

Mergers & Acquisitions: The Good, The Bad and The Ugly

By [Michael D. Short](#) on November 13, 2015

This month I want to share recent stories that I've seen with respect to consultants in the law firm merger space. There are "search consultants" who are practicing in a manner that defies logic and/or can cause great harm within target law firms. I admit that this is a shameless plug for our recently launched LawVision MergerCounsel service because we endeavor to pursue this work in a manner that we believe is highly responsible and objective manner (in relation to some of our competitors). With this backdrop in place, I offer the following three stories for your amusement, consideration, and warning:

1. We heard from a Managing Partner who received a voice mail in which a consultant, calling about a merger inquiry, referenced his client by name as being interested in talking about a merger of the practices. This story isn't necessarily bad unless the Managing Partner's assistant regularly checks this voice mail account...which is the case with many busy Managing Partners. An innocent comment about a merger from an assistant who has access to such information can quickly spread into an issue that requires major damage control. Furthermore, a leak within the legal community about another law firm that is actively looking can be incredibly embarrassing and disruptive to that firm. At a minimum, leaving the name of an interested party in a voicemail should be incredibly embarrassing for the consultant who did it.
2. Managing Partner forwarded an email to us in which a "search consultant" indicated to him that she represents a major law firm that is "seeking to either merge or acquire a small, medium, or large-sized group...in (his market) with portable business." She continued with, "Individual Partners with substantial practices are always of interest." and she closed with "It would be a pleasure to hear from you." In other words – please let me learn more about your firm. If I can make a merger happen – great. If not, I will at least learn from the process who your key Partners are so I can create opportunities elsewhere for your key lawyers in the near future. I was stunned when I saw this one. Furthermore, the location in question here is not one of interest to any major law firm that I have recently worked with. This whole thing feels like a smarmy business development effort to me.
3. I've used this one before, but it's a favorite of mine...a law firm that we were assisting with a search receives a call from a "search consultant" who claims to represent one of the firms on our target list. He indicates that the other party would like to have a discussion...very soon. Well, it just so happens that we know the Managing Partner of the other firm so we contact him to further gauge his interest. He tells us that this approach is news to him; that the "search consultant" does not represent his firm; AND that the same person called him to tell him that the consultant represents our client and that our client was very interested in speaking with him soon. This was just another deal-trolling liar looking to get credit for a first call/meeting in order to claim a premium if the deal actually closes at any point in the future. This one was resolved via lawsuit threats.

Over the past few months we have acted as counsel to several successful/announced mergers, helped several ill-fated discussions come to a timely and appropriate end, and been engaged to provide guidance and counsel on even more deals. The law firm merger marketplace is very active at the moment. Our group's collective experience with all aspects of merger work is unrivaled. Please check us out if the concept of a merger is in your plans.

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