Private Equity
LEGAL ALLIANCE

Building Ethical, Value-Focused Partnerships:

How Personal Injury Law Firms Can Engage Private Equity to Unlock Capital, Fuel Growth, and Create Rewarding Exits

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Introduction

A Market Ripe for Change

You are operating in a market with staggering scale. We estimate that the largest Personal Injury firm in the U.S. generates over $1 billion in free cash flow annually, and there are likely thousands of firms with over $20 million of annual free cash flows. They are closely held, founder- or family-owned businesses. When private equity shows up, it is not dealing with a board of 15. It is dealing with one to three owners who control the future direction of the firm.

PI firms are attractive to private equity because they have significant backlog, and some have near-perfect visibility to revenue and profit 12 to 24 months out. Because insurance companies are the source of cash flow generation in this segment, collectability of receivables is not a concern. In addition, litigation financing and other similar arrangements have enabled many firms to scale quickly, signaling that private capital is available to the market. All told, this is a $55 billion-plus professional services market in the US, comprising approximately 50,000 firms, that has not gone through a consolidation phase. That is changing and that change is already underway.

While consolidation has begun across the legal industry as a whole, it is happening at a faster pace in consumer law, particularly in three key sectors: personal injury, estate planning, and family law. These three sectors are leading the trend because of shared characteristics: relatively low key-person risk compared to other sectors of law, single or a small number of owners who can make decisions about outside investment quickly, repeatable processes, technology enablement, brand-led growth, large total addressable markets, strong and growing demand, high fragmentation with low client concentration, and most importantly, predictable cash flows.

PE is in this space to invest. You tell your clients not to fight insurance companies alone. Our advice is not to enter the world of private equity alone. We aim to equip attorney-founders with practical information and insights from our extensive network of professionals with firsthand experience.

A New Ecosystem

Many lawyers have told us that when they first started out, they believed they could only sell their firms to other lawyers or merge with other firms. If they had children who became lawyers, they might pass the firm down. But today, there's an entirely new ecosystem of potential transaction partners, and many lawyers are discovering this ecosystem for the first time.

Because most founders have not been preparing for this shift, a knowledge gap exists. Our goal is to help close that gap and prepare you for what's next. In the pages ahead, you'll hear insights from professionals with firsthand experience handling law-firm transactions.

Our contribution to this publication is to address the changes that are happening in the legal industry from a purely business perspective. Our book, *The Owner's Manual: Why, When, and How to Sell Your Business to Private Equity,* provides a more detailed roadmap of what it takes to prepare your business or firm for a transaction, ahead of the sale. The book is not industry specific, but it shares key lessons for any founder contemplating a transaction with private equity.

Part 1: The Choice

The Business Perspective

by Seth Deutsch, Founder & CEO, Samson Partners Group and Samson Partners Capital

If you own a personal injury law firm, the next few years are going to look very different from the last few. Whether you realize it yet or not, outside investors—private equity firms, family offices, and non-lawyer capital partners—are already entering your space through structures like Arizona's Alternative Business Structure (ABS) and Management Service Organizations (MSOs).

You have a choice. You can compete with outside investor-backed platforms or you can choose to partner. But whichever path you take, you must understand the new paradigm.

At Samson Partners Group, we've been working directly with law-firm founders and outside investors for a number of years. We've watched the shift from quiet experimentation to an undeniable national trend across practice areas: Personal Injury, Mass Torts, Estate Planning, Tax, Corporate, Immigration, Employment, Environmental, Real Estate, Family, and Intellectual Property Law.

The United States' legal industry is changing—and quickly. Private Equity has cast its eyes to this space for potential investment. In this publication, our goal is to equip founders of personal injury law firms with information necessary to understand the changes that PE investments will make in this industry, regardless of whether you transact with PE yourself.

If this topic is of interest to you, then you have likely built an incredible law firm. Your industry is still founder-led, which is part of what makes it so compelling to private equity right now. You have an established brand and a trusted name in the community in which you operate. You run the firm well with the objective of achieving the maximum settlement for the client while minimizing waste.

Ant the same time, you may be starting to think about PE or outside investment from non-lawyers. You are either planning for it or beginning to take it seriously. Either way, it is something you cannot ignore.

In industries like dental, accounting, and healthcare, private equity followed the same path: early experimentation, rapid consolidation, and then professionalization at scale. Legal is now following that same path.

Let's look at history and how these trends have unfolded. In the UK, deregulation under the Legal Services Act of 2007 opened the door for non-lawyer ownership through ABS-like structures. Within a decade, private capital poured in, consolidation accelerated, and a handful of large personal-injury firms came to dominate the market.

Today in the US, the same dynamics are emerging through ownership and partnership models already proven in other US-based professions. When we study the DSO (Dental Service Organization) and CPA MSO (Management Service Organization) models, the patterns are similar. Private equity finds ways to participate, scale, and professionalize industries that are transformational. History may not repeat itself, but it rhymes.

The Dental Service Organization (DSO) Model

Dental Service Organizations: Structure, Market Development, and Consolidation Drivers

A dental service organization (DSO)—sometimes called a dental support organization—is generally defined as a company that contracts with dentist-owned practices to provide business management and other non-clinical support services, including human resources, IT, accounting, billing, marketing, and regulatory compliance. Licensed dentists retain responsibility for all clinical decision-making, while the DSO focuses on operational scale and administrative efficiency so clinicians can devote more time to patient care.

Typical DSO / Clinical Entity Structure

In jurisdictions that restrict the corporate practice of dentistry, DSOs usually operate through a dual-entity structure that separates the licensed clinical practice from the non-clinical management business.

1. **Management company / DSO:** The management entity is commonly organized as a limited liability company or corporation and may be owned in whole or in part by non-dentists, subject to state law. It provides non-clinical services such as billing and collections, revenue cycle management, staffing and human resources, IT systems, facilities and equipment, marketing, purchasing, and regulatory compliance, and it may own non-clinical assets such as equipment, leaseholds, and intellectual property.

2. **Clinical entity:** Clinical services are delivered through a dentist-owned professional entity—typically a professional corporation (PC), professional association (PA), or similar form limited to licensed professionals. This entity employs or contracts with licensed dentists and hygienists, maintains clinical records, and holds the authority and responsibility for all patient care decisions; DSOs are prohibited from interfering with clinical judgment.

3. **Relationship between the entities:** The dentist-owned professional entity typically enters into a management services agreement or business services agreement (MSA/BSA) with the DSO, under which it pays a management fee for the non-clinical services received. State law and the agreement itself are designed to ensure that the management company remains an independent contractor and that licensed dentists retain control over clinical matters. Economically, the DSO earns profit by providing services at a margin over its operating costs, whereas the clinical entity generates revenue from treating patients and then pays clinical and non-clinical expenses, including management fees to the DSO.

Evolution of the DSO Model

Through most of the 20th century, dentistry in the United States was dominated by solo and small-group private practices directly owned by clinicians (Academy of General Dentistry). In this model, dentists were responsible both for clinical services and for a growing range of non-clinical tasks, including staff management, leasing, billing, and marketing.

Beginning in the late 1990s and early 2000s, rising administrative complexity—particularly around insurance, regulatory compliance, technology, and human resources—prompted experimentation with management service organizations that could centralize non-clinical functions. The DSO model emerged as a way to pool billing, call centers, marketing, and purchasing across many locations, achieving economies of scale that single offices could not easily reach,

By the 2010s, DSOs had become one of the fastest-growing segments of dental care delivery. The Oral Health Workforce Research Center described DSOs as a rapidly expanding segment that employs large numbers of dental providers and reshapes access to care. Broader trends in healthcare financing and policy - including increasing emphasis on efficiency, standardization, and value-based care - further encouraged consolidation and professional management. DSOs became an attractive option both for retiring dentists seeking liquidity and for owners who wished to offload management burdens while continuing clinical practice.

From roughly 2015 onward, private equity investment significantly accelerated DSO growth. Legal and industry commentators note that DSOs have become a major focus of healthcare services investors, with management-services structures designed to comply with state corporate practice restrictions. Large, professionally managed platforms—including Heartland Dental, The Aspen Group, Pacific Dental Services, Smile Brands, and Dental Care Alliance—have built multi-state or national footprints through acquisition and de novo expansion.

Today's DSO Market

Recent market research estimates the U.S. DSO sector at approximately $26.9 billion in 2023, with projected compound annual growth of about 16.4% through 2030. Other analyses place the U.S. market at roughly $24 billion in 2023 with similar mid-teens growth projections, and global DSO revenue is forecast to grow from about $68 billion in 2024 to nearly $300 billion by 2033. While methodologies differ —some reports focus on management-service revenue, others on patient revenue flowing through DSO-managed practices—the consensus is that DSOs constitute a rapidly expanding, capital-intensive segment of the dental industry.

DSO Affiliation Versus Independent Practice

Data from the ADA Health Policy Institute (HPI) show that DSO affiliation, while still a minority modality, has increased steadily. In 2022, approximately 13% of U.S. dentists were affiliated with a DSO, up from 10.4% in 2019 and 8.8% in 2017. Correspondingly, roughly 87% of dentists continued to practice in non-DSO settings, most often in solo or small-group practices.

DSO affiliation is notably higher among early-career dentists. HPI data summarized by ADA News and industry commentators indicate that more than one-quarter of dentists fewer than 10 years out of dental school are affiliated with DSOs, compared with less than 10% among dentists more than 25 years out. One trade analysis, citing ADA data, reports that DSO affiliation reaches about 27% among recent graduates. An important point for the legal industry: private equity and outside capital is not for everyone. It's simply an option.

Several structural and financial factors help explain why consolidation has been so pronounced in the DSO space:

1. **Economies of scale and scope:** DSOs centralize purchasing, staffing, technology, and revenue-cycle operations across many locations, creating purchasing power and operational efficiency. Market-research firms consistently highlight centralized procurement, IT, and marketing as key contributors to DSO profitability and growth.
2. **Owner demographics and succession:** Many dentists nearing retirement wish to monetize practice value while maintaining some involvement in patient care. Studies of corporate dentistry and DSOs note that management-services structures offer an avenue for liquidity, succession planning, and reduced administrative burden, especially for small-group practices.
3. **Private equity and capital access:** PE firms view DSOs as scalable platforms with predictable cash flows. Commentators estimate that the largest DSOs have grown at roughly 13%–14% annually, with the broader DSO sector projected to expand at 17%–18% compound annual rates through 2024 to 2030.

What does this mean for the legal industry

So here we are, a few decades later, and about 13% of dentistry is consolidated. The rest remain independent. We're not here to predict what percentage of personal injury firms (or the legal industry as a whole) will follow the same path. The important takeaway is that when private equity enters a market, consolidation follows.

Once capital enters a market, it changes how everyone competes. For PI firms, that means thinking ahead—how to operate, recruit, and grow in a world where deep pockets increasingly back your competitors.

And if you're not ready to sell today, fine. But you will reach a point—retirement succession planning, or burnout—where you'll have to give it serious thought. If there's no internal successor and no next generation being groomed to take over, private equity may be a serious contender for your business.

