
An illustration of a woman with dark curly hair, wearing glasses, a white blazer, and a dark tie. She is sitting at a desk with papers and a pen. The background shows a window with a view of a city at night. The text is overlaid on the image.

THE LINCHPIN

A LAW FIRM
MANAGER SAVES
HER FIRM AND
HER FAMILY

GARY ALLEN

CO FOUNDER LEANLAW

















*A work of fiction inspired by many true stories. No actual law firm managers were harmed in writing this story.



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**ANGELA,
LEGAL MANAGER**



**HORACE,
FOUNDING PARTNER**



**ATTICUS,
MANAGING PARTNER**



JULIA, PARTNER



**FRANCHESCA,
PARTNER**



MARVIN, ASSOCIATE



GLENDA, PARALEGAL



INTRODUCTION

Author's note: My goals in writing this book are to offer valuable information about modernizing a law firm's business and to help legal managers lead the business of law. I added some twists, turns and fun. I hope you like it!

- Gary Allen

ANGELA'S WORLD COMES UNHINGED

"Let me get this straight. You can't find boarding for your pet pot-bellied pig when you're on vacation so you want your assistant to babysit an actual pig at the office and take it home with her while you're gone?" Angela Richardson utters these words incredulously and hangs up the phone. She is the office manager of Nelson & Howe, a prestigious 40-lawyer litigation boutique in the heart of Chicago. In the privacy of her office, she screams as she so often does, "Are you kidding me?!"

Soon after, she receives a more serious call, after which Angela, for once, is gobsmacked. She is no stranger to handling difficult and even bizarre situations, but this is different. The words echo in her mind, "Marcus Delaney died." The realization hits her like a brick, "I killed him," she thinks, her heart sinking.

Angela has been at the helm for about a year, managing the firm's finances, running invoices and payroll, and overseeing the monthly reporting cycle. Her role extends beyond just numbers; she is also in charge of human resources and benefits.

Her job often involves making tough decisions, but nothing has prepared her for the consequences of her recent choice. Marcus Delaney is the son of Martha Delaney, a staff member Angela let go to placate an unreasonable partner. Martha loses her family's health insurance in the process. After missing critical care, Martha's sick child is dead, and Angela can't escape the rising feelings of guilt, no matter how many times she tries to tell herself it isn't her fault.

Angela reports to Atticus Nelson, who became managing partner around when Angela became the office manager. Atticus, the son of firm founder and legendary trial lawyer Horace Nelson, is a difficult boss on a good day. He is abrasive and constantly stressed, trying to maintain a full-time law practice while he oversees the firm.

While Atticus's style makes Angela roll her eyes when she's not sick to her stomach, she goes along, insecure in trying to fulfill her new role and please her boss. Many in the firm fear Atticus, and Angela likes to think sometimes that makes her life easier. Besides, she has seen Atticus using Star Wars action figures to rehearse a difficult phone call when he thinks no one is watching, so she is not so intimidated. She wants to feel she is a vital cog in the firm's machinery, and she does what she has to, to make the firm run smoothly. Often, that means breaking eggs, but she tells herself that is just part of making the omelet. That said, Angela never imagined her actions could lead to such a tragic outcome.

Sitting in her office, surrounded by the hum of the busy law firm, Angela feels a profound sense of isolation. She sees the decision to lay off Martha as necessary to keep the peace in the firm, yet the personal toll it has taken is something she can't ignore. As she grapples with the gravity of the situation, Angela begins to question the path she has chosen, the choices she has made, and the future that lays ahead. Meanwhile, she spends part of her afternoon applying a black magic marker from her Mary Poppins bag to a senior partner's graying eyebrows in preparation for a press conference, when he deems her brow pencil not to be dark enough. "Are you kidding me?!" she says to herself afterwards.

Soon after, Angela receives another blow. As she is drinking her morning coffee at her dining room table, the police SWAT team breaks in and arrests her husband James for criminal fraud, alleging he stole millions of dollars from the charity he works for to feed a drug smuggling operation. The case is all over the papers and both James and Angela become notorious in Chicago professional circles. If Angela had any hope of getting a fresh start in another Chicago law firm, she could forget about it now.

