

MOUNTING MERGERS

Law firms joining forces in record numbers, a trend that should continue into 2018

By
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It has been an active year for law firm mergers across the country. In fact, 2017 may go on record as being the busiest year for law entities as more than 70 law firms have joined forces, and industry analysts and legal industry experts expect the robust activity to roll into 2018.

With some Long Island firms taking part in this merger movement, their principals cite the need to be full-service, to have a succession plan and to add depth to existing practice areas as factors behind this year's blending of talent.

According to Altman Weil's MergerLine (AWM), an online service that tracks law firm mergers in the United States, 2017 merger activity in law firms across the country is on pace to break the 2015 record of 91. At the end of Q3 2017, AWM reported there were 76 law firm mergers across the nation.

Two Long Island law firms are among those tallied in AWM's 2017 merger report: Rivkin Radler in Uniondale and Moritt Hock & Hamroff in Garden City.

In July, Rivkin Radler reported Albany-based Iseman, Cunningham, Riester and Hyde (ICRH) came aboard, bringing two upstate office locations and 16 attorneys under the Rivkin Radler name. Then in October, Moritt Hock & Hamroff acquired the Rockville Centre-based construction law firm of Goldberg & Connolly, bringing in seven lawyers and six staff members.

Rivkin Radler's motivation for the merger was twofold, said Managing Partner Evan Krinick.

“We handled a number of matters in Upstate New York and wanted to have a physical presence there, and ICRH has a wonderful healthcare practice and we wanted to add to our healthcare practice,” he explained. “The combination of these two factors led us to speak with them. We have known them for a decade or more through various litigation and transactions, so we were very comfortable with them and it is proving to be very successful so far.”

This was Rivkin Radler’s first major merger in its 67-year history; however, the firm is open to more mergers after recently hiring two partners to head up and enhance its banking and tax practice groups.

“We would consider merging with a specialty banking firm and a tax firm in the future,” Krinick said. “It brings more depth to our practices. Additionally, with so much going on in the regulatory world regarding banks and credit unions, and obviously the tax bill is very much in the headlines these days, we think 2018 will be very active in those disciplines.”

The desire to expand its capacity in the construction law space was the reason behind Moritt Hock & Hamroff’s recent acquisition of Goldberg & Connolly.

“We already had a great presence in the construction lending environment and we were representing a lot of banks and finance companies that were lenders to contractors and the construction law industry, but we didn’t have a core construction practice and we felt there was a real need for that,” said Moritt Hock & Hamroff Managing Partner Marc Hamroff.

With this additional talent, the firm, which was established in 1980, can now represent contractors for all of their day-to-day business needs, particularly claims and disputed construction projects, he noted.

The Goldberg & Connolly acquisition marked Moritt Hock & Hamroff’s second acquisition this year. In June, Morgenthau & Greenes joined the firm’s corporate and real estate practice groups.

“That was a small three-person boutique firm in New York City and they are now part of our city office,”



Photo by Judy Walker

EVAN KRINICK: His firm, Rivkin Radler, bolstered its healthcare practice and expanded its geographic footprint by merging with an upstate firm.

Hamroff said. “This acquisition just happened. We were not looking for it. They were referring all their litigation work to us and one day they said, ‘Maybe we should just be a part of you instead of referring all the work to you.’ So, acquisitions come about in different ways.”

Looking into future mergers, Hamroff noted: “We still think there are opportunities out there for it, especially here on Long Island.”

Having merged with Post Heymann & Koffler, a three-lawyer corporate and real estate firm, during the active merger year of 2015, Meltzer, Lippe, Goldstein & Breistone Managing Partner Lew Meltzer said this merger could not have panned out any better for his Mineola-based firm.

“It has worked out very well because on Jan. 1, 2018, David Heymann is replacing me as managing partner of the firm,” said Meltzer, who has led the firm for 46 years and will continue in his role as chairman.

Meltzer noted his firm has focused on mergers that have added depth to its six practice areas.

“Mergers should never be about financial gain – they should be about filling in areas of specialization within your firm where there may be a gap,” Meltzer said. He also reminds large firms they can learn from the smaller firms they acquire.

“The fact that we elected one of the new guys as managing partner in 2½ years speaks to that proposition very well,” Meltzer said.

This year’s wave of merger activity across the country is not surprising, Hamroff said.

“With an aging population there are succession planning concerns. That and the economies of scale of a larger practice and an increasing need to be full-service are three things I think have motivated the activity,” Hamroff said. Because these issues will not subside anytime soon, he expects the merger activity to continue into next year.

Krinick also anticipates further law firm consolidation on Long Island through 2018.

“Smaller firms will likely be looking to be part of larger firms in the Long Island world,” Krinick said. “I think clients expect firms to be full-service and have significant depth and I think the larger firms will continue to look to add to their depth by adding smaller firms to their teams.”

To those firms contemplating a merger, Meltzer advised: “Study the firm’s culture, make sure you can get along and look ahead,” he said. “If you do it smart, it adds to your – what I like to call – ability base, even if it is a slightly different twist on what you do.”