

New Release

For Immediate Release

Texas and Cross-Border Activity Driving Mergers

WASHINGTON, D.C., June 29, 2018 – The number of law firm mergers in the first half of 2018 is up from the same period in 2017, according to the merger research team at Fairfax Associates. An active market in Texas and cross-border combinations were key drivers of the heightened activity in the second quarter.

In the second quarter of 2018, we tracked 16 completed mergers (meaning the effective date of the merger occurred during the second quarter of 2018) for a total of 36 completed mergers in the first half of 2018. This is higher than the 35 mergers in the first half of 2017 and also higher than the first half historical average of 31 mergers when analyzing our data over the last 10 years (from 2008 to 2017).

Merger activity in the second quarter was dominated by small combinations, with 75 percent of the combinations in the five to 25 lawyer range. The four largest mergers included three domestic mergers, all in Texas, and one cross-border combination.

Texas was also the top market in terms of in-bound (the location of the smaller firm) merger activity, with a total of four mergers: three in Dallas and one in Houston. They included: Hunton & Williams with Andrews Kurth Kenyon in Houston (311 lawyers); Foley & Lardner with Gardere Wynne Sewell (Dallas, 233 lawyers); Clark Hill with Strasburger & Price (Dallas, 195 lawyers) and Stinson Leonard Street with Lackey Hershman (Dallas, 16 lawyers). Illinois and New York had two mergers apiece. Markets with one merger each included California, Colorado, Pennsylvania and Washington State.

Four of the mergers in the second quarter were cross-border combinations, for a total of five in the first half of 2018. Combined with the seven cross-border mergers announced for the second half of the year that brings the total cross-border mergers to date to 12. Last year there were 19 cross-border mergers for the full year, up from 13 in 2016 and just five in all of 2015. The largest merger in the second quarter was Bryan Cave's combination with Berwin Leighton Paisner in London (666 lawyers), which officially launched in early April, creating a 1,600 lawyer trans-Atlantic firm.

Looking forward, 12 combinations have already been announced for completion later in the year. Of these mergers, seven are cross-border combinations announced by Denton's in its continued global expansion. Dentons has reported that it is combining with seven firms across Africa, Southeast Asia and the Caribbean; the combinations are expected to launch later in 2018. In addition, Dentons has announced that it will combine with Hawaii's Alston Hunt Floyd & Ing (44 lawyers), with the integration expected to be completed by the fall.

The largest combination announced thus far for completion in the second half of the year is the merger of Nelson Mullins Riley & Scarborough with Florida firm Broad and Cassel. Effective August 1, the combination will result in a firm with over 725 lawyers mainly along the Eastern seaboard.

Fairfax Associates collects data from published reports, press releases and direct reports from law firms. Mergers are reported where the acquired firm has five or more lawyers. Upon routine verification of the data, some historical numbers may have been updated since previously issued reports, and the number of mergers contained herein may change as additional mergers are announced.

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About Fairfax Associates

Fairfax is a specialist firm of highly experienced consultants focused on serving the legal industry. Our services and areas of focus include merger strategy and search, merger integration, strategic planning,

partnership issues including partner compensation, and governance and organization. We work with the largest international and national law firms and leading firms of all sizes.

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