The following morning, Atticus summons Angela to his office. When Angela offers to resign, Atticus refuses, saying, "I brought you in here to fire you, but I really don't want to have to train a new office manager. Just lay low, do your job and don't make any waves. Oh, and by the way, do you have a needle and thread? A seam has come loose on my jacket and I have a client meeting in an hour". Angela rolls her eyes and says, "Sure, let me have the jacket. I have a sewing kit in my bag."

In the end, Angela, now the sole breadwinner for herself and her 12-year-old son Darrell, and with her husband held in jail without bail, holds on to her job as desperately as a sailor clings to a splintered mast in a storm. But deep within her, she knows everything has to change.



ANGELA GRABS A LIFELINE

Angela has only one place to turn for help. When she became officer manager, she joined the Association of Legal Administrators, and has developed some friends there. She is particularly fond of Marcia Hernandez, the administrator at Morgan & Carter, a boutique real estate firm. This firm has a “cool factor” and always seems to get the lawyers and capture the markets it wants. They are especially good at attracting lawyers from other firms right as their practices blossom. Marcia has been their administrator for the last 10 years. She is seen as a leader in the community and she is always eager to help women succeed in law firms.

Angela invites Marcia for lunch. After pleasantries, Marcia starts the conversation. “Angela, I’m so sorry what’s happened to you in the last few months. You must feel devastated.”

“Thank you Marcia, I don’t know where to turn. I don’t have any control over what’s happening with James right now, so I want to focus on the law firm. I’m used to the daily craziness, but it doesn’t feel right. The firm has a stellar reputation, they win big cases and the lawyers are good. But everyone is stressed and no one likes working there. I do my job and follow Atticus’s directions, but I’m not happy.”

“Every firm has issues,” says Marcia with a sigh. “Did you know that Morgan & Carter once suggested I attend an Executive Clown School? But along the way I have picked up some pieces of helpful advice,” says Marcia, “The most important one is ‘Follow the Money.’” If the economics of the firm are sound, and people are bought in, they’re likely to be happy. If the economics are out of whack, that will express itself in lots of unhealthy ways like stress and dissatisfaction. This is very common. Lots of good lawyers don’t run profitable businesses. The rule is that lawyers want to practice law and most of them don’t want anything to do with running the business. And the ones who do make clowns of themselves.”

Angela laughs. “Someone once asked me how much business training lawyers get in law school. The answer is zero. It shows in my firm.”

“Marcia,” Angela asks, “can you help me understand the difference between a strong legal business and a weak one?”



QUESTIONS TO SPARK REFLECTION

- Think about your own role in your organization. Have you ever witnessed the impact a strong or weak leader can have on the overall environment?
- Consider a time where you felt undervalued or powerless in your professional setting. What were the circumstances, and how did it make you feel?
- Imagine yourself in Angela's shoes. What would you do if you were in her position, facing the pressure to maintain the status quo while recognizing the need for change?



CHAPTER 1

A TALE OF TWO LAW FIRMS: WHAT A DIFFERENCE A MANAGER MAKES

Marcia pauses, her gaze reflecting years of navigating the complex waters of law firm administration, before responding with a decisive tone. "Angela, I don't claim to have a monopoly on wisdom, but years in the trenches have taught me some things. Something you need to understand from the beginning is the economic difference between an ordinary firm and an efficient one."

She leans forward, her voice taking on a more assertive edge, a skill she learned proving her worth serving a male-dominated profession. "It all starts with understanding the core economics. Picture two law firms, each with ten lawyers. Each lawyer has the potential to generate \$500k in legal services annually and each firm has the potential to generate \$5 million. But the way the two firms are managed can make their bottom lines vastly different."

Marcia continues, "Let's break down how a law firm turns that \$5 million revenue potential into profit. At its heart, law firm economics is simple: Revenue minus Overhead equals Profit. That's the formula we live by."

Revenue - Overhead = Profit

"Now, let's dissect how an efficient firm leverages the same revenue opportunities versus an average one. Imagine one firm represents the standard legal business model, while the other is in the top 10% based on a few key performance metrics that capture the most important parts of law firm operations:

- Utilization
- Realization
- Collection, and
- Overhead as a percentage of revenue, which I call OPR."

