WHITEPAPER

Law Firm Investment Opportunity POV

MARCH 2026

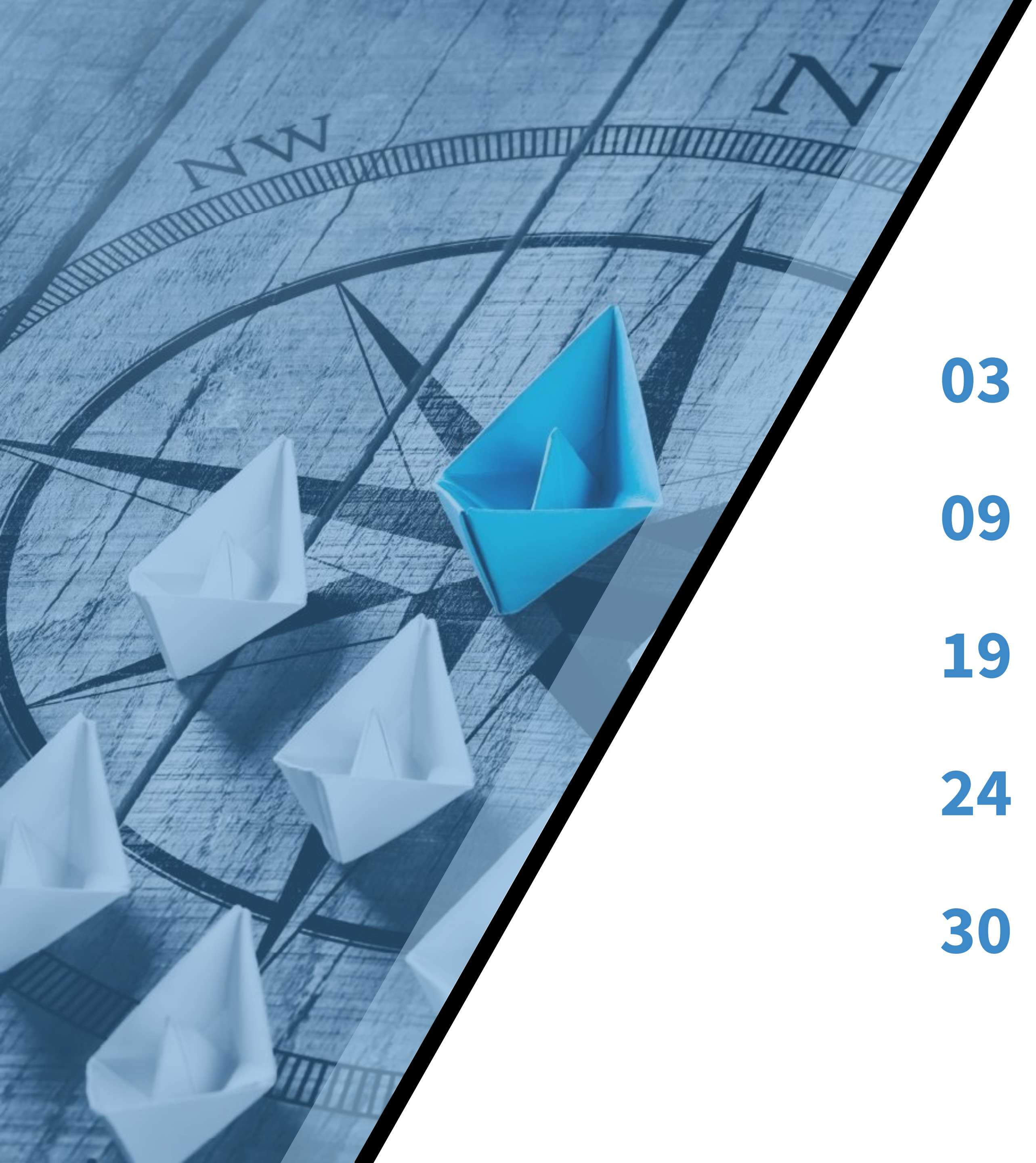


Table of Contents

Contextualizing Law Firms Among Professional Services Categories

Professional Services | A Brief History of Foundational Outside Investments in US Professional Services Partnerships

Investment Banks — **Consultancies** — **CPA Firms** — **Law Firms**

Outside investment in professional services partnerships began in public markets, but has increasingly moved towards private markets; reductions in regulation are driving investment momentum into legal services firms

Law Firms

- axiom – Permira – 2019
- elevate – Composition Capital – 2019
- Aprio – Charlesbank – 2024
- EUDIA – General Catalyst – 2025
- netlaw – Conditor Equity – 2025
- ORION Legal MSO – Uplift Investors – 2026

CPA Firms

- EisnerAmper – TowerBrook Capital – 2021
- CitrinCooperman – New Mountain Capital – 2022
- bakertilly – Hellman & Friedman – 1H-2024
- Grant Thornton – New Mountain Capital – 1H-2024
- Aprio – Charlesbank
- armanino – Further Global Capital
- CRI Carr Riggs & Ingram CPAs and Advisors – Centerbridge, Bessemer – 2H-2024
- CitrinCooperman – Blackstone
- MossAdams / bakertilly – Hellman & Friedman
- PKF O'Connor Davies Accountants and Advisors – Investcorp, PSP – 1H-2025
- CohnReznick Advisory · Assurance · Tax – Apax Partners
- Acclime – Warburg Pincus
- Wipfli – New Mountain Capital – 2H-2025

1970: NYSE amended its bylaws, allowing member firms to go public

Consultancies

- accenture – IPO – 2001
- west monroe – Blue Owl Capital – 2021
- CrossCountry Consulting – Investcorp, PSP
- Accordion – Charlesbank – 2022
- Riveron – Kohlberg & Co. – 2023

Investment Banks

- Salomon Brothers – IPO – 1981
- Bear Stearns – IPO – 1985
- Morgan Stanley – IPO – 1986
- Lehman Brothers – IPO – 1994
- Goldman Sachs – IPO – 1999

1980s | **1990s** | **2000s** | **…** | **2020s**

"By going public, Morgan Stanley would vastly increase its ability to serve clients around the world. In the decade that followed, Morgan Stanley opened offices in Frankfurt, Hong Kong, Luxemburg, Melbourne, Milan, Sydney, and Zurich, as well as expanding in London and Tokyo. Former Morgan Stanley Vice Chairman R. Bradford Evans says the funds were immediately invested in developing long-term opportunities."

Morgan Stanley

Following it's split from Arthur Anderson, Anderson Consulting went public in 2001, rebranding to Accenture and seeking to raise capital for growth to take on large and complex projects without risking personal capital. Fast forward to 2021, and a new wave of outside investment began, starting with MSD's investment in West Monroe Partners in 2021.

accenture

west monroe

In 2025, New Mountain Capital exited Citrin Cooperman through a Blackstone-led acquisition (~$2Bn valuation), marking the first major PE-to-PE accounting flip. Private investment in the CPA sector continues to grow, with a record 83 deals in 2025.

NMC New Mountain Capital

Blackstone

Beyond state reforms allowing outside investment (AZ, UT, D.C.), the market is shifting to the Management Services Organizations model pioneered by NetLaw, allowing private equity to bypass Rule 5.4 by separating business operations from legal practice.

POINTE ADVISORY NOW PART OF STOUT | PIPER | SANDLER

Note: Dates indicate date of outside investment (incl. IPO, Managed Service Organization (MSO), Minority Stake, and Buyout)
Sources: Pitchbook, Press Releases, CPA Trendlines Deal Tracker, PWC U.S. Legal Services Investment Perspectives Report

Professional Services | A Global History of Outside Investment in Law Firms

Outside Investment in Law Firms Has Been Underway for Years in Australia and the UK

United States

axiom — **2019:** Buyout (Permira)
2022: ABS License

elevate — **2019:** Minority Stake (Composition)
2022: ABS License

Aprio (Passionate for what's next) — **2024:** Buyout (Charlesbank)
2024: ABS License

EUDIA — **2025:** Minority Stake (GC)
2025: AI Counsel

netlaw — **2025:** Partnership (Conditor Equity)

ORION Legal MSO — **2026:** MSO (Uplift Investments)

United Kingdom

dwf — **2019:** IPO

PCB LITIGATION — **2020:** Minority Stake (Burford)

Lawfront — **2021:** Buyout (Blixt)

fletchers solicitors — **2021:** Buyout (Sun Capital)

dwf — **2023:** Take-Private (Inflexion)

STOWE FAMILY LAW — **2024:** Buyout (Investcorp)

Australia

Slater Gordon Lawyers — **2007:** IPO

iph — **2014:** IPO

XENITH IP GROUP — **2015:** IPO

Australian Family Lawyers — **2019:** Public via Reverse Merger

2000s | **2010s** | **2020s**

Australia

- **Slater & Gordon IPO:** First ever public offering from a law firm; made possible by Australia's permissive regulation of law firm ownership
- **IPH Limited IPO:** Marked the first IP firm to go public, later acquired Xenith IP Group in 2019
- **Australian Family Lawyers:** Went public via reverse merger, first family-specific law practice to go public

United Kingdom

- **DWF IPO:** DWF was the first law firm in the UK to be listed on the London Stock Exchange's main market
- **Burford / PCB:** Burford historically funded litigation, PCB stake acquisition highlights broader appetite for equity in law firms
- **Blixt / Lawfront, Sun Capital / Fletchers:** Demonstrate ongoing interest from non-legal focused sponsors (as opposed to firms like Burford) in acquiring law firms

United States

- **Elevate:** First company to obtain an AZ ABS, also holds UK ABS, VC-Backed
- **Axiom:** Axiom's ABS license gave Permira, its owner, exposure to law practice revenue
- **Aprio:** Aprio offers Charlesbank Partners, its owner, access to law practice revenue with its ABS license
- **Stout / Integrum:** Illustrates interest in law-adjacent investments as sponsors wait for regulations to loosen on direct investment

Sources: Pitchbook, Press Releases, PWC U.S. Legal Services Investment Perspectives Report

Legal is one of ten defined segments in the Professional Services market; segments vary materially in scope, participants, and relative TAM size

Relative TAM Size

Smaller — *Larger*

Professional Services Market Segments

CPA+
Includes Audit, Tax Compliance, Specialty Tax / Tax Advisory

EY, pwc, RSM, BDO, Grant Thornton, Deloitte., bakertilly, Ryan, Aprio, forvis mazars, KPMG, Crowe, CRI, ANDERSEN, CBIZ

Management Consulting
Includes Strategy, Performance Improvement, Restructuring & Turnarounds, Transactions, Accounting Advisory

McKinsey & Company, OliverWyman, LEK, BCG, KEARNEY, BAIN & COMPANY, Roland Berger, A&M, CrossCountry Consulting, AlixPartners, CFGI, FTI Consulting, RIVERON, Highspring, ACCORDION

Wealth Management
Includes Financial Planning, Investment Management, Estate Planning & Business Services

charles SCHWAB, Vanguard, Edward Jones, Fidelity, Choreo, MERCER ADVISORS, HIGHTOWER, MAI Capital Management, CAPTRUST, compound, FOCUS, Mariner, Edelman Financial Engines, CERITY PARTNERS

Technology Consulting
Includes IT Consulting & Implementation, IT Managed Services, Data Analytics, AI Services

accenture, Infosys, Capgemini, IBM, cognizant, Deloitte., tcs TATA CONSULTANCY SERVICES, HCLTech, slalom, LIBERTY ADVISOR GROUP, NORTH HIGHLAND, PERFICIENT, west MONROE, CUESTA, CROSSLAKE, endava

Risk+
Includes Cyber, Risk (financial, internal, audit tech, regulatory, third-party), Valuation & Economic Consulting, Forensics (incl. litigation)

KROLL, schellman, CRA, Control Risks, Secretariat, A-LIGN, ankura, JS|HELD, protiviti, HKA, wtw, CROWDSTRIKE, Mandiant, paloalto, RAPID7

Capital Markets Advisory
Includes M&A Advisory (Sell- / Buy-side), Capital Raising, Strategic Alternatives, Sponsor Advisory

