

Number of Firms Surveyed — 708
Number Responding Firms — 85
Percentage Rate of Response — 12%

1. Provide your accounts receivable aging as of the end of September 2007 and 2008. (Columns must add up to 100%.)

Year — 2007	Average	Median
Percentage under 90 days		
Overall	60.5	62.0
<i>Size of Law Firm</i>		
50 to 99	56.3	56.5
100 to 249	60.6	61.5
250+	66.3	66.0
<i>Legal Market</i>		
Major Legal Markets - Chicago, NY, DC, Los Angeles and San Francisco	71.1	69.0
Other Markets	57.8	59.0
Percentage 91 to 180 days		
Overall	16.4	14.0
<i>Size of Law Firm</i>		
50 to 99	14.7	12.5
100 to 249	18.3	15.5
250+	14.7	14.0
<i>Legal Market</i>		
Major Legal Markets - Chicago, Chicago, NY, DC, Los Angeles and San Francisco	11.9	12.5
Other Markets	17.6	14.0
Percentage over 180 days		
Overall	23.7	21.0
<i>Size of Law Firm</i>		
50 to 99	29.1	27.5
100 to 249	22.3	20.5
250+	19.0	19.0
<i>Legal Market</i>		
Major Legal Markets - Chicago, Chicago, NY, DC, Los Angeles and San Francisco	16.9	16.5
Other Markets	25.4	25.0

Year — 2008	Average	Median
Percentage under 90 days-2008		
Overall	60.2	61.0
<i>Size of Law Firm</i>		
50 to 99	56.5	57.0
100 to 249	61.1	61.0
250+	63.4	63.0
<i>Legal Market</i>		
Major Legal Markets - Chicago, Chicago, NY, DC, Los Angeles and San Francisco	66.9	65.0
Other Markets	58.5	58.0
Percentage 91 to 180 days-2008		
Overall	16.4	15.0
<i>Size of Law Firm</i>		
50 to 99	13.2	13.0
100 to 249	18.8	15.0
250+	15.6	15.0
<i>Legal Market</i>		
Major Legal Markets - Chicago, Chicago, NY, DC, Los Angeles and San Francisco	14.0	14.5
Other Markets	17.0	15.0
Percentage over 180 days-2008		
Overall	24.0	22.0
<i>Size of Law Firm</i>		
50 to 99	30.3	29.5
100 to 249	21.2	19.0
250+	21.1	22.0
<i>Legal Market</i>		
Major Legal Markets - Chicago, NY, DC, Los Angeles and San Francisco	19.1	21.0
Other Markets	25.2	24.0

2. Compare your accounts receivable as a percent of annualized nine months revenue as of the end of September 2007 and 2008.

	Average	Median
AR as a % of Annualized Revenue-2007		
Overall	25.0	24.0
<i>Size of Law Firm</i>		
50 to 99	24.8	22.5
100 to 249	24.0	23.4
250+	27.4	24.0
<i>Legal Market</i>		
Major Legal Markets - Chicago, NY, DC, Los Angeles and San Francisco	25.1	24.0
Other Markets	25.0	24.0
AR as a % of Annualized Revenue-2008		
Overall	25.8	24.0
<i>Size of Law Firm</i>		
50 to 99	25.3	22.5
100 to 249	24.4	22.5
250+	29.4	25.0
<i>Legal Market</i>		
Major Legal Markets - Chicago, NY, DC, Los Angeles and San Francisco	25.5	25.0
Other Markets	25.9	23.0

