

Lowenstein Sandler's Core Practices Responded 'Shockingly Well' in Pandemic Year

"I never would've predicted in March and April, even May, that we'd end the year up" in revenue, managing partner Gary Wingens said.

By David Gialanella
February 22, 2021

Lowenstein Sandler, perennially the highest-earning law firm rooted in New Jersey, increased its gross revenue in 2020, driven by core practices that the firm's managing partner said performed "shockingly well given what was going on in the world."

Crediting work for technology, investment and life sciences clients, managing partner Gary Wingens said, "I never would've predicted in March and April, even May, that we'd end the year up" in revenue. He called the situation "one of the great surprises of my career."

Early in 2020, "we were doing cash flow models, 'what if we're down 20%? What if we're down 50%?'" Wingens added. "If you had asked me in April, I would've said down 5% would be a win."

Lowenstein's \$350.1 million in gross revenue for fiscal 2020 was a 2% year-over-year increase from the prior year. Combining that with a 3.4% increase in attorney head count (to 318 average full-time equivalents) meant a decrease in the firm's revenue per lawyer (RPL) figure—by 1.3%, to \$1.1 million.

Profit per equity partner (PEP), meanwhile, increased 4.5%, to \$2.53 million.

Lowenstein also saw year-over-year increases in profit/net income (by 2.4%, to \$124.14 million) and in nonequity partner count (by 11.1%, to 65), both consistent with other firms whose FY2020 financials

have been posted so far, [according to The American Lawyer](#).

Wingens said the firm did feel the drop-off in court activity in its financials, including the RPL decrease.

"Over the years, we've had a significant contingency component to our revenue," and "this past year, it turned out that [in] contingency-style cases, when courts are either closed or not creating trial dates, defendants are not quite as eager to settle," he said, noting that such revenue "took a very significant hit this year."

But Wingens said core revenue was up 8% year over year, "which is incredibly gratifying."

And despite the downtick in RPL, the firm's \$1.1 million figure nevertheless puts it on par with "**first hundred**" firms such as Morgan, Lewis & Bockius and McDermott Will & Emery, according to data from The American Lawyer. (Lowenstein Sandler's \$343.1 million in FY2019 revenue landed the firm at No. 107 in [last year's Am Law 200](#), which is ordered by gross revenue.)

For its 2020 fiscal growth, the firm pointed to various practices: bankruptcy, including representation



Gary M. Wingens

of unsecured creditors committees for Modell's Sporting Goods and Southeastern Metals Products, as well as debtor-side work for Duro Dyne National Corp.; capital markets, including public securities offerings for Delcath Systems and Provention Bio; life sciences, including representation of Cancer Genetics and Reviva Pharmaceuticals in mergers; and various venture capital, tech and private equity engagements.

Why did clients stay engaged amid all the year's uncertainties? In the early months of 2020, it was for guidance during the descending crisis—questions, for example, about what would happen if capital markets seized up. But over the summer, the activity shifted to clients seeking to launch funds for investors looking for alternative vehicles, according to Wingens. "Having all that money in those funds means they have to use that money," so "the number of venture capital investments started going through the roof," Wingens added.

"It turns out people do need sophisticated legal advice when there's great uncertainty in the world," he said.

Interestingly, even though dealmakers often couldn't meet in person, deals didn't die, as clients recognized that, to close by year's end, they needed to move forward, Wingens said.

That strategy also has been adopted by the firm, which has made numerous lateral hires without in-person interviews, he noted.

The majority of the firm's lawyers are spread over its offices in Roseland, New Jersey, and New York.

As for 2021, Wingens said he's "really bullish."

"I do feel that we are at the beginning of a whole new economic cycle," he said. "I think there's going to be an enormous amount of investment activity."

Private equity and special purpose acquisition company (SPAC) money that has been "on the sidelines" will be deployed this year, and gross domestic product is projected to grow by several

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			% Change
Gross Revenue		\$350,129,000	2.0%
		\$343,128,000	
Revenue per lawyer (RPL)		\$1,102,000	-1.3%
		\$1,116,000	
Profits per equity partner (PEP)		\$2,533,000	4.5%
		\$2,424,000	
	FY 2019	FY 2020	
Total lawyers	307	318	3.4%
Equity partners	50	49	-2.0%

percentage points year over year, Wingens said, also noting that the changeover to the Biden administration should mean work for the firm's regulatory and investigations practices.

"Either way, you need lawyers," Wingens said. "People need lawyers as things change."

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