CPA firms and PE: Structure, Market Development, and Consolidation Drivers

In August 2021, TowerBrook Capital Partners made a significant strategic investment in the accounting and advisory firm EisnerAmper, marking the first private equity investment in a top 20 accounting firm and a landmark moment for the profession. The transaction provided growth capital for technology, talent, and expansion while restructuring the firm into separate CPA and advisory entities.

Following TowerBrook's investment, EisnerAmper became an early example of private equity–backed consolidation in action, leveraging its new capital and platform to complete approximately 14 acquisitions over the subsequent years, expand its geographic footprint, and deepen its advisory capabilities, with reported revenue of approximately $500 million at the time of the transaction..

Other platforms have followed a comparable path. Citrin Cooperman, initially backed by New Mountain Capital and, as of 2025, majority-owned by a Blackstone-led investor group, has completed more than 15 acquisitions since 2022, helping to nearly triple its revenue and push its valuation to around $2 billion. Baker Tilly's 2024 minority investment from Hellman & Friedman and Valeas Capital Partners set the stage for a $7 billion merger with Moss Adams in 2025, creating the sixth-largest U.S. accounting firm with combined revenues exceeding $3 billion and ambitions to reach $6 billion by 2030.

Mid-tier consolidators such as Cherry Bekaert, Crete Professionals Alliance, and other PE-backed platforms are also pursuing rapid roll-up strategies. For example, Cherry Bekaert, which received PE backing from Parthenon Capital in 2022, has more than doubled in size and completed at least 11 acquisitions to expand its sector reach and service offerings. Collectively, these moves are transforming a historically fragmented field into a landscape dominated by a growing number of large, capital-backed multipractice firms.

Why This Matters

Taken together, these trends illustrate how PE money is reshaping both the structure and competitive dynamics of the accounting profession. A fragmented market of tens of thousands of small firms, most with fewer than 20 employees, is now being reorganized around PE-funded platforms that pursue aggressive M&A, build technology-enabled advisory services, and target national or multi-regional scale. For observers of consolidation more broadly, the CPA profession offers a clear case study in how PE can rapidly concentrate a previously decentralized industry through roll-up strategies and alternative ownership structures.

Alternative practice structures (APS) have emerged as the primary way for private-equity–backed CPA firms to comply with state licensing and independence rules while admitting outside capital. In a typical APS, the traditional CPA firm that performs audits and other attest services remains a separate, CPA-owned legal entity, while a second, non-attest business entity houses tax, advisory, consulting, and administrative operations and can accept non-CPA investors, including private equity. This dual-entity framework—an attest firm on one side and a non-attest advisory or management company on the other—is now widely used in large U.S. firms such as EisnerAmper, Baker Tilly, Grant Thornton, and many regional platforms, each of which has reorganized into a CPA-owned attest partnership and an affiliated advisory company to facilitate outside investment while preserving audit independence. Functionally, the APS plays a role similar to the management-company side of health-care management services organizations and dental service organizations, which separate licensed clinical entities from non-clinical management companies that provide centralized billing, human resources, information technology, and other business services.

Private equity finds CPA firms attractive for several structural reasons. First, tax, audit, and recurring advisory engagements generate relatively stable, repeatable cash flows across economic cycles, which makes it easier for sponsors to model leveraged returns. Second, the market remains highly fragmented: tens of thousands of small and mid-sized firms compete nationally, creating fertile ground for "buy-and-build" roll-up strategies that aggregate regional firms onto scaled platforms. Third, demographics are favorable. Many equity partners are approaching retirement and seek liquidity and succession solutions; PE-backed platforms can purchase or recapitalize these firms, offer structured buyouts, and then integrate them operationally. Finally, modern accounting increasingly requires large investments in technology (for example, cloud platforms, automation, artificial intelligence, and cybersecurity) and specialized talent that smaller firms struggle to fund on their own, again creating an opening for institutional capital.

These fundamentals have produced rapid consolidation. In 2021, TowerBrook Capital Partners' investment in EisnerAmper marked the first private-equity transaction with a U.S. top-20 accounting firm and required a split into EisnerAmper LLP (attest) and Eisner Advisory Group LLC (advisory) to comply with ownership rules. Since then, a wave of similar APS-based deals has reshaped the upper tier of the profession. It is widely estimated that private equity already holds a stake in roughly one-third of the 30 largest U.S. accounting firms, with projections that "more than half" of the top 30 could have PE ownership by the end of 2025, underscoring the speed at which ownership models are shifting at the top of the market.

The dynamics transforming the accounting profession have clear parallels in law, particularly in high-volume consumer segments such as personal injury. For law firm leaders, the lessons from accounting are therefore

straightforward. First, talent constraints—especially the shortage of experienced litigators and mid-level trial lawyers—mean that firms able to systematically recruit, train, and retain attorneys and staff will enjoy a meaningful competitive advantage. Second, investment in technology and workflow redesign is no longer optional: just as PE-backed CPA platforms use shared systems and automation to standardize delivery, emerging legal platforms are combining process engineering, centralized intake, and AI tools to scale work product and improve margins. Third, access to aligned growth capital—whether from private equity, credit funds, or strategic partners—will increasingly shape which firms can pursue acquisitions, build national brands or holding companies of local and regional brands, or execute generational transitions.

The UK Personal Injury Market: A Preview of What Is Coming

The United Kingdom's personal injury market has already undergone many of the structural changes that are only beginning to appear in the United States. Since the liberalization of legal services following the Legal Services Act 2007 and the introduction of alternative business structures, non-lawyers have been permitted to own and invest in law firms, enabling new ownership models and access to external capital. This regulatory shift has coincided with sustained consolidation across the PI sector, with recent data indicating that, in the year to March 31, 2024, the top 20 claimant PI firms handled approximately 53% of all legally represented PI claims.

This consolidation has been driven by the interaction of regulatory reform, cost pressure, and the emergence of new business and ownership structures. High-volume, lower-margin firms have either exited the market or been acquired, while larger, better-capitalized firms have leveraged scale, technology, and marketing to expand their market share.

Drivers of consolidation

- **Post-2007 deregulation and the rise of ABSs:** The Legal Services Act 2007 created a framework for ABSs, allowing external ownership and multidisciplinary practices that combine lawyers and non-lawyers in client-facing roles. This reform opened the door to private-equity investment and corporate-style law firm platforms.
- **Reforms targeting low-value PI claims:** Successive reforms, including fixed recoverable costs and "whiplash" reforms in road-traffic claims, have reduced margins on low-value, high-volume cases. Many small firms have found it uneconomic to continue in this segment, while larger firms with scale, process efficiency, and diversified case portfolios have remained active.
- **Technological investment and data-driven operations:** Larger firms have invested in digital intake, AI-enabled case assessment, and automated workflows that reduce unit costs and improve throughput. For example, Fletchers Group has invested in a dedicated data science team and AI tools to support costs assessment and document handling, an approach that is viable only at significant scale. Smaller firms, lacking capital for comparable technology and marketing, have increasingly merged, sold their PI books, or exited the market.

Consequences of consolidation

- **Dominance by a small number of large players:** Consolidation has led to a market in which a relatively small set of firms now control the majority of legally represented PI claims, increasing barriers to entry and concentrating brand recognition in a few national platforms.

- **Shift toward higher-value and more complex work:** As low-value motor and minor-injury claims have become less economically attractive, many surviving firms have reoriented toward serious injury, clinical negligence, and other complex, higher-value work. Market data show growth in clinical-negligence revenues and a rising share of high-severity cases within leading firms' caseloads.
- **Ongoing mergers and acquisitions:** The UK PI market continues to experience active M&A, including portfolio sales, book purchases from firms leaving PI altogether, and platform acquisitions backed by private equity. Analysts expect further firm exits as leading players continue to expand through acquisition.
- **Increased pressure on small and mid-sized firms:** Smaller PI firms, particularly those heavily reliant on low-value road-traffic work, have struggled to absorb fixed-fee regimes and to fund the technology, digital marketing, and compliance infrastructure now required to compete. Many have chosen to sell their PI books or merge into larger platforms.

Illustrative consolidators: Fletchers Group and Stowe Family Law

Two firms exemplify how private-equity-backed platforms have capitalized on these trends. Fletchers Group, a specialist in serious injury and clinical-negligence work, reported revenues of approximately £58 million in its 2023/24 financial year, a 36% year-on-year increase, with operating profit almost tripling after investment from Sun European Partners. The firm has now reached a £100 million revenue level and continues to pursue an acquisitive growth strategy, supported by significant investment in AI-driven processes and a large national footprint.

Stowe Family Law demonstrates a parallel evolution in the family-law segment. Backed first by Livingbridge and more recently by Investcorp, Stowe has expanded to around 90 offices and nearly 400 staff across the UK, achieving turnover of more than £37 million in revenue. The firm's growth has been driven by a platform model that combines vertical specialization in family law with centralized investment in technology, marketing, and operational infrastructure.

Both Fletchers Group and Stowe Family Law illustrate how platform-style law businesses, underpinned by private-equity capital, can scale rapidly once regulatory conditions allow non-lawyer ownership and external investment. Their trajectories highlight the wider pattern visible across the UK PI and related markets: once capital and regulatory reform open the door to new structures, consolidation follows, with downstream consequences for every firm in the ecosystem—whether or not it directly participates in a transaction.

The US Market for PI Firms

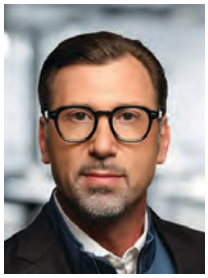
In revenue terms, the U.S. personal injury bar represents one of the largest single segments of the legal industry and is built and owned primarily by lawyer-entrepreneurs. It's one of the few areas of law with true brand power, scalable marketing, and relatively low key-person risk. And it's next in line for institutional capital.

Recent syntheses of IBISWorld data estimates that U.S. industry revenue for personal injury lawyers and attorneys was about $57.3 billion in 2024, after several years of roughly 1–2% compound annual growth (Kerr, 2025; Siquera, 2025). More recent commentary drawing on the same dataset suggests the market will reach around $61–62 billion in 2025, indicating continued steady expansion despite macroeconomic volatility (Gain Servicing, 2025). By comparison, the overall U.S. legal services market was valued at roughly $396.8 billion in 2024, so personal-injury work accounts for approximately one-seventh of total legal spending (Grand View Research, 2024). The segment is also structurally fragmented: market analysts describe "tens of thousands" of plaintiff-side practices, with one 2025 overview estimating over 48,000 active personal injury firms nationwide, ranging from national advertisers to small local practices (Siquera, 2025).

Taken together, these figures show that personal injury litigation is both economically significant and intensely competitive within the broader U.S. legal services market.

We are at the beginning of what will likely become a decade-long investment cycle in legal services. This transformation is not theory. It is already happening. Arizona and Utah have proven that legal and business alignment can coexist under compliant ABS structures. Across the country, MSO partnerships are quietly forming. Investors see what they've seen before—a fragmented, founder-run industry with recurring demand, strong margins, and measurable performance.

That's both the opportunity and the challenge. As the founder of a law firm, what can or should you do at this stage? You don't need to sell tomorrow but you can objectively evaluate your firm like an outside investor would. Then you can make more informed decisions about the future. That way, you will be more prepared for a transaction, if that's the path you choose; and if you decide to stay independent, you'll be a better firm for it in the long run.



