

Los Angeles Times

Southern California Law Firms Merge and Expand During an Impactful 2024



Nov. 17, 2024 4:45 AM PT

In this eventful year, the 100 largest law firms in Los Angeles County faced financial challenges, regulatory issues, and industry consolidation while demonstrating resilience through the adoption of new technologies.

In particular, real estate law has been a difficult sector due to higher interest rates that have impacted valuations as well as new developments. However, there is an expectation that interest rates will decline within the next 12 months and activity will increase, especially for distressed properties that may become available through foreclosure or an off-market transaction with the existing owner.

“Deal flow has improved now that there is some visibility on interest rates. However, there is still a lot of uncertainty around the commercial real estate market, so the recovery has been uneven and bumpy,” said Mathew Wyman, partner and chairperson for Cox, Castle & Nicholson.

That sentiment may extend to other transactional work for firms that specialize in mergers and acquisitions, restructuring, capital raise due diligence, tax and securities litigation. As firms gear up for more activity, they have increased legal hiring, and some firms have merged in an effort to provide more robust service offerings with a larger and more geographically diverse staff.

A Year of Growth

Several new firms entered the Los Angeles market over the past year through mergers. Several East Coast firms sought out West Coast offices to engage with

Los Angeles Times

the media, entertainment, technology, private equity and family offices that are located in this region. Philadelphia-based Saul Ewing LLP entered the Southern California market through a merger with local firm Freeman Freeman & Smiley in August 2023. At the time, the merger added 50 attorneys across offices in Los Angeles and Orange County. This also brought the firm's total offices to 18 nationwide with more than 400 attorneys.

Saul Ewing already had several clients headquartered or with substantial operations in California. In the three years prior to the merger, the firm handled more than 500 client matters in the state, despite a lack of a local office presence. Some of the significant industries include higher education, cannabis, insurance, sports and entertainment, food and agribusiness. It also has a nationally recognized real estate practice.

"The collaborative culture, bench strength, industry focus and full range of legal services is what attracted us to Saul Ewing," said Steven Ziven, former managing partner of Freeman, who now serves as managing partner of the Los Angeles office, in a statement. More recently, the office expanded with the addition of veteran litigator Stephen Ma, who has represented public and private companies and their officers, directors, members and investors.

He has experience in both entertainment defending music publishers in licensing and copyright disputes and real estate representing developers and lenders in litigation against breach of contract and fraudulent transfer claims. Another national firm that entered the Los Angeles market during the past year was Thomson Hine LLP, which opened an office on July 1, 2024, with 11 attorneys and a total of 25 employees. Litigators from Conkle, Kremer & Engel joined the firm and formed its first West Coast office. The group has experience representing clients in industries, including beauty and personal care products, fashion, technology, real estate and manufacturing.

There are additional mergers that have been announced and are expected to close within the next few months. They include Lewis Roca and Womble Bond Dickinson, which announced plans to merge as of Jan. 1, 2025. Both firms operate in Los Angeles, and Womble Bond Dickinson operates an office in Irvine. The merger will create a firm with more than 1,300 attorneys in 37 offices in the United States and the United Kingdom. In September, Locke Lord and Troutman Pepper agreed to merge, effective Jan. 1, 2025. The new firm will be named Troutman Pepper Locke and will have more than 1,600 attorneys in 33 offices in the United States and two in Europe.

Los Angeles Times

Both firms operate offices in Los Angeles.

Among smaller firms, Pittsburgh-based Leech Tishman combined with Los Angeles-based Nelson Hardiman, effective Oct. 1. Nelson Hardiman attorneys specialize in the healthcare industry and work with hospitals, health systems, other health facilities, physician organizations, telehealth providers and labs on licensing, operational and reimbursement issues.

Alston & Bird opened a new office in Century City recently and relocated its downtown Los Angeles office to a space that includes an outdoor terrace. The firm has made moves on the hiring front as well. It added partners Edward Poplawski and Olivia Kim to the firm's Los Angeles office. The duo has worked together for more than 20 years and has extensive intellectual property and complex patent litigation experience. They bolstered the intellectual property practice that added partners Erik Carlson and Theresa Conduah in Southern California earlier this year.

A Continued Implementation of Tech

Artificial intelligence (AI) technology is something that all companies are looking to integrate into processes and workflows, including law firms. Some firms have taken a more cautious approach and have been slow to add the technology. "We are evaluating closely and will implement where they make sense, but only after we are confident that they will serve our clients' needs and that critical concerns like information security are addressed to our satisfaction," said Dwayne McKenzie, managing partner at Cox, Castle & Nicholson.

Other firms have looked at ways to implement AI across the board. In some instances, it is employees who are the biggest proponents, creating ways to engage with the new tech. At Seyfarth Shaw LLP, the company implemented a unique and secure generative AI-powered tool suite that was rolled out to 2,000 lawyers and staff across the firm. The tool recorded 2,500 employee interactions within its first three months. At an employee fair where ideas were presented to increase collaboration and innovation, the firm reported that all seven finalists used AI in their proposals. Two of the collaborators on the winning entry were Los Angeles partners Michael Afar and Andrew Paley.

"We designed a long-term strategy to embed generative AI in the fabric of Seyfarth, rolling out multiple efforts that align technology with process and people," said Jonathan Brophy, Century City office managing partner at Seyfarth Shaw.

However, not every sector is as active in utilizing AI technology. According to the recent Allen Matkins/ UCLA Anderson Forecast California Commercial Real Estate Survey published in the summer, although the use of AI technology is on the rise in the commercial real estate sector, respondents to the survey had limited use cases where it has been utilized. Those include anticipating what the supply chain is going to look like and reducing carbon footprints to robotics that help pick parts.

Los Angeles Times

Yet, like many attorneys, caution and risk assessment are key, with firms taking a wait-and-see approach to AI's implementation. "Despite the increased demand in data centers, specifically for AI infrastructure, few of our respondents are actually using AI to inform and develop their strategies going forward," said Alykhan Shivji, partner at real estate law firm Allen Matkins, in a statement.

-David Nusbaum