

OUTSOURCING LEGAL SERVICES: “CHANGING THE WAY LAWYERS DO BUSINESS”

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President & CEO, Quattro Legal Solutions, Inc.

SETTING THE SCENE – CHANGE

Did you know?

Setting the Scene



“The World is Flat”, Thomas Friedman

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“Outsourcing is just one dimension of a much more fundamental thing happening today in the world....What happened over the last [few] years is that there was a massive investment in technology, especially in the bubble era, when hundreds of millions of dollars were invested in putting broadband connectivity around the world...At the same time, ... computers became cheaper and dispersed all over the world, and there was an explosion of software – email, search engines like Google, and proprietary software that can chop up any piece of workmaking it easy for anyone to do remote development. When all of these things suddenly came together around 2000....they created a platform where intellectual work could be delivered from anywhere.”

Technology Influence

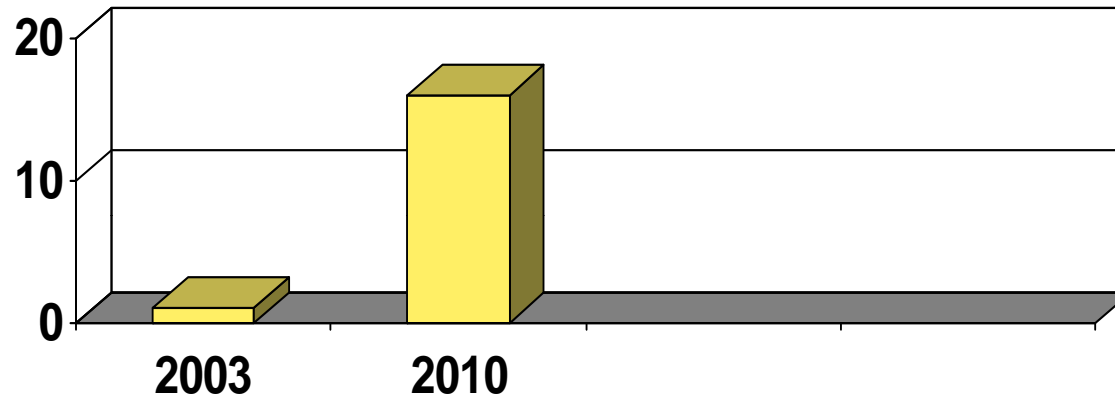


The World Is
Not Flatter:



Technology Has Made it More
Accessible

Growth of the BPO Market



Business Process Outsourcing is projected to grow from US \$1.2 billion in 2003 to US \$16 billion in 2010.

Evolution of the Global Delivery Model



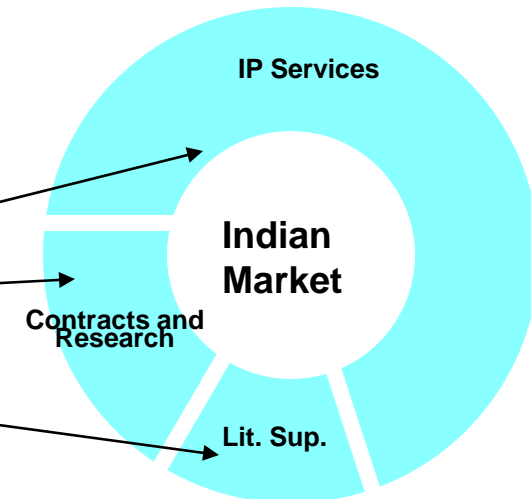
★ Longer-Term Prospects ★ Current Priorities ★ Aspiring Countries

Source : Gartner

Legal Overview :