"OK", Angela says, "can I get some clarity about what the metrics mean?"

"Sure," Marcia continues, "Utilization refers to how much of the biller's expected capacity actually is worked. At Morgan & Carter, the lawyers work pretty hard, with an 1800 hour billable expectation. We hit about 95% of that on average. For our example, let's say in an average firm it's 90% if not lower". Marcia writes the math on her napkin:



	Efficient Firm	Average Firm
Potential Revenue	\$5,000,000	\$5,000,000
Utilization Rate	95%	90%
Billable Time (Potential x Utilization %)	\$4,750,000	\$4,500,000

“That’s \$250,000 difference right off the top,” says Angela.

Marcia responds, “We’re not done yet. It gets bigger. Of the time that is worked on billable matters, not all of it gets billed. The percentage billed is called the realization rate. For a good firm, it’s 95%, for an average firm, 90%.”

Marcia writes again on the napkin, after consulting the calculator on her phone:

	Efficient Firm	Average Firm
Billable Time (Potential x Utilization %)	\$4,750,000	\$4,500,000
Realization Rate	95%	90%
Billed Time (Billable x Realization %)	\$4,512,500	\$4,050,000

“The final part of the equation is collection. How much of what you bill is collected? Again, at a good firm, that is 95% or better, at an average firm, more like 90%. Here’s the math on that,” she says as she writes on the napkin:

	Efficient Firm	Average Firm
Billed Time (Billable x Realization %)	\$4,512,500	\$4,050,000
Collection Rate	95%	90%
Gross Revenue (Billed x Collection %)	\$4,286,875	\$3,645,000

“That’s a \$600,000 difference just on the revenue side,” says Angela.

Marcia continues, “The final factor, and biggest, is overhead. I like to measure overhead as a percentage of revenue, or OPR, by treating every person who bills clients as a profit center. So partners carry an overhead load, but so do associates and paralegals. Using that method, an average firm has OPR of 50%. In an efficient firm it is 25% or less.”

“OK, I’m glad I’ve taken my ALA finance classes,” Angela laughs. “I’m impressed there are firms at 25%!”



Marcia continues as she carefully writes on the napkin. “OK, let’s calculate the totals for the two firms.” This is what she writes:

	Efficient Firm	Average Firm
Gross Revenue (Billed x Collection %)	\$4,286,875	\$3,645,000
Overhead as % of Revenue	25%	50%
Profit Before Distributions (Gross Revenue Minus Overhead)	\$3,215,156.25	\$1,822,500

“That’s amazing,” says Angela, “the difference is close to double.”

“The difference is \$1,392,656.25 to be exact, and that’s just for a 10-lawyer firm” says Marcia, as she wrote the number on the napkin. “Do you know what that represents?”

“No, tell me,” says Angela.

Marcia spoke slowly. **“This is the value you add as the manager of an efficient law firm. \$1.4 million.”**

Angela lets the point sink in. She notes in her mind that Nelson & Howe is not even an average firm under Marcia’s criteria. She and Marcia hug, and Angela says to Marcia as they part, “You have given me so much to think about, thank you. I am going to need a lot of help modernizing this law firm and I am going to have to make waves.”

Suddenly, a panic overtakes her. She thinks to herself, “How am I going to get Horace Nelson to agree to any of this?”



CHAPTER 1:

"A TALE OF TWO LAW FIRMS: WHAT A DIFFERENCE A MANAGER MAKES"

KEY TAKEAWAYS:



- Law firm economics are straightforward, with the essential formula being Revenue minus Overhead equals Profit (Revenue - Overhead = Profit).
- Efficient law firms outperform average ones by focusing on key performance metrics, such as Utilization, Realization, Collection, and Overhead as a Percentage of Revenue (OPR).
- Utilization measures how much of a biller's available time actually gets billed. An efficient firm typically achieves a higher Utilization rate, resulting in more billable hours.
- Realization rate refers to the percentage of billable time that actually gets billed to clients. Efficient firms tend to have a higher Realization rate, which means more of their billable work gets billed.
- Collection rate represents how much of the billed amount is collected from clients. Efficient firms have a higher Collection rate, ensuring they collect a larger portion of their billable revenue.
- Overhead as a percentage of revenue is a critical factor in law firm profitability. Efficient firms maintain a lower OPR, which, all other things being equal, means they utilize overhead more efficiently.
- Comparing the financials of an efficient firm to an average one, even with the same revenue potential, reveals a significant difference in profit. An efficient firm can generate substantially higher profits due to better management of key metrics.
- In the example provided, the efficient firm outperformed the average firm by nearly double the profit, showcasing the impact of effective management.
- The value added by a skilled manager in an efficient law firm can be substantial, as demonstrated by the \$1.4 million difference in profit for just a 10-lawyer firm.
- Angela, the protagonist, is now armed with valuable insights and knows that she must make significant changes to transform her law firm. However, she faces the challenge of convincing Horace Nelson, the firm's founder, to agree to these changes.

QUESTIONS TO DEEPEN UNDERSTANDING

- What surprised you most about Angela's character in this chapter? What details about her personality or experiences did you find most compelling?
- Reflect on the contrast between the efficient and average law firms described in this chapter. How do you think these differences might impact the overall morale and productivity of a firm?
- Marcia emphasizes the importance of "getting the money right" for an efficient firm. Do you agree with this statement? Why or why not?
- Angela decides to focus on cultural change instead of technological change initially. Why do you think she makes this choice, and what potential challenges might she face in implementing this strategy?
- While Angela seeks help, Marcia warns her that a successful culture already needs to exist in the firm. Think about your own work environment. What are some aspects of your firm's culture you appreciate, and what areas could be improved?



CHAPTER 2

THE GUARDIAN OF THE OLD WAYS: STRATEGIES FOR CHANGE

Everyone knows when Horace Nelson is in the office. His voice has an unapologetically gritty timbre and it penetrates every corner, punctuated by creative epithets that only the son of a forklift operator could conjure. It seems like he is always talking, until he stops and stares at you, standing 6-foot-4 with a steely, blue-eyed gaze. In the courtroom, countless witnesses have wilted before this visage, and it is no different in the office. The staff react to him as if he were a hungry lion escaped from the zoo.

Angela knows the road to change at the firm goes through Horace. Atticus may be the managing partner, but Horace's force of personality make him the real power. And Horace hates change. He is rightly proud of what he has built and shows no interest in modernizing the firm.

After meeting with Marcia, Angela develops an idea to begin moving key computer applications in the firm to the cloud, starting with transitioning from an old server-based version of MS Office to MS 365.

Angela's steps echo in the hallway as she screws up her courage and approaches Horace's office. "Horace, can we discuss something that could significantly benefit the firm?" Angela begins, standing in Horace's door, surrounded by the symbols of the firm and his personal achievements. "I know, how about somebody, besides me, bills some hours?" Horace bellows.

Horace listens to Angela's proposal with a blend of skepticism and impatience. "Angela, this firm has thrived on the foundation I established from the beginning. We just have to be great at winning cases and everything flows from that. These technologies you're pushing... they're not for us. We've been successful without them," he dismisses the idea with an icy glance that leaves no doubt the conversation is over.

Feeling disheartened but not ready to give up, Angela again seeks Marcia's counsel. After hearing the story, Marcia says, "Friend, I feel you. I have raised my head many times to propose new initiatives, only to have it nearly bitten off. There is nothing more difficult in my job than change management. Over the years, however, I've learned some techniques that help a lot."



Marcia continues, “At the end of the day, it’s all about building trust. The lawyers want to practice law. If you can gain their trust on the business side, they will defer to you one day. I’m going to email you a document with some helpful techniques I have learned over the years”. A moment later she clicks send and Angela receives this summary:

Change Management Techniques

- **Involve Leadership:** Secure early support and involvement from firm leadership to drive the change.
- **Articulate a Clear Vision:** Clearly define the vision and measurable objectives for the change.
- **Engage Stakeholders:** Include stakeholders at every level in planning and implementation to build support and reduce resistance.
- **Maintain Open Communication:** Keep communication channels open to address concerns and share progress.
- **Provide Training and Support:** Offer necessary training and support to help employees adjust to the new culture and technologies.
- **Implement Performance Incentives:** Use performance-based incentives to encourage productivity and innovation.
- **Collect Feedback and Adapt:** Establish feedback mechanisms to continually refine and enhance the change process.
- **Celebrate Successes:** Acknowledge and celebrate milestones to sustain momentum and morale.

