

Connecticut Law Tribune

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Who's On Top?

HALLORAN & SAGE PULLMAN & COM
DAY PITNEY PEPE & HAZARD
WIGGIN AND DANA ROBINSON & COL
MURTHA CULLINA SHIPMAN & GOODWIN



Connecticut's top law firms have spread their wings. Last year, Day, Berry & Howard, the perennial leader of the Trib 25, merged with a New Jersey firm to become Day Pitney. Founding partner Michael Cantor (left), of Cantor Colburn, oversaw the addition of dozens of new employees, and a new office in Virginia. Partner James D. Veltrop (above) was once the only Axinn Veltrop lawyer in Hartford. Now the Connecticut office is the heart of a firm with contingents in New York and Washington. How did all this affect the bottom line?

A PLACE TO STAND AND MOVE THE WORLD

Connecticut now an incubator for national practices, not just an outpost

By **THOMAS B. SCHEFFEY**

Over the past decade, a consistent trend in big firm law practice in Connecticut has been the establishment of outposts of out-of-state firms, often formed by cherry-picking native talent.

Two members of this year's Trib 25 list of top in-state firms are examples of the opposite trend – Connecticut firms at the hub of growing national and international practices.

One is a newcomer to the list because it was previously regarded as the smaller office of a New York firm. Axinn Veltrop was born on April 1, 1997, after Stephen M. Axinn and James D. Veltrop left partnerships at Skadden Arps to launch their antitrust and IP boutique. Axinn stayed in New York;

Veltrop, as a one-lawyer office, started the same day in Hartford's CityPlace.

Today, the Hartford office, at 30 lawyers, is substantially larger than offices in New York (20 attorneys) and Washington, D.C. (three attorneys), making Axinn Veltrop an example of a thriving national firm with its taproot solidly planted in the Nutmeg State. With gross revenues of \$35 million, Axinn Veltrop comes in at No. 8 on the Trib 25.

"Ours is largely a national practice. We certainly represent a number of companies based in Connecticut, but it's not Connecticut-focused," said Veltrop, whose firm tops the Trib 25's profits per partner chart with an unprecedented average of \$900,000.

Identity Change

What had been historically the state's largest firm, Day, Berry & Howard, went through its own identity catharsis last year when the 210-lawyer firm merged with New Jersey-based Pitney Hardin to form 358-lawyer Day Pitney.

James Sicilian, of the Hartford office, says the firm avoids identifying either of its main states as headquarters, but for the purposes of the *American Lawyer* 200 and for the Trib 25, it is considered a Connecticut-based firm.

Like the second-largest firm on the list, Robinson & Cole, Day Pitney has grown incrementally and regionally, to contiguous New England and Mid-Atlantic states.

