

Keep Your Clients Close, and Your Partners Even Closer

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A law partnership is normally formed with the best intentions in the partners' minds. They believe they have each found someone trustworthy and someone who shares the same professional goals and personal interests. Partnerships are also formed when new partners come together to practice their own brand of law, or even branch out to more challenging areas of law. Some partnerships are even formed to provide a gateway for shared and pooled resources and a much larger client base.

Whatever the intentions are, it is presumed that all partners intend to see their partnerships grow and prosper for the foreseeable future. Nonetheless, plans do not always work out for some partnerships and what was once a propitious legal practice, can find itself falling apart or even heading towards dissolution caused by misdeeds of partners.

A great synergy between partners can enhance the quality of legal services rendered to clients in ways that one lawyer working alone may not be able to accomplish. Partners with high levels of competency and professionalism can enhance the reputation of the firm. On the other hand, a partner's ethical and legal troubles such as dishonesty and misbehaviour can tarnish the firm's reputation as a whole and may lead to professional and financial disaster.

As such, lawyers should be wary when choosing a partner so as to avoid any complications and troubles that may

affect the partnership. Firms that are disorganised, incohesive and have partners who do not maintain high levels of professionalism and integrity may come apart under the pressures of a lawsuit or claim against the partnership. Ultimately, firms that are well structured and have responsible and trustworthy partners will withstand these difficulties and may become stronger because of the experience.

While misconduct which includes dishonesty is generally excluded under the policy, partners who were not parties to or condoned such misconduct may be covered under the policy subject to certain terms and conditions under Clause 11 of the 2016 Certificate of Insurance ("COI") and the policy as a whole.

Nevertheless, for the Insurers to decide whether "innocent partners" will be covered under the policy, the Insured Practice ("IP") needs to demonstrate that the partner who committed the misconduct was practicing as a genuine principal and carrying on practice in common with other partners of the IP.

In this issue of *Jurisk!*, we explore a few case studies on claims that have had adverse effects on partnerships. Our risk management tips in the following article on page 15 provide some insight and recommendations on how IPs can avoid claims and issues such as dishonesty of partners from affecting their partnership.