Moelis, EVERCORE, Jefferies, CASCADIA, PJT, GUGGENHEIM, LAZARD, FMI, Harris Williams, William Blair, STIFEL

Legal Services
Includes Transactional & Corporate, Litigation, Regulatory & Policy, Intellectual Property, Legal Ops & Managed Services

Baker McKenzie., DLA PIPER, Skadden, CLIFFORD CHANCE, ALLEN & OVERY, Linklaters, SIDLEY, Hogan Lovells, Freshfields Bruckhaus Deringer, WHITE & CASE, NRF, DENTONS

Human Capital
Includes HR Strategy & Organizational Dev., Compensation & Benefits Advisory, Talent Acquisition & Exec. Search, Learning & Development (L&D)

Adecco, randstad, KORN FERRY, ManpowerGroup, rh, HEIDRICK & STRUGGLES, AON, ALLEGIS, KELLY, EY, pwc, Deloitte., KPMG

AEC/Built Environment
Includes Civil & Structural, Mechanical & Electrical (M&E), Environmental & Sustainability, Urban Planning & Landscape, BIM

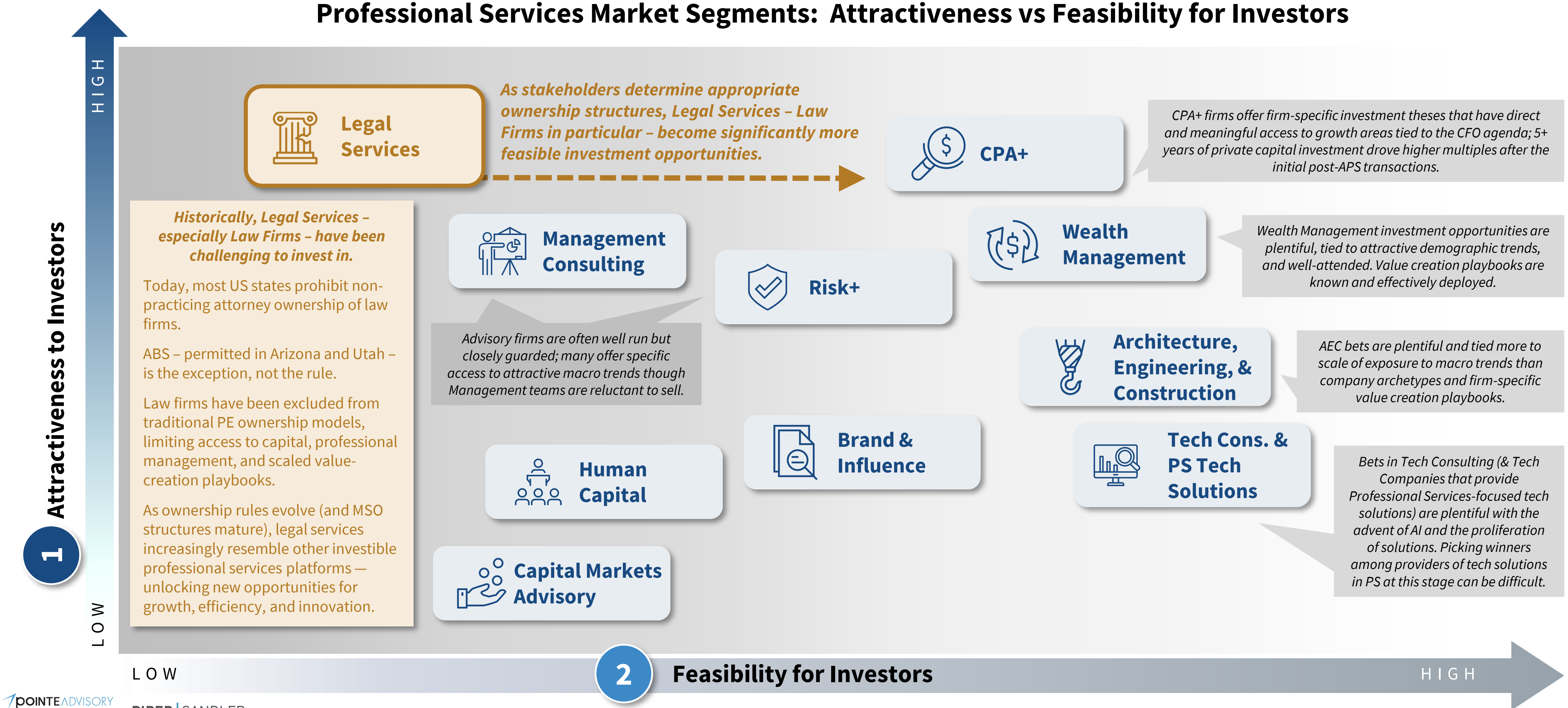
BECHTEL, Jacobs, FLUOR, wsp, AECOM, KBR, TT, FDR, ARUP, BURO HAPPOLD, Turner & Townsend, RAMBOLL, MOTT MACDONALD, SNC-LAVALIN

Brand & Influence
Includes Marketing, Advertising, Investor Relations, Public Relations, Government Affairs

WPP, OmnicomGroup, PUBLICIS GROUPE, IPG, dentsu, HAVAS, BBDO, GREY, McCANN WORLDGROUP, ICR, Teneo, fgs global, Edelman, SODALI & CO, APCO worldwide, Burson, Georgeson

Professional Services segments offer attractive investment platforms; Legal Services is attractive and an increasingly feasible opportunity

Professional Services Market Segments: Attractiveness vs Feasibility for Investors



Legal Services

As stakeholders determine appropriate ownership structures, Legal Services – Law Firms in particular – become significantly more feasible investment opportunities.

Historically, Legal Services – especially Law Firms – have been challenging to invest in.

Today, most US states prohibit non-practicing attorney ownership of law firms.

ABS – permitted in Arizona and Utah – is the exception, not the rule.

Law firms have been excluded from traditional PE ownership models, limiting access to capital, professional management, and scaled value-creation playbooks.

As ownership rules evolve (and MSO structures mature), legal services increasingly resemble other investible professional services platforms — unlocking new opportunities for growth, efficiency, and innovation.

CPA+

CPA+ firms offer firm-specific investment theses that have direct and meaningful access to growth areas tied to the CFO agenda; 5+ years of private capital investment drove higher multiples after the initial post-APS transactions.

Management Consulting

Risk+

Advisory firms are often well run but closely guarded; many offer specific access to attractive macro trends though Management teams are reluctant to sell.

Wealth Management

Wealth Management investment opportunities are plentiful, tied to attractive demographic trends, and well-attended. Value creation playbooks are known and effectively deployed.

Architecture, Engineering, & Construction

AEC bets are plentiful and tied more to scale of exposure to macro trends than company archetypes and firm-specific value creation playbooks.

Brand & Influence

Human Capital

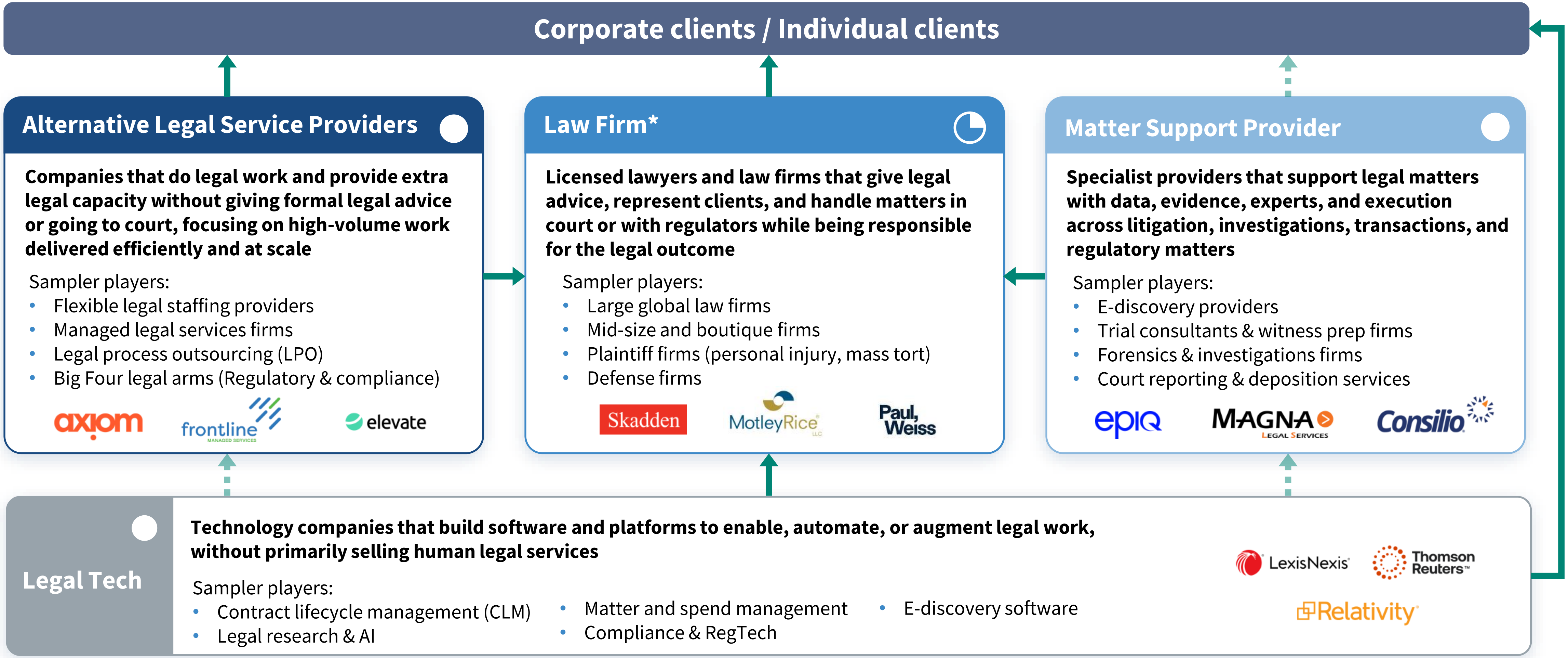
Tech Cons. & PS Tech Solutions

Bets in Tech Consulting (& Tech Companies that provide Professional Services-focused tech solutions) are plentiful with the advent of AI and the proliferation of solutions. Picking winners among providers of tech solutions in PS at this stage can be difficult.

Capital Markets Advisory

In Legal, the market can be sub-segmented across four key types of investment opportunities: Law firms, ALSPs, MSPs, and Legal Tech

Legal market players and client buying relationships (Illustrative and directional)



Corporate clients / Individual clients

Alternative Legal Service Providers ○

Companies that do legal work and provide extra legal capacity without giving formal legal advice or going to court, focusing on high-volume work delivered efficiently and at scale

Sampler players:
- Flexible legal staffing providers
- Managed legal services firms
- Legal process outsourcing (LPO)
- Big Four legal arms (Regulatory & compliance)

axiom frontline elevate

Law Firm* ◔

Licensed lawyers and law firms that give legal advice, represent clients, and handle matters in court or with regulators while being responsible for the legal outcome

Sampler players:
- Large global law firms
- Mid-size and boutique firms
- Plaintiff firms (personal injury, mass tort)
- Defense firms

Skadden MotleyRice Paul, Weiss

Matter Support Provider ○

Specialist providers that support legal matters with data, evidence, experts, and execution across litigation, investigations, transactions, and regulatory matters

Sampler players:
- E-discovery providers
- Trial consultants & witness prep firms
- Forensics & investigations firms
- Court reporting & deposition services

epiq MAGNA Legal Services Consilio

Legal Tech ○

Technology companies that build software and platforms to enable, automate, or augment legal work, without primarily selling human legal services

Sampler players:
- Contract lifecycle management (CLM)
- Legal research & AI
- Matter and spend management
- Compliance & RegTech
- E-discovery software

LexisNexis Thomson Reuters Relativity

---

*American Bar Association Model Rule 5.4 restricts non-lawyer ownership and fee sharing in law firms to protect professional independence, hence most law firms cannot take outside equity outside of ABS regimes (e.g., Arizona)