Tribune25

An examination of Connecticut-based firms' economic performance in 2007

GROSS REVENUE

| Rank | Company | Gross 2007 (In Millions) | Gross 2006 (In Millions) | Gross 2005 (In Millions) | Total Lawyers | Equity Partners | Non-Equity Partners |
|------|---|-----------------------------|-----------------------------|-----------------------------|------------------|--------------------|------------------------|
| 1 | Day Pitney | \$218.5 | \$128.4 | \$122.0 | 358 | 154 | 6 |
| 2 | Robinson & Cole | \$96.0 | \$90.1 | \$96.1 | 204 | 75 | 16 |
| 3 | Shipman & Goodwin | \$67.2 | \$66.5 | \$61.0 | 138 | 59 | 15 |
| 4 | Wiggin and Dana | \$65.0 | \$62.2 | \$60.0 | 132 | 39 | 24 |
| 5 | Murtha Cullina | \$45.6 | \$43.0 | \$39.5 | 113 | 50 | 14 |
| 6 | Cummings & Lockwood | \$41.2 | \$37.7 | \$38.6 | 73 | 21 | 27 |
| 7 | Pullman & Comley | \$36.0 | \$34.8 | \$33.8 | 76 | 33 | 26 |
| 8 | Axinn Veltrop | \$35.0 | N/A | N/A | 46 | 10 | 4 |
| 9 | Halloran & Sage | \$34.0 | \$34.2 | \$34.0 | 91 | 25 | 25 |
| 10 | Pepe & Hazard | \$28.5 | \$30.5 | \$31.3 | 57 | 25 | 12 |
| 11 | Cantor Colburn | \$27.6 | \$32.5 | \$25.9 | 85 | 9 | 13 |
| 12 | Tyler Cooper & Alcorn | \$22.0 | \$23.9 | \$26.1 | 61 | 31 | 0 |
| 13 | Carmody & Torrance | \$23.7 | \$23.7 | \$23.1 | 64 | 30 | 7 |
| 14 | Finn, Dixon & Herling | \$22.2 | \$16.3 | \$14.5 | 36 | 13 | 1 |
| 15 | Reid and Riege | \$20.0 | \$16.5 | \$14.2 | 47 | 25 | 0 |
| 16 | Updike, Kelly & Spellacy | \$19.0 | \$18.6 | \$18.0 | 44 | 18 | 11 |
| 17 | Cohen and Wolf | \$16.1 | \$15.1 | \$14.0 | 45 | 25 | 0 |
| 18 | Rome McGuigan Sabanosh | \$11.6 | \$11.8 | \$10.7 | 28 | 16 | 1 |
| 19 | Ivey, Barnum & O'Mara | \$10.5 | \$10.5 | \$9.9 | 32 | 19 | 0 |
| 20 | Levy & Droney | \$9.7 | \$9.7 | \$9.7 | 29 | 12 | 1 |
| 21 | Berchem, Moses & Devlin | \$9.5 | \$9.0 | \$8.2 | 25 | 8 | 6 |
| 22 | Rogin, Nassau, Caplan, Lassman & Hirtle | \$9.2 | N/A | N/A | 26 | 10 | 4 |
| 23 | O'Connell, Flaherty & Atmore | \$8.8 | \$8.4 | \$8.0 | 24 | 12 | 0 |
| 24 | Neubert, Pepe & Monteith | \$8.6 | \$8.4 | \$8.7 | 24 | 10 | 4 |
| 25 | Ryan, Ryan, Johnson & Deluca | \$8.4 | \$8.1 | N/A | 30 | 7 | 2 |

Spreading its wings even further is the Hartford-based intellectual property firm Cantor Colburn, which has opened offices in Atlanta, Detroit, Springfield, Mass., and Alexandria, Va. Cantor Colburn is now 11th on the Connecticut list with 2007 gross revenues of \$27.6 million.

"If we were just dependent on Connecticut or western Massachusetts clients, we could never grow to where we've come. The work's not here," says founding partner Michael A. Cantor, a West Hartford resident whose wife is on the town council.

Cantor said he's crossed paths, but not swords, with Axinn Veltrop, which also focuses on IP litigation. "We've co-counseled with them, and we have some common clients," said Cantor.

"I was so happy for Jim Veltrop. His growth just verifies what I've felt – why can't we in Connecticut use Hartford as a base of operations to have an international practice as good as they have in New York or Chicago? And we are certainly there now."

Both firms, he said, are "case histories of a certain business model. Hartford is a lower cost city than Boston, Chicago, New York, L.A., and it's a fine place to live and raise a family. So if you can attract the right base of talent, you can use Hartford as a lower cost base of operations that allows you to have a national or international practice."

When Veltrop started as a one-lawyer office 11 years ago, he was in Hartford by personal choice.

"I actually went to law school in New England. My wife is from New York, and was interested in living closer to home, but not in New York. That's a long way of saying we moved here because we wanted to live here," said Veltrop, who lives in Simsbury.

"It wasn't the business plan, but we've been attractive to people who want to practice the kind of law some people might think you have to be in New York to do."

Last year, an associate from Covington & Burling was interviewing in Hartford for a job at Veltrop's D.C. But he soon changed his mind.

"He asked, 'Gee, can I move there?' It was nothing he was thinking of at the start," said Veltrop, "but once he saw he could have the kind of practice he wanted, plus what

central Connecticut has to offer a family with kids, he made the move.”

Attracting talent is a critical part of Veltrop’s strategy to aggregate “phenomenal lawyers, all from great law schools, laterals from top law firms. We’ve really put quality above all else.”

Cantor, too, recognizes that location options are a big factor in attracting key people. The firm just moved its largest office from Bloomfield to Hartford this year, and 2007 “was a crazy time for us in terms of growth,” said Cantor.

In the spring, its three-year-old Atlanta office had outgrown its original space and moved to a downtown skyscraper. In July, Cantor’s D.C. office moved to Alexandria, Va., about a five-minute walk from the U.S. Patent and Trademark Office.