Seth founded Samson Partners Group and Samson Partners Capital to assist other founders and CEOs in achieving their goals. He is a proven growth leader, acting as an operating partner, board member, and CEO with a successful track record delivering profitable growth for private equity-backed, founder/family-owned, and public companies. In particular, Seth has had numerous successful exits and has architected nine buy-and-build platforms, executing over 70 platform and add-on acquisitions.

Seth is also one of the foremost leaders in helping lawyer-entrepreneurs and private equity investors to form partnerships in North America. He has served as an Operating Partner at one of the first MSO-ABS roll-ups in the US. His firm has advised founders and private equity groups across 7 submarkets within the legal industry in the US.

Prior to founding Samson, Seth held executive leadership positions at AECOM, one of the world's largest professional technical services firms, where he was the President and CEO of two multi-billion-dollar divisions. He also served as CEO of a national, private equity-backed HVAC and refrigeration services company. Seth also previously served as a board member and Chief Growth Officer at a leading provider of finance and accounting services to the private equity industry. In a two-year span, he scaled the business from 50 to over 400 employees and successfully recapitalized the company, resulting in a 6.5X MOIC.

He holds an undergraduate degree from Rice University and a MBA from the Kellogg School of Management.

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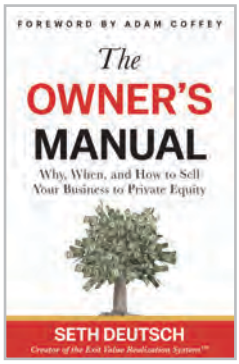

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Part 1: The Choice

The New Era of Partnership: How Capital and Law Are Joining Forces in Today's Firm

By Andy Kvesic, Maverick, ABS Pioneer, and CEO of Aprio Legal

When we talk about personal injury firms today, the opportunity is clear: for the first time, firm owners can start to view their practices not just as income streams, but as assets—enterprises that can be monetized, scaled, and partnered with private equity.

That's a new mindset for most lawyers. For decades, law firms could only access capital through traditional means, mostly banks. But banks are lenders, not partners. They provide debt, not alignment. If you miss a payment, they call your note. They're not interested in helping you build a business.

Private equity, by contrast, represents something entirely different: partnership capital. The ability to bring in business expertise, growth strategy, and operational resources without compromising your independence.

Why Running a Law Firm Is So Expensive

Any founder who builds a law firm understands this truth: it's expensive to run a practice. The labor costs are high because your core asset is people—highly educated, specialized professionals. You need document retention systems that meet ethical standards, research software, compliance tools, payroll support, facilities, insurance, marketing, and technology.

There are no widgets in law. Your "assets" walk out the door every night. And if you're a personal injury firm, you often carry case costs for nine or twelve months before seeing a dollar of revenue. During that time, you're paying salaries, experts, and overhead. That's why, historically, law firms have relied on banks and lines of credit just to keep the lights on.

But as Arizona has demonstrated, there's now a different way to think about capital. With its Alternative Business Structure (ABS) framework, Arizona became the first state to allow non-lawyer ownership in law firms. It was a quiet revolution—one that's now inspiring national change.

ABS didn't just create a mechanism for outside investment; it opened people's imaginations to what's possible in the legal field. Suddenly, investors and entrepreneurs began asking: If law firms are nine-billion-dollar businesses, why can't they be treated like other professional-service enterprises?

When you look at the numbers, the scale is undeniable. The largest U.S. firms—Kirkland & Ellis, Latham & Watkins, DLA Piper—generate billions in annual revenue. If they were public companies, they'd sit comfortably alongside Fortune 500 brands. The market is enormous, and it's only now becoming investable.

Using the latest Am Law / Global 200 data (2024 figures unless noted):

- Kirkland & Ellis LLP – about $8.8 billion in 2024 gross revenue.
- Latham & Watkins LLP – about $7.0 billion in 2024 revenue.
- DLA Piper – about $4.2 billion in 2024 revenue

- Baker McKenzie – about $3.3–3.4 billion revenue.
- Skadden, Arps, Slate, Meagher & Flom LLP – about $3.67 billion

Structures for a New Era: ABS and MSO

The ABS route is straightforward in concept: non-lawyers can now own and invest in firms. That's excellent news for strategic investors who see the potential for long-term growth. The challenge, however, is regulation. ABS applications in Arizona can take several months to process and include complete background checks. Once approved, you're regulated by the state Supreme Court, bound by all of the ethical rules that govern lawyers. It's a viable but highly structured path.

Under an MSO structure, meanwhile, non-lawyers don't own the law firm itself. Instead, they provide the business infrastructure around it—office space, staff, technology, payroll, marketing, and administration. The MSO handles all the non-legal operations, allowing attorneys to focus solely on practicing law. In exchange, the firm pays the MSO a management fee.

It's a model that originated in healthcare nearly two decades ago, but it's now being adapted for law. For investors, the MSO provides a path to participate in the industry without directly engaging in the practice of law itself. For founders, it's a way to professionalize and scale without losing control.

These structures are not "plug-and-play." There are nuances here that matter. Outside of Arizona, lawyers are not permitted to share fees with non-lawyers. That means MSO agreements must be carefully structured by experts. You can't simply charge a firm "a percentage of gross revenue" without triggering fee-sharing concerns.

Instead, most MSOs use flat monthly or per-attorney fees, or bill quarterly with "true-up" adjustments that reflect fair-market value for the services provided. The key is transparency and compliance, ensuring the relationship is arms-length, commercially reasonable, and defensible under state bar rules.

The other major consideration is talent retention. In law, unlike in accounting or medicine, attorneys cannot be bound by noncompete agreements. They can leave whenever they choose. That's both an ethical requirement and a business challenge. So, investors and founders need to get creative, building cultures, brand loyalty, and incentives that are strong enough for key lawyers to want to stay.

This opportunity is one reason private equity is especially drawn to personal injury firms. In PI, the client relationship is with the brand, not the individual attorney. When someone gets into an accident, they don't call a person; they call a firm. That brand equity creates durability. It's also why the PI sector is leading the first wave of consolidation.

Why Investors and Firms Are Excited

The math is simple. The legal industry generates hundreds of billions of dollars annually. Personal injury, the perfect proving ground, is a $55-billion sector comprising more than 50,000 firms, all solving the same problem: attracting clients, managing cases, and funding long cycles before payout. Profits per partner at the top firms can reach millions of dollars. Until now, there's been no way for outside investors to participate. For capital partners who understand professional services, and especially those already in dental, medical, or CPA roll-ups, legal represents a massive, untapped market.

Add to that the reality that law firms need capital to grow—to advertise, hire, and expand—and you can see why the timing is perfect. Private equity doesn't enter an industry to tread water. The capital is there to grow, to professionalize, and to build value. The firms that align with capable business partners—people who understand scaling, finance, technology, and data—will unlock growth that wasn't possible before.

I've seen this firsthand. I lead Aprio Legal, a platform that consolidates and scales firms in corporate and business law, and I can tell you that the timing couldn't be better. For lawyers who have spent their careers bootstrapping and reinvesting every dollar, partnering with capable operators and investors can be transformative.

For instance, in years past, law firms could only provide legal services. Today, with the proper structure, we can combine complementary offerings—tax planning, accounting, audit, wealth management, business advisory—all under one roof. Our clients no longer have to visit six different firms for related services. They can work with one integrated team that collaborates, shares ideas, and delivers better outcomes. It's a win for the client and for the business.

This win-win is one example of what's possible when you open the door to strategic capital and professional operators. Doing so allows lawyers to focus on what they do best—practicing law—while business experts handle growth, finance, and strategy.

What Law Firm Owners Should Be Asking

Lawyers are incredibly intelligent people. But most of us were never taught how to run a business. Law school teaches you how to think like an attorney, not how to build an organization. We're trained to minimize risk, not to deploy capital.

That's where great partnerships come in. Having non-lawyer owners and executives—such as CFOs, COOs, and business strategists—brings a level of sophistication that most firms have never experienced. It's not about losing control. It's about gaining capability.

"Private equity" often gets a bad reputation. Many people hear the term and imagine cost-cutting or short-term thinking. But most who hold that view have never actually worked with a PE firm.

The reality is different. The best private-equity partners don't tell you how to practice law. They ask how they can help you grow. They open doors. They introduce you to other CEOs in their portfolio. They bring systems, discipline, and resources that founders rarely have access to on their own.

When I partnered with Aprio and Charlesbank, that's precisely what happened. They didn't show up to tell us how to practice law. They showed up asking, "How do we help you grow this? How do we make it ten times bigger?" They brought networks, ideas, and introductions that simply weren't available before. It's been one of the best experiences of my career. If you're a law firm founder, the key question is: What role do you want to play?

- Do you want to be a platform builder, partnering with investors to lead growth?
- Do you want to join an existing platform that aligns with your vision?
- Or do you want to stay independent but operate at the same level of professionalism and financial discipline that private equity demands?

Whatever your answer, this is the moment to get educated, build relationships, and prepare your firm for optionality.

Andy Kvesic is a legal innovator and regulatory pioneer who leads Aprio Legal, a bold new full-service alternative business structure (ABS) law firm combining legal, tax, accounting, and advisory services.

He began his career practicing complex business litigation in Phoenix and then served as a prosecutor for the Arizona Attorney General's Office, prosecuting high-profile racketeering, securities fraud, and public corruption matters. Later, he was appointed Chief Counsel and Legal Division Director of the Arizona Corporation Commission, advising elected commissioners on statewide policy and regulatory adjudication.

After public service, Andy became General Counsel for a large family office, overseeing the legal affairs of diversified companies in finance, real estate, private equity, and fintech. He is widely recognized for advising and structuring ABS initiatives under evolving regulatory frameworks, and he now guides law firms nationwide as they explore new capital and governance models.

Andy holds a B.S. in Business Management from the University of Arizona and a J.D. from the University of San Diego School of Law. He currently serves on the Arizona Supreme Court's Committee on Alternative Business Structures and the Attorney Regulation Advisory Committee.

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Part 2: How to Position Your Firm

Positioning Your PI Firm for Private Equity Investment: The Seven Pillars of Readiness

By Jordan McMillian, Partner, Samson Partners Group and Samson Partners Capital

Private equity isn't coming someday: it's here. In the next 6 to 12 months, if you run a mid-sized personal injury firm, someone from a capital group, aggregator, or MSO will reach out to you. They'll ask for your numbers. They'll ask for your data. They'll ask how your operation scales without you.

This chapter is the playbook for answering those questions. It's not theory: it's the operational readiness test that every investor already uses behind the curtain. We refer to them the ***Seven Pillars of Readiness***. Each pillar represents a significant dimension of enterprise value. Together, they describe what a modern PI firm must master to become investor-ready.

Pillar 1: Vision and Strategy

Every scalable business starts with clarity of purpose. Many PI firms don't. They grow reactively, adding more people, increasing spending on advertising, and taking on more cases. Rarely do they operate with a written plan that defines why they're growing or where they're going.

A firm that's serious about scaling or being ready for a transaction must move beyond activity and into strategy. That means stepping back and designing a one- to three-year roadmap that defines not just how big you want to be, but what kind of firm you want to become.