○⟷● Ability to accept private investment ↑ Primary buyer ⇡ Secondary buyer

Assessing the Law Firm MSO Opportunity

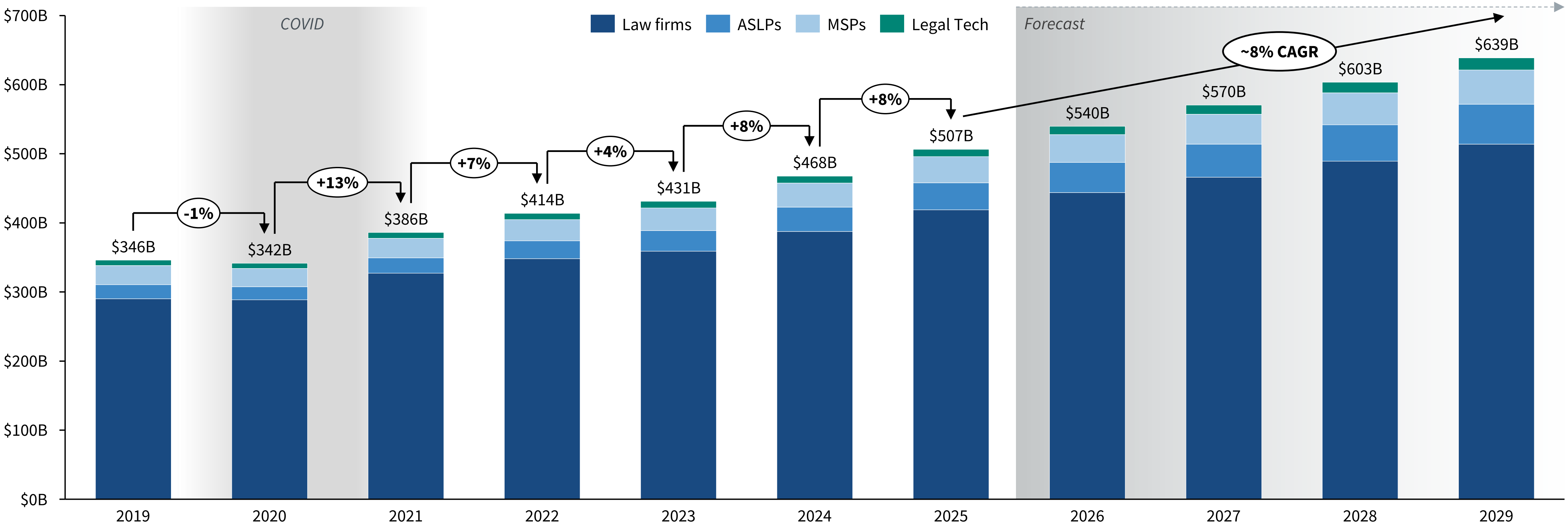
Why We Are Here: The US legal services market, especially law firms, is an attractive and increasingly actionable investment category for private capital

Law firms sit at the intersection of durable demand growth and limited institutional ownership, positioning early sponsors to shape and scale the category.

Key Point	Description	Why It's Important
1 **Large, growing, resilient, & a-cyclical market opportunity**	• The US law firm market represents ~$375–400B in annual revenue within law firms alone, embedded within a broader ~$475–500B legal ecosystem • Demand is supported by structural drivers including regulatory expansion, corporate formation and transaction activity, litigation intensity, and increasing economic complexity • The market has demonstrated resilience across cycles, with counter-cyclical segments (e.g., restructuring, disputes) offsetting transactional slowdowns.	• Scale provides depth across practice areas, geographies, and client segments, enabling diversified investment theses • Structural demand drivers support long-term growth and downside protection, and the basis for under- writable value creation • Fragmentation creates multiple entry points for platform creation and consolidation
2 **Investor-led value creation opportunities**	• Law firms remain structurally undercapitalized relative to adjacent professional services categories, and governance and strategic planning capabilities remain uneven across firms • Enterprise value can be expanded through topline growth initiatives (lateral strategy, cross-selling, geographic expansion), AI-enabled workflow efficiency, pricing discipline, and disciplined M&A, among other levers	• Outside capital can accelerate growth, unlock operating leverage, and materially expand margin potential • Value creation levers extend across revenue, cost of sales, and overhead categories • Sponsors can accelerate professionalization in a historically partner-managed business model
3 **First-mover advantages in an undercapitalized category**	• MSO structures provide a compliant pathway for private capital to access law firm economics without sharing legal fees • Early platforms may benefit from scarcity value, governance standard-setting, and consolidation tailwinds • The CPA category provides precedent for multiple expansion and category normalization once ownership models evolve	• Early sponsors may capture structural multiple expansion as the asset class institutionalizes • Scarcity of scaled, investor-backed platforms could create premium positioning for early movers • Developing believable paths to exit increases the likelihood of value capture for initial investors

Market | There is a large and resilient TAM opportunity across legal services, of which law firms represent ~80% in a highly fragmented landscape *(1 of 2)*

Outside of black swan events like COVID, where litigation-focused legal services fell with a decline in court filings, legal services demand is supported by durable macro drivers: sustained corporate formation and transaction activity, expanding regulatory oversight, rising cross-border complexity, and persistent litigation and risk management needs.

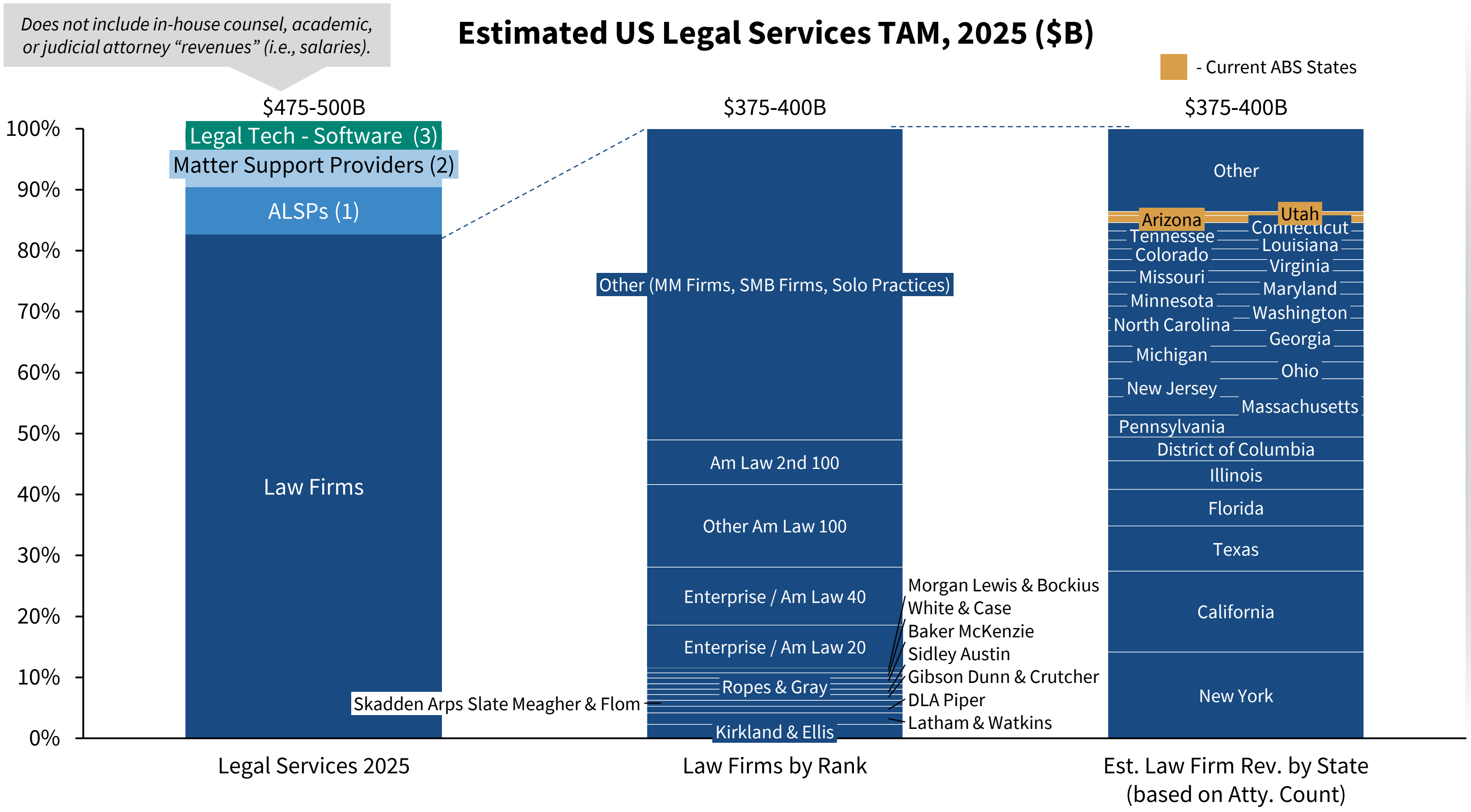


Estimated US Legal Services TAM, 2025 ($B)

Note: 1: Alternative Legal Service Providers (ALSPs) deliver workflow-based, legal-adjacent services that substitute for work historically performed by law firms (e.g., Axiom, UnitedLex, Elevate); 2: Matter Support Providers (MSPs) provide matter-specific advisory, expert, or technical services in connection with legal matters but do not act as counsel of record (e.g., FTI Consulting, Berkeley Research Group, Consilio). 3: Legal Tech refers to software-only products supporting legal workflows, excluding services revenue (e.g., Relativity, Clio, LexisNexis).

Market | There is a large and resilient TAM opportunity across legal services, of which law firms represent ~80% in a highly fragmented landscape *(2 of 2)*

Law firms sit at the center of the legal value chain, representing the majority of revenue and the broadest exposure to structural demand drivers.



Does not include in-house counsel, academic, or judicial attorney "revenues" (i.e., salaries).

Estimated US Legal Services TAM, 2025 ($B)

OPPORTUNITY

What is the opportunity that we need to solve for in Legal Services?

Law Firms are one of the largest – and untapped – investment opportunities in Professional Services

- Despite this scale, Law Firms have historically been difficult to transact due to ownership restrictions (i.e., non-ABS), governance complexity, and partnership economics.
- As a result, investment activity has skewed toward adjacent segments (e.g., ALSPs, Matter Support Providers, Legal Tech), not because they are larger, but because they are structurally easier to own and scale.

As ownership models evolve, Law Firms begin to shift from "attractive but inaccessible" to "attractive and increasingly feasible" – setting the stage for value creation opportunities like those achieved with CPA+ investments.

