

Palamon Capital Partners acquires UK high-street legal brand, Quality Solicitors

Palamon Capital Partners (“Palamon” or the “Firm”), one of Europe’s leading mid-market private equity firms, has acquired a majority stake in QualitySolicitors (“the Company”), a leading UK brand of high-street solicitors for individuals and SMEs. Details of the transaction were not disclosed.

QualitySolicitors was founded in 2009 with the aim of building a national legal brand focused on providing improved standards of service to individual customers and SMEs. The UK high-street legal market, which represents £10 billion in annual revenue, is highly fragmented with approximately 10,000 firms, the vast majority of which have less than 25 solicitors. The Company has rapidly built a network of 300 locations across the UK, comprising law firms and also legal access points through a tie-in with leading UK high street chain, WHSmiths. Strong brand awareness has been generated with the public through a highly visible marketing campaign, including national television advertising. QualitySolicitors firms offer a transparent customer service charter with benefits such as free face to face consultations, fixed fees, same day response and a broad range of specialisms.

Palamon’s investment in QualitySolicitors follows the introduction of the Legal Services Act earlier this month, which lifts previous restrictions around the management, ownership and financing of firms providing legal services. The transaction, which is the first major private equity investment into the sector, will come from Palamon’s €670 million European Equity II fund, to enable the build out of central operations, sales functions and facilitate a ramp up of marketing activities. With the financial and strategic support of Palamon, QualitySolicitors aims to continue its rapid growth and firmly establish a position as the ‘household name’ brand for legal services.

Following the transaction the Company will continue to be led by founder, Craig Holt. Retail expert Steve Richards, the former Chief Executive of Interflora, has been appointed to the board as Chairman.

Craig Holt, co-founder and Chief Executive of QualitySolicitors commented, “We are delighted to partner with such an experienced growth investor as Palamon. Their understanding of the legal services market and analysis of our business model convinced us that they could provide the strongest strategic support to help us achieve our ambitious growth plans”.

Jonathan Heathcote, Partner at Palamon said, “Palamon have researched opportunities in the legal market extensively over the past couple of years in anticipation of the Legal Services Act. It was clear to us that QualitySolicitors represents an unparalleled opportunity to gain market share in this newly deregulated industry. We hope, in time, to see QualitySolicitors firms become the largest provider of local legal services.”

Owen Wilson, Associate Principal at Palamon Capital Partners commented: “We are excited about partnering with Craig and Saleem through our investment in QualitySolicitors. The Company has significant first-mover advantage for consolidating the high-street legal services market. We share their vision for the future of the business and look forward to supporting them as they continue to rapidly scale their operations.”

Other Palamon investments in the UK include Cambridge Education Group, the leading provider of pre-university education and Towry, the largest independently owned group of financial advisers with £4.8 billion assets under management.

For further information

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Notes to the editors

Palamon Capital Partners

Palamon Capital Partners, LP is an independent private equity Partnership founded in 1999, which is focused on providing equity for European growth services companies. Palamon, as a pan-European investor, originates, executes and manages investments in the UK, Germany, Italy, Spain, Norway, and Sweden. The Firm targets investments in companies where it can be the lead private equity provider and where it can provide strategic direction and partner with management to help build equity value. The Firm manages Palamon European Equity, L.P. and Palamon European Equity II, L.P. capitalised at €1.1 billion, making up one of the largest pools of private equity capital dedicated to growth investment opportunities in Europe's mid market.

For more information on Palamon refer to www.palamon.com.

QualitySolicitors

QualitySolicitors is a rapidly growing network of UK high-street law firms which was established in 2009 to address the need for a nationally recognised and trusted brand for local legal services. The Company offers a broad range of services to individuals and SMEs, based on a transparent customer service charter, including free first consultation and fixed fees with no hidden costs. QualitySolicitors currently has approximately 300 locations situated across the UK comprising high quality law firms and legal access points with leading UK high street chain, WHSmiths.

To find out more about QualitySolicitors, visit www.qualitysolicitors.com