



Firm vs. Partner Expenses

CM Law's low-overhead structure permits us to distribute 80% to 90% of all revenue directly to our partners (compared to the national law firm compensation average of just 39%). Accordingly, CM Law's operational budget is intended to cover core business functions for the benefit of the entire partnership. Additional expenses that relate to individual partners or practice groups are intended to be borne by those who directly benefit.

This document serves as a *general* guide for how categories of expenses are shared between the Firm and our partners and is not intended to be an exhaustive list.



Illustrative Examples of Firm-Paid Expenses

Lawyer Professional Liability/Malpractice insurance premiums (the Firm has a robust insurance program which includes coverages such as Cyber, etc.)

Firm-level business registration/license fees

Firm-level state/local taxes

Administrative and Accounting
Back Office Services

- HR function for new partners/onboarding
- Processing of conflict checks
- Setting up digital folders for new clients/matters in DMS
- Adding clients/matters to B4T
- Preparing pre-bills for partner review
- Issuing monthly invoices (and sending them out unless a partner opts out)
- A/R and accounting reports
- Interface with broker on benefits enrollment
- Receive and apply client payments
- Draw reports and processing

Firm-level CPA services (e.g., annual issuance of K-1s, non-resident composite income tax filings where applicable)

Professional mail processing/forwarding services

Marketing and Promotion of CM Law's Brand

- Full-service marketing and PR team
- Website maintenance
- Assistance with pitches/RFI responses
- Video productions
- Social media promotion and management
- Facilitation of legal credentials/awards deadlines (e.g., U.S. News, Best Lawyers, SuperLawyers, Martindale-Hubbell, Best Law Firms for Women, Chambers)
- Business card expenses
- Unified email signature block software

Banking fees, including IOLTA compliance requirements in each CM Law jurisdiction

Secure Business IT Platform

Public Relations Services

- Retained national professional PR agency (currently based in NYC)
- Robust onboarding services to help determine strategies to promote partner in media outlets
- Available to help get articles or op-eds placed, including editing and presentment to different media outlets
- Identifying interview opportunities for partners to present as SMEs

Centralized CM Law phone number and individual voicemail-to-text service with email delivery

Time and Billing Software with ability to run your own financial reports with transparency into firm financials

Top of the line security software products with EPP+EDR solution and a 24/7 Security Operations Center

WBE and NAMWOLF membership dues and travel expenses for Leadership Team to support partners at meetings and events

Partial subsidization of annual partner retreat (usually including 3-5 hours of CLE)



Illustrative Examples of Partner-Paid Expenses

Individual Professional Licensure (e.g., bar dues, CLE, local professional/business license)

Home Office Hardware (e.g., computer and personal software options, printer/scanner, smartphone, high speed Internet)

Professional Resources (e.g., journal/treatise subscriptions, online research databases specific to their practice area, transactional form guides, periodicals)

Personal Marketing and Networking (e.g., client meals/entertainment, travel to conferences, membership dues, donations/sponsorships for local bar events or chambers of commerce – though Partners frequently join together to sponsor events)

Business Development airfare/travel/lunches

Local Office Meetings (e.g., meals, travel costs, activity costs)

Incoming/Outgoing Payment Fees should your clients choose to pay outside the Firm's industry standard payment options (e.g., credit card processing fees, wiring fees)

Physical Office Space (e.g., personal executive suite, conference room rentals)

Partial Contribution - Annual Partner Retreat (transportation plus partner contribution typically covers meals and hotel)

Lexis subscription monthly fees through firmwide Lexis contract

IP-specific expenses (including docketing fees) as described on the separate IP Practitioner Cost Guide*

Personal Support Resources where partners generate revenue for billing such resources (e.g., admin assistant, paralegal)*

Minimal docketing Fees for litigation

*Many of these costs can typically be passed through to clients, but some partners choose to absorb the costs themselves.