

Mergers Pick Up in Q2

WASHINGTON, D.C., July 3, 2023 – Law firm mergers are up year-to-date in 2023 compared to 2022, according to the merger research team at Fairfax Associates.

In the second quarter of 2023, we tracked 11 completed mergers (meaning the effective date of the merger occurred during Q2 of 2023) for a total of 28 completed mergers for the first half of 2023. The year-to-date numbers are higher than both 2021 and 2022, which each saw 25 mergers in the first half of the year. Merger activity in 2023 remains below the historical first-half average of 32 mergers when analyzing our data over the last 10 years (from 2013 to 2022).

The largest merger of the quarter was the formation of Maynard Nexsen from two southern firms -- Birmingham-based Maynard Cooper & Gale (286 lawyers) and Columbia, South Carolina-based Nexsen Pruet (175 lawyers). The merger, which was announced in Q1, creates a 550-lawyer firm with 23 offices in the US. Q2 also added the combination of Smith Gambrell & Russell and Freeborn & Peters, which was originally expected to close in Q1.

Q2 also saw a trio of midsize mergers in the Midwest. In Ohio, Columbus-based Bricker & Eckler (129 lawyers) and Cincinnati-based Graydon Head & Ritchey (79 lawyers) have combined to form Bricker Graydon LLP. Chicago saw two mergers, with St. Louis-based Armstrong Teasdale (358 lawyers) teaming up with the litigation boutique Novack and Macey (25 lawyers), and Hinshaw & Culbertson (386 lawyers) and Adler Murphy & McQuillen (23 lawyers), both of Chicago, combining as well.

There were two cross-border combinations in Q2, bringing the total for the year to three, and exceeding the number of cross-border combinations for all of 2022. Miami-based Holland & Knight (1,650 lawyers) has combined with the Bogotá-based Cuberos Cortés Gutiérrez (28 lawyers), and Dentons (10,000 lawyers) has finalized their merger with Link Legal (134 lawyers) in New Dehli, which was announced at the end of 2022 and represents the firm's fifth office in India.

The quarter was rounded out by four smaller mergers. Winston-Salem-based Womble Bond Dickinson (896 lawyers) joined with the IP boutique firm Moyles IP, which has five lawyers based in Washington DC, New York, and Raleigh. In Connecticut, New Haven-based Carmody Torrance Sandak & Hennessey (75 lawyers) combined with Guilford-based Donahue, Durham & Noonan P.C. (8 lawyers). In New York, Buffalo-based Lippes Mathias (162 lawyers) has combined with Clarence-based Andreozzi Bluestein (8 lawyers). And finally, Philadelphia-based Dilworth Paxson (87 lawyers) joined with the Freehold, New Jersey-based public finance firm of GluckWalrath (12 lawyers).

Looking forward, Smith, Currie & Hancock (55 lawyers) of Atlanta has announced their intention to combine forces with Oles Morrison Rinker & Baker (16 lawyers) of Seattle. Both firms specialize in construction and federal government contract law.

As in previous quarters, merger interest remains high. As more firms explore larger and more complicated combinations, the typical timeframe for completing a combination is lengthening, and the likelihood of hitting a roadblock in these types of combinations is greater. However, given the level of activity, we anticipate an acceleration in completed mergers during the second half of the year and into 2024, including the potential creation of A&O Shearman.

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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