

# Argentine Law Firms Go Global

by Adam Freedman



**A**rgentina's legal powerhouse, Marval, O'Farrell & Mairal, is a slice of midtown Manhattan right in the center of Buenos Aires. The firm occupies several floors of a modern office tower. The reception area features glossy brochures in English. There are roughly 200 lawyers, and as many support staff.

Until very recently, such a description of an Argentine law firm would have been sheer fantasy. Fifteen years ago (when leading New

York firms were already counting their lawyers by the hundred), Buenos Aires' law firms were still small, family affairs with a handful of loyal clients paying annual retainers or fixed percentage fees.

Today, Argentina has one of the most highly-developed legal markets in Latin America. Large, full-service firms (see box), and a few sophisticated niche players dominate the market.

Clearly, the development of the local legal

market has gone hand-in-hand with Argentina's economic liberalization over the past decade. Among those firms that have emerged as leaders in this era, a common theme is the adoption of U.S.-style management techniques, often at the behest of U.S.-trained partners. In addition, the most successful firms have been reaching out to establish international links: with the U.S., Europe, and other Mercosur countries. As a microcosm of the economy which it serves, the Argentine legal profession has truly gone global.

## A slow start . . .

With the benefit of hindsight, it is now clear that a few pioneering lawyers have been pointing the way ahead for decades. Both Allende & Brea and Brons & Salas were established by U.S.-trained lawyers who sought to adapt the American model of a law firm to Buenos Aires. In the 1970's, a few other Argentine firms adopted U.S. or European legal practices.

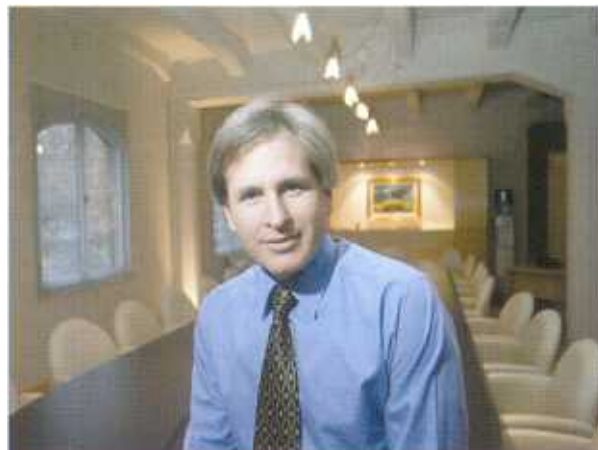
Despite these developments, there was little room for Argentine law firms to grow in the 1970's and 80's. With a closed economy, hyperinflation, and political instability, Argentina saw few of the large inward investment transactions that can be so lucrative to a business law firm.

## Followed by explosive growth . . .

Most lawyers agree that the current era of big Argentine law firms began with the privatizations of state enterprises initiated by the Menem government. Marval O'Farrell "grew tremendously" as result of its involvement



Ernesto O'Farrell of Marval, O'Farrell & Mairal



Laurence Wiener of Muñoz de Toro & Muñoz de Toro

in privatizations, says senior partner Ernesto O'Farrell. Similarly, Brons & Salas, which was tapped to handle the privatization of the electrical utilities, experienced "incredible growth," according to managing partner Alfredo Rovira. Both firms have more than doubled in size during the 1990's.

Beyond the privatizations, the liberalization of laws regarding inward investment, capital markets, and international trade presented new opportunities for lawyers. A good illustration of these opportunities is Muñoz de Toro & Muñoz de Toro, a 23-lawyer firm which, according to U.S. partner Laurence Wiener "would not exist in its Argentine-American form" were it not for Argentina's globalization.

### American Style Law Firms

Perhaps the most dramatic change in the legal scene has been the emergence of the "full-service" law firm – that is, law firms that combine all the legal specialties needed by large, corporate clients. Rovira describes the concept of "full service" as one of "providing all the services a company would require in doing business in Argentina."

Again, lawyers point to the role of privatizations in bringing about the new style firm. "To handle the sale of a telephone company or gas works," says O'Farrell, "you

have to do a lot of administrative work, taxes, and contracts." Those firms that could offer the necessary specialties together under one roof had a clear advantage.

### Bigger and better?

The bottom line is that Argentine law firms have suddenly grown large. This development has involved a profound cultural change away

opportunities for advancement.

For the same reason, the leading firms have been at pains to make, or re-make, themselves into meritocracies, where hiring and promotion depends on ability rather than family ties. Wiener describes his firm's philosophy as: "If I'm good as a lawyer, there's no limit to what I can do professionally." Garrido puts it another way: "We have no form of discrimination – except against stupidity."

Argentine firms have also adopted more sophisticated marketing techniques. Paula Marini, an associate at Le Pera & Lessa who has worked with U.S. and British firms notes that the largest Argentine firms now resemble London and New York firms in that they use logos and brochures, and enforce a uniform style among the lawyers.

