

Proskauer Again Sees Record Revenue and Profits in Year of ‘Large Transactions and Trials’

By Patrick Smith

What You Need to Know

- Proskauer rode trials and transactions to record revenue and average profits per equity partner.
- The firm’s net income was up 2.5%, below its revenue growth. Ellis said the difference was due to increased expenses around getting people back to the office, as well as increased time spent in front of clients.
- Ellis said that the firm’s performance in an uncertain 2022 gave him hope that 2023 can be another strong year.

Proskauer Rose rode a wave of trials, transactions and other big matters to 6.1% revenue growth in 2022, as the firm hit \$1.24 billion in revenue, a new high for the New York-founded firm.

Proskauer found a way to build off its record year in 2021, increasing revenue per lawyer by 2% to \$1.67 million, profits per equity partner by 6.4% to \$3.74 million and average total compensation for partners by 4.6% to \$2.84 million in 2022.

“It was really trials and transactions and the consistent theme of elevating our brand,” firm chair Steve Ellis said in an interview. “[We are] the place where clients come for the most complex, first-of-kind and novel mat-

ters, and there was just a lot of that in funds and finance this year. There were a lot of first-in-kind, large transactions and trials.”

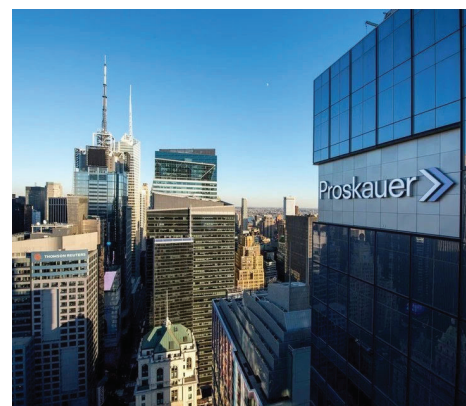
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Meanwhile, Proskauer’s total lawyer head count jumped more than 4% to 742, while its equity partnership shrank by 3.7%.

Ellis said the decrease in equity partners was mostly due to retirements. The firm also had 13 lateral partner departures. That included a group of lawyers in New York, Washington, D.C., and Boston who left for Kirkland & Ellis’ investment funds group. The firm also added 13 lateral partners in 2022.

“I’m extremely proud of what we’ve done [in attracting and retaining talent] and there’s an energy and excitement in our culture that has made us a destination for people,” he said, noting that the firm has a balance between success, a supportive environment “and fun.”

The firm’s nonequity partner ranks increased to 80 from 77 (3.9%), while its total partnership shrank by 1.3%, to 237 from 240.



Courtesy photo

Proskauer Rose’s office in Manhattan, New York.

‘Landmark’ London Year

Ellis said that the firm’s London office officially became its second-largest office by head count last year, something the firm was quite proud of. In all, the firm had 106 attorneys in London last year, ahead of its Boston offices, which had 103 in 2022.

“It really was a landmark year for our London office, as it became our second-largest office this year and it’s a great story in that it has just had year after year of growth. We went there with our three legs of the stool: private equity/M&A, and private credit and private investment funds,” Ellis said. “And we added in ancillary practices like tax, real estate, labor and employment and contentious and insolvency around it. ... It’s a wonderful office with a great vibe.”

The firm said London accounted for \$132.2 million in revenue in 2022, up 6% (or \$7.7 million) from the previous year.

The firm’s other international offices in Sao Paulo, Paris, Beijing and Hong Kong performed well, Ellis said, but in a different way than London. “They were much more in the support role in a very positive but different kind of story, not the exponential year-after-year growth that we’ve seen from London,” he said.

While perhaps not on par with London, Ellis said the firm still has expectations to continue to build in those cities.

“We’re looking to scale our business,” he said. “And so to the extent there are opportunities to scale within our culture, within our strategy, in some of those jurisdictions, we will definitely act on those opportunities.”

Matters, Laterals and Pro Bono

Proskauer has long built its strategy around its business relationships with asset managers. Last year was no different.

The firm advised longtime client Ares on its first fund dedicated to sports, media and entertainment — another strong suit of Proskauer. Ares’ fund raised \$3.7 billion in dedicated capital, oversubscribed from its initial target of \$1.5 billion.

Proskauer also represented Lexington Partners in its purchase of private equity stakes from Calpers in the largest-ever secondary sale transaction involving LP funds stakes, with a value of more than \$6 billion.

In the sports and entertainment front, Proskauer represented the Patrick D. Bowlen Trust and related enti-

ties in the \$4.65 billion sale of the NFL’s Denver Broncos to the Walton-Penner family.

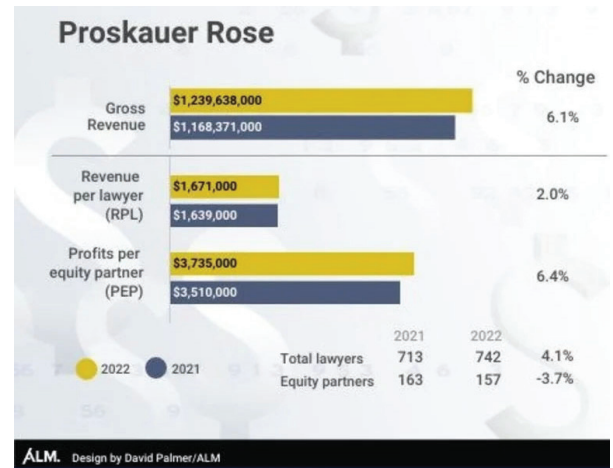
In its litigation department, the firm secured another trial win for Monsanto regarding its herbicide Roundup, winning a jury trial in St. Louis, where the jury found that multiple plaintiffs claiming the herbicide caused their non-Hodgkins lymphoma were unfounded. The five-week trial ended in a complete defense verdict after just three hours of deliberation.

The firm’s 13 lateral partner hires last year included Rob Sutton from Kirkland for the firm’s private funds practice in New York, Joshua Apfelroth from Cadwalader, Wickersham & Taft for the firm’s M&A practice in New York and Evan Palenschat from King & Spalding in the firm’s private credit practice in Chicago, among others.

“These are really talented, young, energizing people that I think come in because of our culture,” Ellis said. “They bring some energy to the whole firm.”

Ellis said that, like most major firms, Proskauer saw some attrition in the associate ranks in 2022, but felt the firm held its own in the “talent wars.”

“They’re here because they want to do cutting-edge, top-tier work,” he said. “They want professional development, and they want to build a career and a life. Having access to do pro bono and giving back, mentoring, it’s all part of the pie of what makes the firm the best place to work. And



so when we focus on those things, which we do on a daily basis, we do really well on retention and attraction. Despite the craziness of that market, we feel like we came through it pretty well.”

Ellis highlighted two pro bono accomplishments the firm had last year. The first was the firm’s participation in the Southern District of New York’s Re-Entry through Intensive Supervision and Employment Court (RISE), where firm attorneys provide legal assistance to those recently released from federal custody, helping them with civil issues such as securing housing, public benefits and immigration.

The firm also works with visually impaired pedestrians in Chicago. In 2019, the firm filed a suit against the city for its failure to provide accessible crosswalk signals for people with vision impairments. As of February 2022, the firm said only one-half of 1% of the city’s signalized intersections were meeting those capabilities. Last year the firm, working with Disability Rights Advocates, a nationwide nonprofit disability rights legal center, obtained class action certification on the matter.