Do you want to expand into new geographies? Shorten cycle time? Increase net fee per case? Reduce your reliance on one or two "key-man" rainmakers? Each of those goals alters the firm's structure, hiring strategy, and cash flow model.

Private equity doesn't buy growth: it buys predictable growth. That's why your plan has to be measurable. The firms that attract investors can show, on paper, how they're improving efficiency and value creation over time. A simple plan might look like this:

- Expand into two new states
- Reduce case cycle time by 15%
- Increase average net fee per case by 10%
- Reduce founder dependence by transitioning brand equity from an individual to the organization

Those aren't just marketing goals: they're valuation drivers.

The next level is operating through a structure that investors recognize. Many firms are now experimenting with mock MSO frameworks: setting up "shadow" P&Ls to understand how cash flow, overhead, and EBITDA would function through the lens of a capital partner. That exercise forces you to see your business like an investor would, where every cost and every process either creates value or erodes it.

At some point, every founder has to make a choice. You can stay independent, or you can prepare for outside capital. There's no wrong answer—but doing nothing isn't an option anymore. Private equity is coming into the market, and the firms that thrive will be the ones that prepare, even if they never sell. Because readiness doesn't just get you a better valuation: it gets you a better business.

Create a written 1-3-year plan that defines the type of exit that you would like and the major goals that you think will help you achieve it:

- Target markets and case types (auto, premises, med-mal, etc.)
- Geographic expansion priorities
- Marketing mix by channel and budget
- Ownership and leadership succession milestones

Set measurable goals:

- Net-fee growth ≥ 10% per year
- Cycle-time reduction ≥ 10% year-over-year
- Referral-source diversification (no single source > 35%)
- EBITDA-margin improvement +200 bps per year

Forecast like a business:

- Net Fee Forecast = Signed Cases × Average Net Fee × Realization Rate ÷ Average Cycle Time (months)
- Budget marketing and staffing to that forecast.

The strategy also needs to describe what the next generation of ownership looks like. A plan for who leads the firm, who owns the equity, and how compensation evolves gives investors confidence that growth will continue after a transaction.

Investor lens: Firms with a documented, metrics-based plan trade at 1–2 turns higher multiples than firms that "wing it." Vision tied to numbers equals credibility.

Pillar 2: Leadership, Succession, and People

Every investor asks the same question: If the named partner disappears for 90 days, what happens? If the answer is "everything stops," the valuation collapses.

The second pillar is about building a bench and reducing dependency on one person's reputation. The first step is to define a clear organizational chart and identify who is responsible, accountable, consulted, and informed for each major function. Every leadership role should have measurable outcomes.

Key ratios matter here. The attorney-to-paralegal ratio should generally fall between one-to-two and one-to-three. Case managers should handle no more than one hundred active files at a time, adjusted for complexity. Partners should track how many key operational or financial decisions can be made without their approval. A firm that still routes seventy percent of all decisions through one person is not scalable.

The cultural shift is equally important. The brand must evolve from being a person's name to being a promise to the client. A strong second layer of leadership, clearly defined metrics for performance reviews, and a structured training pipeline all demonstrate institutional strength.

Build a real org chart:

- Map every leadership role—who is Responsible, Accountable, Consulted, Informed (RACI)
- If your name appears in more than three boxes, you're still the bottleneck

Benchmark internal ratios:

- Attorney-to-paralegal = 1: 2–3
- Case manager caseload = 80–120 active files
- Attorney case cap = ≤ 100 pre-lit cases
- Staff turnover rate < 15% annual

Operationalize delegation:

- % of key decisions made without partner involvement ≥ 70%
- Average time to fill key role < 45 days
- Promotion-from-within rate > 50%

Shift the brand:

- Move from "brand as person" to "brand as promise"
- Train your intake and marketing teams to sell the firm's reputation for outcomes, not the founder's image

Investor lens: Succession readiness isn't about retirement—it's about transferability. A firm that runs on systems, not personality, commands higher value and smoother integration.

Pillar 3: Quality of Financials

Investors pay for clarity, not charisma. This financial pillar measures how accurately and consistently the firm tracks its revenue, expenses, and case inventory.

Personal injury firms that operate on cash accounting often underestimate the lag between settlements and collections. Moving to accrual accounting allows you to match revenue with work performed and forecast cash more accurately. The monthly close should occur within ten business days and include a variance analysis against the budget.

Case inventory should be updated monthly. Each case should include the sign date, current stage, expected policy limits, estimated net fee, probability of realization, and expected settlement date. When aggregated, this data produces a case inventory value that models forward revenue.

Investors look for normalized EBITDA and well-documented add-backs. Owner compensation should be normalized to a market salary. One-time marketing pilots, consulting fees, and family payroll expenses must be clearly identified.

The firm should monitor key financial metrics such as operating cost per case, marketing as a percentage of net fees, contribution margin per case, and fee realization rate. Forecast accuracy within plus or minus fifteen percent signals operational control.

Build real financial infrastructure:

- Use accrual accounting with monthly closes ≤ 10 business days
- Maintain rolling 12- and 24-month financial statements
- Track budget variance and forecast accuracy (±10 – 15%)

Model case inventory, where every open case should list:

- Sign date
- Stage (Intake / Med Build / Demand / Pre-Lit / Lit)
- Expected policy limits
- Estimated net fee × Probability × Expected date

This produces a Case Inventory Value (CIV)—your pipeline in dollars

Measure performance:

- Operating cost per case ≤ $2,500 (pre-lit baseline)
- Marketing spend as % of net fees = 20–30%
- Fee realization rate ≥ 90%
- Cycle time ≤ 270 days pre-lit
- AR > 90 days < 10% of total

Normalize EBITDA:

- Adjust owner comp to market levels and remove one-time or non-recurring expenses
- Keep detailed add-back documentation

Investor lens: Clean, consistent books tell investors they can trust your numbers.

The firm with the fewest surprises wins.

Pillar 4: Operational Excellence

Operational excellence is where a law firm becomes a business. This pillar focuses on throughput: how efficiently cases move from intake to settlement or litigation.

The best firms operate in teams—one attorney, two or three case managers, and a shared intake liaison. The team meets daily for fifteen minutes and reviews throughput weekly. Each attorney should handle no more than one hundred active pre-litigation files.

Cycle time is the master metric. From sign to settlement, track the median number of days per case. Most efficient firms aim for two hundred to two hundred seventy days, depending on injury type. Demand

throughput, measured as demands submitted per team per week, shows how efficiently the team produces value. Touch cadence compliance tracks how often clients are contacted within the defined schedule, usually every thirty days or less.

Backlog aging reports show how many cases are stagnant in each thirty-day bucket. Less than ten percent of active cases should sit untouched for more than ninety days.

Written triggers for when to litigate or escalate cases prevent revenue leakage. For example, file when an offer is below a defined percentage of the modeled value after a set number of negotiations, or when liability is disputed and coverage exists.

A firm that measures and manages these metrics will not only improve cash flow but also shorten its working capital cycle—a key indicator of value to private equity.

Team structure:

- Each team = 1 attorney + 2–3 case managers + shared intake liaison
- Daily 15-minute stand-up; weekly throughput review
- Cap active files per attorney at 80–120

Throughput metrics:

- Cycle time (sign → settlement/filing) = target 210–270 days
- Demand throughput = Demands submitted per team per week (target ≥ 4)
- Touch cadence compliance = % files contacted on schedule (target ≥ 95%)
- Backlog aging < 10% of WIP older than 90 days

Escalation triggers:

- Offer < 80% of modeled value after 3 counter cycles → file
- Liability dispute + clear coverage → file
- Demand stale > 90 days →escalate

Case management discipline:

- Weekly reports on open files, average age, and throughput by stage
- Monthly WIP review with lit and pre-lit leads
- Root-cause analysis for every case exceeding the cycle-time benchmark

Investor lens: Predictable throughput means predictable cash flow. Speed and discipline convert directly to valuation.

Pillar 5: Quality of Revenue and Growth

A million dollars in fees can be worth half or double, depending on how you earned it. This pillar measures the quality, diversity, and efficiency of your revenue. When not all revenue is equal, investors prefer revenue that is diversified, predictable, and efficient.

Diversification starts with the marketing mix. A healthy firm balances branded marketing, white-label partnerships, and referral sources. No single channel should account for more than thirty-five percent of total signed cases, and the top five combined should stay under fifty percent.

Core metrics include cost per lead (spend divided by leads), cost per signed case (spend divided by signed cases), and lifetime value to customer acquisition cost ratio, which should exceed three-to-one.

Intake efficiency determines whether marketing dollars translate into revenue. Track answer rate should exceed ninety percent, speed-to-lead should be less than twenty seconds by phone and less than five minutes digitally, and after-hours capture rate should be at least seventy percent of daytime volume.

Monitor drop rates closely. Twenty to fifty percent of leads may disengage in the first seven days, but after day twenty-one, any continuing attrition signals staffing or process issues. When marketing and intake are both measured at this level, the firm can manage growth through data rather than instinct.

Channel diversification:

- Branded marketing (brand equity building) ≤ 35% of signed cases
- White-label/aggregator (lead volume) ≤ 25%
- Referrals/community (margin channels) ≥ 20%
- No single channel > 35% of total

Marketing economics:

- Cost per lead (CPL) = spend ÷ leads
- Cost per signed case (CPSC) = spend ÷ signed cases
- Return on ad spend (ROAS) = fees ÷ spend (target ≥ 4×)
- Lifetime value to customer acquisitioncost (LTV: CAC) ≥ 3: 1
- CAC payback months = CPSC ÷ (Avg Net Fee ÷ Months to Fee)

Intake and conversion metrics:

- Answer rate > 90%
- Speed-to-lead < 20 seconds (phone) < 5 minutes (digital)
- Lead to sign % tracked by channel and agent (target ≥ 30%)
- After-hours capture rate ≥ 70%

Attrition tracking:

- Drop rate day 0–7 = 20–50%
- Drop rate day 7–30 < 20%
- Disengagement after Day 21 = intake staffing issue

Investor lens: Revenue that is diversified, predictable, and data-driven earns premium multiples. Prove your economics; don't just state them.

Pillar 6: Technology, Data, and Marketing Infrastructure

Technology and data integration separate professionalized firms from everyone else. Investors want to see a single source of truth—one system that connects marketing, intake, case management, and finance.

The system should integrate a CRM, such as HubSpot or Salesforce, with a case-management platform like Filevine or Litify. Every lead, case, and contact should have a unique identifier so performance can be tracked across the entire lifecycle.

Critical data fields include lead source, attorney, team, injury type, policy limits found, demand and settlement dates, fees, costs, and venue. The system should also log consent for all communications to ensure TCPA compliance.

Dashboards should exist for each leadership role. The CEO's dashboard shows signed cases, cost per signed case, cycle time, and cash forecast. The marketing lead's dashboard tracks channel ROI and conversion rates. The operations dashboard tracks WIP aging and demand backlog.

Automation and real-time visibility do not just improve productivity; they create the transparency that private equity firms require for diligence.