Market Potential, Breakdown by Service Category

- Worldwide spend on legal outsourcing is estimated to be in the region of \$20BN growing at a CAGR of 8.1% [*Hildebrandt International*]
- Of this composite figure, approximately \$6BN is generated from purely “legal” services:
 - Litigation Support (4.9BN) (82%)
 - Customized Legal Research (0.62BN)
 - Patent & Trademark Prosecution (0.4BN) [*Hildebrandt International*]
- NASSCOM estimates the size of the *outsourced* component of this global pie to be around \$3-4BN
- With current revenues around \$60MM, NASSCOM estimates that India currently has about 2-3% market share in the outsourced LPO market
- The current sectoral breakdown of the Indian market shows heavy bias towards IP solutions: (Value Notes Estimates June 2006)
 - \$42MM – 70% Patent and Trademark filing support services
 - \$12MM – 20% Customized legal research
 - \$6MM – 10% Litigation Support [*ValueNotes*]



The short-term will see a trend correction in the Indian LPO market which will bring Litigation Support's current 10% market share into line with the global market i.e. 83%. This trend correction will happen at the expense of IP services.

Why Outsource?

- Lower Costs for Routine Matters
- Allows Focus on Higher Value Added Matters
- Better Quality than the Current System
- Quicker Delivery using Time Zone Differences

LPO Overview :

Markets / Jurisdictions, Client Types



▪ **Markets / Jurisdictions – English speaking common-law**

- U.S. – By far the dominant market and the trendsetter in outsourcing
- U.K. – Less tapped so far by LPO vendors, but UK firms increasingly open to outsourcing; innovative product strategies will need to be developed to tap this market
- China – Growing markets which need to be developed further

▪ **Client Types**

- Corporate Legal Departments - With a rising tide of corporate litigation, consolidations, mergers, and some of the century's most sweeping changes to corporate governance; corporate legal departments are facing unprecedented workloads and increased scrutiny. Tight budgets mandate even more vigilance in controlling large costs such as outside legal fees and discovery requests. Increased focus on outsourcing quasi-legal work including contracts
- Law Firms - Consolidations, mergers and the dispersal of legal expertise across geographically distributed offices have put significant pressures on law firms to efficiently manage critical assets. At the same time, law firms are under pressure to provide clients with a single unified face, higher levels of service, and reduced legal fees
- Government and Universities - Huge market with a urgent need to find a low cost solution

Legal Services - Summary

Litigation Support	Electronic Document Discovery	Data wrangling, extraction of metadata, de-duplication, data culling, conversion into desired format and legal review
	Paper Discovery	Image capture solutions, OCR/ICR/Text clean-up, logical utilization, indexing and database conversion
	Coding of Documents	Objective/bibliographic coding, In-text coding, subjective coding
	Attorney Document Review	Privilege determination, substantive issue coded review for responsiveness
	Legal Research	Conducting research by using Westlaw/Lexis Nexis, preparing memos and research notes
Contract Management	Contracting Automation and Standardization	Reduces the creation time, lowers administrative costs, reduces contract risk, fosters greater collaboration, works on pre-defined templates and clauses
	Document Management System	Establishes searchable central repository, greater visibility to contracts, saves cost, uncovers risk and improves compliance, increased awareness of business terms
	Audit and Compliance	Audits internal contract management processes and controls, organizational and structural alignment
	Contract Abstraction and Summarization	Reviewing the contracts, creating templates for abstracting/summarizing the contracts, working on such templates
Intellectual Property	Patent Prosecution	Prior art search, patentability assessment, patent illustration, response to office actions, claims drafting, docketing
	Intellectual Property Asset Management (IPAM)	Claims mapping, infringement analysis, technology landscaping, competitor analysis, patent mining, competitive intelligence benchmarking

- Scanning & Imaging of Documents
- Electronic Indexing & Coding of Documents
- Coordination/Administration of Discovery/Due Diligence Requests