3. How have the terms on your bank credit facilities changed between September 2007 and September 2008?

	New	Increased	Same	Decreased	Not required	Totals
Collateral requirements						
Overall	1.2%; 1	2.4%; 2	64.7%; 55	2.4%; 2	29.4%; 25	100.0%; 85
<i>Size of Law Firm</i>						
50 to 99	4.0%; 1	0.0%; 0	64.0%; 16	4.0%; 1	28.0%; 7	100.0%; 25
100 to 249	0.0%; 0	2.5%; 1	57.5%; 23	2.5%; 1	37.5%; 15	100.0%; 40
250+	0.0%; 0	5.0%; 1	80.0%; 16	0.0%; 0	15.0%; 3	100.0%; 20
<i>Legal Market</i>						
Major Legal Markets - Chicago, NY, DC, Los Angeles and San Francisco	0.0%; 0	6.3%; 1	68.8%; 11	6.3%; 1	18.8%; 3	100.0%; 16
Other Markets	1.4%; 1	1.4%; 1	63.8%; 44	1.4%; 1	31.9%; 22	100.0%; 69
Personal guarantees						
Overall	1.2%; 1	2.4%; 2	27.1%; 23	1.2%; 1	68.2%; 58	100.0%; 85
<i>Size of Law Firm</i>						
50 to 99	0.0%; 0	4.0%; 1	12.0%; 3	0.0%; 0	84.0%; 21	100.0%; 25
100 to 249	0.0%; 0	0.0%; 0	27.5%; 11	2.5%; 1	70.0%; 28	100.0%; 40
250+	5.0%; 1	5.0%; 1	45.0%; 9	0.0%; 0	45.0%; 9	100.0%; 20
<i>Legal Market</i>						
Major Legal Markets - Chicago, NY, DC, Los Angeles and San Francisco	6.3%; 1	12.5%; 2	18.8%; 3	6.3%; 1	56.3%; 9	100.0%; 16
Other Markets	0.0%; 0	0.0%; 0	29.0%; 20	0.0%; 0	71.0%; 49	100.0%; 69
Interest rates						
Overall	0.0%; 0	10.6%; 9	42.4%; 36	40.0%; 34	7.1%; 6	100.0%; 85
<i>Size of Law Firm</i>						
50 to 99	0.0%; 0	4.0%; 1	40.0%; 10	44.0%; 11	12.0%; 3	100.0%; 25
100 to 249	0.0%; 0	7.5%; 3	42.5%; 17	42.5%; 17	7.5%; 3	100.0%; 40
250+	0.0%; 0	25.0%; 5	45.0%; 9	30.0%; 6	0.0%; 0	100.0%; 20
<i>Legal Market</i>						
Major Legal Markets - Chicago, NY, DC, Los Angeles and San Francisco	0.0%; 0	6.3%; 1	50.0%; 8	37.5%; 6	6.3%; 1	100.0%; 16
Other Markets	0.0%; 0	11.6%; 8	40.6%; 28	40.6%; 28	7.2%; 5	100.0%; 69

	New	Increased	Same	Decreased	Not required	Totals
Availability of adequate line						
Overall	0.0%; 0	11.8%; 10	78.8%; 67	1.2%; 1	8.2%; 7	100.0%; 85
Size of Law Firm						
50 to 99	0.0%; 0	16.0%; 4	68.0%; 17	0.0%; 0	16.0%; 4	100.0%; 25
100 to 249	0.0%; 0	5.0%; 2	87.5%; 35	0.0%; 0	7.5%; 3	100.0%; 40
250+	0.0%; 0	20.0%; 4	75.0%; 15	5.0%; 1	0.0%; 0	100.0%; 20
Legal Market						
Major Legal Markets - Chicago, NY, DC, Los Angeles and San Francisco	0.0%; 0	31.3%; 5	56.3%; 9	6.3%; 1	6.3%; 1	100.0%; 16
Other Markets	0.0%; 0	7.2%; 5	84.1%; 58	0.0%; 0	8.7%; 6	100.0%; 69

4. Has your lead bank been acquired in 2008?

Lead bank acquired	Yes	No	Totals
Overall	10.6%; 9	89.4%; 76	100.0%; 85
Size of Law Firm			
50 to 99	12.0%; 3	88.0%; 22	100.0%; 25
100 to 249	10.0%; 4	90.0%; 36	100.0%; 40
250+	10.0%; 2	90.0%; 18	100.0%; 20
Legal Market			
Major Legal Markets - Chicago, NY, DC, Los Angeles and San Francisco	31.3%; 5	68.8%; 11	100.0%; 16
Other Markets	5.8%; 4	94.2%; 65	100.0%; 69