System integration:

- CRM (Salesforce, HubSpot) integrated with case management (Filevine, Litify)
- Unique IDs for every lead, case, and contact
- APIs connecting marketing, intake, operations, and finance

Core data fields:

- Lead ID
- Case ID
- Channel
- Attorney
- Team
- Injury type
- Policy limits found (Y/N)
- Demand/offer/settlement dates
- Fees
- Costs
- Venue
- TCPA consent flag

Dashboards by role:

- CEO: Signed Cases, CPSC Trend, Net Fee Forecast, Cycle Time, Cash Runway
- CMO: Lead Conversion, After-Hours Capture, Channel ROI
- COO: WIP Aging, Demand Backlog, Touch Cadence
- Lit Lead: File Rate, ACV Lift, Panel Counsel ROI

Compliance automation:

- Record and store text and call consents
- Quarterly vendor audits
- Incident log with documented remediation

Investor lens: Automated, integrated systems reduce risk. Transparency and real-time data are now diligence table stakes.

Pillar 7: M&A and Regulatory Readiness

The final pillar is about preparation. Even if you have no immediate plan to sell, operate as if you could close a transaction tomorrow.

Corporate documents should be current and digitized. Employment agreements, client contracts, and vendor arrangements should be stored electronically with clear ownership of intellectual property.

A firm preparing for a partnership should maintain a virtual data room containing two years of accrual financial statements, case inventory reports, KPI definitions, organizational charts, compliance policies, and vendor contracts.

Regulatory and ethical readiness are equally critical. Firms pursuing management service organization or alternative business structure partnerships must understand their state's ethics opinions. As Trisha Rich explains later in this white paper, independence of professional judgment and arm's-length management relationships are non-negotiable.

Run a mock diligence review at least once a year. Assign one partner to play the buyer and identify any gaps in data, documentation, or compliance. Close those gaps before you ever receive an inquiry.

Corporate and documentation checklist:

- Up-to-date articles of organization, EINs, and operating agreements
- Digitized employment agreements and client contracts
- Registered trademarks and IP ownership documentation

Virtual data room:

- 24 months of accrual P&L, balance sheet, and cash flow
- Case inventory model and KPI dictionary
- Org chart, compliance manuals, vendor contracts

Ethics and regulatory framework (Follow the guidelines in Trisha Rich's Holland & Knight white paper, reprinted ahead), to maintain policies covering:

- Independence of professional judgment
- Arm's-length management relationships
- Fee-sharing and ownership restrictions
- Record-keeping for client consent and data security

Mock diligence:

- Run quarterly internal reviews as if a buyer were evaluating you
- Score each pillar 1–5 for maturity and gap-plan the lowest scores

Investor lens: The firms that maintain clean data and ethics documentation don't just close faster, they get better offers.

Final Word: Discipline Is the New Differentiator

Personal injury used to be about who could shout the loudest. The next era belongs to firms that can prove their numbers.

These seven pillars are not theory. They are the operational standards by which investors will measure your firm. Each metric you measure, each process you document, each compliance policy you tighten moves you one step closer to being not just profitable, but investable.

Do the work now. Because when that call comes—and it will—the firms that have their data clean, their systems disciplined, and their ethics documented will be the ones writing the next chapter of this industry.

Jordan McMillian is a seasoned executive known for driving operational transformation in professional services organizations. She joined Samson Partners after establishing a reputation for implementing "back-to-basics" disciplines and building governance, accountability, and metric-oriented cultures across firms.

Before Samson, Jordan served in C-suite roles, most often as COO, for legal services firms and in the construction sector, where she led large operational platforms and guided growth, process optimization, and margin improvement.

Jordan's expertise lies in turning strategy into scalable execution: she helps founders and managing partners codify workflows, set meaningful performance metrics, and build teams that can operate autonomously. She is often the operational backbone in high-growth transitions, helping firms shift from founder-driven models to systems-driven organizations.

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Part 2: How to Position Your Firm

Positioning Your PI Firm for Private Equity Investment: Operational Excellence

By Jordan McMillian, Partner, Samson Partners Group and Samson Partners Capital

When it comes to working with PI firms, my role as an advisor has three dimensions:

1. **Working with founders, owners and management teams** to professionalize their firms ahead of taking on investments from private equity, using our PI version of the Exit Value Realization System™.
2. **Working alongside private equity investors and their potential lenders** during the diligence phase of a transaction to evaluate the valuation and deal structure proposed during the LOI phase.
3. **After the transaction, working with both PI firms and PE investors** to help realize the value creation plan and work toward the next transaction.

We fundamentally believe that smart, outside capital investment can help founders, owners, and operators of PI firms create additional value over time. With additional resources, firms can achieve:

- **Higher and more consistent levels of client service.** With resources, firms can standardize best practices, invest in technology, and bring higher caliber talent to each stage of a case. That means more consistent outcomes and better experiences.
- **Access to capital.** PI is a capital-intensive business. Private capital unlocks the ability to build the firm you always imagined but hesitated to fund. It takes the fear out of growth.
- **Upgraded talent and management focused on what matters.** With capital, firms can afford senior operators, modern systems, and stronger leadership teams. Lawyers can keep practicing while the firm is run like a business. There is finally an opportunity to offer equity in alternative structures to non-lawyers, which will enable the scale-ups needed to access talent that would only have pursued opportunities in other sectors where they could participate in the upside.
- **True scaling, faster, with the ability to execute buy and build/roll-up strategies across the market.** The combination of money, know-how, and discipline accelerates growth. It also raises the bar for everyone.
- **All-star teams.** Consolidation will allow groups of firms to combine strengths. Instead of a single firm being held back by its weakest function, platforms can combine the resources from acquisitions and position the best leader in intake, the best in marketing, the best in litigation, and so on, to take the right seats on the bus to drive value creation for the entire platform.
- **Run without the founder.** You have not built a durable firm until it can run without you. Capital pressures and platform standards will push owners to install best practices and real leadership so the enterprise is transferable and valuable at exit.

Not every private equity firm is a fit for every law firm. What matters is alignment and respect for what already works. Context matters: if you are a seasoned operator with a strong team and brand, look for a partner who strengthens weaknesses without breaking strengths. On the flip side, if you are an unsophisticated operator who wants help, you may be looking for a hands-on partner. When you are considering a partner, you want to examine what strengths will enhance your existing strategy, such as:

- **Capability that complements your gaps**. For example, real experience in technology and AI, marketing, or human capital management, if that is where you are behind.
- **Flexibility in deal structure.** Some owners want a full buyout and retirement. Some want a minority partner to inject capital so they can grow. Some want to continue as the face of the brand while stepping back from operations. The right partner accommodates these differences.

In return, you want a partner that has:

- **Fluency in the language of a PI firm.** PE firms should understand average case value, average time on desk, the value difference between litigation and pre-litigation, trial rates that are far lower than most imagine, and what drives fee realization.
- **Respect for your brand.** Strong firms are often personality brands in their markets. A good partner protects and amplifies that identity, rather than erasing it.

Lawyers tell clients not to represent themselves in court. The same logic applies here. Most owners will do this once in their lives. Private equity will do it hundreds of times. You need someone fluent in both languages to help you navigate intelligently. We're here to provide that bridge. Buyers want a firm that is durable, transferable, and predictable. As we write about in our book, *The Owner's Manual,* investors are underwriting the predictability of future cash flow, so to achieve the type of deal value and deal structure you, as the seller want, you must demonstrate that the firm's future is not dependent on you. The same practices that make your business better are exactly what buyers want to pay for. Some things you'll want to really have dialed in before speaking to PE:

- **Vision.** A clear picture of where the firm is going and how you will get there. You'll want to lay out the areas where you need help and see opportunities for growth, and to the extent you can, show them how, together, you will generate a significant return on investment. PI owners and founders really understand how to turn $1 of marketing spend into $5 in realized revenue. PE investors are thinking the same way; for every dollar they invest, they want to turn that into a 3-5X return at the end of their investment period. So, you need to have a clear picture of what you want to do, organically and inorganically (M&A), with an investor to achieve a premium valuation.
- **Leadership team.** Be able to explain how your leadership team works together. You must also be clear about the role you as the founder/owner want to play post transaction. If anyone plans to retire as part of a deal, you need to have succession defined and in place well ahead of the deal.
- **Documented processes, case flow, portfolio management, and systems architecture.** It is important that you can demonstrate work processes that are simplified, documented, and standardized. This is critical in valuation and deal structure. It is also important to have a well-defined tech stack and articulate how finance, marketing, and team work together.
- **Numbers.** Know them, be able to explain them, and show how the measurement and monitoring flows into day-to-day operational execution as well as quarterly and annual planning. Be prepared to articulate how your accounting and finance teams manage the budget, and be prepared to explain how well—and quickly—you can produce investor-ready financial statements.

- **Differentiated brand and marketing position.** Be able to explain where your brand plays in the market and how you have optimized marketing, case selection, and intake. Be prepared to demonstrate that you can take more share in your existing market(s) and explain how you plan to enter new markets, organically and inorganically, over time.

Now that I have covered some broad themes, let's dive into where I play—Operational Excellence.

Operational Excellence (OE)

Operational excellence is where a law firm becomes a business. Let's dive into several key areas related to achieving this operational excellence:

1. Intake
2. Quality of Revenue
3. Marketing
4. Case Management
5. KPIs and Dashboards
6. Culture + Ops: Measurement, Accountability, and Transparency

Intake

The most important and most overlooked area that drives performance in a PI firm is intake. We start here, because it's the first key waypoint in operational excellence. If it is not optimized, then marketing spend is wasted on the front end, and we'll see profit leakage on the back end. Investors look closely at intake because it reveals two things: marketing efficiency and management discipline. If you can show stable conversion metrics and declining costs per signed case, you're proving your firm is scalable.

The best firms operate in teams or pods—one attorney, two or three case managers, and shared intake. This structure also starts to lend itself nicely to the MSO model where "everything but the lawyer" can be done (mostly) centrally, streamlined, and really tightened up from a process and profitability perspective. If you haven't gone down this route yet, you need to start. You should be able to handle about 300-500 cases before adding another attorney, and you can balance 2-3 case managers under that for support.

It is important to quantify and demonstrate your time on desk and total matter time (in working hours).The efficiency here will directly contribute to your valuation. Efficiency means profit margin to investors, but it also means that your operations will fit/fold better into a consolidated MSO structure.

Intake determines whether your marketing investment pays off. It's not an administrative role; it's the bridge between your marketing engine and your pipeline. It is your first impression in the market, your eyes and ears. Shift coverage is often overlooked as a critical factor in your intake. You need coverage seven days a week, especially as digital marketing begins to displace traditional media in its overall ROI and lead generators continue to proliferate.

What cannot be understated in today's market is "speed to lead." If you're using digital marketing, your potential clients are likely searching online for attorneys, which means that they may be browsing, clicking, calling, or filling out forms for a number of different firms. How fast you contact them directly affects your intake conversion rates. This means ensuring that your intake staff answer the phone at 90%+ and, of course, ensuring they are providing great customer service. Reminder: After hours answering services will not convert your leads, and your firm will schedule a call back with your potential client—this is an area where we often find an operational weakness, and we suggest that sellers look into the performance of lead conversion of after-hours calls as part of our standard operational reviews, and you certainly want to examine this before going into a process with an investor.