Market | The U.S. law firm market is structurally diverse; investor attractiveness varies materially by segment, scale, and positioning *(1 of 2)*

Key Law Firm Segment & Representative Firms *(not exhaustive)*	KEY CHARACTERISTICS	PRACTICE & INDUSTRY MIX	CLIENT FOCUS AREAS	GO-TO-MARKET POSITIONING	INVESTOR CONSIDERATIONS
Big Law: *Am Law 50-100* Kirkland & Ellis DLA Piper Latham & Watkins LLP Sidley Gibson Dunn White & Case Baker McKenzie Skadden NRF Ropes & Gray Jones Day	- Nationally scaled and global platforms whose institutional client relationships, brand, service mix, and leverage models drive premiums and industry-leading revenues/profits per partner at scale **Partner Count:** ~250-500+ **Revenue/Partner:** $2.2-5M **Profit/Partner:** $0.8-2.7M	**INDUSTRY FOCUS** Targeted · Broad · **Comprehensive** **PRACTICE COVERAGE** Targeted · Broad · **Comprehensive** - Firms cover all practices; M&A, Capital Markets, Complex Litigation drive RPP	**CLIENT SIZE** SMB · LMM · MM · *UMM* · **LC** **CLIENT TYPE** HNWI/PC · Private · **Priv. Cap** · **Public** - Heavy focus on Banking & FS and large cap/publicly listed clients across sectors	**PRIMARY GTM 'PLANNING' DIMENSIONS** *Industry* · **Cl. Size** · Geo · *Practice* - Brand-driven, relationship-based institutional coverage; firms compete on "white shoe" reputation, depth, and execution scale	- **Revenue durability is possible, while AI-driven cost reduction could protect margins (dependent by practice area)** - **MSO fit and acceptance could limit actionability (TBD)**
National Full Service: *Am Law 100-200* Shook Hardy & Bacon Bradley Adams & Reese Benesch SpencerFane Munger Tolles & Olson Smith Gambrell Russell	- National footprint with strong regional roots, balanced between transactional and litigation practices, with slightly lower revenue / profit per partner compared to larger law firms **Partner Count:** ~115-225 **Revenue/Partner:** ~$1.2-2.2M **Profit/Partner:** ~$0.4-0.8M	**INDUSTRY FOCUS** Targeted · **Broad** · Comprehensive **PRACTICE COVERAGE** Targeted · Broad · **Comprehensive** - M&A, Labor & Employment, Real Estate, Complex Commercial Litigation	**CLIENT SIZE** SMB · LMM · *MM* · **UMM** · *LC* **CLIENT TYPE** HNWI/PC · **Priv. Held** · **Priv. Cap** · *Public* - MM- and UMM-focused privately held and PE-backed firms	**PRIMARY GTM 'PLANNING' DIMENSIONS** *Industry* · **Cl. Size** · Geo · *Practice* - More cost-competitive vs Big Law; industry specialization, service breadth, and relationship depth can help win, particularly for MM clientele	- **Platform potential, though applicability and penetration of MSOs remains TBD** - **Succession and governance modernization opportunities**
Regional/Super-Regional Firms LippesMathias Smith Anderson Hughes Hubbard & Reed Dickinson Wright PLLC Spilman Thomas & Battle Rumberger Kirk	- Geographic concentration, particularly by state or across major MSAs in a multi-state region acting mainly as generalist providers for MM companies, often with a set of deep industry verticals **Partner Count:** ~50-100 **Revenue/Partner:** ~$0.8-1.5M **Profit/Partner:** ~$0.2-0.6M	**INDUSTRY FOCUS** Targeted · **Broad** · Comprehensive **PRACTICE COVERAGE** Targeted · **Broad** · Comprehensive - Corporate, Real Estate, Litigation, Employment	**CLIENT SIZE** SMB · *LMM* · **MM** · *UMM* · LC **CLIENT TYPE** HNWI/PC · **Priv. Held** · *Priv. Cap* · Public - Middle market firms, often in specific industries, with wide range of legal need	**PRIMARY GTM 'PLANNING' DIMENSIONS** *Industry* · *Cl. Size* · **Geo** · Practice - Relationship-driven, often with a few areas of industry expertise in a "one-stop shop of services" and expertise in state-based regulations	- **Fragmented landscape creates opportunity for buy-and-build** - **Moderate pricing power; margin improvement via operational discipline**
State & Local General Practice Firms *Numerous*	- Small to mid-sized firms with strong geographic concentration (single state or metro); broad general practice model serving as outside counsel to local businesses **Partner Count:** ~5-50 **Revenue/Partner:** ~$0.2-0.8M **Profit/Partner:** ~$80-300K	**INDUSTRY FOCUS** Targeted · **Broad** · Comprehensive **PRACTICE COVERAGE** Targeted · **Broad** · Comprehensive - Corporate (SMB-focused), real estate, employment, Litigation, local regs, land use, and business advisory	**CLIENT SIZE** **SMB** · *LMM* · MM · UMM · LC **CLIENT TYPE** *HNWI/PC* · **Priv. Held** · Priv. Cap · Public - Small and mid-sized privately held businesses and their individual owners / operators	**PRIMARY GTM 'PLANNING' DIMENSIONS** Industry · *Cl. Size* · **Geo** · Practice - Relationship-driven, referral-based client acquisition; often positioned as "outside general counsel" to local companies; compete on accessibility, practicality, and cost efficiency	- **Highly fragmented with aggregation opportunity** - **Succession pressure often acute, creating transaction readiness** - **Moderate pricing power; margin improvement driven by leverage discipline, shared services, and operational modernization**

Legend: **Primary Planning Dimension for Law Firms** · *Secondary Planning Dimension for Law Firms* · Lesser Focus for Law Firms

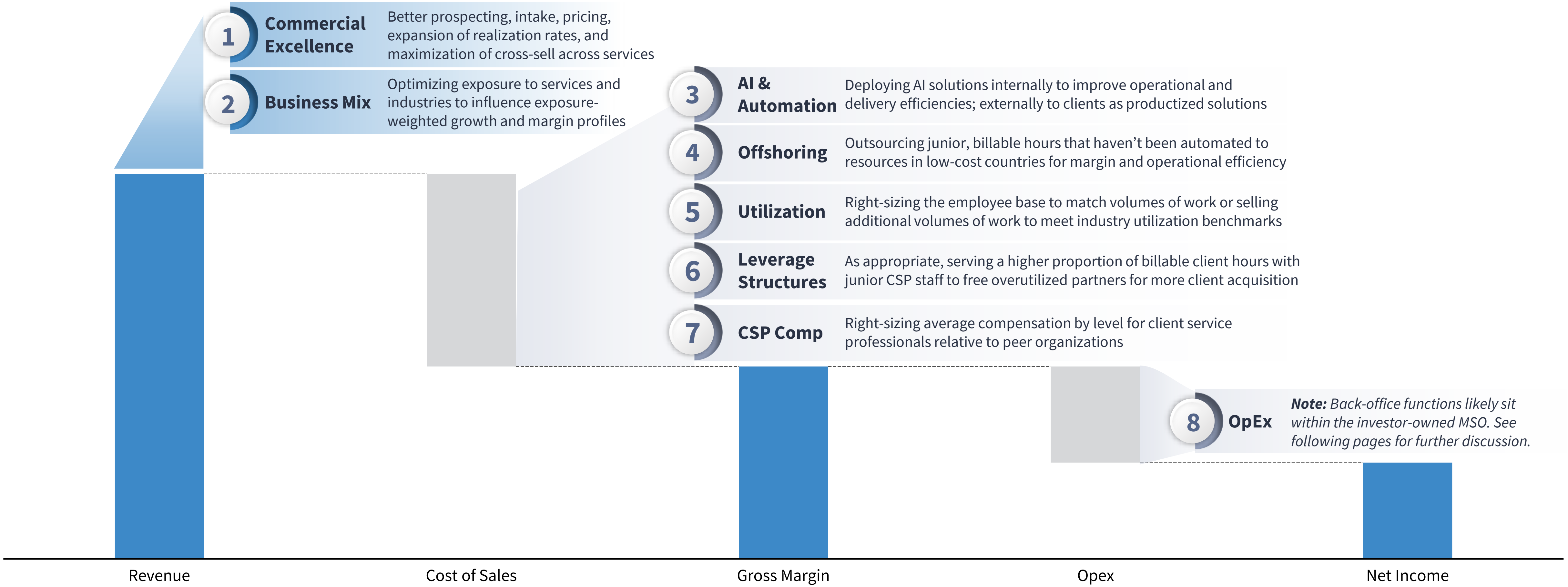
Market | The U.S. law firm market is structurally diverse; investor attractiveness varies materially by segment, scale, and positioning *(2 of 2)*

Key Law Firm Segment & Representative Players		KEY CHARACTERISTICS				PRACTICE & INDUSTRY MIX			CLIENT FOCUS AREAS			GO-TO-MARKET POSITIONING		INVESTOR CONSIDERATIONS
			Partner Count	Revenue/Partner	Profit/Partner	INDUSTRY FOCUS	PRACTICE COVERAGE		CLIENT SIZE	CLIENT TYPE		PRIMARY GTM 'PLANNING' DIMENSIONS		
Litigation & Specialty Boutiques	quinn emanuel urquhart & sullivan, llp Zuckerman Spaeder Susman Godfrey Kobre & Kim Disputes and Investigations Zausmer Williams & Connolly LLP Kellogg Hansen Kellogg, Hansen, Todd, Figel & Frederick, PLLC	High partner concentration and reputation- and rainmaker-driven economics for specialty services, with lower leverage and higher profits per partner; firm scale varies based on practice areas	~25-100+	~$4-6M+	~$2.5-3.5M+	Targeted **Broad** Comprehensive	Targeted **Broad** Comprehensive	"Bet-the-company" litigation, disputes, and appellate (e.g., tax, antitrust, etc.), or HNWI/white collar representation	SMB LMM *MM* **UMM** *LC*	**HNWI/PC** **Priv. Held** Priv. Cap *Public*	HNW/high-ranking individuals or large firms needing representation in specialized litigation services	Industry *Cl. Size* Geo **Practice**	Specialist excellence in targeted areas of law in which expertise changes client outcomes; brand value tied to individual partners, but can accrete to firms with sufficient scale of expert talent	**High profitability with lower automation risk / threat to billable hours model** **Potentially higher key-man / revenue concentration risk; EV growth linked to headcount gains**
Insurance Defense/Volume Litigation	Wilson Elser Wilson Elser Moskowitz Edelman & Dicker LLP Lewis Brisbois Marshall Dennehey Bowman and Brooke LLP Pierce Couch Hendrickson Baysinger & Green, LLP Margolis Edelstein QPWB Quintairos, Prieto, Wood & Boyer, P.A. Attorneys at Law	High-volume, panel-based defense firms with standardized workflows and utilization-driven economics; many serve MDLs/national insurer footprints	~50-100+	~$1-2M+	~$0.2-0.4M	Targeted **Broad** Comprehensive	**Targeted** Broad Comprehensive	General liability and mass tort defense	SMB LMM MM *UMM* **LC**	HNWI/PC Priv. Held *Priv. Cap* **Public**	Large carriers, self-insured corporates	**Industry** *Cl. Size* Geo **Practice**	Firms compete on cost efficiency, scale, and panel retention; strong emphasis on process discipline/responsiveness	**Fragmented landscape points to roll-up potential** **Price erosion with sophisticated buyers and in competitive panels is possible; automation potential could offset some of this effect**
Plaintiff Firms: *PI, Class Act., Mass Tort*	Morgan & Morgan Weitz & Luxenberg Simmons Hanly Conroy A National Law Firm Kline & Specter Lieff Cabraser Heimann & Bernstein Attorneys at Law K | P	Contingency-based, case inventory model, focus on high volume vs low volume and high claims value	~5-75+	*Variable by contingency*		**Targeted** Broad Comprehensive	**Targeted** Broad Comprehensive	PI, mass tort, class action, prod. liability	SMB LMM MM UMM LC	**HNWI/PC** Priv. Held Priv. Cap Public	Aggregated or high-value PC claims	*Industry* *Cl. Size* **Geo** Practice	Brand- and advertising-driven acquisition funnel and scaled case inventory model for low-value claims	**High margin potential with scalable marketing infrastructure** **Revenue and collections volatility with potential reputation risk** **Operations-led value creation**
IP & Technology Specialist Firms	Finnegan Fish. Fish & Richardson Knobbe Martens Rothwell Figg Hamilton Brook Smith Reynolds Sterne Kessler Sterne Kessler Goldstein & Fox	Technical specialization in specific industries (e.g., patents, life sciences, tech); blend of prosecution (repeatable) and high-stakes disputes	~10-150	~$1.5-3M	~$0.6-1M	**Targeted** Broad Comprehensive	**Targeted** Broad Comprehensive	Patent, technology litigation & TAS	SMB LMM *MM* **UMM** *LC*	HNWI/PC **Priv. Held** Priv. Cap *Public*	Tech, pharma, biotech, life sciences	Industry *Cl. Size* Geo **Practice**	Sector expertise and technical credibility, long-standing client relationships in innovation ecosystems	**Some automation in prosecution** **Attractive vertical specialization though smaller technical TAM** **Revenue durability tied to innovation cycles**
Private Client / Family Law Firms	*Numerous*	Relationship- and referral-driven practices, lower leverage and more localized operations	~1-10	~$0.2-1M	~$80-300K	Targeted Broad Comprehensive	**Targeted** Broad Comprehensive	Estate planning, probate, family law, wealth transfer advisory, criminal	SMB LMM MM UMM LC	**HNWI/PC** Priv. Held Priv. Cap Public	HNWIs, Private Clients (for criminal litigation), families & estates	Industry Cl. Size **Geo** *Practice*	Trust-based, reputation-centric client acquisition, often geographic niche dominance and occasional specialty in	**Highly fragmented, selective aggregation potential** **Elevated key-man risk** **Limited automation leverage relative to B2B segments**

Legend: **Primary Planning Dimension for Law Firms** *Secondary Planning Dimension for Law Firms* Lesser Focus for Law Firms

Value Creation | There are plentiful value creation levers that sponsors can work with law firms to deploy to increase topline and reduce cost of sales

As in other areas of professional services, sponsors can drive enterprise value with law firm management teams through coordinated revenue expansion and margin enhancement initiatives across commercial strategy, delivery efficiency, and operating infrastructure.