5. Indicate any banking initiatives you are using to work through the credit and recessionary challenges.

	Have implemented	Considering implementing	No change	Totals
Changed lead bank				
Overall	5.9%; 5	7.1%; 6	87.1%; 74	100.0%; 85
Size of Law Firm				
50 to 99	4.0%; 1	12.0%; 3	84.0%; 21	100.0%; 25
100 to 249	5.0%; 2	5.0%; 2	90.0%; 36	100.0%; 40
250+	10.0%; 2	5.0%; 1	85.0%; 17	100.0%; 20
Legal Market				
Major Legal Markets - Chicago, NY, DC, Los Angeles and San Francisco	12.5%; 2	18.8%; 3	68.8%; 11	100.0%; 16
Other Markets	4.3%; 3	4.3%; 3	91.3%; 63	100.0%; 69

	Have implemented	Considering implementing	No change	Totals
Changed 2nd bank				
Overall	8.3%; 7	1.2%; 1	90.5%; 76	100.0%; 84
<i>Size of Law Firm</i>				
50 to 99	12.5%; 3	0.0%; 0	87.5%; 21	100.0%; 24
100 to 249	7.5%; 3	2.5%; 1	90.0%; 36	100.0%; 40
250+	5.0%; 1	0.0%; 0	95.0%; 19	100.0%; 20
<i>Legal Market</i>				
Major Legal Markets - Chicago, NY, DC, Los Angeles and San Francisco	6.3%; 1	0.0%; 0	93.8%; 15	100.0%; 16
Other Markets	8.8%; 6	1.5%; 1	89.7%; 61	100.0%; 68
Added banking relationships				
Overall	18.8%; 16	12.9%; 11	68.2%; 58	100.0%; 85
<i>Size of Law Firm</i>				
50 to 99	12.0%; 3	24.0%; 6	64.0%; 16	100.0%; 25
100 to 249	27.5%; 11	7.5%; 3	65.0%; 26	100.0%; 40
250+	10.0%; 2	10.0%; 2	80.0%; 16	100.0%; 20
<i>Legal Market</i>				
Major Legal Markets - Chicago, NY, DC, Los Angeles and San Francisco	6.3%; 1	6.3%; 1	87.5%; 14	100.0%; 16
Other Markets	21.7%; 15	14.5%; 10	63.8%; 44	100.0%; 69
Allocated cash balances among more banks				
Overall	27.4%; 23	16.7%; 14	56.0%; 47	100.0%; 84
<i>Size of Law Firm</i>				
50 to 99	20.8%; 5	12.5%; 3	66.7%; 16	100.0%; 24
100 to 249	35.0%; 14	20.0%; 8	45.0%; 18	100.0%; 40
250+	20.0%; 4	15.0%; 3	65.0%; 13	100.0%; 20
<i>Legal Market</i>				
Major Legal Markets - Chicago, NY, DC, Los Angeles and San Francisco	25.0%; 4	12.5%; 2	62.5%; 10	100.0%; 16
Other Markets	27.9%; 19	17.6%; 12	54.4%; 37	100.0%; 68
Manage cash in excess of FDIC insurance limits				
Overall	28.6%; 24	17.9%; 15	53.6%; 45	100.0%; 84
<i>Size of Law Firm</i>				
50 to 99	33.3%; 8	12.5%; 3	54.2%; 13	100.0%; 24
100 to 249	35.0%; 14	15.0%; 6	50.0%; 20	100.0%; 40
250+	10.0%; 2	30.0%; 6	60.0%; 12	100.0%; 20
<i>Legal Market</i>				
Major Legal Markets - Chicago, NY, DC, Los Angeles and San Francisco	18.8%; 3	31.3%; 5	50.0%; 8	100.0%; 16

