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Big Law's Arrival in Florida Has Created a High Tide That Floats All Boats in Town

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What You Need to Know:

- With more Big Law in town, smaller firms are seeing elevated demand because of a trickle-down effect.
- The uptick is arriving in the form of referral work and more outside firms interested in partnering with locals.
- With the expectation that Big Law will stick around, there's also an expectation that more high-profile litigation will pop up in Florida.

Last year, South Florida saw Big Law arrive in its biggest wave yet, as many longtime Florida lawyers have characterized it, and that has had an apparent trickle-down effect for smaller firms already established in the growing market.

Although the arrivals have made competition for talent tighter, law firms in a variety of different practice areas have also seen more work come their way. Whether in financial services, investigations or litigation, local lawyers have welcomed a surge of incoming activity in practices across the board. Migration of new businesses and residents has driven much of the acceleration, but Big Law's enhanced presence has also spurred more work for the smaller firms in town, thanks in part to a higher volume of referrals.

"It really turns into a win-win for everyone because there is a space in the market for everyone," said Kristin Drecktrah Paz, a partner a Miami-based boutique Perlman, Bajandas, Yevoli & Albright.

Paz isn't alone in making this observation about the hot South Florida market.

"This hasn't had a negative effect on our practice at all. It's just the opposite, so we

welcome it," said Jorge Piedra, managing partner at Miami-based midsize firm Kozyak Tropin & Throckmorton. "We know there's actually been a jump in the number of lawyers that are now practicing in South Florida — there's more work for everybody."

Uptick in Referral Work

One of the main drivers of the uptick in caseload stems from referral work, according to Piedra. Because Kozyak Tropin focuses on litigation and the bigger firms are staffing up their new offices primarily with transactional lawyers, a lot of the national players are referring litigation work to Kozyak Tropin.

But beyond referrals, Piedra said that South Florida has just become more prominent thanks to the ongoing migration of residents and businesses to the region. Now, outside firms are looking at local South Florida lawyers to help them with cases more often.

Piedra has seen a particular rise in litigation cases from Puerto Rico making their way to lawyers at his firm.

"We have very strong relationships with firms down there and so many Spanish-speaking litigators that we've seen a whole lot of work coming from Puerto Rico," he said. "There is … more capital going into Puerto Rico, more high-level work being done in and out of Puerto Rico, which naturally eventually generates litigation."

Is the Big Law Effect Here to Stay?

The surge in referral work is probably not going to recede either, according to Piedra. He thinks that Big Law's presence isn't going anywhere, and even if the economy does end up slipping, he expects more big-level bankruptcy work to be filed in South Florida, thanks to all the activity.

"The national firms have gotten smarter, and they've set out to attract very good lawyers, with good local knowledge," he said. "Many of these people are good friends of ours, and we know they're very capable. They've been here a long time, and they're not going anywhere, so I really don't expect this to be a short-term thing."

Joseph Pack, founder of Miami-based Pack Law, has been working with Big Law throughout his career, and he also agrees that the new firms are here to stay.

Pack founded his firm in 2020 after working in New York at Kirkland & Ellis, then White & Case, and he's maintained his relationship with Big Law by continuing to work closely with large firms.

Pack's firm constantly takes on tasks Big Law can't, whether because the tasks are too small or because Big Law is conflicted out.

For example, Pack landed a case in 2021 representing an Aloft hotel in Brickell that failed to pay $17 million in rent during the pandemic. Cases representing big companies such as Marriott, Aloft's parent company, usually land at large firms, but Pack's connections to that world helped him land it.

But besides more work becoming available, Pack said he's seeing Big Law showing more openness to partner with local talent on certain cases. Pack himself is working on a case with a big firm he could not disclose because it hasn't made its position on the case public yet.

That appetite has made smaller firms such as Pack's more competitive, he said.

"As a result of these firms coming down here, it puts the onus on the lawyers that are here locally that are not at large firms to step up their game," he said. "It behooves local attorneys who want to stay relevant, who are relatively expensive, to step up their game so that they're truly competing on a cost basis with these firms. Because you never want to be in a situation where it's easy for a competitor to say 'You get what you pay for.'"

More Whales, More Litigation

Beyond more high-level bankruptcy work, there's also an expectation that the law firms and businesses moving in to town are bound to attract high-profile cases to Florida in general.

One of the biggest whales to move into Miami last year was Citadel billionaire Ken Griffin, and he filed a lawsuit in South Florida against the IRS after his tax documents were leaked to the press.

Although there's not a huge uptick in high-profile cases yet, Griffin's case, along with Bang Energy's bankruptcy case, may signal more to come in the future, said Mark Meland, co-founder of Miami boutique firm Meland Budwick, which has also

benefited from referral work.

“With the big firms here, we’ll see if they’re going to start bringing more of their litigation down here as opposed to other jurisdictions,” he said.

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