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Deacons' chairman faces homelessness

By Kate Gibbs

An email has been sent around Deacons, alerting staff that the Sydney chairman, Nick Abrahams, will be sleeping on the streets.

Deacons staff and lawyers have been saying: "Look at how the global financial crisis has impacted Nick ... Help chip in some funds."

Abrahams will join 200 other senior executives, some of whom are the firm's clients, to sleep rough on the open ground at Luna Park next Thursday 18 June, an effort to give them perspective on what it is like to be homeless.

The Deacons partner, and his equals from Allens Arthur Robinson, Hunt & Hunt, Maddocks, and peers at Middletons, will be given soup for dinner, and will sleep on a sheet of cardboard under the stars for one night.

The one-night-out is hosted by St Vincent de Paul Society, which operates nearly 40 homeless services.

Abrahams was talked into the night-out by a colleague and friend at another major corporation.

"It seems like a worthwhile cause and something that, for me, when you walk past homeless people in the street, I wonder what it must be like. Also what stories these people have. I think we're oblivious to it and are a bit hardened to it," Abrahams said in an exclusive interview with *The New Lawyer*.

"It's a good opportunity to see first hand what it's like, but it's really about trying to raise an

awareness within myself but also the community and raise some money for that," he said.

No other Deacons lawyers have volunteered to join Abrahams on his rough night, however one lawyer did ask him whether it was the sort of thing you could ask your assistant to do for you, he joked. "But I do know quite a few people who are doing it, so it should be interesting."

Lawyers at the firm are stirred by the lead partner's decision to sleep out. "People have been great donating money and so forth. But there have been some jokes around: 'Look at how the global financial crisis has impacted Nick... Help chip in some funds for him,'" he said.

"There has been the suggestion of a competition, though it hasn't come to fruition yet, where everyone can make up what will be on my cardboard sign."

Would Abrahams grow a beard for the occasion? "I already have a beard. I won't shave, we'll see how that goes," he said.

"They want it to be a legitimate experience. If it rains there will be shelter provided, but with no walls."

Also involved are Allens Arthur Robinson chief executive partner Michael Rose (who has raised \$11534), Hunt & Hunt Sydney managing partner Anthony Morrissey (\$2,000), and Maddocks CEO David Rennick (\$290).

Abrahams has raised about \$870 so far. Donate [here](#).

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>> local news

Tresscox refuses to confirm or deny further redundancies

Tresscox Lawyers refuses to comment on rumours of widespread redundancies in its Sydney, Brisbane and Melbourne offices.

Reports that "it is difficult to exaggerate how bad things are here right now", in Firm Spy, would not be confirmed not denied by the firm today, when speaking to *The New Lawyer*.

A spokesperson told *The New Lawyer* that she didn't have anything to add than what is already out there, and firmly said: "No comment".

The spokesperson noted that many firms had been implementing redundancies, and suggested it is a "non story".

A Tresscox lawyer had told the press: "The redundancies that you reported in Melbourne, also occurred here in Sydney and also Brisbane. That is, each of our offices was affected ... Partner revenue is rumoured to have gotten to a point where salaried partners are presently earning more than equity partners."

In mid-May, TressCox Lawyers confirmed rumours circulating in the legal industry about staff cut-backs in a statement to *The New Lawyer*.

Reports at the time said that at least a dozen staff had been made redundant by the firm. TressCox would not detail the exact numbers involved but managing partner Peter Smith said they are adjusting their staffing requirements in line with tough financial times.

"We have made a limited number of redundancies, each of which has been very regrettable."

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Lawyers on embezzlement spree as economy worsens

By Olivia Collings

A paralegal has been caught stealing funds from her employer for the second time while on bail.

Kathy Foer-Morse was working at Satterlee Stephens Burke & Burke in 2005, when she was found guilty of embezzling nearly \$300,000 from the New York-based law firm.

The *National Law Journal* reports that in late May, Foer-Morse had done it again, this time at a small practice in Pennsylvania, High Swartz.

Appearing in court for the second time, prosecutors told James Rittinger, her former employer, that she was using the money pilfered from the firm to pay back the money she had stolen from his firm.

