.

“In some years 50 percent or more of law school graduates are not getting legal jobs. Some are working as baristas,” he said. “At the same time, there’s a huge unmet need for legal services for people of moderate means.”

Each firm is contributing \$100,000 to the project, to be located at the City University of New York School of Law in Long Island City. A partnership between the the New York City Bar Association, CUNY and the firms, Court Square plans to accept clients next year. It will be staffed by 10 recent law school graduates, who will be enrolled in a special CUNY graduate law program and receive a \$44,000 annual stipend. The project is not limited to hiring CUNY alumni. Most, but not all, of these 19 contributing firms are based in New York, while the rest have major Manhattan offices.

In the past, law firms have addressed the so-called justice gap mostly by doing pro bono work and supporting legal aid groups that provide free legal services to the poor. Even with these contributions, legal aid groups face a dire funding crisis, and many are forced to turn away more than half the people who ask for their help for lack of resources. The American Lawyer recently revealed that most major law firms donate no more than one-tenth of 1 percent of their revenue to legal aid providers.

As former president of the New York City Bar, Davis Polk’s Dunne convened The Task Force on New Lawyers in a Changing Profession, and the Court Square Law Project emerged from a recommendation in the task force’s 2013 report. Davis Polk is one of the firms contributing \$100,000.

The law firm fundraising effort was led by task force members Bradley Butwin, chair of O’Melveny & Myers; Eric Friedman, chair of Skadden, Arps, Slate, Meagher & Flom; and Brad Karp, chair of Paul, Weiss, Rifkind, Wharton & Garrison.

In April, DLA Piper and Arent Fox announced that they were working with Georgetown University Law Center to create the DC Affordable Law Firm in Washington, D.C. The D.C. firm will be staffed with six lawyers from this year’s graduating class of Georgetown students, who are receiving a \$40,000 stipend.

Retired DLA Piper partner Sheldon Krantz, who is working for free as the firm’s full-time executive director, said the D.C. lawyers are in the midst of 12 weeks of training, and the firm plans to start taking clients in December. The DC Affordable Law Firm is operating out of nearly 1,200 square feet of space donated by Arent Fox, which is also providing administrative support and training. Roughly a dozen DLA Piper partners and associates will be involved in training and mentoring the new lawyers.

The New York City Bar Association will provide experienced attorneys to serve as mentors to the fellows and instructors of the Court Square Law Project and offer assistance with practice development through various programs. The fellows will be able to take advantage of CUNY’s office space, library resources, and IT and other support.

Both projects plan to charge clients modest rates. Dunne said that the Court Square Law Project is intended to be financially self-supporting, and the law firm contributions are not projected to be needed beyond the first year.

Michelle Anderson, dean of CUNY School of Law and chair of the Court Square Law Project’s executive committee, pointed out that previously her school and others tried to address this market gap with “incubator” projects, where recent graduates would provide legal services to moderate-income clients while learning to create their own small firms. But CUNY’s incubator was hard to sustain, she said, and is no longer operating, largely because of structural and financial challenges.

Anderson said one reason the market has failed to provide low-priced legal services is that law schools don’t teach the necessary skills.

“We don’t teach how to set up small practices and meet the legal needs of the community,” she said. “At CUNY we focus on clinical practices, but even that doesn’t teach the nuts and bolts of how to set up a practice. There is a gap there.”

Davis Polk’s Dunne suggests that more sweeping change may be needed, and points to the profession’s bar on nonlawyers investing in law practices, which hampered firms such as Jacoby & Myers and Hyatt Legal Services from expanding. “One reason that franchise-type models didn’t succeed is that they were unable to access nonlawyer investments,” he said.

Dunne noted that the United Kingdom recently changed its rules to allow outside investments in law firms, and said that leaders in the U.S. bar should consider a similar change. “It’s a subject that’s well worth studying in the U.S.,” he said. “It’s not a trivial issue.”

The founding sponsor law firms are: Cravath, Swaine & Moore; Davis Polk & Wardwell; Debevoise & Plimpton; Fried, Frank, Harris, Shriver & Jacobson; Gibson, Dunn & Crutcher; Kirkland & Ellis; Kramer Levin Naftalis & Frankel; Latham & Watkins; Morgan, Lewis & Bockius; O’Melveny & Myers; Paul, Weiss, Rifkind, Wharton & Garrison; Proskauer Rose; Schulte Roth & Zabel; Shearman & Sterling; Simpson Thacher & Bartlett; Skadden, Arps, Slate, Meagher & Flom; Wachtell, Lipton, Rosen & Katz; Weil, Gotshal & Manges; and Winston & Strawn.