“Thanks Marcia, I love this. But help me understand how to apply this to my issue with Horace,” says Angela, and the two begin to delve into the root issue: the firm’s resistance to change is not solely about technology; it’s deeply embedded in the culture. From Day One, Horace has taught the lawyers that they need to focus on their cases, and nothing else matters.

"Angela, maybe we’re attacking this from the wrong angle," Marcia suggests. "What if we first focus on fostering an entrepreneurial culture? Horace is worried that people aren’t billing enough. What if you tied productivity directly to compensation. That might pave the way for technological adoption later on."

Inspired, Angela devises a strategy to spark a cultural shift within the firm, aiming to create a setting that rewards initiative, creativity, and, most importantly, productivity.



Her strategy involves several pivotal actions:

- **Engaging Leadership:** She develops tailored messaging for each key stakeholder in the firm, starting with Horace. Understanding the needs of each stakeholder, she emphasizes different factors for each, including how an entrepreneurial culture could boost motivation, client satisfaction, and firm profitability.
- **Developing a Communication Plan:** Angela communicates regularly and consistently, shares updates, success stories, and challenges with everyone at the firm, encouraging a sense of participation and ownership.
- **Offering Training and Development:** Angela gets buy-in on a mentoring program and marketing support to hone entrepreneurial skills among lawyers and staff, focusing on business development, client management, and innovation.
- **Introducing a Performance-Based Compensation Model:** Central to her plan is a new compensation model that incentivizes productivity, motivating lawyers and staff to innovate and take initiative.
- **Implementing Feedback Mechanisms:** To sustain the change, she plans regular feedback sessions, allowing everyone to express concerns, make suggestions, and share achievements.

Soon after, Angela introduces the proposal to Horace as if it were his idea from the beginning. “Remember how you said you wished people would bill more hours? This gives everyone the incentive to do that.” Horace’s skepticism begins to soften. “Alright, Angela, let’s see how this goes. But remember, our reputation and principles have brought us this far. We can’t forget that.”

Angela leaves the meeting with Horace and breathes a deep sigh of relief. She has a chance to make things better. A few moments later, her phone rings. It is the public defender’s office. “Ms. Richardson, I’m calling to remind you that your husband’s preliminary hearing is this afternoon. Will you be able to make it to the courthouse?”

The courtroom buzzes with tension, an almost tangible cloud of disbelief and suspicion enveloping every attendee as James Richardson’s preliminary hearing unfolds. The indictment is like something out of a crime novel—\$10 million allegedly siphoned off through a network of phony consultants, all traced back to James’s digital fingerprints. According to the prosecution, the ill-gotten gains fuel a dark underbelly of drug trafficking that preys on Chicago’s vulnerable, with damning evidence found in the trunk of James’s car: a bag full of cash alongside another stuffed with fentanyl.



Angela sits, a solitary figure of resolve amidst a sea of murmuring spectators. She can't accept the grim narrative being woven around her husband. James, the man she knows and loves, could never orchestrate such devastation. Their son, Darrell, shines as the beacon that guides her through this storm of doubt and fear. For him, she stands by James, believing in his innocence against the crushing weight of public opinion and apparently quite a lot of evidence.

As the hearing wraps up, without bail granted, Angela's gaze locks onto a figure she had noticed earlier—Mother Seraphina. The director of the Guardian Angels Network, the charity at the scandal's epicenter, sits stoically, her presence an enigmatic shadow amidst the proceedings. Driven by a mix of desperation and hope, Angela approaches, seeking some understanding or sympathy.

“I am so sorry for this horrible mess,” Angela begins, her voice barely a whisper. “I can't believe James had anything to do with it.”