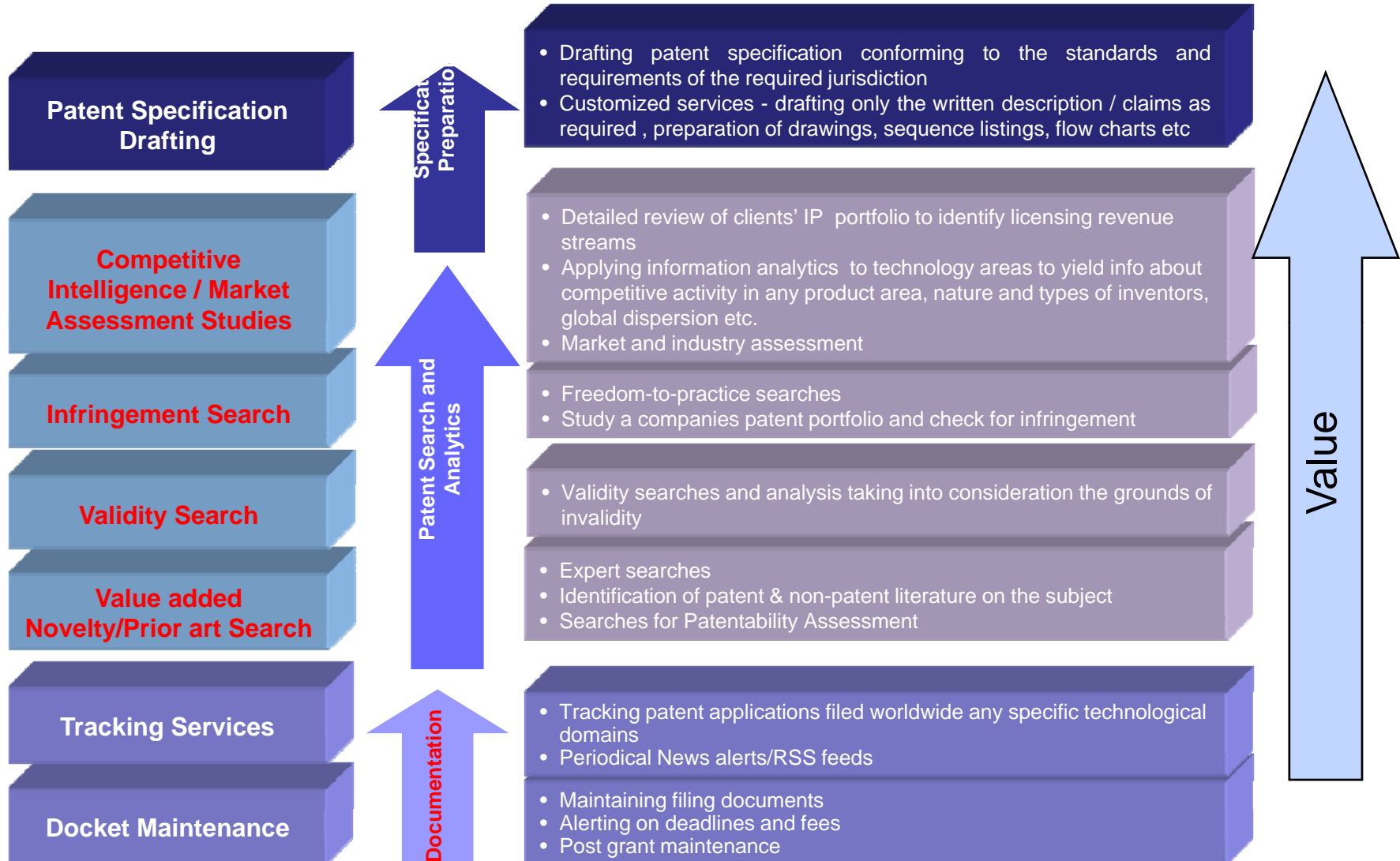
Document Review

- Substantive Document Review for Privilege/Relevance/Unrelated Trade Secrets for Litigations/Government Investigations
- Redaction of Documents as required
- Substantive Review & Reports on Due Diligence Documents in Acquisitions

- Drafting of Documents based on Client's or Quattro's Template
- Review of Routine Contracts
- Contract Management/Administration

- Prior Art Research
- Preparation of Initial Application Drafts
- Illustrations for Applications
- Administrative Filing of Approved Forms
- Tracking & Notifying of Renewal Dates
- Validity Research for IP Litigation

Patent Services



Regulatory Compliance

- Preparation of Immigration Forms
- Preparation of Initial Drafts of Compliance Documents

