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Increase in hours billed boosts firm's bottom line

MORRIS MANNING'S REVENUE climbed nearly 4 percent; net income up by almost 12 percent

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MORRIS, MANNING & MARTIN'S headcount flat lined last year, but even without census growth, the firm still billed about 10,000 more hours.

Those billables—269,544 hours split between 129 attorneys, an average of 2,089 hours per lawyer in 2010, compared with 1,981 a year earlier—helped push revenue and net income up enough that the firm's



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Louise Wells said the firm's lawyers were more productive in 2010.

managing partner, Louise M. Wells, dubbed the year "magnificent."

"The lawyers we had with us were more productive or increased business," said Wells, who became the firm's managing partner in January 2010, when Robert E. Saudek announced his retirement after 16 years at the helm.

In 2009, she said, the firm's real estate practice was hit hard. In 2010, real estate rebounded—though not to boom-year levels—and the firm picked up more corporate work, including mergers and acquisitions, alternative investments and real estate capital markets matters.

The result: revenue that climbed almost 4 percent to \$86.2 million, and net income that rose nearly 12 percent to \$34.8 million, both after two years of sometimes steep declines.

That meant the firm's equity partners—whose headcount, at 41, held nearly steady with the prior year's—saw average profit increase almost \$100,000 to \$855,757. Average compensation for all partners jumped more than \$20,000 to \$645,447.

The work behind those numbers on the transactional side included the sale of the retail and office portions of Buckhead's 50-story Sovereign building for \$167.3 million, handled by Homer Lee Walker, a recent recruit from Alston & Bird, and Grant W. Collingsworth's representation of SciQuest, an online procurement software company, in its \$57 million initial public offering.

Morris Manning also formed a partnership with the Brazilian law firm Fleury Malheiros, Gasparini, De Cresci e Nogueira de Lima Advogados to handle timberland investment and forest products-related matters.

Practices such as those dovetail with Morris Manning's newly named funds and alternative investments group—a multidisciplinary coalescence of specialties the firm has had for years, focusing on hedge funds, private equity funds, non-

listed real estate investment trusts and the like. Last year, those practices closed deals valued at \$7.5 billion, Wells said. Charles R. Beaudrot Jr., who coordinates the practice, said he anticipates growth in related regulatory work, thanks to the Dodd-Frank Act's requirement that such investments be registered.

On the litigation side, the firm serves as lead defense counsel for Armstrong Containers in a series of lead paint personal injury and public nuisance suits around the country. Partner Robert P. Alpert said the firm initially had about 50 suits; all but seven or eight have resolved. Morris Manning recently landed a summary judgment in federal district court in Wisconsin on an issue of first impression, where the court found that the state's version of modified market share liability—which allows plaintiffs to sue even if they don't know which manufacturer caused the injury—was unconstitutional.

Wisconsin was the only state allowing suits under that theory, and the plaintiffs in the Armstrong matter are seeking review in the 7th U.S. Circuit Court of Appeals.

Morris Manning lawyers also are involved in ongoing multidistrict litigation in more than 200 product liability suits in 34 federal jurisdictions on behalf of The Home Depot. The action, led by John P. MacNaughton, is related to allegations that a tile grout cleaner the company sold caused permanent lung damage and death in some users.

Buoyed by the work fueling its 2010 financials and an anticipated economic recovery, Morris Manning now is shopping for additional office space. Wells said the firm occupies 113,000 square feet at the Atlanta Financial Center on a lease that expires in 2013, and is looking for 125,000 square feet. "We have some runway time, but we're trying to take advantage of the market," she said, adding, "We are actively looking to hire." ®