Investors will also be looking at your lead sources, your cost per case, and the effort to convert by lead source. For example, we've seen variance in leads that originated from digital marketing campaigns resulting in a higher call back rate to reach the client than those that come in from billboard or bus ads. Investors are starting to look at call counts by lead source and are determining, based on your marketing mix, if your call center has been full optimized. You may have some automation or a dialer that places your outbound dials, but how many calls does it take you for a given marketing source to get a client on the phone? How well are you converting when your call count is less than 5 calls, 5-10 calls, 10+? This may seem like an unimportant metric, but even if you are outbound dialing with a 'bot' or auto-dialer, once you get the client on the phone, a real person needs to take over—this means your staffing has to align to your calling counts and patterns. The more you understand these metrics and clean up your own house ahead of a transaction, the better you will show.

Your intake function should also be following a standardized script and process, ensuring that all clients are funneled through the same decision tree each time. This gets you the best view of your intake operations, which is evaluated for the first 30 days after talking to a client. The most valuable PI firms treat intake like a sales process, because that's exactly what it is. A well-run intake team can double signed-case volume without increasing marketing spend.

The handoff from intake to case management is another critical function. There are some firms that depend on case managers to be the primary point of contact for their clients, but best practice is to start sharing client communication responsibility with other functions, or even leveraging a Client Experience team. Whatever your process, it is important to have it outlined and understood by every member of the firm as well as a cadence or trigger points for when and how communications with clients should take place.

Core performance indicators / KPIs:

- ***Answer rate: The percentage of inbound calls or inquiries answered live.*** Firms that consistently exceed 90% tend to convert more efficiently.
- ***Speed to lead: How quickly your team responds to new inquiries.*** Every minute of delay decreases conversion probability. Measure this daily.
- ***Conversion rate: The percentage of leads that become signed clients.*** This should be tracked by channel, intake employee, and time of day.
- ***After-hours capture: How well your firm converts leads outside normal hours.*** This is often where the biggest efficiency gains lie, especially weekends.
- ***Cost per case—your marketing cost divided by successful conversions.***

When private equity evaluates a firm, it'll ask to see the intake data. If you can't produce it, they assume the system doesn't exist.

Best practices:

- ***Record all calls and tag them by source.***
- ***Every unconverted lead should receive at least three follow-ups in 24 hours,*** but beware a high call count by lead source. You may have a channel problem if you're chasing leads from the same channel every month.
- ***Track every disposition:*** Signed, declined, unreachable, duplicate, or withdrawn.

Quality of Revenue and Growth

Too many people think getting deal ready means pulling as much into your current year as possible. PE knows this game, and while it may not fully understand PI, it knows how to identify anomalies and inconsistencies. Loading one year at the cost of another year isn't advisable for a number of reasons:

First, it signals a lack of confidence in your longer-term growth trajectory, both from a feasibility perspective (you're robbing from next year/quarter to juice this one) and philosophically: you don't believe your future is as valuable as your present.

Secondly, it will skew the view of your operations by showing inconsistent KPIs from one year to the next. Your average fee might hockey stick one way or another, you might have an increased drop rate because you're overloading your case management team and they can't follow up with the increased case count, or you might just struggle with unexplained unresponsive trends.

Thirdly, it can affect your credibility with potential buyers, making them concerned about what else you're hiding – you want to get the best deal, but you don't need sleight of hand to do it. Prepare to sell and then find the right buyer who will get you the cash and deal structure that works for you.

You should operate as if the deal won't go through because 1) you cannot have a blip in performance while you're negotiating a deal, and 2) if the sale doesn't go through, you have a business to run.

Marketing

Marketing is the engine that powers a PI firm, but most firms don't know how efficiently it runs. They know their total ad spend, but not whether those dollars are working. Investors will always start with the same question: What does it cost you to acquire a case? If you don't know the answer, that's where the valuation conversation ends. The first step is to break marketing down into measurable economics.

Key metrics to track:

- ***Cost per lead (CPL):*** Your total marketing spend divided by the number of leads generated.
- ***Cost per signed case (CPSC):*** Spend divided by the number of new signed cases.
- ***Lead-to-case conversion rate:*** Signed cases divided by total leads.
- ***Marketing Return on investment (ROI):*** The total net fee revenue generated divided by your spend.
- ***Channel mix:*** The percentage of cases coming from branded campaigns, aggregators, white-label leads, and referrals.
- ***Cost trends:*** Whether your cost per signed case is increasing, decreasing, or stable quarter to quarter.

Too many firms don't know these numbers. They'll say, "Our phones are ringing," but they can't tell you what each call costs or how many convert. Investors look for predictability. If your CPL is consistent quarter over quarter, if your conversion rate is improving because intake performance is tracked and trained, you're creating enterprise value. It's not about spending less—it's about spending smarter. Build dashboards that show spend by channel (TV, digital, referrals) and performance by source. When an investor sees that you can track cost per acquisition and adjust in real time, they see scalability.

Your goal isn't to match someone else's marketing number—it's to know yours. Investors care less about the absolute figure and more about whether it's tracked, explained, and trending in the right direction.

Key marketing metrics:

- ***Cost per lead (CPL):*** If you're spending on digital affiliates where you buy leads directly.
- ***Cost per acquisition:*** This metric should give you a sense of the quality of your lead sources and prices. This should truly be the total spend divided by how many leads you keep for about a month. There will some natural fallout later in your cost per case.
- ***Cost per case (CPC): S***spend divided by the number of new signed cases, after about 30 days of vetting the case/natural fall out.
- ***Conversion rate by lead source:*** Signed clients divided by total leads.
- ***Channel mix:*** The percentage of cases coming from branded campaigns, aggregators, white-label leads, and referrals.
- ***Cost trends:*** Whether your cost per signed case is increasing, decreasing, or stable quarter to quarter.

Operational habits:

- ***Review marketing*** and intake data together every week.
- ***Rank channels by cost per signed case,*** not just by lead count.
- ***Compare your current month's signed-case cost*** to the previous three months.
- ***Eliminate or adjust channels*** that produce higher costs or lower retention.
- ***Evaluate whether you need to improve your marketing*** or your intake and lead dispositioning. These two departments go hand in hand.

Case Management

This is where most PI firms live and where many lose control. You can't scale a case pipeline without balancing staff capacity against case volume. Every attorney, paralegal, and case manager should have a defined caseload target. Here's how to think about it:

- ***Number of cases per attorney***
- ***Number of cases per case manager/paralegal***
- ***Cycle time per case stage:*** Pre-litigation vs. litigation vs. settlement.
- ***Case turnover rate:*** Average months per case type from open to close.

These aren't arbitrary numbers—they determine whether your firm is efficient or chaotic. If one paralegal is managing 300 files while another has 80, the inconsistency will show up in client experience, case outcomes, and valuation.

Track throughput per employee (number of cases closed per staff member per month) and average case value (ACV). When both move in the right direction—higher throughput, higher ACV—you're not just busy; you're efficient.

Investors will benchmark your staffing ratios. They want to see that revenue grows predictably with headcount and that case outcomes aren't dependent on a single rainmaker. Litigation is where value can increase—or evaporate. The firms that succeed define objective rules for when to file and when to settle:

- ***When an offer falls below a certain percentage*** of the modeled case value after multiple counteroffers.
- ***When liability is disputed*** but coverage is confirmed.
- ***When a demand has been outstanding*** beyond a defined threshold, such as 90 days.

These are not rigid formulas—they are rules of thumb that force discipline. When your team has clear thresholds, it avoids the extremes of over-litigation or premature settlement. We have seen that you can have high margin by having litigation in house and by outsourcing—there is not a hard and fast rule. Whatever the strategy, this will be diligence. You will need to know:

- ***Percentage of cases sent*** to inside or outsourced counsel for litigation
- ***Average litigation*** cost per case
- ***Average settlement*** from litigation
- ***Your formula expressing why*** you have litigation insourced vs outsourced and proof that your strategy drives higher margin
- ***Litigation success rate*** (verdicts or settlements vs. filings)

Investors will ask: Do you know your break-even point on litigation capacity? Can you model your returns, your capacity, and your operational strategy? Basically, expect to quantify the ROI of keeping a litigation strategy that outside investors can understand.

In-house vs. outsourced:

- ***If your firm litigates in-house,*** track cost per filed case and margin per case.
- ***If you outsource,*** track performance by outside counsel and maintain standardized reporting.

Investors pay close attention to your litigation data because it speaks directly to margin and scalability. A firm that knows when and why it files can model its future earnings with confidence.

KPIs and Dashboards

If I could give every firm one commandment, it would be this: build a single source of truth. Many owners can't answer these five questions off the top of their heads:

1. What's your average cost per case?
2. What's your average case duration?
3. What's your average revenue per employee?
4. What's your client acquisition cost?
5. What's your monthly cash conversion ratio?

If you can't, that's what investors see as risk. Your dashboards should include:

- ***Financial KPIs:*** Revenue per attorney, profit margin, WIP, receivables aging.
- ***Operational KPIs:*** Case duration, conversion rate, caseload per team member.
- ***Marketing KPIs:*** CPL, CPC, ROI by channel.
- ***Client KPIs:*** Satisfaction scores, complaint rates, referral rate.

Make the data visual. Don't bury it in spreadsheets: use real-time tools.

Core firm-wide KPIs:

- Cost per lead
- Cost per signed case
- Lead-to-sign conversion rate
- Answer rate
- Speed-to-lead
- Cycle time (pre-lit and post-lit)
- Demand throughput
- Fee realization rate
- Operating cost per case
- Active case inventory
- Case aging buckets (0–30, 31–60, 61–90, 90+)

Marketing dashboard:

- Cost per signed case by channel
- Conversion rate by source
- After-hours capture rate

Operations dashboard:

- Throughput per team
- Demand backlog
- Touch cadence compliance

Litigation dashboard:

- File rate
- Case outcomes
- Average case value lift

Dashboards don't replace leadership—they make leadership measurable. When the data is visible, problems can't hide and wins can be repeated.

Culture + Ops: Measurement, Accountability, and Transparency

Every founder starts with instinct. But instinct doesn't scale. When your firm grows past ten people, you can't shape it simply with hallway conversations. You need systems and habits of measurement like regular KPI reviews, performance dashboards, and weekly operational check-ins. A culture of measurement means everyone knows what success looks like. Intake reps know their conversion goals. Case managers know their closure targets. Attorneys know their settlement and trial metrics.

Data isn't just about control, it's about empowerment. When employees see performance data, they have control over their own performance. Investors love that because it signals a firm where accountability is built in, not imposed.

Tactics that work:

- Publish team scorecards weekly.
- Review two numbers per person: one they control directly, one they influence.
- Tie incentives to team metrics, not just individual effort.
- Celebrate improvements in efficiency and client outcomes, not just volume.

When people understand their numbers, they understand their impact. Accountability becomes part of the culture, not an afterthought.

Data creates freedom. It allows leaders to step back without losing control. If every team knows its benchmarks and measures them weekly, the firm doesn't depend on one person's oversight. It runs itself.

Private equity and MSOs will always evaluate two types of risk: financial and ethical. A system that's efficient but non-compliant isn't investable. Data helps here, too. The same metrics that drive performance also demonstrate compliance.

Track and store client communications, document consent for texts or calls, and ensure that all referral relationships are documented and compliant with professional rules.

