

New Release

For Immediate Release

Law Firm Mergers Continuing Strong Upward Trend – New Record Set

WASHINGTON, D.C., October 1, 2018 – Law firm mergers through the third quarter reached a new high, according to the merger research team at Fairfax Associates.

We tracked 20 completed mergers for a total of 56 completed mergers through the third quarter. This is the highest number we have ever recorded for this time period, higher than the 50 mergers through the third quarter of 2017 and significantly higher than the historical average of 42 mergers through the third quarter, when compared to our data over the last 10 years (from 2008 to 2017).

Merger activity in the third quarter continued to be primarily defined by small combinations, with 80 percent of the 20 combinations in the five to 25 lawyer range. The four largest mergers included two domestic mergers and two cross-border combinations.

On the domestic front, no single region of the US dominated, with 15 domestic mergers scattered across 12 states. There were two mergers in Florida, including the largest combination of the quarter, that of Nelson Mullins Riley & Scarborough with Broad and Cassel (160 lawyers). In addition, Holland & Knight acquired Sharp Partners, a six-lawyer international tax boutique based in Tampa. There were two mergers in Cleveland, Ohio: Akron-based Brouse McDowell acquired 12-lawyer Thacker Robinson Zinz and Tampa-based ALAW acquired five-lawyer Felty and Lembright. There were two mergers in Missouri: Rouse Frets Gentile Rhodes combined with Kansas City-based White Goss (20 lawyers) and Baker Sterchi Cowden & Rice combined with St. Louis-based Williams Venker & Sanders (23 lawyers). The second largest domestic merger was the combination of Dentons with Hawaii's Alston Hunt Floyd & Ing (44 lawyers). Other states with one merger apiece were Colorado, Idaho, Minnesota, Nevada, New York, Oregon, Pennsylvania and Texas.

Five of the mergers completed in the third quarter were cross-border combinations, for a total of 10 cross-border mergers through the third quarter of 2018. They were: DLA Piper with Delacour in Denmark (60 lawyers) and four Dentons combinations which included Hanafiah Ponggawa & Partners in Indonesia (75 lawyers), Zain & Co. in Malaysia (25 lawyers), Delany Law in Barbados (nine lawyers) and Dinner Martin in the Cayman Islands (seven lawyers).

Last year there were 19 cross-border mergers for the full year, compared to 13 in 2016 and just five in 2015. Looking forward, five more cross-border combinations have been announced for completion later in the year, including four combinations by Dentons in Chile, Kenya and Mauritius (two mergers) and one merger by Littler in Belgium with 20-attorney Reliance, a labor and employment law boutique.

The rise in cross-border merger activity over the past three years has been predominantly driven by Dentons. Since the firm merged with Dacheng in 2015, the firm has continued to expand around the globe. In 2016, the firm's six combinations accounted for 46 percent of all cross-border combinations for the year. In 2017, another six combinations accounted for 32 percent of cross-border mergers, and through the third quarter of 2018, Dentons has accounted for 50 percent, with five cross-border mergers. In addition, Dentons accounts for 80 percent (four out of five) of the cross-border combinations announced thus far for completion later in the year.

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 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 clients in professional services, and in particular, law firms. 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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