- Drafting Research Memos
- Multi-jurisdictional Law Surveys

Administrative Support

- Word Processing/Graphics Support
- Billing/Time Keeping Records
- Conflict of Interest Checks
- Finance & Accounting Services

Solutions for Every Contingency

- **Data Integrity**
 - Backup Servers, Password Limited Access

- **Confidentiality**
 - Every employee undergoes a thorough background check and must sign a legally enforceable secrecy agreement

- **Conflicts of Interest**
 - Employees must disclose any conflicts; competitors do not have the same employee assigned to their work

- **Utility Disruption**
 - 3 Back up Generators

ISSUES UNIQUE TO LEGAL SERVICES

- Competence/Malpractice
- Practicing Law without a US License
- Client Secrets
- Conflicts of Interest

Competence/Malpractice

- Trained/Licensed Attorneys for Legal Reviews
- Experienced Professionals for Non-Legal Services
- Trained in US Practices/Client's Requirements
- Work is Reviewed & Supervised by US Licensed Attorneys

ISSUES UNIQUE TO LEGAL SERVICES

Practicing Law without a License

Leading NY Bar Ethics Opinion 2006-3 issued August, 2006 states it is ethical to outsource legal support services overseas to a non US lawyer, provided:

- NY lawyer rigorously supervises to ensure competent representation
- Preserves client secrets
- Avoids conflicts of interest
- Bills for outsourcing appropriately
- Obtains prior consent of client when necessary

ISSUES UNIQUE TO LEGAL SERVICES

Client Secrets

Every employee

- undergoes a thorough background check
- must sign a legally enforceable secrecy agreement

Conflicts of Interest

- Employees must disclose any conflicts
- Same employee does not work for competing clients



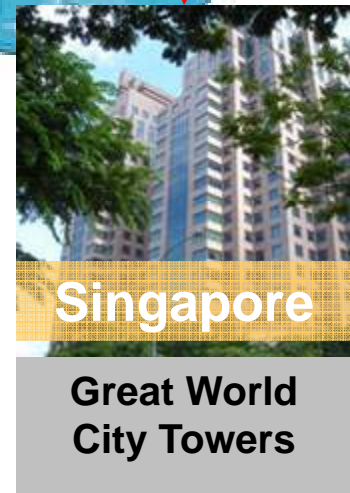
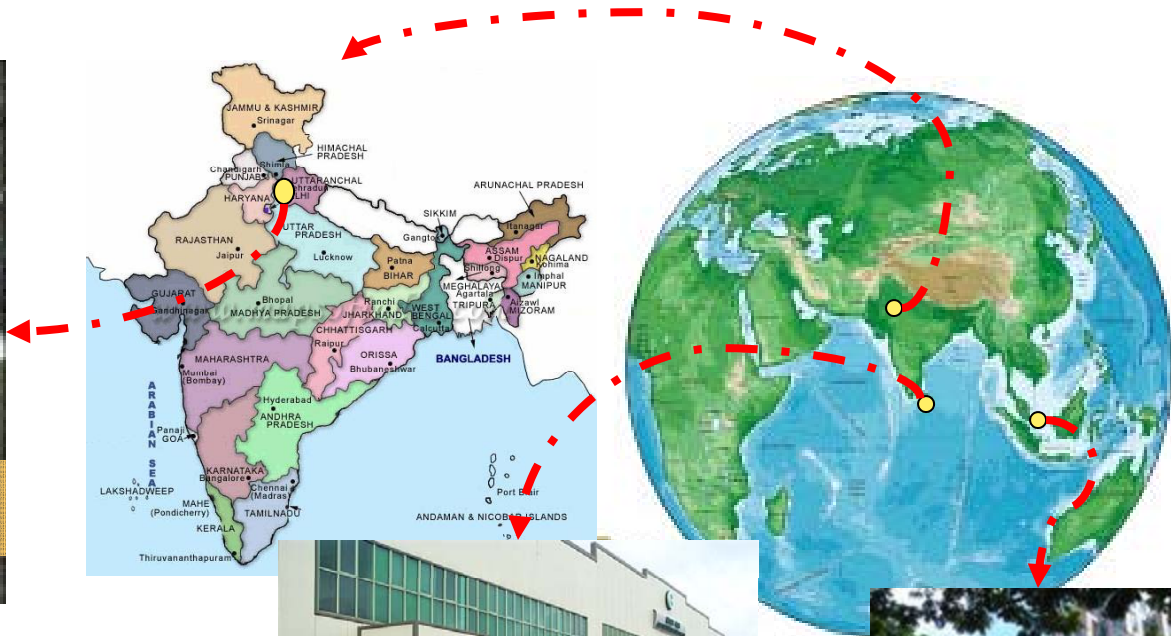
QUATRRO:

