Los Angeles-founded Sheppard Mullin grew its revenue more than 13% last year and saw its profits per equity partner rise 6.6% to $1.8 million, even as the firm’s equity partnership tier expanded.

Chairman Guy Halgren credited the firm’s growing Dallas office and high lawyer productivity for the rising bottom and top line.

As gross revenue reached about $799 million, the firm’s revenue per lawyer crossed $1 million, growing 3.4% from the year before. The firm’s head count expanded by 9.2% to 780 lawyers.

Even as its equity partner head count rose by 7.1%, Sheppard Mullin’s net income rose 14.1%, from $236 million to $269 million.

Halgren said the firm’s investments in 2018, like its Dallas office and its robust head count growth, “really came home in 2019.”

Noting that the firm’s revenues have been growing for 29 years running, he said, “we’re really proud of our consistency.”

He said that 2020 is off to a strong start, with lawyers “as busy, if not busier, than they were last year.” Revenue this year may not be up as much, he said, “because we didn’t hire as many people in 2019 as we did in ’18, so we aren’t going to get that same push.”

The firm had more partner arrivals than departures last year, but it closed its Beijing office in April. Halgren said the firm had a vibrant China practice centered on corporate and intellectual property work but said it could continue to serve clients by consolidating in Shanghai.

Sheppard Mullin also became one of a few Am Law 100 firms to boast a cannabis practice last summer. Halgren wouldn’t share details of its performance but said clients include investors and technology companies. One client is MassRoots, a publicly traded cannabis social network, which turned to Sheppard Mullin for corporate and IP work.

The firm’s litigators—who typically account for about 55% of its business, Halgren said—fought several big intellectual property cases. They notched a victory for the publisher of a reference book on Picasso’s works, convincing a
California judge to decline to honor a 2 million euro French judgment because it was inconsistent with U.S. copyright policy. They also represented Swiss tech firm u-blox in patent litigation against InterDigital that was settled in November and worked for car parts supplier Continental in litigation related to Nokia patents.

Other firm matters included a case for BJ’s Restaurants over the cost of non-uniform work clothing that stretched on for five years before the company prevailed. The firm also represented Sonic Corp. in responding to and litigating a data breach that impacted its drive-in restaurants and won a reversal of Huntington Park, California’s moratorium on charter schools.

On the national stage, the firm helped Deloitte Consulting defend a $65 million award from the Department of Homeland Security and internationally, Sheppard Mullin lawyers helped their client, investor Viorel Micula, overturn a decision by the European Commission relating to its state-aid rules in his long-running dispute with Romania.

Sheppard Mullin went to bat for clients in the entertainment industry. One high-profile case was its representation of Tom Petty’s widow in litigation brought by his daughters that reportedly settled late last year.

Music, TV and movies also appeared in the firm’s deals column. The firm represented Amazon Studios in several projects and worked for Lionsgate Entertainment Group in its joint venture with Point Grey Pictures. Its lawyers also helped Mastercard negotiate a sponsorship agreement with Riot Games, the studio behind the online hit League of Legends.

Other transactional representation included work for Arlington Capital Partners on its sale of Quantum Spatial for $302.5 million and GoldenTree Asset Management in its $392.5 million acquisition of Syncora Holdings. In the real estate industry, the firm represented Moffett Place LLC in a lease of 2 million square feet to Google and its land-use lawyers worked on Los Angeles’ $1.5 billion Angels Landing megaproject.

Speaking on the firm’s diversity efforts, Halgren said the firm has studied what helps women and lawyers of color be successful and has introduced new programs to try to diversify its partnership. It was one of 64 firms that was “Mansfield 2.0” certified last September and was recognized for gender equality and family-friendly policies.

Sheppard Mullin tallied 15 lateral partner additions and eight departures, with most of the new hires in its intellectual property and business trial practices. Its Washington, D.C., office added four partners, including Thomas Dillickrath from the Federal Trade Commission and other partners in antitrust and intellectual property. In San Francisco, the firm added two business trial litigators, Elizabeth Frohlich and Christopher Van Gundy.

Halgren said Sheppard Mullin had a high success rate with laterals—about 90% are still around after five years, he said, compared to 60% for the legal industry—because of the firm’s due diligence. About 65% of the lateral partners who joined since 2001, when Halgren became the firm’s chairman, are still around, he added.

Jack Newsham writes about the New York legal community and the business of law, including law firm finance and management and the battle for talent. Email him at jnewsham@alm.com and find him on Twitter @thenewsham

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