November 02, 2009

TO ALL BEIJING CONFERENCE DELEGATES and PRAC PRIMARY CONTACTS

Dear Friends and Colleagues:

It is just two weeks since we attended PRAC's 46th International Conference in Beijing. I hope that your travels onward were productive and pleasant. I thought now was the time to send you a short report to remind you of all we achieved.

Following Saturday evening's opening reception and dine-around, we enjoyed a tour on Sunday of the Great Wall at Badaling and a wonderful luncheon afterwards at The Commune.

The business program began Monday morning at the Ritz Carlton Beijing Hotel with a Country Briefing presentation from our Host Firm, followed by pre-assigned, multiple One on One Meetings between member firms to discuss areas of mutual interest. The Litigation/Dispute Resolution PRACtice Group meeting then followed with a topical focus on *"Dispute Resolution in Cross-Border Transactions Relating to Mainland China"*

After lunch on Monday, the entire afternoon was devoted to the PRACtice Management's session on Strategic Planning for Law Firms. This addressed and updated our look at "*Member Recession Strategies"* in the light of the global crisis and included results of a recent internal survey. Thereafter we focused on "*Alternative Billings Methods – Beyond the Myths & Mystery"* featuring special guest facilitator Ron Baker, Founder and CEO of VeraSage Institute, a think tank that studies pricing strategies for professionals and businesses around the world. This session proved I thought lively, thought provoking and even entertaining at times – my special thanks therefore to all participants. For additional information and to download materials from this session, visit the PRAC web site here: http://www.prac.org/materials/ConferenceMaterials/2009_BEIJING/Materials.html

On Tuesday a Public Seminar was presented to PRAC Delegates and local clients. The seminar topic *"Opportunities in the Crisis – China Goes Global'* featured panel presentations by various Delegates and King & Wood lawyers, with an interesting introductory overview from guest speaker, Mr. Fang Fang, CEO JP Morgan Asia. For additional information and to download materials from this session, visit the PRAC web site here: http://www.prac.org/materials/ConferenceMaterials/2009_BEIJING/Materials.html

Tuesday afternoon's Intellectual Property & Licensing Session then addressed "*Enforcement of Intellectual Property Rights in China*" and included a guest speaker, Zhang Guangliang, PhD, Peking University. For additional information and to download materials from this session, visit the PRAC web site here: http://www.prac.org/materials/ConferenceMaterials/2009_BEIJING/Materials.html.

Finally the Board of Directors met Tuesday afternoon and the following were the salient points arising from that meeting:

1. Membership
Following a full report and discussion, member firms were asked to direct their views by November month end to the Committee Chair, Jorge Carey, on the suggested replacement candidate firms for San Francisco and also asked for their views as to the efficacy of the shared city concept in Los Angeles.

2. Financial
Following a full report, the Board approved the 3rd Quarter 2009 and proposed 2010 Budget.

Discussion also included the pro-active measures PRAC is taking given the current economic climate, the reduced headcounts and the withdrawal of Morgan Lewis, to help lessen the financial impact on its members, including an overall reduction to the 2010 budget with resulting member dues.

3. Policy & Planning
Following a full report, the Board expressed approval of the 2010 conference schedule with future dates to be confirmed moving forward.

Tuesday evening's Closing Dinner took place in the splendid surroundings of the Sky Fortune Restaurant a fitting and worthy climax to a wonderfully organized conference in this most exciting city.

All in all, a wonderful conference in a marvellous city organised by generous and hospitable hosts. We could not have asked for more.

Since this is my last report as Chair, I have enclosed a transcript of the remarks I made at the Board meeting for the benefit of those who were unable to make it. Those remarks say it all.

Warm personal regards.

Patrick Sherrington

PRAC - BEIJING, OCTOBER 2009

CHAIRMAN'S COMMENTS

Since this is my last word from the Chair, so to speak, I would like to offer some reflections.

First, it has been an honour and a privilege to have served as Chair of this fantastic organisation. It is a unique organisation because of its intimacy, the close friendships that are formed between firm leaders and the trust and confidence we therefore repose in each other. Having said that, I remain of the view that we do not realise our potential to the full - perhaps because we are too busy and don't follow up, perhaps because we are so successful we are not hungry enough, or perhaps because it is just too difficult to focus because there are so many opportunities. I really believe we ignore the full potential of the opportunities afforded us at our peril though because others in our firms will then ask what is the value of PRAC?

Secondly, I think that sometimes we can tend to undersell ourselves. We should not do so. We are some of the best law firms in the world and we should be proud of the association we have with each other.

Third, a word about the challenges we face. Regeneration is a word I've used a number of times over the last couple of years and it is one of the keys to a successful future. We have seen at this meeting that Morgan Lewis has resigned and concluded that perhaps they were never really as committed as they might have been since it was a case of supporting Paul Finigan and Tom Kellerman whom they had inherited so to speak when they acquired the old Broebeck San Francisco office. What this highlights though is the need to ensure we have the right members and that they are committed. That means we need to examine the level of commitment of all of us in playing a full part in the organisation.

A further aspect of regeneration which I am passionate about though is the introduction of new blood to our meetings so that new bilateral relationships can develop between our firms. This is vital. Over the last few years we've lost some of the giants of the past - people like John Elder, Osvaldo Marzorati, John Sodderland, John Brookes, Paul Finigan and that raises a question of who in a new generation are going to be the passionate advocates of PRAC because every organisation needs that cadre of people coming through? I think all of us need to think hard about this as well.

Fourthly, I just wanted to say a word about the market rumours of a potential merger between Lovells and Hogan & Hartson. Whilst we are not in a position to confirm anything on the record, the fact is that we have had discussions. We do not have an agreement and I do not know whether anything will therefore come of it. We would both have wished that the confidential discussions which had taken place had not leaked when they did - not least because we had to inform most of our partners about this some half an hour before the news leaked in the legal press! I am of course conscious though that if there were to be such a merger it would have some significance for PRAC members and I will of course inform you all as soon as there is anything positive to say. I can however assure you that my own commitment to PRAC will not diminish in any way.

Finally, I wanted to thank all of those who have supported me during my two years in office. That includes in particular Susan, but also Ray as Vice-Chair, and the various Committee Chairs. I mention in particular here, if I may, Ross Perrett who has borne the brunt of the Dispute Resolution Committee whilst I have been distracted elsewhere. A Chair may look as if he is doing it all but of course he is but the tip of the iceberg and it is others below the surface who are moving the ship forward. So thank you to everybody who has helped and all of you as members for your support to me during my time in office. I shall support Ray in any way I can and indeed PRAC generally as we move forward.

PPS/October 2009