Recap: What PE Really Wants to See

By the time a private equity group or MSO sits across a table from you, it's already picturing your firm in its model. They'll ask for numbers—marketing ROI, staffing ratios, cycle times, cash flow—and they'll evaluate how easily you can produce them.

Here's what readiness looks like:

- You can quantify your pipeline from first lead to final settlement.
- You can justify your staffing plan based on caseload data.
- You can forecast cash flow.
- You can show compliance systems that protect clients and regulators alike.
- You can show financially and operationally how you intend to scale effectively and predictably over the next three to five years, and where you want help from an outside investor to enhance growth and margin improvement.

When those pieces come together, you create an engine of predictable outcomes. You stop being a practice and start being an enterprise. That's what private equity is looking for. That's what the next generation of PI firms will build.

You don't have to sell your firm to build it this way. But if you do, you'll be ready. And if you don't, you'll still have a business that runs cleaner, faster, and stronger than almost anyone else in the market.

The firms that treat data as an asset, intake as a growth engine, and compliance as a core competency will set the new standard. The rest will watch from the sidelines.

Part 2: How to Position Your Firm

Chapter 6: The CFO's Approach to a PI-PE Deal

By Seth Deutsch, Founder & CEO, Samson Partners Group and Samson Partners Capital and Timi Okah, CEO, CSuite Financial Partners

Timi Okah's firm, CSuite Financial Partners, has worked hand-in-hand with Samson and our PI firms over the years to convert their financials from cash-basis habits to GAAP-ready reporting, build board-level KPI cadence, and guide them through private-equity diligence to close. Together, we have led more PI finance transformations than anyone in the U.S.

Every law firm we walk into has some version of a story that starts with, 'We've got good books because we know what's coming in and going out.' But when institutional investors show up, that story often falls apart fast. Its not anyone's fault; it is just that founders never though about their financials from the perspective of private equity or other institutional, outside investors.

Private equity doesn't just want to see numbers. They want to see controls, processes, and proof. They want to understand the business through a financial lens that is sharper and more disciplined than what many founder-led firms are used to. If you don't prepare for that, you're going to end up with an inferior valuation, or no deal at all. They also need to see clearly how owner's compensation will flow through the P&L on a go-forward basis—this is something many founders do not yet grasp, but we quickly help them understand what this means and how this ties into the deal value, structure, and future compensation.

Why Preparation Changes Everything

Most founders underestimate the value they can lose simply by being unprepared. We've seen firms increase their valuation significantly simply by cleaning up their books, normalizing compensation, and implementing proper financial controls before starting a sale process.

We always say: "Start preparing early." Twelve months ahead is ideal. You can do it in less, but without time to professionalize your financial function, you're handing investors every reason to mark you down.

What Decreases Value

Here's what drives value down faster than anything else:

- Weak or inconsistent financial controls
- Non-GAAP reporting
- Commingled personal and business expenses
- No finance infrastructure beyond a bookkeeper
- Owner-dependent operations with little management depth

- Poor case documentation and workflow tracking
- Over-reliance on a single intake source or case type

These are all red flags to investors. They signal that the business is personality-driven, not system-driven, and that means risk.

Making the Shift to Institutional Standards

Many law firms run on cash-basis accounting, but private equity expects GAAP (Generally Accepted Accounting Principles) accrual reporting. Under GAAP, you must accrue expenses as they are incurred, even for ongoing cases, but you can't recognize revenue until a case is resolved. This timing difference makes proper accrual accounting especially important for plaintiff and insurance firms.

To get ready, you'll need to:

- Convert to accrual accounting
- Rebuild your chart of accounts
- Implement monthly close procedures
- Reconcile trust accounts
- Document revenue recognition policies
- Prepare income statements, balance sheets, and cash-flow statements every month

If this sounds daunting, it's because it is. We always bring in interim resources as part of our engagements with founders—we don't expect the current team to know how to do this. But the hope is that the team can learn this and carry it forward. The goal: close your books within 10–15 days of month-end and deliver clean, investor-ready financials.

The Institutional Side: What Happens After the Deal

It helps to know this up front: Once private equity invests, the reporting expectations change overnight.

You'll be closing the books monthly, issuing financial flashes within 3–5 days, and delivering full financials within 15 days. You'll have quarterly board meetings, sometimes six per year in the initial year post investment, to review KPIs, backlog, marketing performance, and major initiatives. You'll also have meetings once a month, every month, to understand the financial and operational performance of the business. This needs to happen early in the month, so that investors can report progress back to their investment committees and over time to their investors as well.

You'll also be dealing with financial covenants tied to your debt, including:

- Leverage ratio
- Interest coverage ratio
- Fixed-charge coverage ratio
- Minimum liquidity requirements

Failure to meet covenants can trigger interest rate penalties or increased oversight by lenders. Hit them consistently, and you'll earn credibility and optionality. That's what professional investors want to see.

Normalization and Compensation Reality

Here's a harsh truth for founders: what you take home today is not what you'll take home post-sale.

Before a transaction, the entire firm's profit flows to the owner through distributions. Post-transaction, that changes. You'll draw a market-rate salary as managing partner or CEO: let's say $1,000,000. For some owners, this may be different than the millions they once took home. The rest becomes the firm's profit base, which determines valuation.

Before you raise your eyebrows at a lower take-home amount, we need to remind you that in this case, you've just sold the firm: you're sitting with a lot of cash. For example, let's say the firm generates $15 million in EBITDA (including all adjustments and compensation), and you complete a transaction at 6 times EBITDA (valued at $90 million). As part of that, you receive 70% in cash and rollover 30% into the new entity (for more on this, read *The Owner's Manual*). You now have $63 million in pre-tax cash from the investor. In this example, before the compensation adjustment, you might have thought that your EBITDA was $16 million, but that doesn't account for the CEO salary. So, when we make the adjustment and flow it through the P&L, it brings the EBITDA down to $15 million. All actual compensation costs supporting the business must be accurately reflected in the normalized financials.

It's also essential to think through partner dynamics. Junior partners who don't share in the same payout structure may feel shortchanged if compensation isn't addressed early. Retention and morale depend on a clear and fair compensation design before you go to market.

The Quality of Earnings Report

Every buyer will perform a Quality of Earnings (QofE) review. It's their way of verifying whether your profits are real, recurring, and GAAP. They'll strip out personal expenses—family payroll, luxury cars, school tuition, private jets—and restate your numbers on a GAAP basis.

Smart sellers don't wait for buyers to do this. They commission their own sell-side QofE ahead of time, for a fraction of the deal cost (usually $30,000–$50,000). It's one of the most valuable investments you can make in your readiness. It provides a professionalized set of financials that investors trust, helping you identify issues before they are uncovered during due diligence.

Working Capital and the "Peg"

Another potential surprise for founders: The working-capital peg. When you sell your firm, you can't strip out every dollar of cash. The business needs enough capital left behind to keep running, paying staff, vendors, and expenses until the next settlements hit.

Investors analyze your 30- to 60-day cash cycles and set a working capital target. 90 days post-close, there's a "true-up" to reconcile whether too much or too little cash was left behind. If you left excess cash, you get it back. If not, you owe the difference. Understanding this concept ahead of time prevents ugly surprises after the deal.

The Opening Balance Sheet

On Day One post-transaction, your balance sheet must be clean. That means no owner-related assets or liabilities lingering in the business. Every personal asset, vehicle, or loan must be separated. This is your reset

point, the moment your firm becomes a fully institutionalized entity. If you miss this step, you're setting yourself up for confusion, disputes, and tension with your new partners.

From Lifestyle Practice to Growth Company

The biggest change after private equity isn't just financial: it's cultural. A founder-led firm runs like a family. A PE-backed firm runs like an enterprise. Decisions become data-driven. KPIs are tracked. Board governance is formalized. There's professional management, performance reviews, and accountability.

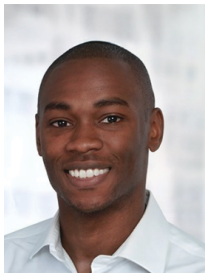
That doesn't mean it becomes soulless: it means it becomes shapable and scalable. The firms that embrace this shift will grow faster, attract better talent, and eventually command the highest multiples when the next recap comes.

Final Thought

If you're an attorney-founder reading this, remember: professionalization isn't about losing control, it's about increasing value.

By treating your financials like an investor would, you signal readiness. You reduce risk. You make your business easier to understand, and that alone increases its value.

You can't fake sophistication, but you can build it with the right partners. And if you start early, you'll be leading the conversation by the time investors come calling.



Timi Okah is the President and CEO of CSuite Financial Partners, a leading provider of interim and fractional CFO solutions for middle-market companies. He specializes in financial leadership through periods of transition, including mergers, acquisitions, and post-transaction integration.

Before joining CSuite, Timi served as an Operator-in-Residence at Kingsway Financial Services, where he led multiple acquisitions, and was previously a consultant at McKinsey & Company advising clients on strategy and operations. He began his career as an engineer at Salesforce and Intel. Timi holds B.S. and M.S. degrees in Electrical Engineering from Stanford University and an MBA with Distinction from Harvard Business School.

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Part 2: How to Position Your Firm

From the Arena: The Ethics and Structure Facilitating Law Firm Investment

By Trisha M. Rich, Partner, Holland & Knight LLP; Joshua E. Porte, Partner, Holland & Knight LLP; and Lucian Pera, Partner, Adams & Reese, L.L.P.

Note: This chapter contains excerpts from interviews with Trisha Rich, Joshua Porte, and Lucian Pera. This information does not constitute any legal opinion or legal advice. Readers should discuss this matter with their own legal counsel as part of a contemplated transaction.

Before a single dollar changes hands in a law-firm investment, one document determines whether the deal will ever happen at all: the ethics opinion.

In every MSO or ABS transaction, investors, lenders, and law-firm founders all wait for that opinion, because without it, no reputable capital partner will close. It's the green light that indicates the entity's structure complies with the Rules of Professional Conduct, the investment is legally sound, and the deal can proceed.

In the US, there are only a handful of attorneys who are qualified to provide those opinions. At the top of that list are Trisha Rich, Joshua Porte, and Lucian Pera. Together, they've become the definitive voices on how private capital can enter the legal profession ethically. When investors or law firms say, "We need an opinion," these are the people they call. Their signatures don't just validate a deal; they legitimize an entire emerging industry.

Where Structure Meets Ethics – Trisha Rich

Lawyers aren't like every other business owner. Historically, we couldn't sell our firms to anyone but another lawyer, even if we've spent our entire lives building them.

For generations, that restriction meant lawyers could build value but never realize it. When they retired, their firms typically dissolved. There was no true market for ownership transfer, no way to pass equity to a non-lawyer spouse or child, and no exit path beyond a buyout at book value. The MSO framework changes that, but only if it's structured correctly.

MSOs allow founders to transition value, reward non-lawyer staff, and eventually exit without violating the rules. Within this structure, a lawyer can retire like an entrepreneur, responsibly and ethically.

Every deal in this space has to start from a place of compliance. If the structure isn't right, the economics don't matter. I have the privilege of leading one of the nation's foremost practices at the intersection of legal ethics, regulation, and private investment. Our practice has become ground zero for law-firm MSO and ABS

structuring, advising both investors and managing partners as they navigate this new frontier.

