

## Kirkland Passes Baker, Becomes No. 2 U.S. Law Firm

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With 15 percent growth in one year, Kirkland & Ellis leapfrogged Baker McKenzie's legions of globally dispersed lawyers to become the country's second-largest law firm by revenue.

The feat is significant because while Kirkland has long been more profitable than Baker, the latter has almost three times as many lawyers. Yet last year Kirkland's 1,759 attorneys brought in \$2.65 billion in revenue, \$31 million more than Baker's 4,607 lawyers.

Baker remained No. 3 on the list of the largest U.S. law firms, according to the trade journal American Lawyer. Kirkland ranked fifth the previous year.

Kirkland also passed the \$4 million threshold in profits per partner last year, rising almost 14 percent to \$4.1 million. Baker does not rank among the top 100 law firms when measured by profits per partner.

"You don't have to choose necessarily between being really big or really profitable; Kirkland proves you can be both," said Kent Zimmermann, a law firm consultant in Chicago.

Kirkland has "turned into a really powerful machine" because "they're not trying to be everything to everybody," Zimmermann said. They've focused on high-stakes litigation, private equity and bankruptcy, meaning they are on clients' shortlist for the sought-after work. And they've invested in those practices, spending significant dollars to lure partners with big books of business from crosstown rivals and Wall Street white-shoe firms alike.

In 2016, the firm was buoyed by litigation surrounding General Motors' faulty ignition switches, private-equity deals for KKR and the Blackstone Group, and the bankruptcy of Dallas-based Energy Future Holdings. Kirkland's Houston office only opened in 2014, but it has paid dividends quickly, Zimmermann said.

The firm also has expanded into public company mergers and acquisitions work, which means high rates and big bursts of revenue.

"The Wall Street firms even view them now as part of the same competitive set," Zimmermann said.

Most of the other Chicago law firms that rank among the largest in the country slipped a rung or two on the list, indicating a small loss of market share. Seyfarth Shaw rose two slots to No. 56. Sidley Austin maintained its spot at No. 7.

The top firm by revenue on this year's list is Latham & Watkins, which was founded in Los Angeles and has a Chicago office.