	Have implemented	Considering implementing	No change	Totals
Other Markets	30.9%; 21	14.7%; 10	54.4%; 37	100.0%; 68
Draw down of credit lines to ensure availability				
Overall	1.2%; 1	4.8%; 4	94.0%; 78	100.0%; 83
<i>Size of Law Firm</i>				
50 to 99	4.2%; 1	0.0%; 0	95.8%; 23	100.0%; 24
100 to 249	0.0%; 0	5.1%; 2	94.9%; 37	100.0%; 39
250+	0.0%; 0	10.0%; 2	90.0%; 18	100.0%; 20
<i>Legal Market</i>				
Major Legal Markets - Chicago, NY, DC, Los Angeles and San Francisco	0.0%; 0	6.3%; 1	93.8%; 15	100.0%; 16
Other Markets	1.5%; 1	4.5%; 3	94.0%; 63	100.0%; 67

6. Indicate the internal management techniques you have implemented or may implement in response to recessionary environment.

	Have implemented	Considering implementing	No Response	Totals
Increased partner capital				
Overall	8.2%; 7	29.4%; 25	62.4%; 53	100.0%; 85
<i>Size of Law Firm</i>				
50 to 99	8.0%; 2	32.0%; 8	60.0%; 15	100.0%; 25
100 to 249	2.5%; 1	25.0%; 10	72.5%; 29	100.0%; 40
250+	20.0%; 4	35.0%; 7	45.0%; 9	100.0%; 20
<i>Legal Market</i>				
Major Legal Markets - Chicago, NY, DC, Los Angeles and San Francisco	12.5%; 2	25.0%; 4	62.5%; 10	100.0%; 16
Other Markets	7.2%; 5	30.4%; 21	62.3%; 43	100.0%; 69
Deferred capital expenditures				
Overall	38.8%; 33	37.6%; 32	23.5%; 20	100.0%; 85
<i>Size of Law Firm</i>				
50 to 99	28.0%; 7	44.0%; 11	28.0%; 7	100.0%; 25
100 to 249	45.0%; 18	35.0%; 14	20.0%; 8	100.0%; 40
250+	40.0%; 8	35.0%; 7	25.0%; 5	100.0%; 20
<i>Legal Market</i>				
Major Legal Markets - Chicago, NY, DC, Los Angeles and San Francisco	37.5%; 6	43.8%; 7	18.8%; 3	100.0%; 16
Other Markets	39.1%; 27	36.2%; 25	24.6%; 17	100.0%; 69

	Have implemented	Considering implementing	No Response	Totals
Reduced partner draws				
Overall	5.9%; 5	18.8%; 16	75.3%; 64	100.0%; 85
<i>Size of Law Firm</i>				
50 to 99	4.0%; 1	28.0%; 7	68.0%; 17	100.0%; 25
100 to 249	5.0%; 2	17.5%; 7	77.5%; 31	100.0%; 40
250+	10.0%; 2	10.0%; 2	80.0%; 16	100.0%; 20
<i>Legal Market</i>				
Major Legal Markets - Chicago, NY, DC, Los Angeles and San Francisco	6.3%; 1	12.5%; 2	81.3%; 13	100.0%; 16
Other Markets	5.8%; 4	20.3%; 14	73.9%; 51	100.0%; 69
Reduced associate salaries				
Overall	0.0%; 0	14.1%; 12	85.9%; 73	100.0%; 85
<i>Size of Law Firm</i>				
50 to 99	0.0%; 0	16.0%; 4	84.0%; 21	100.0%; 25
100 to 249	0.0%; 0	7.5%; 3	92.5%; 37	100.0%; 40
250+	0.0%; 0	25.0%; 5	75.0%; 15	100.0%; 20
<i>Legal Market</i>				
Major Legal Markets - Chicago, NY, DC, Los Angeles and San Francisco	0.0%; 0	25.0%; 4	75.0%; 12	100.0%; 16
Other Markets	0.0%; 0	11.6%; 8	88.4%; 61	100.0%; 69
Reduced staff salaries				
Overall	1.2%; 1	15.3%; 13	83.5%; 71	100.0%; 85
<i>Size of Law Firm</i>				
50 to 99	0.0%; 0	20.0%; 5	80.0%; 20	100.0%; 25
100 to 249	0.0%; 0	7.5%; 3	92.5%; 37	100.0%; 40
250+	5.0%; 1	25.0%; 5	70.0%; 14	100.0%; 20
<i>Legal Market</i>				
Major Legal Markets - Chicago, NY, DC, Los Angeles and San Francisco	0.0%; 0	25.0%; 4	75.0%; 12	100.0%; 16
Other Markets	1.4%; 1	13.0%; 9	85.5%; 59	100.0%; 69
Reduced operating expenses				
Overall	51.8%; 44	29.4%; 25	18.8%; 16	100.0%; 85
<i>Size of Law Firm</i>				
50 to 99	36.0%; 9	44.0%; 11	20.0%; 5	100.0%; 25
100 to 249	55.0%; 22	22.5%; 9	22.5%; 9	100.0%; 40
250+	65.0%; 13	25.0%; 5	10.0%; 2	100.0%; 20
<i>Legal Market</i>				
Major Legal Markets - Chicago, NY, DC, Los Angeles and San Francisco	62.5%; 10	18.8%; 3	18.8%; 3	100.0%; 16
Other Markets	49.3%; 34	31.9%; 22	18.8%; 13	100.0%; 69