Another change has been the method by which law firms charge clients. When Allende & Brea introduced the standard American practice of hourly billing into Argentina, it was "very much resisted," states Garrido. In a 1981 law journal article, a distinguished Argentine lawyer denounced the system as "abominable."

Now it is the standard practice among big firms, with an estimated 95 percent of new deals in Argentina being handled by lawyers billing by the hour.

### International Links

Argentine law firms are forging and

Firm	Nro. of lawyers
1. Marval, O'Farrell & Mairal	190
2. Estudio de los Dres. O'Farrell	83
3. Estudio Beccar Varela	68
4. Allende & Brea	62
5. Baker & McKenzie	57
6. Brons & Salas	56
7. Quattrini Laprida & Asociados	56
8. Cárdenas, Cassagne & Asociados	55
9. Perez Alati, Grondona, Benites, Arntsen & Martinez de Hoz	50
10. Estudio Bullo	50

Source: Martindale-Hubbell® Law Directory (online version)

from the old, paternalistic model of a law firm that "probably lives and dies" with the founding partner, according to Enrique Garrido, managing partner of Allende & Brea. In order to attract large numbers of bright, young lawyers, firms have had to offer realistic



# An American Lawyer in Buenos Aires

*Allende & Brea associate Daniel Korn embodies the ever-increasing bonds between Argentine and U.S. legal services. A New Yorker born of porteño parents, Korn grew up with both Argentine Spanish and American English as mother tongues.*

After receiving degrees from Yale and the University of Virginia (and the Juilliard School – he also happens to be a concert-level violinist), Korn was building a successful career at the New York firm of Sullivan & Cromwell, where he specialized in Latin American corporate and project finance. But with a young Argentine wife, and a baby on the way, the issue of where to put down roots became pressing. After “a very tough period of decision making for us”, Korn and his wife decided to move to Buenos Aires.

In today’s environment, his background and experience made him a prime

candidate for one of Argentina’s globalizing law firms. He was snatched up by Allende & Brea, a firm with whom he had collaborated while at Sullivan & Cromwell. With the growing volume of transactions involving U.S. parties, Korn has been kept very busy as a kind of two-way cultural/linguistic bridge.

Korn is not the only Allende & Brea lawyer with U.S. experience; the majority of the associates and many of the partners have done one-year masters degrees in law and/or nine-month internships in U.S. law firms. But the extent of his education and experience, including a college BA and three-year JD – a combination exceedingly uncommon in Argentina – together with several years of practice in New York, allows Korn to bring to Allende a new depth both in



Dr. Daniel Korn (Allende & Brea)

substantive U.S. law and in the culture of large American firms.

Korn is also in the process of becoming admitted to practice law in Argentina. Korn plans to get his U.S. law degree “revalidated” under a procedure set up by the University of Buenos Aires. Upon doing so, Korn would become the first American lawyer to complete the procedure in the ten years since it was established.

maintaining links with more developed legal markets, most notably the U.S. One of the most common ways to achieve this is by encouraging young lawyers to do a one-year “master of laws” degree in the U.S., often followed by an internship in a U.S. firm.

Another method is by hiring foreign lawyers to work in Argentina. At Le Pera & Lessa, for example, American and English lawyers have been hired to work in Buenos Aires on a number of large, complex international arbitrations.

At Muñoz de Toro, Wiener, a California lawyer not admitted in Argentina, has become a partner and the firm has also hired associates from the U.S. According to Wiener, the mixture of Argentine and U.S. lawyers reflects a commitment “to cultivate a truly bilingual law firm and go beyond the scope of what is a traditional local counsel’s role.”

Allende & Brea may be following a similar strategy: it has hired New York lawyer Daniel

Korn, who is set to become the first U.S. lawyer to be admitted to practice in Argentina (see box).

Law firms in Buenos Aires are also reaching out into foreign markets. Both Marval O’Farrell and Allende & Brea have representative offices in New York. The Marval firm and Perez, Alati, Grondona, Benites, Arntsen & Martinez de Hoz both have strategic alliances with firms in Brazil and Spain.

## It may look American, but . . .

A decade is not a long time. Lingering questions remain about how deeply Argentina’s legal culture really has changed in the nineties. Wiener reports of clients frustrated by relatively passive Argentine counsel “who tell them what they cannot do but not how to do what they want to do.” O’Farrell agrees that lawyers must “try to help [businessmen] to reach their goal. But sometimes there are legal questions that

make it impossible or make it very dangerous.”

Weiner states that when lawyers take a more creative role they add more value, but “the downside is that you need to be there around the clock.” That downside remains unacceptable to many Argentine lawyers who treasure their weekends and holidays.

## The future

Local lawyers predict that during the next five years, competitive pressures will be felt in a number of ways. The branches of international accounting firms are adding lawyers in an effort to compete with law firms. A number of U.S. firms may try to enter the local market. There are rumblings of future law firm mergers as partners seek to cut overhead expenses. To whatever degree these trends come true, Argentine law firms are already changed for good. *Please send your responses to this article to [comments@amchamar.com.ar](mailto:comments@amchamar.com.ar)*

