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## Greenberg Gross beats Cravath bonus scale

By Eli Wolfe  
Daily Journal Staff Writer

The business litigation boutique Greenberg Gross LLP is ending 2016 on a high note with the announcement that its associate bonuses will beat those of Cravath, Swaine & Moore LLP, according to a press release on Thursday. The move comes amid an upswing in competition for top-tier legal talent that recruiters and consultants say could continue throughout 2017.

According to managing partner Alan Greenberg, associates in each class will be paid at least \$5,000 more than the Cravath scale, which ranges from \$15,000 to \$100,000. Earlier this summer, Greenberg Gross also matched Cravath's bump in salaries.

The firm's cofounding partner Wayne Gross told the Daily Journal the cost of the associate bonuses will not be passed on to clients, noting that their overall purpose is to increase the firm's value to their clients.

"Clients hire us for their most significant litigation — they want and deserve the best legal talent in the country," Gross said. "To provide our clients all of that, we have to pay top of the market compensation and give our lawyers a sense of mission."

According to recruiters and consultants in the legal community, it's not altogether surprising that a firm of Greenberg Gross' size beat Cravath's bonus scale. Newport Beach legal consultant Peter Zeughauser said that the cyclical demand for legal talent is still at the start of an upswing that will probably continue to increase over the course of 2017 if the economy remains strong. He said this could potentially result in more boutique firms taking aggressive measures to acquire top-tier associates.

Zeughauser added that Greenberg Gross' bonus hike is unlikely to affect the national market, but it could have a ripple effect in Southern California among smaller litigation firms such as Hueston Hennigan LLP, Munger, Tolles & Olson LLP and Irell & Manella LLP that compete in the same market.

Lyndon Parker, a legal recruiter with JD Search Advisors LLC, echoed this observation, noting that the demand for attorneys — both associates and partners — has increased steadily in the years following the recession. He commented that associates, who lack books of business, are often more driven by the incentive of compensation, which can make bonus hikes a potential leveraging tool

for attracting the best new attorneys.

"Ever since the economy started to recover, it's been a life or death search for talent and the ability to keep talent," Parker said.

According to Priya Gulati, a senior recruiter with Pacific Legal Search who has placed attorneys at Greenberg Gross, the firm has attracted talented associates because it offers opportunities for litigation experience and mentorship complemented by big law-level compensation.

"They are paying their associates top-of-market salaries and above-market bonuses, which is atypical of most boutique firms," Gulati noted. "Also, from a business standpoint, they are interested in growing and expanding their geographical footprint... which is different from most young business litigation boutiques."

Greenberg Gross is opening a new office in Los Angeles in early January 2017, according to Gross. When asked about future plans for growth, Gross said that the firm does significant litigation in New York but left it at that.

"We spend a lot of time in New York," Gross said. "I'll leave it to you to think about what that may mean for the future."