

New Release

For Immediate Release

Law Firm Mergers Still Down for 2020 at the Close of the Third Quarter

WASHINGTON, D.C., September 30, 2020 – Law firm merger activity continues to slow amid the backdrop of the Covid-19 pandemic. The number of law firm mergers in the first three quarters of 2020 is down from the same period in 2019, according to the merger research team at Fairfax Associates.

In the third quarter of 2020, we tracked six completed mergers (meaning the effective date of the merger occurred during Q3 2020) for a total of 32 completed mergers through the third quarter of 2020. Third quarter numbers are significantly down from 2019, which saw 16 mergers completed in Q3. Year-to-date, mergers are down from 46 mergers at this point last year, and lower than the historical average of 43 mergers per year when analyzing our data over the last 10 years (from 2010 to 2019).

Five of the six mergers completed this quarter involved firms of 15 or fewer lawyers, and all six were domestic mergers.

The largest merger of the quarter was the combination of Atlanta-based Troutman Sanders (650 lawyers) and Philadelphia-based Pepper Hamilton (450 lawyers). This merger was announced in Q1, but the effective date was postponed to July 1 due to Covid-19.

Three mergers represent regional expansions this quarter. New Jersey based Bressler Amery & Ross (145 lawyers) combined with Houston-based Ballard & Littlefield (6 lawyers). Chicago-based Much Shelist (96 lawyers) expanded its California presence by combining with the Newport Beach firm Zfaty Burns (6). And Houston-based Nolte IP (16 lawyers) merged with Lackenbach Siegel (13 lawyers) in Scarsdale, NY.

There were also two in-state mergers. Millers Johnson (99 lawyers) of Grand Rapids combined with Lusk Albertson (6 lawyers) of Detroit, and the Albany-based firms of Whiteman Osterman & Hanna (76 lawyers) and McNamee Lochner (12 lawyers) also combined.

Four additional mergers were announced in Q3 but will be effective in later quarters. Phoenix-based Fennemore Craig (124) announced a combination with Fresno-based Dowling Aaron (46 lawyers). Oakland-based Meyers Nave (58 lawyers) has announced a combination with the San Diego based Brown Law Group (7 lawyers). Both of these transactions will close on October 1, making them the first Q4 mergers of the year. Finally, Dentons continues its active expansion with the announcement of mergers with both Durham Jones & Pinegar (96 lawyers) of Salt Lake City and East African Law Chambers (18 lawyers) of Tanzania. The effective date for these mergers is not yet known.

As we look ahead, we expect to see relatively few additional mergers with effective dates in the fourth quarter, resulting in far fewer total mergers for 2020 than observed in recent years (59 total mergers in 2019, 71 in 2018, and 65 in 2017). The decline in the number of mergers this year has been driven by a number of pandemic-related factors, including economic and political uncertainty, pre-occupation with business resiliency measures, challenges associated with conducting merger meetings in the remote environment, and a desire to limit further organizational risk this year. However, many firms remain committed to growth and expansion and are continuing to explore merger options. As a result, we anticipate that merger activity will resume to more typical levels in 2021.

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.

###

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.

CONTACTS

Lisa Smith
202.365.4180
lisa.smith@fairfaxassociates.com

Kristin Stark
415.215.9294
Kristin.stark@fairfaxassociates.com