	Have implemented	Considering implementing	No Response	Totals
Terminated partners				
Overall	8.2%; 7	25.9%; 22	65.9%; 56	100.0%; 85
<i>Size of Law Firm</i>				
50 to 99	0.0%; 0	20.0%; 5	80.0%; 20	100.0%; 25
100 to 249	12.5%; 5	27.5%; 11	60.0%; 24	100.0%; 40
250+	10.0%; 2	30.0%; 6	60.0%; 12	100.0%; 20
<i>Legal Market</i>				
Major Legal Markets - Chicago, NY, DC, Los Angeles and San Francisco	0.0%; 0	37.5%; 6	62.5%; 10	100.0%; 16
Other Markets	10.1%; 7	23.2%; 16	66.7%; 46	100.0%; 69
Terminated associates				
Overall	15.3%; 13	22.4%; 19	62.4%; 53	100.0%; 85
<i>Size of Law Firm</i>				
50 to 99	8.0%; 2	24.0%; 6	68.0%; 17	100.0%; 25
100 to 249	17.5%; 7	17.5%; 7	65.0%; 26	100.0%; 40
250+	20.0%; 4	30.0%; 6	50.0%; 10	100.0%; 20
<i>Legal Market</i>				
Major Legal Markets - Chicago, NY, DC, Los Angeles and San Francisco	31.3%; 5	18.8%; 3	50.0%; 8	100.0%; 16
Other Markets	11.6%; 8	23.2%; 16	65.2%; 45	100.0%; 69
Terminated staff				
Overall	22.4%; 19	28.2%; 24	49.4%; 42	100.0%; 85
<i>Size of Law Firm</i>				
50 to 99	20.0%; 5	24.0%; 6	56.0%; 14	100.0%; 25
100 to 249	22.5%; 9	30.0%; 12	47.5%; 19	100.0%; 40
250+	25.0%; 5	30.0%; 6	45.0%; 9	100.0%; 20
<i>Legal Market</i>				
Major Legal Markets - Chicago, NY, DC, Los Angeles and San Francisco	25.0%; 4	25.0%; 4	50.0%; 8	100.0%; 16
Other Markets	21.7%; 15	29.0%; 20	49.3%; 34	100.0%; 69