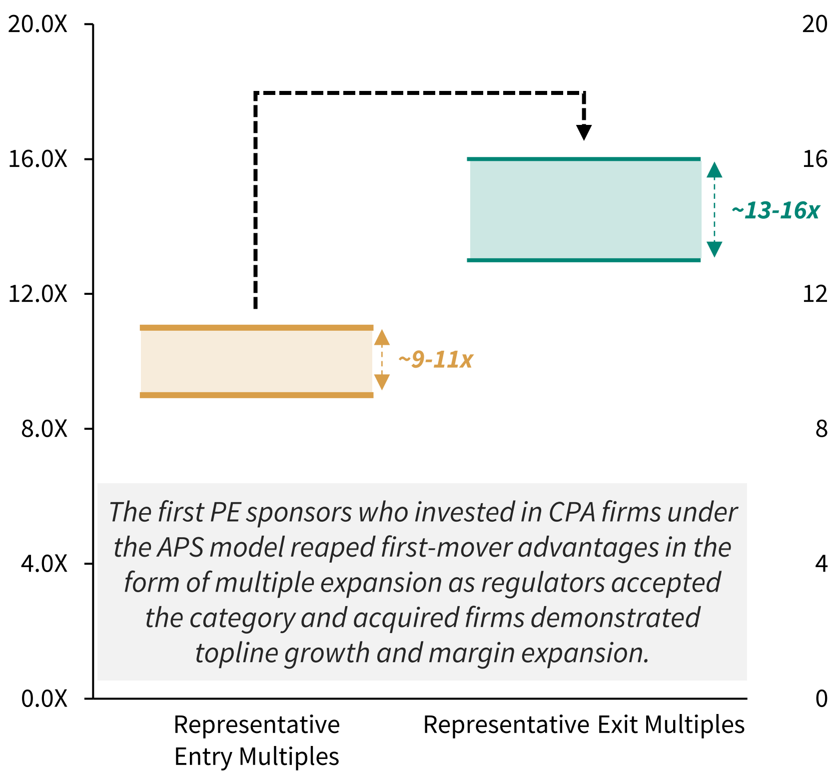


1	**Commercial Excellence**	Better prospecting, intake, pricing, expansion of realization rates, and maximization of cross-sell across services
2	**Business Mix**	Optimizing exposure to services and industries to influence exposure-weighted growth and margin profiles
3	**AI & Automation**	Deploying AI solutions internally to improve operational and delivery efficiencies; externally to clients as productized solutions
4	**Offshoring**	Outsourcing junior, billable hours that haven't been automated to resources in low-cost countries for margin and operational efficiency
5	**Utilization**	Right-sizing the employee base to match volumes of work or selling additional volumes of work to meet industry utilization benchmarks
6	**Leverage Structures**	As appropriate, serving a higher proportion of billable client hours with junior CSP staff to free overutilized partners for more client acquisition
7	**CSP Comp**	Right-sizing average compensation by level for client service professionals relative to peer organizations
8	**OpEx**	***Note:*** *Back-office functions likely sit within the investor-owned MSO. See following pages for further discussion.*

First-Mover Advantages | History shows us that there can be first-mover advantages when investing in large, previously under-capitalized markets

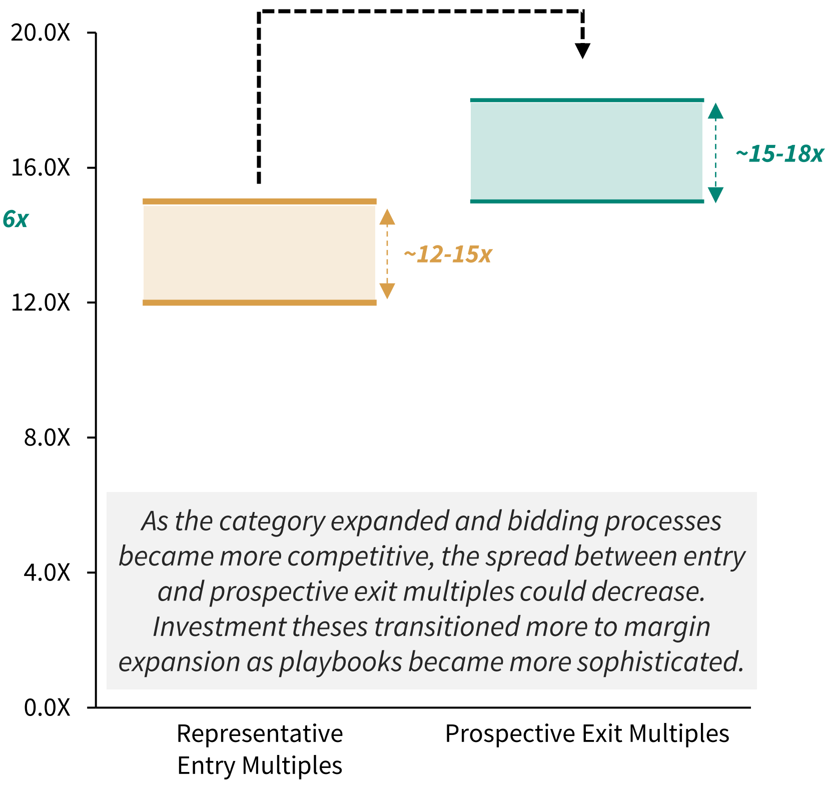
The first PE into US-based CPA firms achieved multiple turns on their investments. As the APS model democratized and bidding processes became more competitive, entry multiples increased and the spread between entry and prospective exit multiples may decrease, though in-hold value creation playbooks have become more sophisticated.

“First Wave” CPA Firms *(c. 2021-2022)*



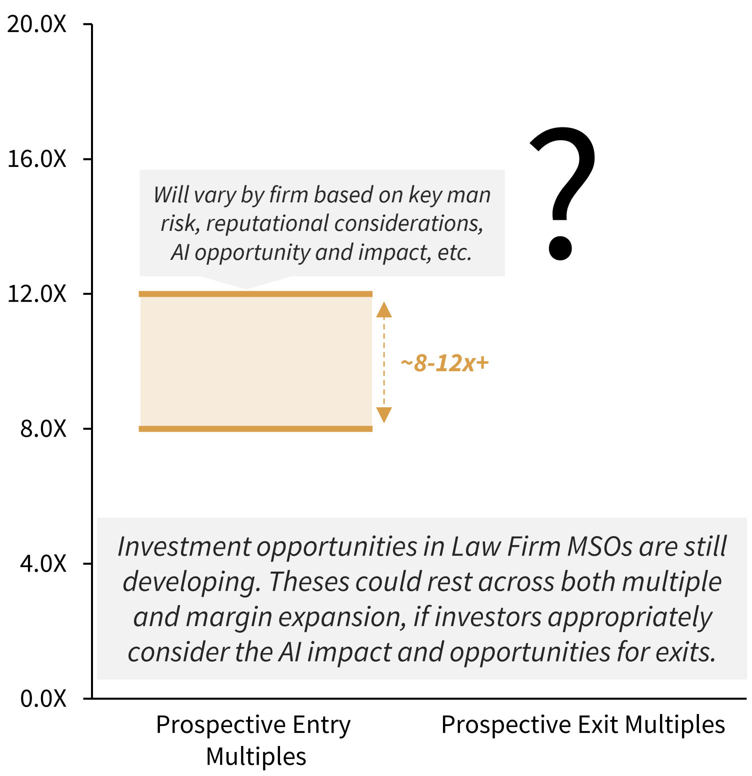
The first PE sponsors who invested in CPA firms under the APS model reaped first-mover advantages in the form of multiple expansion as regulators accepted the category and acquired firms demonstrated topline growth and margin expansion.

“Second Wave” CPA Firms *(c. 2023-2025)*



As the category expanded and bidding processes became more competitive, the spread between entry and prospective exit multiples could decrease. Investment theses transitioned more to margin expansion as playbooks became more sophisticated.

“First Wave” Law Firm MSOs *(c. 2026+)*



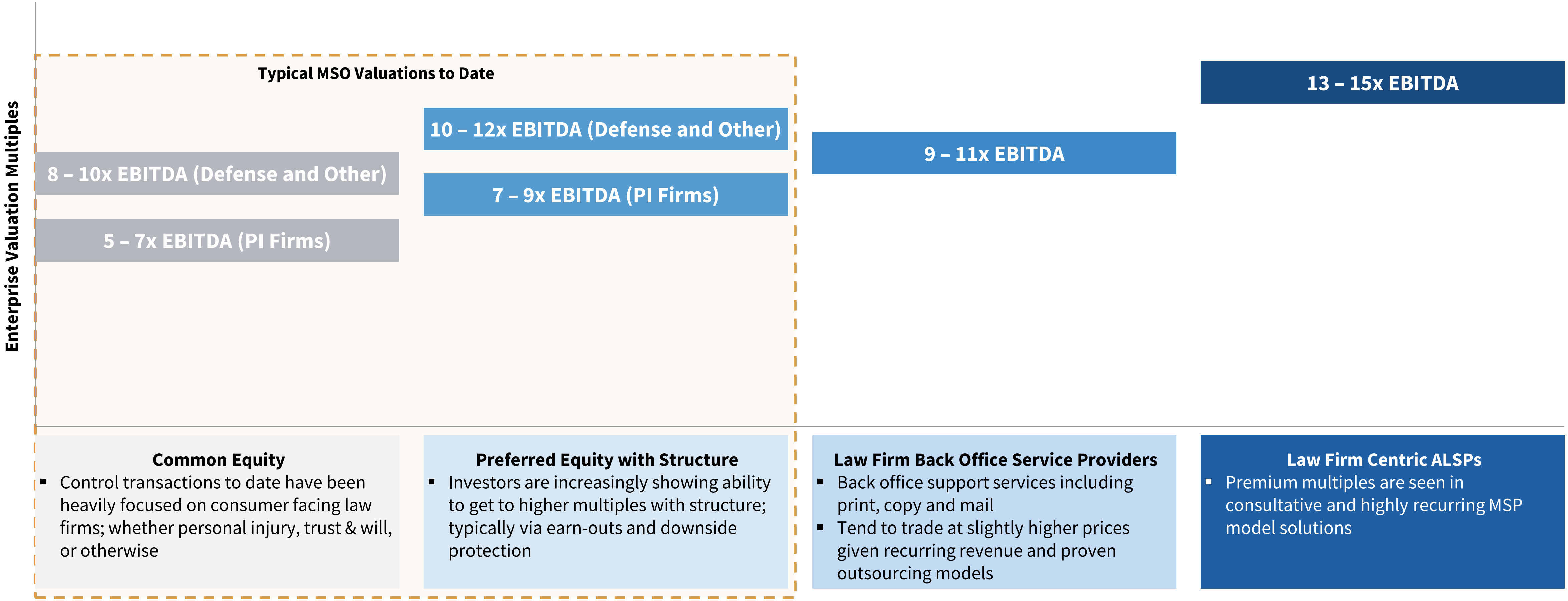
Will vary by firm based on key man risk, reputational considerations, AI opportunity and impact, etc.

Investment opportunities in Law Firm MSOs are still developing. Theses could rest across both multiple and margin expansion, if investors appropriately consider the AI impact and opportunities for exits.

