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Kilpatrick Townsend Rides Client Demand to Revenue, Profit Jumps

The Atlanta-based firm expanded its work for clients in tech, life sciences and private equity, the firm's chairman said.

BY MEREDITH HOBBS

Kilpatrick Townsend & Stockton expanded the work it handled for many existing clients last year, contributing to a 4% revenue rise to $497.93 million and a 21.6% jump in net income to $165.8 million.

Kilpatrick chairman Henry Walker IV attributed the 2020 revenue increase to handling higher-value work for clients, which had new and pressing legal needs from the pandemic.


Photo: ALM

J. Henry Walker IV, Managing Partner of Kilpatrick Townsend & Stockton Atlanta.

The net income increase, he said, was from revenue growth plus some expense savings on client travel, entertainment and the like. Profits per partner increased 10.4% to $1,357,000, even with an increase in the number of equity partners.

Last year, 90 of Kilpatrick's clients had $1 million or more in fees, Walker said, and there were 54 clients with increases in work of 5% or more. Notably, the Atlanta-based firm was able to expand its work for clients in tech, life sciences and private equity, he added.

As head count dipped slightly from 2019, the firm's revenue per lawyer rose 5% to $884,000.

"Despite all the challenges, 2020 turned out to be a very successful and strong year," Walker said, noting that it was also the firm's 160th anniversary.

Whatever the industry—tech, health care, transportation, venture capital or hospitality—Walker said, Kilpatrick's clients were affected by the pandemic. "From tech clients, which fared relatively well, to hospitality ones, which had a tougher time, most were really busy as a result of the pandemic and we tried to build deeper, stronger relationships with them," Walker said.

For instance, Kilpatrick handled a lot of financing work for one big client hit hard by the shutdown, Delta Air Lines. In April it advised Delta on a bond offering that raised $3.5 billion and a $1.5 billion bank term loan and then in October advised Delta and its SkyMiles subsidiary on transactions for $9 billion in aggregate debt financing.

Photo: John Disney/ALM

Kilpatrick Townsend offices in Atlanta.

Kilpatrick is also project counsel for Delta's $4 billion terminal construction project at LaGuardia Airport and its $2 billion terminal expansion project at Los Angeles International Airport.

Walker said the year was about more than financial performance. "I am immensely proud of how we adapted and performed under the challenging circumstances—and immensely grateful to our clients for the support from them."

Like many firms, Kilpatrick initially cut pay for lawyers and staff after the shutdown started, but it rescinded the cuts and restored back pay by Sept. 1.

Walker said the firm redoubled its pro bono efforts and work in the community. Kilpatrick's lawyers and staff volunteered almost 3,000 hours for Election Protection efforts between the June 2020 primary, Nov. 3 election and Jan. 5 Georgia senate runoff election—and hosted the Georgia Election Protection hotline during the presidential election.

Kilpatrick also started a justice and equality task force led by Yendelela Neely Holston, the firm's chief diversity and inclusion officer, to "make faster progress on diversity and inclusion in the firm and social justice initiatives in the community," Walker said.

The Talent

Kilpatrick's lawyer head count declined slightly, by 0.9% to 563 lawyers, but the firm increased its equity partner ranks by 10.1% to 122, out of a total of 251 partners.

Walker said the increase in equity partners was from promotions of income partners. "We have a tremendous group of young, talented partners, and a high level of retention. They're moving up in the firm."

Kilpatrick also promoted nine attorneys to partner last year.

The firm's nine lateral partner hires last year included a trio of partners from DLA Piper, Brian O'Reilly, April Isaacson and Michael Furrow, leading a five-lawyer IP litigation team focused on high-stakes biopharma patent disputes.

In Atlanta, the firm hired mergers and acquisitions partner Mick Cochran to co-chair its private equity team, and finance partner Shannon Baxter from Dentons.

The Work

Kilpatrick's revenue growth was broad-based across the firm's three departments—corporate, litigation and intellectual property, Walker said.

Kilpatrick advised AT&T on the $1.95 billion sale of its Puerto Rico and U.S. Virgin Islands operations to Liberty Latin America, which closed in November 2020.

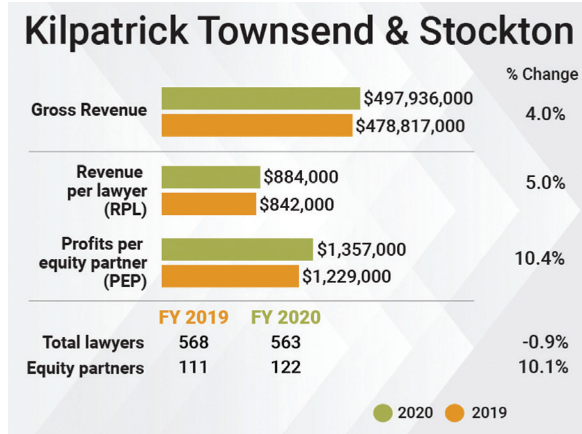
It also handled two big bank mergers. Kilpatrick represented Sandy Spring Bancorp in its $287 million acquisition of Revere Bank and Wellesley Bancorp in its all-stock merger with Cambridge Bancorp.

It also advised Atlanta tech startup OneTrust, which makes security governance programs, in raising $250M in series B venture capital funding.

In intellectual property, Walker said Kilpatrick handled trademark work for Facebook, Instagram and Apple, while it handled copyright and internet-related disputes for Amazon, as well as patent prosecution.

The firm also worked on patent prosecution, litigation and M&A work for Labcorp, which offers testing nationally for COVID-19, among other health care lab tests, Walker said.

In patent litigation, Kilpatrick won a $8.5 million jury verdict after a seven-day trial for Japanese social media company Gree over a long-running patent infringement case against Finnish video game giant Supercell Oy, maker of Clash of Clans and Clash Royale, in the U.S. District Court for the Eastern District of Texas.



The firm obtained a summary judgment decision for its client Novelis in a patent and trade secret dispute with competitor Arconic over a treatment process for aluminum parts produced for Ford Motor Co.'s F-150 truck.

In Gold's Gym's bankruptcy proceeding, sparked by the pandemic, Kilpatrick achieved a $30 million recovery—up from a $225,000 proffer from the majority equity holder—for the unsecured creditor's committee.

The firm concluded its three-year role as co-monitor of Volkswagen in September, overseeing compliance reforms from the carmakers' 2017 criminal plea deal over its diesel engine emissions scandal. Larry Thompson of Finch McCranie served as monitor with Kilpatrick partner Scott Marrah as deputy monitor.

It also won a 7-2 Supreme Court decision for client Thryv in a closely watched patent law dispute, which held a Patent Trial and Appeal Board decision over an inter partes review was final.

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