Founders &
World Leaders of
BPO

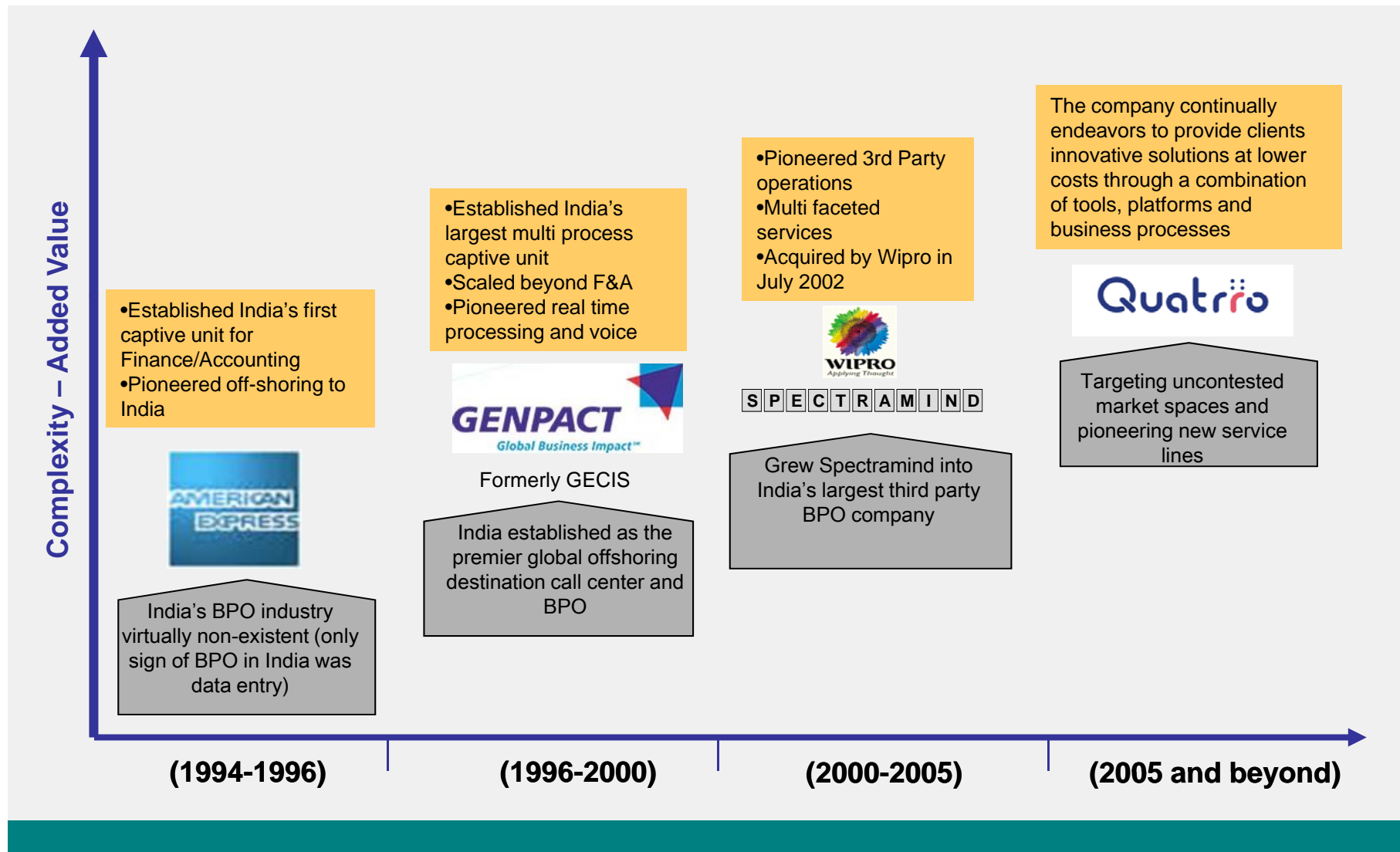
Quattro BPO Solutions

- 4th BPO Created by Raman Roy, known as Father of BPOs
- Led by talented core management with over 20 years of experience with BPOs and servicing major clients
- Capabilities to serve worldwide markets with offices in India, Shanghai, Sri Lanka, Singapore and the United States
- US \$250 million in funding available from Olympus Capital in New York City

Quattro Infrastructure



Quattro's Heritage



Quattro is led by people who are stalwarts of their respective industries and have helped shape the BPO industry...



Raj Dutta
Executive Director

- CA with 21+ Yrs experience
- CFO of the Year at the India CFO Awards 2003



Balki Vasudevan
President & Chief Executive - Strategic Business Development

- Cost Accountant & Company Secretary
- 25+ yrs Exp in Finance & Controllership
- Ex-CFO of Wipro's Global IT Business
- Played a key role in growing business from \$234Mn to \$1.8Bn including acquisitions/integration



S Vaman
CEO, Quattro Risk Management

- Ex-Managing Director, Global Consumer Risk Mgmt Group, Citigroup.
- 26 years of experience in both developed and emerging markets



Suresh Subramanian
CEO, Finance & Accounting

- Fellow Chartered Accountant (FCA), 25+ yrs exp in accounting.
- Partner in charge of multiple multinational clients
- Ex Head KPMG Indian Audit Practice



Gary Bettin
CEO, Quattro Mortgage Solutions

- 25 years of experience in the mortgage Industry. Managed all aspects of Mortgage loan operations and servicing in high volume environment and multiple location



Srini Pingali
EVP, New Product Development

- MBA, 15+ years of experience in Marketing, Market Research, Sales and BPO
