

Choking on Paper? Follow these instructions.



LAW.COM

Select 'Print' in your browser menu to print this document.

Copyright 2007 ALM Properties, Inc. All rights reserved.

Page printed from: <http://www.law.com>

[Back to Article](#)

## Thacher Proffitt Warns Associates of Looming Layoffs

Anthony Lin  
New York Law Journal  
11-28-2007

Thacher Proffitt & Wood on Tuesday informed about 50 associates that their futures at the firm were uncertain because of the collapse of the market for mortgage-backed securities, an area where the firm had had a leading practice.

The firm's warning, first reported Tuesday on legal gossip blog Above the Law, affected 24 non-first-year associates who were told they were almost certain to be laid off in January unless the credit market substantially improved.

Additionally, the firm offered 29 first-years the option of taking four months' severance and leaving the firm. The firm's chairman, Paul D. Tvetenstrand, had previously said the firm would not have associate layoffs, but he said Tuesday that the outlook on the market had grown worse in recent weeks. Whereas the 350-lawyer firm had earlier projected the market would bounce back in a quarter or so, he said the feeling was now that the mortgage-backed securities market in particular would remain moribund for at least six months, if not longer. He said the warning and buyout offers were to give associates time to prepare. "It would be unfair to these associates to have them sitting on their hands" during that time, he said.

Tvetenstrand said among the factors Thacher Proffitt had looked at was the health of its major clients among Wall Street investment banks. Several major banks have slashed structured finance departments and some have said they are pulling out of the area altogether.

Tvetenstrand said some areas of structured finance aside from securitization of residential mortgages remained strong and that overall health of the firm remained strong.

Thacher Proffitt's layoff warning follows Clifford Chance's termination earlier this month of a six-lawyer structured finance group of associates, and structured finance boutique McKee Nelson's extending of similar buyout offers to associates.

A promotional banner for a webinar. The background is a blue-tinted image of a long, straight road stretching into the distance. The text is white and blue. It reads: 'The Revised FRCP: One Year Later' and 'Lessons Learned and The Road Ahead'. Below that, it says 'Free Webinar Hosted by Recommend' and 'Guest Speakers From Fulbright &amp; Jaworski and Deloitte'. The date and time are 'Friday, November 30th 1:00 p.m. EST / 10:00 a.m. PST'. At the bottom left is the 'recommend' logo, and at the bottom right is a 'Register Now!' button with a green play icon.

A promotional graphic for a survey. It features a red square at the top left, followed by the text 'The 2007 Law Firm Business Development Practices Survey' in a dark red font. Below this, there are two dark red squares. The one on the right contains the text 'is now open!' in white.