

# Time to Grow

By ZANE HILL, Staff Reporter

**M**otivated by the workload in front of them, large and midsize law firms famously went on a hiring spree throughout the Covid-19 pandemic.

That spree has in many ways cooled, with most of those firms limiting their hiring this year, some have even conducted layoffs. Later moves in the Los Angeles market from the first quarter are also down in comparison to the last several years. The broad consensus is that uncertainty about the economy is fueling hesitation among clients, and that some firms overhired in 2022.

And yet, some firms that one way or another have elected their own path are seeing this year as an opportunity to grow and achieve parts of their strategic plan. For example, Century City-based **Greenberg Glusker Fields Claman & Machtli** LLP expects to bolster its attorney force by 25% this year.

"We were anticipating that there was going to be softness in the market. I think going forward, who knows what's going to happen in the economy, but we don't anticipate we're going to fall off a cliff in terms of work," said Bob Baradaran, the Greenberg Glusker managing partner. "It remains quite busy by firms, and in fact I think the second half of the year is going to pick up."

And now more forward-thinking firms are pulling the trigger on their growth plans, getting ready for 2024 and beyond.

"We're trying to anticipate our needs a couple of years down the road for our clients," said **Saulford Michelman**, co-founder of Westwood-based Michelman & Robinson. "Now you've got to be thinking, 'What am I doing five years from now?'"

## Opportunistic hiring

For years, Greenberg Glusker has employed 100 attorneys in Century City, its sole office location. It is the largest law firm in Los Angeles County with just a single location, and one of the largest here outright.

Baradaran thinks now is the time to grow, and he said he wants to add roughly 25 new lawyers.

"We've actually hired right now and have been pretty active because we didn't go on a binge in the last few years, even though we were super busy," he said. "We continue to be busy, some re-hiring in almost all categories, in every practice area."

One reason for this is that a hiring binge is basically the opposite of what Greenberg Glusker does, Baradaran said.

The firm tends to be picky on whom it wants to hire, which means that it's better off competing in a less hectic hiring environment than the



Attorney Bob Baradaran, managing partner at Greenberg Glusker, in his Century City office.

second-hand market these days.

"Everybody was busy at that time. It was challenging finding first-rate, quality talent, so I think almost all the law firms were in the market to hire and did not want to compromise their hiring standards just to get bodies in the door. As a result, it was supply and demand. I would have liked to hire a few more, but it was difficult too without compromising our standards," Baradaran explained.

Should Greenberg Glusker achieve its hiring goal, it would vault from being the 19th largest firm by attorney count in Los Angeles County to No. 12, tied with **Munger Tolles & Olson**.

## Opportunistic expansion

Michelman & Robinson, a litigation firm that also specializes in transactional and regulatory work, has already had a busy 2023.

The firm expanded its footprint in the Texas market with new locations in Dallas in March. The firm also expanded its footprint in the Texas market with a new location in Dallas in March. After opening an office in Houston last year, the firm is already eyeing moves that city to command its growth there.

The firm also relocated its New York City office, upgrading from 12,000 square feet to 20,000 and more than doubling its individual office count to 40. It's already hired at least eight attorneys to fill those new spaces.

For Michelman, it all comes down to thinking about the future with a healthy cushion to execute.

"Our plan for 2023 was already baked in 2021. When I was looking at it, I said, 'OK, we're going into a rising interest rate environment, we have demand shock. There's a demand model liquidity because of Covid. It's going to take the real estate markets in a big way. You're going to take a lot of commercial paper that's going to have to be higher interest rates. You're going to have to pull out liquidity and put it in other avenues with higher interest rates.'"

He predicted there would be a boom in restructuring, engaging new financing methods, issues with excess inventory and companies needing to sell off assets just to generate cash.

**LEGAL:** While many law firms are not expanding, a few are hiring energetically with 2024 in mind.

Michelman said he anticipated a wealth of activity across professional services for the next two to four years and has upped its marketing spend for the year. Specifically, he is eyeing the Inflation Reduction Act and the billions it makes available for large public projects.

## Adjusting to the marketplace

Data indicates that lateral hiring for both partners and associates has slowed this year.

In the first quarter, lateral deal diligence research firm **Decipher Investigative Intelligence** recorded 56 partner laterals in the Los Angeles market — down 44% compared to last year. Similarly, the 170 associate laterals in the first quarter represented a 48% drop from last year.

This is not to say that L.A. has lost its place in terms of movement. Among major markets, L.A. had the third most partner and associate laterals by raw numbers, behind only New York and Washington, D.C. Overall, things have simply slowed down compared to 2021 and 2022, when firms largely survived the effects of the pandemic.

"Not only were they able to survive, but they had good years," observed Kevin Burke, a lecturer on the business of law at USC Gould School of Law. "It really precipitously stopped this year. Businesses, because of uncertainty and inflation, scaled back. It became something unappealing to go into transactions or M&A mode. It just felt like a brake on everything."

Still, Burke said this is more of an adjustment rather than a blanket recession for the legal industry. In all major markets, Decipher's data indicates the largest practice areas in terms of raw numbers were litigation, compliance and regulatory, and banking and finance — which lines up with the economic headwinds. Burke said.

He characterized this as a "rolling recession" for the legal industry, as that different practice areas boom or wane in different circumstances. "Bottom-line legal services are in a recession," Burke said. "Commercial litigation, that's going to be cooking. Anybody who's doing anything in insurance, that's a constant. The regulatory forbearance notes are crazy, so anybody who's noncompliance is booming."

In fact, across those major markets, partner laterals are up in most practice areas when compared to the six-year Q1 average of 2017-2022. Those areas include bankruptcy and restructuring, banking and finance, compliance and regulatory, corporate and transactions, real estate, antitrust and competition, and tax.

In general, partner laterals for this year saw the prior six-year average as up 16% late first quarter, the six-year Q1 average, said **Greg Hamman**, chief of staff for Decipher.

## Busy years ahead

One commercial litigator is endorsing Burke's notion of certain practices coming in vogue. Erik Early, managing partner of downtown-based **Early Sullivan Wright Cizer & McCrae LLP**, noted that he, too, selectively hires and grows his firm. This year, the practice launched a new office in Calabasas, which hosts attorneylyvin in the San Fernando Valley. It's a move Early said will help keep talent around for a long time to be a busy next couple of years.

"Given what's happening with the economy and world right now, my business is just going to grow," he said. "With the hard times going on within the nation, litigators end up with more business, and that's what we've been experiencing. Quite frankly, for our business, everything looks quite good."



**GREENBERG GLUSKER FIELDS CLAMAN & MACHTLI LLP**  
HEADQUARTERS: Century City  
YEAR FOUNDED: 1959  
BUSINESS: full-service law firm  
MANAGING PARTNER: Bob Baradaran  
EMPLOYEES: 100 attorneys



**MICHELMAN & ROBINSON LLP**  
HEADQUARTERS: Westwood  
YEAR FOUNDED: 1959  
BUSINESS: mid-size law firm  
MANAGING PARTNER: Dana Kravitz  
EMPLOYEES: 78 attorneys, including 34 in Los Angeles  
LOCATIONS: Seven offices in four states