POINTE ADVISORY NOW PART OF STOUT PIPER | SANDLER

First-Mover Advantages | Contextualizing Law Firm MSO Valuations in the broader legal services market *(1 of 2)*

To-date, law firm deals in the Personal Injury and plaintiff spaces have yielded ~5-9x multiples. The broader ALSP and Law Firm Back Office Service Providers (which could be instructive to Law Firm MSO valuations outside PI) have yielded higher multiples in the ~9-15x range, with the highest ranges coming from law firm-centric ALSPs.



Common Equity
- Control transactions to date have been heavily focused on consumer facing law firms; whether personal injury, trust & will, or otherwise

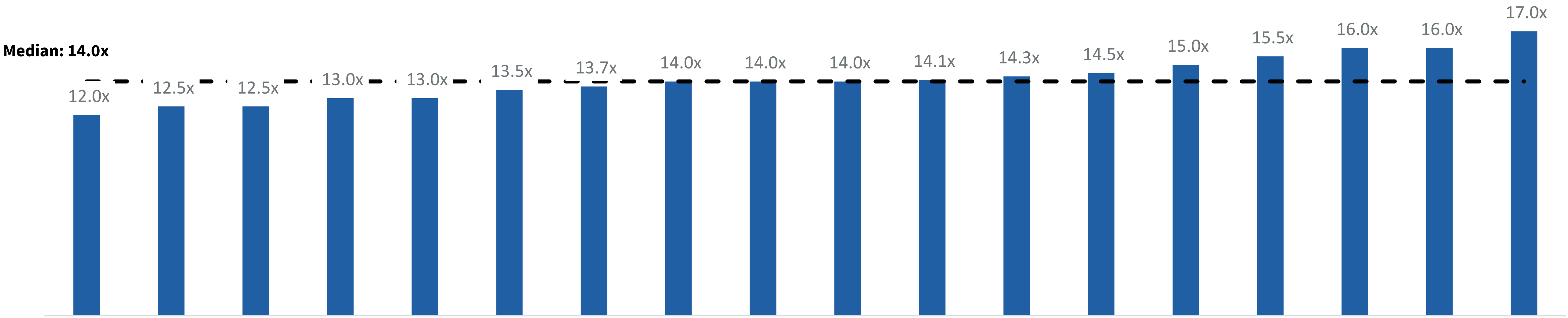
Preferred Equity with Structure
- Investors are increasingly showing ability to get to higher multiples with structure; typically via earn-outs and downside protection

Law Firm Back Office Service Providers
- Back office support services including print, copy and mail
- Tend to trade at slightly higher prices given recurring revenue and proven outsourcing models

Law Firm Centric ALSPs
- Premium multiples are seen in consultative and highly recurring MSP model solutions

First-Mover Advantages | Contextualizing Law Firm MSO Valuations in the broader legal services market *(2 of 2)*

To-date, law firm deals in the Personal Injury and plaintiff spaces have yielded ~5-9x multiples. The broader ALSP and Law Firm Back Office Service Providers (which could be instructive to Law Firm MSO valuations outside PI) have yielded higher multiples in the ~9-15x range, with the highest ranges coming from law firm-centric ALSPs.



Targets

abclegal
aperture
axiom
COMPEX
ESQUIRE
Expert Institute
FIRSTLEGAL
frontline
HARBOR
Huseby.com
LOD
Legility
MAGNA Legal Services
MILES
NAM National Arbitration and Mediation
ontellus
PROSEARCH
VERITEXT Legal Solutions

Acquirers

Aurora Capital Partners
Baypine
Broad Sky Partners
Consilio
CVC
datavant
ESQUIRE
Genstar Capital
Gridiron Capital
Levine Leichtman Capital Partners
Odyssey Investment Partners
Permira
Rockbridge Growth Equity
Thompson Street Capital Partners
Windjammer Capital

Note: Multiples reflect EV / LTM EBITDA

The Private Equity Playbook to Unlock Law Firms

What Needs Solving: Sponsors need to deploy new ownership models, communicate outside capital’s value proposition, and address AI head-on

The law firm market is investable, but only for sponsors willing to solve ownership, governance, and technology integration head-on.

Hurdles to Clear	Description & Implications	Approach to Solve
1 **Restrictions on non-lawyer ownership of law firms**	• ABA Model Rule 5.4 prohibits fee sharing and non-lawyer ownership of entities practicing law (outside limited ABS states such as AZ and UT) • Traditional partnership structures limit external equity participation and constrain liquidity pathways • As a result, the majority of the TAM has historically been structurally inaccessible to institutional capital, slowing modernization and consolidation.	• Deploy compliant ownership models that separate legal services from business operations while preserving fee-sharing restrictions • Structure governance, service agreements, and incentive frameworks to provide investors with durable influence over strategy, budgeting, and value creation • Focus investments on scalable firms where operational functions can be centralized within an MSO structure
2 **Law firm perceptions of outside capital and risk posture**	• Many partners associate private capital with loss of control, short-termism, and cultural disruption • Partnership economics prioritize current compensation over long-term enterprise value, limiting appetite for structural changes • Skepticism around governance shifts and perceived autonomy erosion slows transaction activity	• Clearly articulate the PE value proposition: succession planning, equity realization, growth capital, AI enablement, and risk reduction • Align incentives through structured equity participation, performance-linked compensation, and transparent governance • Position sponsorship as a mechanism to codify strategy and de-risk long-term firm outcomes, not displace partner leadership
3 **AI-led disruptions to commercial and operational models** *See next section for more details*	• Adoption of AI by firms *and* clients will drive a range of outcomes; changes in delivery models, market structure, billing models, and pricing could impact both topline TAM and create opportunity for margin expansion. • Investors should consider where to invest based on potential impact and monitor the “signposts” for which future scenario is most likely, while harnessing the power of AI for margins and new commercial opportunities.	• Allocate capital toward practice segments with high automation leverage and durable revenue, while monitoring signposts (pricing, insourcing trends, ALSP adoption) to adjust exposure as needed. • Partner with management teams to institutionalize AI across workflows, pricing, and knowledge systems — converting potential topline risk into margin expansion and scalable growth.

MSO Models | An MSO is an alternate structure that enables non-lawyer ownership of services to law firms that are **not** direct legal services to clients

MSOs provide the compliant structural bridge between fee-sharing restrictions and institutional capital, separating the practice of law from the business of running a law firm. This opens a pathway for outside capital to participate in the business management of law firms, without participating in the provision of legal services.

An MSO is a vehicle to invest in law firms without sharing of legal services fees

ABA Model Rule 5.4 prohibits the sharing of legal fees collected by lawyers with other entities, which means ownership of the parts of law firms that provide legal services is prohibited, excepting Arizona and Utah.

An MSO is non-lawyer owned (a service company owned by outside investors) which functions a support engine that provides non-legal, often back-office services to law firms (operational, tech, etc.)

WHY THIS MATTERS:

An MSO enables PE investment by separating the practice of law from the services a law firm needs to function across the demand engine, talent engine, and operating model.

Law firm management functions are the areas that could be aggregated into an MSO

Most of the back office and even executive management could fit in an MSO. What goes into an MSO vs remains with Law Co is directly related to **1)** legal services provided (per Rule 5.4), and **2)** the protection of client-attorney privileges and confidentiality.

STAYS IN LAW CO	HYBRID / VARIABLE	LIKELY MOVES TO MSO	
• Partners, Associates, and Paralegals professionals who provide any form of legal • Client-interfacing admin (EAs) • Other staff who sit within client-attorney confidentiality restrictions	• Executive Management • Internal IT (where interfacing with client data) • Specific accounting roles (e.g., AR, billing, collections)	• Accounting • Brand & Marketing • Corporate Finance • Corporate Strategy • HR & Talent	• Insurance • Real Estate • Technology & IT • *TBD:* eDiscovery, Court Reporting, etc.

WHY THIS MATTERS:

For law firms: MSOs enable partners to focus on legal services for clients, vs tangle with business management.

For investors: Wide coverage of MSOs creates opportunities for meaningful value creation across the P&L.

POINTE ADVISORY NOW PART OF STOUT

PIPER | SANDLER

MSO Models | Perceptions are shifting toward an emerging reality: certain MSO approaches can yield appropriate control of firm outcomes to investors

Properly structured MSOs can replicate the influence on economic outcomes of the investment that majority ownership positions hold by embedding control rights in agreements, incentives, and ongoing decision-making authority.

PERCEPTION

A "minority stake" with a law firm via MSO will not yield enough control to the investor for them to effectuate change and drive enterprise value, particularly for firms with legacy partner control.

EMERGING REALITY

Effective up-front structuring and alignment on roles in strategic planning, in-year budgeting, incentives/compensation, and long-term investment between Law Co and MSO can give investors similar influence on outcomes as majority stakes in ABS models.

Investors can structure MSOs and governance clauses to create paths to effectuate change and drive enterprise value:

Possible Approaches to MSO Agreements & Ownership Structures:

- Defining MSO services (e.g., F&A, Technology & IT, HR, Strategy, Marketing, etc.)
- Defining agreement provisions (e.g., fee arrangements, contract length, termination clauses for either party, etc.)
- Obtaining Board membership or having Executive Management sit in the MSO
- Creating durable cash & equity arrangements, including scrape mechanics / amounts, deal/equity proceeds, vesting arrangements, and roll requirements
- Codifying upside/downside participation in performance relative to budget

Possible Roles of the Sponsor in Ongoing Governance:

- Leading long-term strategic planning and ambition setting
- Retaining decision authority on annual budget targets & KPIs
- Retaining decision authority on yearly bonus/award distributions tied to KPIs
- Retaining decision authority on enterprise-level investments
- Defining role in hiring decisions, and reserving right to approval
- Leading and retaining decision authority in M&A processes

WHAT WE'VE HEARD

Reasonable skepticism shifting towards "art of the possible" thinking

"Even in 'minority' investment scenarios like MSOs, investors can put in place strategic provisions, like control over appointments of executives and budgeting decisions, to build alignment with the firm's growth objectives while maintaining the autonomy of the law firm to provide legal services to their clients."

"MSOs can achieve influence comparable to majority ownership by embedding control mechanisms such as veto rights, decision-making authority, and alignment of incentives into agreements."

POINTE ADVISORY
NOW PART OF STOUT

PIPER | SANDLER

Communicating the Value Proposition | Private capital sponsorship can directly address some of law firms' most critical challenges & opportunities

Private capital can address both the financial and structural constraints of traditional partnerships by unlocking liquidity, funding long-term investment, and institutionalizing strategy to create durable enterprise value.

"Balance sheet unlocks" from hard capital

"Institutional unlocks" from experiential capital

Equity Realization & Pull-Forward

Description:

- Traditional models distribute profits annually, limiting liquidity and long-term equity value creation
- Structured equity participation allows partners to monetize a portion of value today while retaining upside

PE Value Prop:

- Aligns senior partner liquidity with long-term enterprise growth
- Transforms annual income focus into enterprise value mindset

What we've heard:

"We've created value, but it's trapped in annual distributions."

AI-Specific Risk Mitigation & Technology Investments

Description:

- AI adoption requires multi-year investment cycles that conflict with annual profit distribution models
- Many firms underinvest in tech and process modernization

PE Value Prop:

- Institutional capital and know-how enables sustained AI funding
- Can convert topline risk into margin expansion opportunities

What we've heard:

"We know we need to invest in AI, but our model doesn't fund long-term bets."

Long-Term M&A Platform Potential

Description:

- The market remains highly fragmented, particularly in mid-market B2B and plaintiff segments
- Scalable platforms can consolidate and professionalize operations

PE Value Prop:

- Capital and M&A muscle create repeatable acquisition flywheels
- Drives multiple expansion through scale, governance, and integration

What we've heard:

"MM firms are ideal for rollups, but law firms have variable experience in M&A."

Succession Planning & Talent Acquisition

Description:

- Traditional partnership tracks are losing appeal; succession gaps are widening
- Senior partners seek liquidity; younger lawyers resist long-term capital lock-up

PE Value Prop:

- Structured equity programs could better attract lateral hires
- Could reduce key-man risk by retaining rainmakers

What we've heard:

"Building a credible equity story could be compelling for top talent in market."