“We did that because we have an increase in foreign clients, in particular in Korea and Japan,” said Cantor. “We do a lot of work for Samsung, which told us it would be better to have offices in the D.C. area, because it was a bit of a hassle to travel to Connecticut. Also we do a lot of training of Samsung engineers or Korean patent attorneys, and Korean attorneys from other law firms. There’s a huge Korean population in the northern Virginia area.”

The Atlanta office opened to serve Bell South as a client, and the Detroit office was started after a request from General Motors and its auto parts maker, Delphi.

Just as important as moves to bigger space in Atlanta and Detroit was the growth in head count, with the addition of both professionals and administrators.

“We are now somewhat over 200 and we were about 150,” said Cantor. “That was prompted by new clients, and significant growth with existing clients, two in particular. IBM has just continued to become a larger and larger client for us, and General Electric has as well.”

Last year saw GE divest itself of GE Plastics. It’s now a \$10 billion stand-alone company called Sabic Innovative Plastics, owned by the Saudi government. GE’s in-house lawyers had handled international patent applications and filings. Sabic didn’t have the in-house capacity to do that, and Cantor won the work. “It’s a big deal,” said Cantor.

Flexibility is a key to the growth, Cantor said. “We don’t even use the term branch office or satellite. So lawyers in Atlanta and Detroit are doing work for IBM and GE and all of our clients. A lot of work for Delphi is

PARTNER PROFITS 2007

| Rank | Law Firm | Profit Per Equity Partner |
|------|---|---------------------------|
| | Axinn Veltrop | \$900,000 |
| | Finn, Dixon & Herling | \$809,000 |
| | Wiggin and Dana | \$590,000 |
| | Updike, Kelly & Spellacy | \$579,000 |
| | Day Pitney | \$572,000 |
| | Pullman & Comley | \$525,000 |
| | Cummings & Lockwood | \$515,000 |
| | Rogin, Nassau, Caplan, Lassman & Hirtle | \$500,000 |
| | Ryan, Ryan, Johnson & Deluca | \$485,000 |
| | Robinson & Cole | \$430,000 |
| | Cantor Colburn | \$411,000 |
| | Pepe & Hazard | \$402,000 |
| | Halloran & Sage | \$400,000 |
| | Berchem, Moses & Devlin | \$400,000 |
| | Levett Rockwood | \$400,000 |
| | Neubert, Pepe & Monteith | \$380,000 |
| | Shipman & Goodwin | \$361,000 |
| | Tyler Cooper & Alcorn | \$355,000 |
| | Reid and Riege | \$350,000 |
| | Rome McGuigan Sabanosh | \$341,000 |
| | McCormick, Paulding & Huber | \$323,000 |
| | Murtha Cullina | \$316,000 |
| | Cohen and Wolf | \$300,000 |
| | O’Connell, Flaherty & Atmore | \$292,000 |
| | Carmody & Torrance | \$251,000 |

being done in Hartford or Atlanta. We’re one cohesive unit. Our big thing is finding good talent, so when we interview someone, we say, ‘Come to work for us. You can work in Hartford, Detroit, Atlanta or Alexandria. Pick your spot.’”

More significant than its Trib 25 ranking, Cantor Colburn last year was ranked 19 out of 350 patent firms nationally in patents issued. “It’s a really significant number,” said Cantor. “A lot of the firms in front of us have been around for 80 years.”

Growth is on the minds of partners of other Connecticut firms.

At New Haven-based Wiggin and Dana, managing partner Maureen Weaver reports that the firm, No. 4 in the Trib 25 with revenues of \$65 million, made the strategic decision to “continue to grow organically” by developing its own attorneys and making strategic lateral hires to reinforce areas of expertise. “The goal is not to become huge, or become a merger target, but to grow incrementally and maintain our great culture of collegiality and collaboration,” Weaver said.

The seven laterals hired in ’07 offer a kind of roadmap of Wiggin’s strengths. Its white-collar practice department acquired James Glasser and Joseph Martini, both former federal prosecutors. Three former Cummings & Lockwood partners — Daniel Daniels, David Leibell and Laura Beck — were hired for

Wiggin’s trusts and estates department in Stamford. From Northeast Utilities, Wiggin recruited assistant general counsel Daniel Venora to work on regulatory matters.