7. What impact do you project the economic turmoil will have on your firm's 2009 revenues?

Impact on 2009 revenues	Increase revenues	Little or no change	Reduction of 1% to 5%	Reduction of 6% to 10%	Reduction of 11% to 15%	Reduction of 16% to 20%	Reduction of over 20%	Totals
Overall	8.2%; 7	25.9%; 22	34.1%; 29	29.4%; 25	2.4%; 2	0.0%; 0	0.0%; 0	100.0%; 85
Size of Law Firm								
50 to 99	8.0%; 2	36.0%; 9	28.0%; 7	24.0%; 6	4.0%; 1	0.0%; 0	0.0%; 0	100.0%; 25
100 to 249	7.5%; 3	20.0%; 8	37.5%; 15	32.5%; 13	2.5%; 1	0.0%; 0	0.0%; 0	100.0%; 40
250+	10.0%; 2	25.0%; 5	35.0%; 7	30.0%; 6	0.0%; 0	0.0%; 0	0.0%; 0	100.0%; 20
Legal Market								
Major Legal Markets - Chicago, NY, DC, Los Angeles and San Francisco	0.0%; 0	31.3%; 5	43.8%; 7	25.0%; 4	0.0%; 0	0.0%; 0	0.0%; 0	100.0%; 16
Other Markets	10.1%; 7	24.6%; 17	31.9%; 22	30.4%; 21	2.9%; 2	0.0%; 0	0.0%; 0	100.0%; 69

8. What is your firm's position on pricing traditional hourly work in some other manner (alternative or value-based pricing options) in response to the current market conditions?

Position on pricing traditional hourly work	Used alternatives prior to current market conditions	Have increased use in response to current market conditions	Have begun to use in response to current market conditions	Are considering this for 2009	No Response	Totals
Overall	60.0%; 51	9.4%; 8	7.1%; 6	12.9%; 11	10.6%; 9	100.0%; 85
Size of Law Firm						
Firm 50 to 99	60.0%; 15	8.0%; 2	8.0%; 2	12.0%; 3	12.0%; 3	100.0%; 25
100 to 249	50.0%; 20	12.5%; 5	10.0%; 4	17.5%; 7	10.0%; 4	100.0%; 40
250+	80.0%; 16	5.0%; 1	0.0%; 0	5.0%; 1	10.0%; 2	100.0%; 20
Legal Market						
Major Legal Markets - Chicago, NY, DC, Los Angeles and San Francisco	62.5%; 10	18.8%; 3	6.3%; 1	6.3%; 1	6.3%; 1	100.0%; 16
Other Markets	59.4%; 41	7.2%; 5	7.2%; 5	14.5%; 10	11.6%; 8	100.0%; 69

9. What are your current thoughts regarding billing rate increases for 2009?

Billing rate increases for 2009	Continue historical patterns	CPI adjustment only	Minimal or very selective increases	No increases	Selective decreases in billing rates for 2009	Totals
Overall	32.1%; 27	14.3%; 12	50.0%; 42	3.6%; 3	0.0%; 0	100.0%; 84
Size of Law Firm						
50 to 99	28.0%; 7	4.0%; 1	68.0%; 17	0.0%; 0	0.0%; 0	100.0%; 25
100 to 249	30.8%; 12	20.5%; 8	43.6%; 17	5.1%; 2	0.0%; 0	100.0%; 39
250+	40.0%; 8	15.0%; 3	40.0%; 8	5.0%; 1	0.0%; 0	100.0%; 20
Legal Market						
Major Legal Markets - Chicago, NY, DC, Los Angeles and San Francisco	25.0%; 4	18.8%; 3	50.0%; 8	6.3%; 1	0.0%; 0	100.0%; 16
Other Markets	33.8%; 23	13.2%; 9	50.0%; 34	2.9%; 2	0.0%; 0	100.0%; 68

DEMOGRAPHICS

What is the size of your law firm?

	Size of law firm			
	50 to 99	100 to 249	250+	Totals
Overall	29.4%; 25	47.1%; 40	23.5%; 20	100.0%; 85
Legal Market				
Major Legal Markets - Chicago, NY, DC, Los Angeles and San Francisco	18.8%; 3	31.3%; 5	50.0%; 8	100.0%; 16
Other Markets	31.9%; 22	50.7%; 35	17.4%; 12	100.0%; 69