Strategic Planning & Topline Growth

Description:

- Many firms lack formal long-term planning and operate opportunistically
- Governance, budgeting, and KPI discipline vary widely

PE Value Prop:

- Strategic planning can improve the return on focused capital allocation
- Professionalization unlocks durable topline growth and margin expansion

What we've heard:

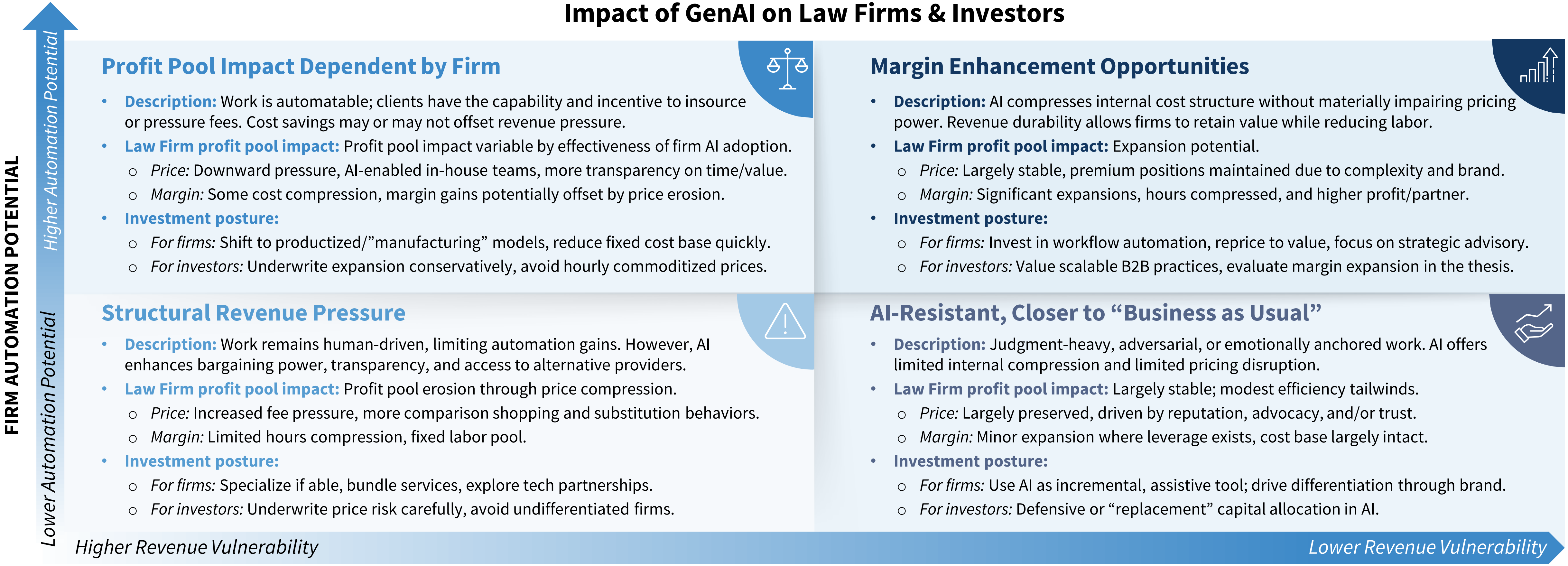
"We practice law very well, but we don't run our practices like a business."

The Big Question: Artificial Intelligence

AI Impact | AI is both a risk and an opportunity; investors should consider *where* to invest based on potential impact and *how* to harness its power

AI will not compress the law firm profit pool uniformly – it will reallocate it. Practices that combine high automation with durable pricing power can expand margins, commoditized and substitution-prone segments face more pressure. Investors should focus not just on where AI reduces hours, but on who retains pricing and client control.

Impact of GenAI on Law Firms & Investors



Profit Pool Impact Dependent by Firm

- **Description:** Work is automatable; clients have the capability and incentive to insource or pressure fees. Cost savings may or may not offset revenue pressure.
- **Law Firm profit pool impact:** Profit pool impact variable by effectiveness of firm AI adoption.
  - *Price:* Downward pressure, AI-enabled in-house teams, more transparency on time/value.
  - *Margin:* Some cost compression, margin gains potentially offset by price erosion.
- **Investment posture:**
  - *For firms:* Shift to productized/"manufacturing" models, reduce fixed cost base quickly.
  - *For investors:* Underwrite expansion conservatively, avoid hourly commoditized prices.

Margin Enhancement Opportunities

- **Description:** AI compresses internal cost structure without materially impairing pricing power. Revenue durability allows firms to retain value while reducing labor.
- **Law Firm profit pool impact:** Expansion potential.
  - *Price:* Largely stable, premium positions maintained due to complexity and brand.
  - *Margin:* Significant expansions, hours compressed, and higher profit/partner.
- **Investment posture:**
  - *For firms:* Invest in workflow automation, reprice to value, focus on strategic advisory.
  - *For investors:* Value scalable B2B practices, evaluate margin expansion in the thesis.

Structural Revenue Pressure

- **Description:** Work remains human-driven, limiting automation gains. However, AI enhances bargaining power, transparency, and access to alternative providers.
- **Law Firm profit pool impact:** Profit pool erosion through price compression.
  - *Price:* Increased fee pressure, more comparison shopping and substitution behaviors.
  - *Margin:* Limited hours compression, fixed labor pool.
- **Investment posture:**
  - *For firms:* Specialize if able, bundle services, explore tech partnerships.
  - *For investors:* Underwrite price risk carefully, avoid undifferentiated firms.

AI-Resistant, Closer to "Business as Usual"

- **Description:** Judgment-heavy, adversarial, or emotionally anchored work. AI offers limited internal compression and limited pricing disruption.
- **Law Firm profit pool impact:** Largely stable; modest efficiency tailwinds.
  - *Price:* Largely preserved, driven by reputation, advocacy, and/or trust.
  - *Margin:* Minor expansion where leverage exists, cost base largely intact.
- **Investment posture:**
  - *For firms:* Use AI as incremental, assistive tool; drive differentiation through brand.
  - *For investors:* Defensive or "replacement" capital allocation in AI.

REVENUE VULNERABILITY / CLIENT DISINTERMEDIATION RISK

AI Impact | More specifically, there are several evaluative criteria that can inform what practices (and firms) fall across these AI-impact segments

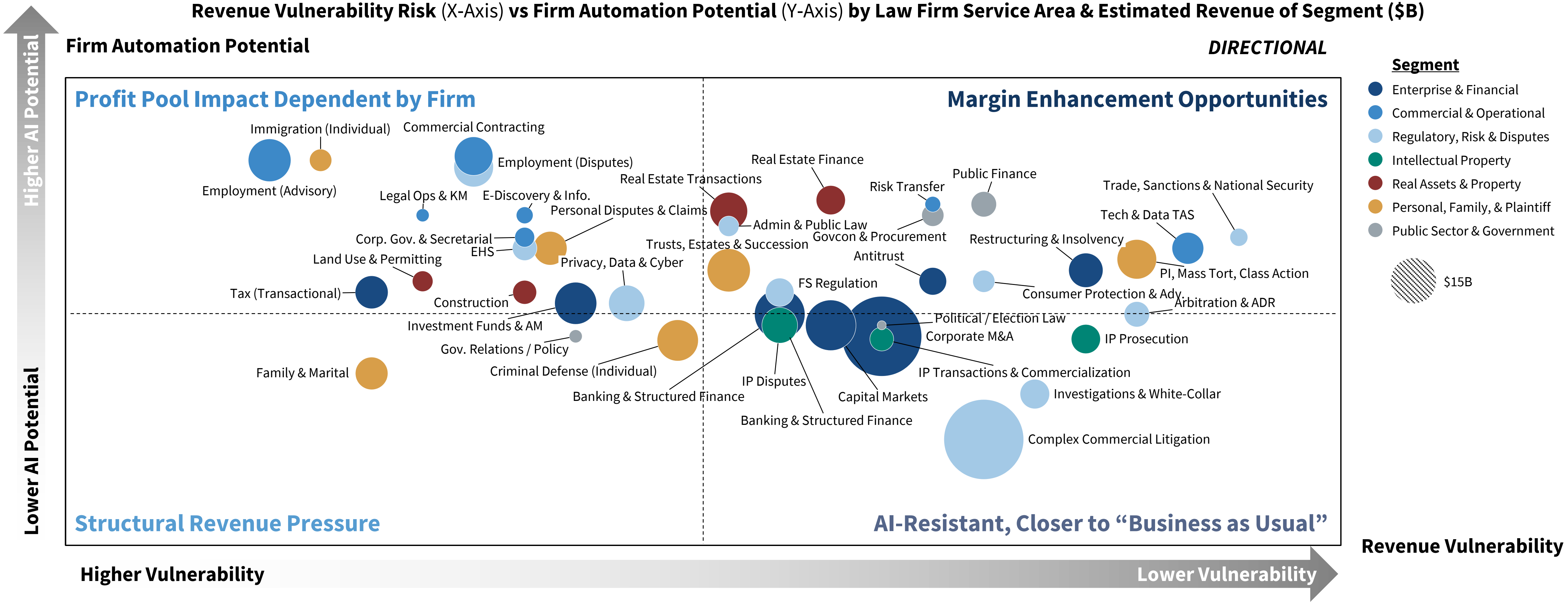
AI impact by practice/service area is driven by structural characteristics of the work itself. Automation potential depends on leverage, repeatability, and regulatory tolerance; revenue durability hinges on complexity, stickiness, and pricing power. Evaluating practices on these criteria can point to potential AI impact on the service mix of individual firms.

Evaluation Criteria	Description	Impact	Rationale
Firm Automation Potential			
Leverage Structure	• The mix between junior/paralegal hours vs partner hours.	**HIGH**	• Junior-heavy, document-driven workflows are most automatable.
Standardization/Repeatability	• The degree to which work follows templates or playbooks.	**HIGH**	• Repeatable drafting and review compress most quickly via AI.
Knowledge Structure/Precedent Density	• The extent to which prior work product can be reused or systematized.	**MODERATE**	• Structured precedent libraries amplify AI productivity gains.
Regulatory Acceptance	• The tolerance of courts/regulators for firms to perform AI-assisted tasks.	**CRITICAL**	• Less regulatory constraint increases internal automation adoption.
Reputational Downside Risk	• The severity of harm if legal error occurs from automated services.	**CRITICAL**	• Higher reputational risk associated with errors reduces AI potential.
Revenue Vulnerability			
Client Sophistication	• The capability of clients to use AI tools internally.	**MODERATE**	• Sophisticated GCs more likely to insource routine advisory work.
Complexity/Strategic Judgment	• The level of ambiguity, negotiation, and strategic nuance required.	**HIGH**	• High-complexity work less likely to be insourced.
Adversarial Context	• The presence of litigation, regulators, or opposing counsel.	**CRITICAL**	• Adversarial settings reduce likelihood of DIY legal execution.
Institutional Stickiness	• The durability of firm-client relationship independent of hours.	**MODERATE**	• Firm-anchored relationships preserve revenue base.
Pricing Power	• The ability to maintain rates despite efficiency gains.	**HIGH**	• High-value advisory could retain more price even if hours compress.

AI Impact | Portions of the law firm TAM could be highly disrupted, others have margin uplift potential, and some might continue closer to BAU

Enterprise and financial practices skew more toward margin enhancement, with improved efficiency and more durable pricing. Complex disputes and regulatory work are more AI resistant, on both sides. Routine advisory and some consumer services face greater pricing pressure from client insourcing and substitution pressure from alternative providers.

