FRIDAY, FEBRUARY 14, 2020

Daily Report

A SMART READ FOR SMART READERS

An ALM Publication

Kilpatrick Boosted Revenue, Profit in 'Best Year Ever'

MEREDITH HOBBS | mhobbs@alm.com

KILPATRICK TOWNSEND & Stockton had what its chairman J. Henry Walker IV called its "best year ever" in 2019.

The firm reported a 6.3% revenue jump to $478.82 million and an 8.7% surge in net income to $136.37 million. Walker said the profit increase exceeded budget by 20%.

The gains boosted the firm's average profit per equity partner by 9.7% to $1.229 million, as equity partner head count stayed flat, and increased its revenue per lawyer by 7.5% to $842,000.

Those results followed a strong 2018 for the firm, which saw a 6.2% revenue increase and a 12.8% jump in net income that year.

Walker said Kilpatrick lawyers stayed busy across its three departments—intellectual property, corporate and litigation—by keeping close to clients. "Broadening and deepening our work for clients is part of our strategy," he said, noting that the firm has teams for 15 key clients, and those teams collectively averaged revenue increases of over 20% from the clients' work.

Kilpatrick has 91 clients for which it did more than $1 million worth of work last year, he added.

Practices with revenue increases of at least 5% included complex commercial litigation, government investigations, trademarks and copyrights, privacy and cybersecurity, life sciences patents, construction and M&A.

Walker said a "culture of collegiality and collaboration" contributed to its success. "This is a good place to practice law. That's important in Big Law."

Chairman J. Henry Walker IV said Kilpatrick Townsend & Stockton exceeded 2019 profit expectations by 20%.

The Talent

Kilpatrick's lawyer head count stayed relatively flat at 568 lawyers (down a net of seven lawyers), while its equity partner head count dropped by one partner to 111. But the firm reported a 7.8% (10 partner) increase in income partners to 137—for a total of 248 partners.

Kilpatrick added five lateral partners last year, including a four-lawyer M&A team, with partners John Erwin, Brian Brown and Angela Cottrell and associate Sarah Beth Barnes, in Raleigh, North Carolina, from Nixon Peabody. The team's focus on deals for health care, life sciences and tech companies fits well with Kilpatrick's extensive IP practice, Walker said.

Kilpatrick now wants to add partners handling tech transactions on the West Coast to build off its broad tech company client base, he added.

In departures, the firm lost Audra Dial, managing partner for its Atlanta headquarters, to Mercedes-Benz, where she is assistant general counsel for litigation.

The Work

Longtime client AT&T chose Kilpatrick for its $1.95 billion sale of its wireless and landline operations in Puerto Rico and the U.S. Virgin Islands to Liberty Latin America.

Kilpatrick also represented AT&T in seven different tech transactions with companies including Yahoo, Microsoft, IBM and Accenture. In one, for instance, AT&T purchased cloud services from Microsoft, and Microsoft in turn bought network and advertising services.

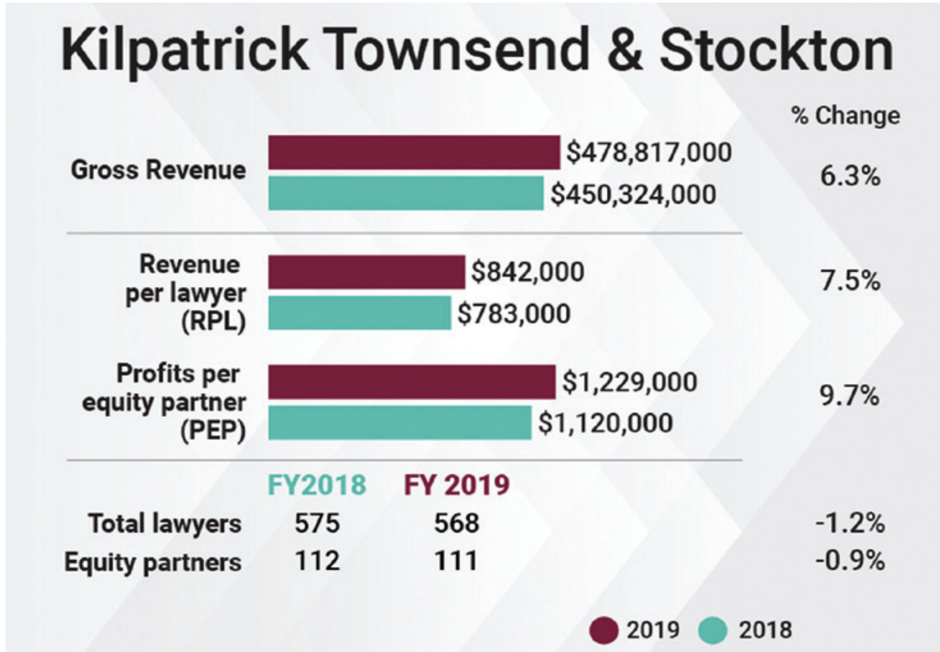
In one of last year's largest bank mergers, Kilpatrick advised Beneficial Bancorp on its $1.5 billion combination with WSFS Financial Corp. to form the largest locally headquartered community bank in the Greater Delaware Valley, spanning eastern Pennsylvania, Delaware and New Jersey.

Kilpatrick advised Delta Air Lines on a $1.5 billion bond offering for Delta to fund its $1.9 billion purchase of 20% of South American carrier LATAM Airlines Group.

The firm advised United Capital Financial Partners, a national financial advisory firm with $26 billion under management, on its $750 million sale to Goldman Sachs.

Meanwhile, the firm's intellectual property department represented a plethora of tech and social media companies in trademark and patent procurement and protection, including Amazon, Apple, Oracle, Instagram and Facebook, plus Adidas, Marriott and others.

Facebook chose Kilpatrick as its first-ever Law Firm Diversity Champion. Kilpatrick scored highest of Facebook's 40 top outside firms in staffing matters with at least one-third women and minority lawyers. AT&T gave the firm a similar award for recruiting, retaining and promoting diverse attorneys.



On the litigation front, the Daily Report named a decision that Kilpatrick won for AT&T and BellSouth as one of the year's 10 notable Georgia Supreme Court rulings. The ruling ended a suit from county governments alleging they'd been shortchanged by more than $100 million in 911 call charges that the phone companies failed to collect.

Kilpatrick partner Adam Charnes argued a closely watched patent case before the U.S. Supreme Court in December for Thryv as to whether a subsidiary, YellowPages.com, can petition for inter partes review from the Patent Trial and Appeal Board in a patent suit brought by Click-To-Call Technologies.

Kilpatrick is representing SolarReserve in ICC arbitration with Spanish contractor ACS Cobra over design and construction defect claims of more than $1 billion for the shuttered Crescent Dunes solar power plant in Nevada.

Southern California Edison chose Kilpatrick as construction counsel for the U.S.'s largest nuclear decommissioning project: the San Onofre Nuclear Generating Station near San Clemente.

Kilpatrick, which emphasizes pro bono work, won a major Georgia case with the Southern Center for Human Rights in January 2019. They represented prisoners held in solitary confinement at the Georgia Diagnostic and Classification Prison—often for years in a unit called "one of the harshest and most draconian" in the U.S.—in a class action against the state Department of Corrections. In a settlement, the DOC agreed to limit solitary confinement to two years at the Jackson prison, with some exceptions. It will also allow inmates out of their cells for four hours each weekday to exercise and use a common room and provide access to books and education classes.