

BigLaw Expands In The Carolinas Amid Business Boom

By **Aebra Coe**

Law360 (September 28, 2022, 1:36 PM EDT) -- Where business goes, it's said, BigLaw follows. And it appears that's what's happening right now in North and South Carolina, where a number of large law firms have entered the market or expanded in recent months.

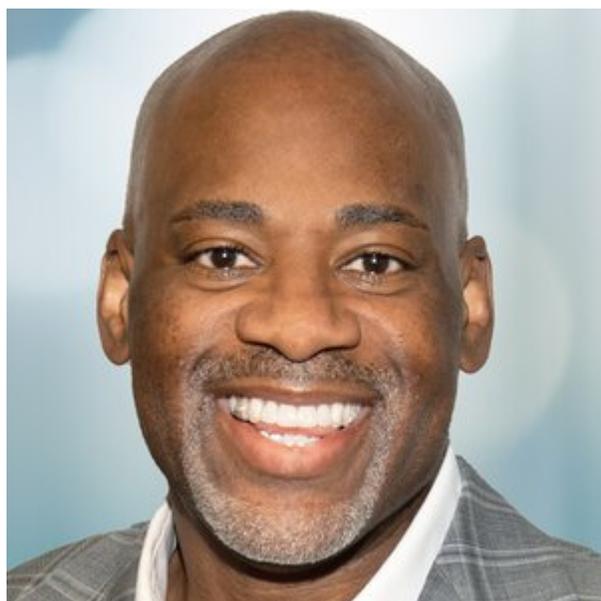
This month Memphis-based Baker Donelson Bearman Caldwell & Berkowitz PC **opened an office** in Charleston, South Carolina, with four attorneys from Womble Bond Dickinson and Parker Poe Adams & Bernstein LLP. The move came just a year after the firm set up shop in Raleigh, North Carolina.

The same day as the Baker Donelson announcement, Atlanta-based Taylor English Duma LLP said it was **venturing into North Carolina** by bringing on Charlotte boutique law firm Gorman & Associates PA, including the firm's founder and two other attorneys.

And in June, Holland & Knight LLP, a multinational law firm that started out in Florida, snagged a group of five corporate partners from Moore & Van Allen PLLC in Charlotte to **expand the firm's office** there.

It isn't a mad dash like the industry has seen with large law firms' races into Salt Lake City and Miami in recent years, but there has been a steady rise in interest in a region that is seeing consistent business growth, and factors surrounding the pandemic have only accelerated that interest, according to legal recruiters in the Carolinas.

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Carlos Pauling

Major Lindsey & Africa

Charlotte is home to a number of financial services giants, including Bank of America Corp., and has been for some time. Health care has also been big business in the region, particularly in Chapel Hill, home of the University of North Carolina, as has energy with Duke Energy in Charlotte. And then more recently, manufacturers such as Mercedes-Benz, Volvo and Boeing have moved into the Carolinas.

And business in the area has ramped up even during the COVID-19 pandemic. Apple said in 2021 it planned to create a \$1 billion campus and engineering hub in Research Triangle Park, a research park between Raleigh, Durham and Chapel Hill. Soon afterward, Google said it was planning to set up a 1,000-person engineering hub in Durham.

According to Carlos Pauling, executive director of Major Lindsey & Africa's partner practice group, low tax rates, an educated workforce with several universities nearby, a relatively low cost of living and good weather have created a robust business atmosphere.

"All of that drives corporations to come, and then law firms follow," Pauling said.

Practice areas that have driven the influx of law firms include real estate, and labor and employment, he said.

Pauling pointed to data collected by Major Lindsey & Africa that shows that in the Southeast U.S., lateral partner moves in real estate practices were 12% of all moves, compared with 6% nationally. Similarly, labor and employment in the Southeast was more than 11% of lateral moves, whereas nationally it was 5%.

Those two practice areas have seen a resurgence over the last few years, positioning states like North Carolina and South Carolina for growth, he said.

Still, there are factors that can make some law firms think twice about entering the Carolinas, according to John Lassiter, president of Carolina Legal Staffing LLC.

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Ken Young

Young Mayden

Even though the top law firms in Charlotte have raised associate pay along with the rest of the country in recent years, in some cases the starting pay can still be \$50,000 or more below that of law firms in New York or Chicago, Lassiter said. Those differences also play out in billing rates, where the local firms tend to charge less than national outsiders, and clients are used to the local rates.

Pauling said he also sometimes runs into the challenge of billing rate mismatches when placing Carolina lawyers with larger national law firms.

"Rates are one of the biggest tension areas we see," he said. "We have to make sure as we're counseling them we're thinking about their clients, the rate pressures they're under, and help them find the right match."

Ken Young, a legal recruiter in South Carolina at Young Mayden Legal Search, said many firms entering the region are working around that by hiring lawyers in specific practice areas where the rate gap is less, refraining from creating full-service offices in the area and instead keeping their offices focused on those particular, profitable practices.

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John Lassiter

Carolina Legal Staffing

According to Young, much of the growth in the area is driven by opportunistic hires on the part of law firms that want to build out particular practice areas. One he's found that demands high rates in South Carolina is health care work.

"If you can get good lawyers at high rates without building out an office of 30 people, then you can avoid getting stuck with all that overhead," he said.

According to Lassiter, despite the challenges, large firms are increasingly finding luck identifying talented local attorneys with strong books of business to bring on.

"It's less and less that law firms based in Southern metro areas are sleepy little Southern law firms," he said. "They are finding highly talented A-list lawyers who have gone to law schools all around the country."

--Editing by Brian Baresch.