- Global exposure



Howard Hill
CEO, Quattro Legal Solutions

- 35 years of practicing international law in NY, London, Hong Kong and Detroit
- Assistant General Counsel for Chrysler Corp., National Partner in Pepper, Hamilton & Scheetz law firm, VP and General Counsel for Acustar.


























Ed Quintero
EVP, Business Development

- 25+ years of business and sales experience
- Led Andersen's F&A BD in US
- Global BPO exposure



Global Clients

Financial	Telecom/Tech	Enterprise
       	       	       

Our BPO experience includes managing:



Transactions

- **Over 1 million back office transactions per month**
- Claims, Insurance and Mortgage processing, Accounting and more



Calls

- **Over 5 million inbound calls per month** (from US, UK, Canada, Australia and New Zealand)
- **Over 2 million outbound calls per month**
- Largest Telecom network of any company in India



Associates

- **Over 16,500 employees** fully-trained and working in a 24-hour shift across 9 Indian cities
- **Over 35,000 jobs** created since 1994



Clients

- Clients across multiple industries in 5 continents
- Many Fortune 500 companies

→ **Over 9000 agents handling Technical Support**
→ **Most experienced BPO Team in India**

Quattro Services



Fraud / Risk Mgmt.	Legal	Mortgage Services
Technical Support	Finance & Accounting	Technical Design
Healthcare	Consumer Research	Creative Services

MYTHS ABOUT INDIAN OUTSOURCING



Why India?



- Highly Educated/Skilled Personnel (250 Million)
- Technologically Connected/Adept
- English Speaking Lawyers/Legal Proceedings
- 40% of US Based Cost
- Common Law System

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<http://www.quattro.com>