In the franchising field, Doctors Associates, founder of the Subway sandwich chain, has been the keystone client of Edward Wood “Jack” Dunham’s standout practice. Dunham organized the American Bar Association franchising section’s national forum in 2007, and won a benchmark Fifth Circuit case that helps define the intersection of antitrust and franchising law, Weaver said.

His national reputation helped lure Dean Fournari, a former Ballard Spahr Andrews & Ingersoll franchise partner, to join Wiggin’s Philadelphia office.

One of the firm’s fastest-growing practices is a business practice group that represents suppliers and developers of outsourcing technology. “Their deal list is pretty amazing,” said Weaver.

Jonathan B. Mills, at Stamford-based Cummings & Lockwood, said the firm’s sophisticated estate and trust practice continues to thrive. The Trib 25 charts reflect a 20 percent increase in profits per partner, and the firm has developed a practice that operates in a sector of the economy that is virtually recession-proof.

In Hartford, Austin McGuigan of Rome McGuigan said the biggest economic news for the firm in 2007 was its \$31 million

Connecticut Firms Found Ways To Grow In 2007

for Joseph Salvati, who had been wrongfully imprisoned for 30 years after being erroneously convicted of an organized crime murder in Massachusetts.

At the firm with the second-highest profits per partner, Finn, Dixon & Herling, name partner Michael Herling said key lateral hires will help the firm bolster its lending and mergers and acquisitions practices.

Hedge fund work, private equity and M&A are all areas in which the firm has grown, along with its executive compensation and benefits practice. "All those major practice areas are growing nicely, as is our tax practice," Herling said.

A more conventional firm in Milford, Berchem Moses & Devlin, merged in 2008 with the its venerable counterpart Wake, See & Dimes in Westport, to meld complementary practices that cover municipal law, business representation and estate planning.

"We are all aware of the horror stories [regarding other mergers] where people didn't do their due diligence, so we all needed to do this right, professionally, economically and personally. We spent a good six months working on this beforehand," he said. The objective, he said, "is to make sure that we're more than just two locations with a common name. So far we're very pleased with the progress."

At Hartford-based Shipman & Goodwin, managing partner Scott Murphy said 2007 was a good year. "We finished above budget and saw increases in both revenues per lawyer and profits per partner," Murphy said. Although there were no record-setting transactions, the firm added several notable laterals, including Kent S. Nevins, formerly of the Stamford office of Pillsbury Winthrop.

While 2007 was a robust year for Shipman and the other firms in the Trib 25, this year is a bit more uncertain. So far, managing partners say, the recessionary downturn has not affected their business. Many have created practice areas that skirt the most vulnerable sectors of the economy, and others find work lending aid to the troubled.

As Darwin established long ago, and law firms continue to demonstrate, it isn't the survival of the fittest, it's the survival of the most adaptable. ■

REVENUE PER LAWYER 2007

| Rank | Law Firm | Revenue Per Lawyer |
|------|---|--------------------|
| 1 | Day Pitney | \$610,000 |
| 2 | Robinson & Cole | \$471,000 |
| 3 | Shipman & Goodwin | \$487,000 |
| 4 | Wiggin and Dana | \$492,000 |
| 5 | Murtha Cullina | \$403,000 |
| 6 | Cummings & Lockwood | \$565,000 |
| 7 | Pullman & Comley | \$474,000 |
| 8 | Axinn Veltrop | \$761,000 |
| 9 | Halloran & Sage | \$374,000 |
| 10 | Pepe & Hazard | \$500,000 |
| 11 | Cantor Colburn | \$325,000 |
| 12 | Tyler Cooper & Alcorn | \$398,000 |
| 13 | Carmody & Torrance | \$370,000 |
| 14 | Finn, Dixon & Herling | \$617,000 |
| 15 | Reid and Riege | \$426,000 |
| 16 | Updike, Kelly & Spellacy | \$432,000 |
| 17 | Cohen and Wolf | \$358,000 |
| 18 | Rome McGuigan Sabanosh | \$414,000 |
| 19 | Ivey, Barnum & O'Mara | \$328,000 |
| 20 | Levy & Droney | \$334,000 |
| 21 | Berchem, Moses & Devlin | \$380,000 |
| 22 | Rogin, Nassau, Caplan, Lassman & Hirtle | \$352,000 |
| 23 | O'Connell, Flaherty & Atmore | \$367,000 |
| 24 | Neubert, Pepe & Monteith | \$359,000 |
| 25 | Ryan, Ryan, Johnson & Deluca | \$280,000 |