Prosecutors claim that she swiped nearly \$101,000 from High Swartz by writing 12 company checks to herself. High Swartz would not comment on the case, and a spokesman for the Montgomery County district attorney's office said Foer-Morse does not have counsel as yet.

Rittinger, chairman of Satterlee

Stephens, said that the law firm had "a pretty good system" to keep track of money flowing through the 60-attorney shop when Foer-Morse worked there. But, it was better now.

Rittinger said his firm "enhanced" its background checks after discovering that Foer-Morse had skimmed \$285,000 from his firm's accounts.

Both firms are victims of what accountants, practitioners and trade groups say is a growing problem for companies: embezzlement.

Recessionary pressures felt by employees and partners alike are increasing the likelihood that trusted colleagues or workers will steal from law firms, where large sums are often at employees' disposal.

Since March alone, at least 12 people have been in court for stealing from law firms in the US.

While accounts of embezzlement committed by partners often involve the highest dollar amounts, embezzlement by staffers appears to be more common.

Law firms are especially vulnerable to embezzlement for a

number of reasons, said Michael Downey, a partner in the St. Louis office of Chicago-based Hinshaw & Culbertson.

Downey's practice focuses on legal ethics and professional service risk management.

According to Downey, embezzlement is most likely to happen within solo and small firms. Given that roughly 80 per cent of the US's 1.1 million attorneys work in law firms of 50 attorneys or fewer, according to the American Bar Foundation, it makes embezzlement more appealing to unscrupulous workers, he said.

"Attorneys tend to delegate business matters to employees and provide too little oversight," he added.

Lawyers are more interested in practicing law and too seldom trained to run businesses, he said.

In addition, attorney ethics rules require lawyers to maintain separate accounts for clients' funds, meaning that large sums of money sit idle in office accounts, tempting workers desperate to cover overwhelming expenses.

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>> international news

Financial fraud gives rise to new forensics focus, experts

An Australian forensic expert has been appointed as Deloitte's global managing partner of its Forensic and Dispute Services practice. Tim Phillipps, who currently works in the firm's Asia Pacific forensic accounting practices, has in part been promoted thanks to his technology and data analytics skills. Deloitte COO Keith Skinner said that with fraud and financial crime on the rise, "the capacity to capture massive data sets and provide rapid, in depth analysis as part of global fraud and corruption investigations, complex litigation, and major insolvency appointments, is unique". Anthony Viel, the forensic partner who helped pioneer Deloitte's data analytics business, has been appointed Australia's new forensic leader.

DLA trims partnership

Five DLA Piper partners have left the partnership after the firm made radical alterations to the shape of its practice. While the firm has recruited new partners in recent months, the overall headcount is down. According to Companies House, 25 partners left the firm since January, while 32 have been appointed, including 20 new partner promotions.

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Freehills, top tier, on Transpacific raising

FREEHILLS, Clayton Utz and Mallesons have each scooped a position on the Warburg Pincus investment in Transpacific's \$800 million capital raising.

The equity investment is set to go ahead with a recapitalisation plan released to the market. It involves a renounceable entitlement offer, which will follow the \$800 million private equity placement, giving chairman Terry Peacbody to subscribe to \$70 million worth of new shares, *Business Spectator* reports.

The net proceeds will be used to reduce Transpacific's debt to its banking syndicate, close out a portion of its interest rate swap contracts and as working capital, Freehills said of the deal.

Warburg, meanwhile, has just abandoned its stake in China's

Huiyuan Juice.

Freehills worked with Freshfields Bruckhaus Deringer in advising Warburg. Mallesons, meanwhile, advised on the underwriting agreements.

The Freehills team was led by partner Mark Crean, who worked with partner Patrick Lowden and senior associate Faith Sing.

"The deal ... blended M&A, capital markets and private equity fund issues," said Crean.

Cornerstone investments has been relatively uncommon in the Australian market, until now, said Crean. "We are seeing more listed entities increasingly considering PIPEs funding form private equity and other cornerstones as a source of capital," he said.

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