

## LeClairRyan Trustee Settles with Former President in Last-Minute Agreement



LeClairRyan, a law firm that filed for bankruptcy in September 2019, has settled with the last president of the firm and four lawyers serving on its board in 2019. The terms of the settlement have not been disclosed.

The trustee of LeClairRyan, Lynn Tavenner, had sought to recover \$2.37 million from these lawyers, including \$419,000 from the firm's last president, Elizabeth Acee. Tavenner claimed that this money was paid out after LeClairRyan became insolvent in 2014 and before its bankruptcy filing in September 2019.

According to Tavenner, the board was aware of the firm's precarious financial position but took actions that favored members' or particular stakeholders' interests. As a result, Tavenner argued that the payments made to these lawyers were not in the best interests of LeClairRyan's creditors.

Tavenner has previously reached settlements with at least six other LeClairRyan leaders. She also settled with the firm's primary insurer for nearly \$9.5 million and with alternative legal services provider UnitedLex for \$21 million.

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The settlements reached by Tavenner and her team have allowed for the recovery of significant funds for LeClairRyan's creditors. However, the process has also highlighted the challenges faced by law firms in a rapidly changing legal landscape. Many law firms need help to adapt to changing client demands and the rise of alternative legal service providers. As a result, bankruptcy and restructuring have become increasingly common in the legal industry.

Overall, the settlement with the last president and board members of LeClairRyan is a significant step in the firm's bankruptcy proceedings. However, it also serves as a reminder of the challenges law firms face today.