Revenue Vulnerability Risk (X-Axis) **vs Firm Automation Potential** (Y-Axis) **by Law Firm Service Area & Estimated Revenue of Segment ($B)**



POINTE ADVISORY NOW PART OF STOUT PIPER | SANDLER

AI Impact | While private equity is seeking entry into existing firms, private capital is also backing net new players

The Future Law Firm Model

Technology-Enabled

- Modern firms are being stood up with best-in-class tools vs. known legacy products
- Requires agile lawyers willing to learn new / cutting edge tools

Equity Layer

- Operating models are structured with room for partner and investor equity on day one
- Room comes from both operating efficiencies and low-frills approach to amenities

Well-Capitalized

- Capital frees up law firms to make smart operational decisions without sweating over cash flow cycles; resulting in:
  - More optimized case selection
  - Significant investment in technology
  - Powerful sales and GTM motion

Augmented Associates

- Embracing AI tools allows partners to do more with fewer, and in some cases, *zero associates*
- Tasks like drafting, summaries, briefs, and contracting are seeing significant displacement

Data-Driven

- Massive mining and indexing of legal data sets is currently underway
- The future law firm will make much more informed decisions on case selection, trial and settlement strategy

Acquisitive

- Combining complementary skillsets and case knowledge will empower law firms to better performance
- Significant cost savings and economies of scale

US Example

PIERSON FERDINAND

Founded: 2024
HQ: New York, NY
Approximate Scale: >$100m Revenue
Attorneys: 270+
Partners: 250+
AI Partnerships:

- Technology-assisted reviews and eDiscovery
- Leveraging machine learning like semantic and indexing, natural language processing with contract analytics

Select Clients:

BRIGHTNIGHT
EGNYTE

AUS Example

HPX Group

Founded: 2018
HQ: Syndey, Australia
Approximate Scale: >$100m AUD Revenue
Total Employees: 494
Legal Employees: 205
AI Partnerships:

- Automate financial and operational processes using AI
- Deliver scalable and practical solutions for global clients in legal, risk, and data services

Select Clients:

Australian Finance Industry Association
QIC

Summary | In summary, the law firm opportunity is real, fast-moving, and will require investors to develop a targeted approach to access

Big questions we need to answer

1. **Are there large and growing areas of the TAM with acceptable key man and reputational risk?**
2. **Can sponsors and firms harness AI's potential and mitigate the risk of topline erosion?**
3. **Will law firm partners underwrite equity upside and other aspects of the PE value proposition?**
4. **Will sponsors be able to effectuate change and drive enterprise value through MSO models?**
5. **Is it likely that the law firm asset class will be attractive to second-hold investors?**

Points of Contact

Overview of Stout Strategy

STOUT STRATEGY

We are a strategy consultancy that provides investment diligence and growth strategy services to private equity (PE) firms and Fortune 500 corporates. Our advisory team has supported over 500 M&A deals and led over 1000 corporate growth strategy assessments globally.

AT-A-GLANCE

Leaders across Professional Services rely on us to interpret the “so what” into the “what now,” spur performance, and enable confident decisions in rapidly evolving markets.

STUART FERGUSON

PRESIDENT
STOUT STRATEGY
sferguson@stout.com

Stuart Ferguson has nearly 15 years of strategy and financial consulting experience and is a recognized leader in advising professional services firms.

Prior to joining Stout, Stuart was a Managing Partner at Pointe Advisory. He also led Pointe’s Private Equity practice, specializing in providing both buy- and sell-side commercial diligence services to a mix of middle-market and bulge-bracket private equity sponsors. Stuart has led processes across more than 150 M&A deals, most recently in professional services.

Stuart also has years of experience in supporting leadership teams with prioritizing growth opportunities and developing sustained competitive advantages. In this capacity, Stuart has advised clients across accounting, tax, legal services, risk, IT and AI strategy, and more.

Prior to Pointe Advisory, Stuart worked in Bain & Co’s Private Equity Group and was an accountant at KPMG, specializing in hedge fund tax consulting.

JON FAUBELL

MANAGING DIRECTOR
STOUT STRATEGY
jfaubell@stout.com

Jon Faubell has 10 years of consulting experience, leading processes on more than 50 M&A deals for private equity, venture capital, and strategic buyers/sellers. He specializes in buy-side due diligence, sell-side due diligence, vendor due diligence, and growth strategy. Jonathan’s primary expertise is in professional services (CPA firms, Office of the CFO Advisory firms, and legal services firms), concentrating in top-line acceleration / growth strategy, cost of sales value creation, and compensation structures. He has led growth strategy engagements for some of the largest Fortune 500 companies, helping clients build enduring capabilities for sustained growth.

Prior to joining Stout, Jon was a Principal in Pointe Advisory’s Private Equity and Professional Services practices. Prior to joining Pointe, he spent over five years at Bain & Company, in both its Private Equity Group and General Practice. Prior to joining Bain, Jonathan was a Military Intelligence officer in the U.S. Army, with multiple overseas deployments to Afghanistan and Kosovo. He also sits on the board of directors for a DC-based nonprofit.

Overview of the Piper Sandler Legal Technology Team

Dedicated Industry Coverage

Jim Roney
Managing Director
Head of Legal & GRC Technology
Chicago, IL
jim.roney@psc.com

Jim Roney is a managing director on the Piper Sandler technology investment banking team. He is based in the firm's Chicago office. Prior to joining Piper Sandler, Roney spent six years at Guggenheim Securities, initially covering IT services before building and leading the legal and GRC technology and services practice.

Roney covers the legal category from end to end – law firms, litigation support and ALSPs through practice management, CLM and eDiscovery software providers. He brings a broad perspective of M&A transactions, having executed deals from <$100m growth players to >$10bn established public companies.

Roney graduated from Boston College with a bachelor's degree, earned his Master of Business Administration degree from the University of Michigan and is also a CFA charterholder.

Ethan Sullivan
Director
Legal and Government Technology
Boston, MA
ethan.sullivan@psc.com

Ethan Sullivan is a director in the technology investment banking group at Piper Sandler, based in Boston, Massachusetts. He joined Piper Sandler in March 2025. Sullivan focuses on M&A and private placement transactions in the technology sector, with a focus on vertical market software advisory.

Prior to Piper Sandler, Sullivan spent over a decade at Shea & Company, a software investment bank, where he focused on sell-side and buy-side M&A, private placements and corporate divestitures.

Sullivan received his bachelor's degree in international studies with a concentration in economics from Boston College, where he was also co-captain of the water polo team.

Power Alleys

- **Archiving & Storage**
- **Contract Lifecycle Management**
- **Data Security & Compliance**
- **eDiscovery**
- **Information Governance**
- **Enterprise Legal Management**
- **Law Firm Practice Management**
- **Legal Research & Data**

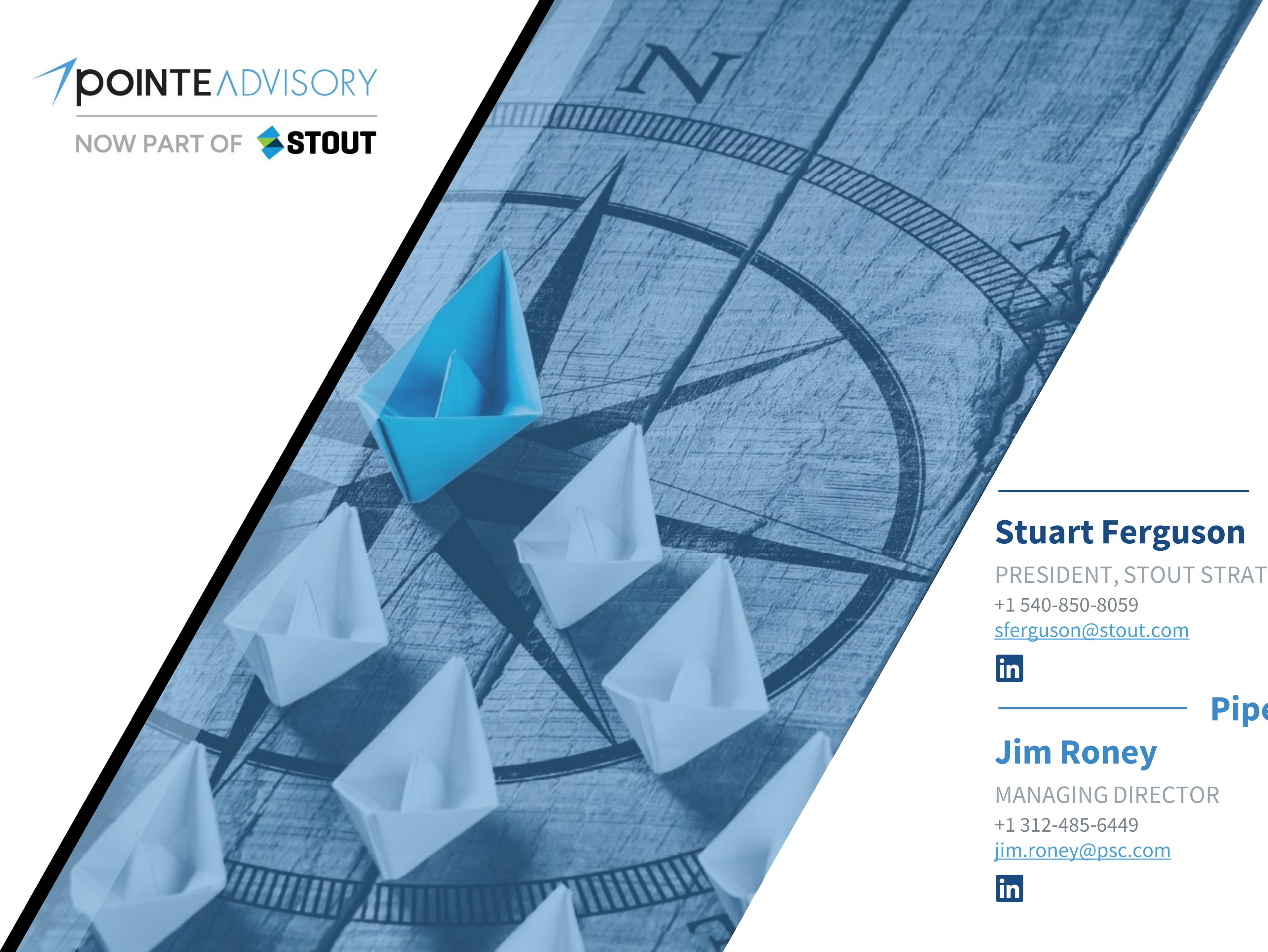
- **Court Reporting**
- **Data Forensics & Investigations**
- **eDiscovery**
- **Information Governance**
- **Legal & Compliance Consulting**
- **Medical Record Retrieval**
- **Service of Process**
- **Staffing / Outsourced IT**

>$11B of Aggregate M&A Transaction Value Since 2024

20+ M&A Deals since 2024

POINTE ADVISORY

NOW PART OF STOUT



PIPER | SANDLER

Stout

Stuart Ferguson

PRESIDENT, STOUT STRATEGY

+1 540-850-8059

sferguson@stout.com

Jon Faubell

MANAGING DIRECTOR

+1 703-244-0563

jfaubell@stout.com

Piper Sandler

Jim Roney

MANAGING DIRECTOR

+1 312-485-6449

jim.roney@psc.com

Ethan Sullivan

DIRECTOR

+1 857-248-2497

ethan.sullivan@psc.com

Piper Sandler Disclosures

Research Independence

- Our research analysts are independent from our investment bankers and develop their opinions based on the results and merits of a covered company
- Our research analysts, together with research management, make their own coverage decisions, including decisions to initiate or terminate coverage. Our investment bankers do not have any input into company-specific coverage decisions
- Piper Sandler does not offer favorable research or specific ratings or price targets in consideration of, or as an inducement for, investment banking business
- Our research analysts do not participate in efforts to solicit investment banking business

General

- Piper Sandler Companies (NYSE: PIPR) is a leading investment bank driven to help clients Realize the Power of Partnership®
- Securities brokerage and investment banking services are offered in the U.S. through Piper Sandler & Co., member SIPC and NYSE; in the U.K. through Piper Sandler Ltd., authorized and regulated by the U.K. Financial Conduct Authority; in the EU through Aviditi Capital Advisors Europe GmbH, a tied agent of AHP Capital Management GmbH, authorized and regulated by BaFin; in the Abu Dhabi Global Market through Piper Sandler MENA Ltd., authorized and regulated by the ADGM Financial Services Regulatory Authority
- Alternative asset management and fixed income advisory services are offered through separately registered advisory affiliates
-

Stout Disclosures

PIPER | SANDLER

pipersandler.com