Mother Seraphina turns, her eyes meeting Angela's—a cold, unforgiving gaze that sends chills down Angela's spine. With a heavy eastern European accent, tinged with unsettling calm, she replies, “Well, it looks like he did, doesn't it? And I wouldn't be surprised if you did too.”

The words hit Angela hard, her mind reeling from the accusation. As she watches Mother Seraphina walk away, a deep sense of foreboding settles in her heart. Angela's intuition, her "spidey sense," is rarely wrong, and right now, it screams that something is amiss. The pieces don't fit; the story being told is too convenient, too neatly packaged to be true.

“Something is wrong here,” she thinks to herself, resolve hardening within her. This isn't just a fight for James's freedom—it's a battle for the truth. Angela knows the path ahead will be fraught with challenges, but she is determined to uncover the real story, no matter how deep she has to dig or how dark the secrets she might find. The journey to clear James's name and protect her family has just begun.



CHAPTER 2:

“THE GUARDIAN OF THE OLD WAYS”

KEY TAKEAWAYS:



Chapter 2 highlights the following principles of change management within the context of a law firm facing resistance to transformation:

- **Leadership Involvement:** The narrative underscores the critical role of securing leadership support early in the change process. Angela's realization that the path to change must involve Horace, a key figure with significant influence, illustrates the importance of engaging firm leadership to drive and endorse change initiatives.
- **Clear Vision and Objectives:** Angela's discussions with Marcia stress the need for a well-defined vision for the change, including transitioning to cloud-based technologies. This principle is about articulating what the change aims to achieve and setting measurable goals to track progress.
- **Stakeholder Engagement:** The story highlights the necessity of including stakeholders at all levels in the planning and implementation phases. Angela's strategy involves understanding and addressing the needs and concerns of various stakeholders, including Horace, to build support and reduce resistance.
- **Open Communication:** Maintaining transparent and open channels of communication is emphasized as Angela plans to share updates, success stories, and challenges with everyone at the firm. This principle focuses on the importance of keeping stakeholders informed and involved throughout the change process.
- **Training and Support:** Providing necessary training and support to help employees adjust to new technologies and practices is outlined through Angela's plan for a mentoring program. This principle ensures that all individuals have the resources and knowledge needed to embrace and succeed in the new environment.
- **Performance Incentives:** Implementing performance-based incentives as a way to encourage productivity and innovation is a key part of Angela's strategy. This principle highlights the value of aligning individual motivations with organizational goals to drive positive change.

- **Feedback and Adaptation:** Establishing mechanisms for collecting feedback and adapting the change process based on this input is demonstrated by Angela's plan for regular feedback sessions. This principle allows for continual refinement and improvement of the change initiative, ensuring it remains responsive to the needs of the firm.
- **Celebrating Successes:** The importance of acknowledging and celebrating milestones to sustain momentum and morale is implied through Marcia's advice. Recognizing achievements fosters a positive attitude towards the change and reinforces the benefits of the new approaches being implemented.

These principles form the foundation of Angela's comprehensive approach to managing change within her firm, emphasizing the importance of strategic planning, involvement, and communication in overcoming resistance and achieving successful transformation.



QUESTIONS TO DEEPEN UNDERSTANDING

- Angela's initial attempt to modernize the firm through technology was met with resistance from Horace. How do you think she should approach him in the future to gain buy-in for necessary changes?
- Angela encounters several challenges in her quest for change, including James's legal troubles and Horace's resistance. How do you think these personal and professional difficulties might impact her resolve and ability to lead the firm's transformation?
- Mother Seraphina's reaction at the end of the chapter leaves Angela suspicious. Based on the limited information we have, what are your initial thoughts about Mother Seraphina's potential role in James's situation?
- Chapter 2 highlights the importance of legal ethics. How do you think Angela's personal commitment to James, despite the accusations against him, might influence her professional judgment and actions?
- Angela faces a difficult decision: prioritize James's case, which could impact her work for the firm, or focus solely on her responsibilities at Nelson & Howe. What advice would you give Angela in this situation? How can she navigate this personal and professional conflict?