When private equity first approached us about investing in a debt-collection law practice, we were among the first in the country to translate the healthcare MSO framework into a compliant legal model, one that preserved attorney independence while allowing outside capital to participate. That transaction, which closed in early 2023, became one of the first private capital partnerships of its kind in U.S. legal history.

Since then, the space has exploded. This year we will have advised on more than 40 live MSO transactions, several in the nine-figure range, with clients ranging from regional personal injury firms to national consumer practices to large AmLaw 100 law firms.

Each deal involves an intricate balance between investor goals and compliance with the ethics rules, a balance my firm and I have helped define for the entire industry. This is an acceleration of a long existing structure in the legal industry, but it only works if the structure respects the boundary between business operations and the practice of law.

The MSO Model, Demystified – Josh Porte

I spent years in healthcare, so it was natural for me to transition into legal MSO transactions. Every one of these deals comes down to how the documents draw the line between business and law. The core of the structure remains the Management Services Agreement (MSA), which defines the relationship between the MSO and the law firm. The MSA must:

- Make clear that the law firm remains 100 percent lawyer-owned,
- Limit the MSO strictly to non-licensed activities—finance, marketing, HR, technology, intake—and
- Ensure that any compensation to the MSO avoids prohibited fee-sharing.

Outside Arizona, you can't just say, "We'll take 20% of revenue." That's fee-sharing, and it will get you shut down. Instead, our team structures fixed-fee or cost-plus arrangements—flat monthly payments per attorney or per function—that mirror how other vendors are paid. The moment compensation floats with case proceeds, you are inviting a Rule 5.4 problem. The fee must be at fair market value and tied to documented services, not to legal outcomes.

Then you have to separate what investors are buying. You are not selling the law firm. You are selling the non-legal infrastructure. That means documenting enterprise value around the tech stack, CRM, call centers, data, brand assets, talent platform, and the recurring service revenue generated by the MSA. When that is clear, diligence moves faster and lenders become more comfortable underwriting the cash flows.

I often cite to clients what healthcare and dental already learned: In a mature management model, the professional is the customer. The MSO wins when it removes administrative burden so the professional can practice. Apply that to law, and the bright line becomes obvious. The MSO runs finance, HR, IT, marketing, intake, real estate, procurement, and vendor management. The law firm alone controls client selection, legal strategy and decisions, attorney/client relationships, and fees. That bright line is both the ethical guardrail and the business model.

Finally, structure can account for distribution and culture. In one transaction we worked on, the founding lawyer de-risked at close, moved to board chair, and the MSO scaled operations. Because the documents

were clean, the MSO began distributing profits to lawyers and to key non-lawyer staff who could have never previously held equity within the firm. That is new in law, and it changes retention. It also captures the point of this white paper: get the structure right, and the economics and talent flywheel begins to work in your favor.

I liken the modern MSO to a "professionalization engine." Properly designed, it enables founders to tap outside expertise without compromising professional judgment. I often point to models already tested in healthcare, where the separation between physician practices and management companies has long been accepted by regulators. What we're doing now in legal is applying 30 years of learning from healthcare to an industry that needs the same modernization.

The Guardrails – Lucian Pera

My starting point is always the same: structure is ethics. An MSO is not a goal—it's a tool. Start with a real business plan, then build the structure that serves it. Too many deals begin with documents before strategy. Every successful partnership begins with clarity on growth, ownership, and succession, and then utilizes the MSO to make that plan a reality.

The second principle is framing. Think of the MSO as a vendor, not an owner. Law firms already outsource a wide range of work, including process serving, e-discovery, IT, accounting, and more. They've done this for years. The MSO simply consolidates those functions under a single, coordinated agreement. The non-lawyer can't control your practice of law. They can't tell you how to represent clients. The goal is administrative leverage, not shared control.

Two central questions arise in nearly every interaction with founders and investors: fee sharing and control. Those are the red lines that decide whether a structure is compliant or collapses.

On fees, it's simple. The MSO cannot receive a percentage of attorney fees, firm revenue, or firm profit. Such fee sharing will instantly kill any deal. Assume a fixed fee per month or per year – that is not fee sharing, assuming it's rationally tied to the value of the services provided by the MSO. The Texas Commission on Professional Ethics confirmed the same rule in Opinion 706, with no revenue-based payments, and co-ownership with non-lawyers only if the MSO itself doesn't practice law.

Control is the second fault line. No investor or business partner can direct client representation, case strategy, or settlement decisions. Those remain the exclusive domain of licensed lawyers.

What investors can influence is everything else: marketing, technology, analytics, HR, and finance. Those functions belong in the MSO and can be managed by business professionals, freeing attorneys to focus on lawyering. A good MSO should let lawyers practice more law and less management.

I, like many others, see the MSO as a retention mechanism. Key executives – the CFO, COO, and marketing director – can hold equity in the MSO, which they would not be able to hold in the firm. That structure creates the "glue": incentives that keep top business talent engaged while respecting ethical boundaries. There is a war for talent in these key functions, and MSOs create a critical incentive structure to attract and retain talent.

Overall, in practical terms, compliance must be embedded within the documents. The Management Services Agreement should:

- Confirm that the law firm remains 100 percent lawyer-owned.
- Identify the non-legal services the MSO will provide.
- Use fixed or cost-plus compensation formulas not tied to revenue. Whatever the basis, do what you can to rationally tie the payments due to the MSO to some market-related value.

- Mandate that the law firm and its lawyer management have the right and obligation to supervise the work of the MSO—after all, it's a vendor to the firm supporting its practice.
- Create clear governance and reporting lines, and carefully evaluate the incidents of control that the MSO will have over the business of the law firm.
- Have the MSO clearly commit to not interfere in any way in the practice of law by the law firm or its lawyers.
- Even if the MSO manages the law firm's funds and accounts (under supervision), treat the firm's trust accounts with more care and direct control by the law firm.

So, it comes down to this: educate first, plan second, structure third. I regularly field calls from founders who want to draft before they've defined what they're building. Too many start with documents instead of the plan, so we always return to the business basics. This is typically where I insist that we all go back to the drawing board and examine the business objective—this alignment and clarity is the root from which I work.

Finally, my colleagues and I situate all of this within the context of national reform. While law-firm MSOs are consistent with the rules of every US jurisdiction, some states have gone further, allowing direct nonlawyer law firm ownership. The continued success of these programs is helping to establish a context in which close relationships between MSOs, their owners, and firms may seem less threatening.

States like Arizona and Utah have already proven that nonlawyer participation can coexist with ethical integrity. DC has allowed nonlawyer ownership since 1991. Puerto Rico has approved a new rule permitting nonlawyer ownership scheduled to go into effect in January 2026. 'Regulatory sandbox' programs, which may be willing to approve some forms of nonlawyer ownership and have been in place in Utah for several years, are going into effect in fall 2025 in Washington state and are being considered in other jurisdictions.

The MSO is a legitimate instrument of professional modernization—a way for lawyers to practice better, not a way for investors to practice law.

Trish, Josh, and I all agree: The firms that succeed in this new environment will be those that have a strong business plan, get the structure right, and get the ethics right.

Every founder considering private capital needs to know where the legal line is, who can help them navigate it, and how to build a structure that will withstand regulatory scrutiny. Done right, the MSO and ABS frameworks don't dilute the profession; they professionalize it. They allow law firms to attract capital, build sustainable leadership teams, invest in technology, and reward the people who make the firm great, all without compromising independence.

If you build it right, you can have both: professional integrity and investor confidence.

Trisha Rich is a nationally recognized litigator and preeminent authority on legal ethics, regulation, and the business of law. With two decades of courtroom experience in complex commercial disputes, business torts, and partnership litigation, she has led high-stakes trials and appellate matters while also counseling law firms, legal tech companies, and investors on regulatory compliance, data governance, and structural innovation.

As leader of Holland & Knight's national Legal Profession team, Trish routinely guides clients through emerging frameworks like ABS and MSO partnerships. She frequently serves as outside general counsel to law firms and law-adjacent enterprises, overseeing everything from conflicts and privilege issues to sensing defense, fee arrangements, and firm-level transitions.

Trish is deeply engaged in bar leadership and ethics discourse. She is currently First Vice President of the Chicago Bar Association (set to become president in 2026), and is a past president of the Association of Professional Responsibility Lawyers.

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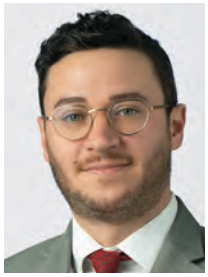

Josh Porte is a partner in the Nashville office of Holland & Knight, where he advises clients on mergers, acquisitions, divestitures, joint venture agreements, and other strategic business transactions. He focuses particularly on private equity firms, investors, and legal service providers seeking to structure investments in law firms and other legal services businesses, combining deep knowledge of ownership and regulatory issues unique to the legal industry with hands-on deal experience.

Josh is widely recognized for his work on MSO- and ABS-related transactions, helping clients navigate complex ownership and professional responsibility rules, deploy capital, and scale legal operations. Beyond legal services, he also advises on acquisitions and investments across healthcare sectors, including dental, medical, and physical therapy enterprises, and he writes and speaks frequently on law firm innovation and legal industry transformation.

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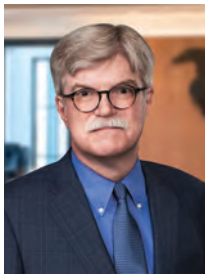


Lucian T. Pera is a nationally recognized authority on legal ethics, lawyer regulation, and the evolving business of law. As a partner with Adams & Reese LLP in Memphis, he represents lawyers, law firms, investors, and organizations that do business with lawyers across the country on high-stakes issues spanning professional responsibility, compliance, and innovative legal service models. He advises clients on novel business relationships with lawyers and law firms—especially structures like MSOs and ABSs.

Lucian also litigates in areas including media law and commercial disputes. He holds a J.D. from Vanderbilt University and an A.B. from Princeton.

For over 30 years, Lucian has shaped the profession's rules and debates. He was among the youngest members of the ABA "Ethics 2000" Commission that overhauled the ABA Model Rules of Professional Conduct, now in place in every US jurisdiction. He later chaired the ABA's Center for Professional Responsibility. He has received the Michael Franck Award, the ABA's highest honor in legal ethics, for his distinguished service in the field.

www.adamsandreese.com

Part 3: The Future Is Now

The Economics and Ethics of the MSO Model—A Perspective from Corporate Law Buy and Builds

By Britt Gary, Co-founder and Partner, Catalex Network

When I think about what's happening right now in law, particularly in personal injury, it's hard not to call it transformative. For the first time, lawyers are starting to separate two things that have always been intertwined: the business of running a firm, and the practice of law itself.

That distinction is at the heart of why the MSO model matters. For decades, most lawyers saw their practice as equivalent to their business. They didn't separate the legal work from the operational work, even though they're entirely different skill sets. The beauty of the MSO is that it finally distinguishes those two worlds. It creates a structure that allows the business behind a law firm—the engine that empowers lawyers to practice—to stand on its own. That's what makes it investable.

And it makes perfect sense. I'm a lawyer by training. I have a J.D., I've spent summers at firms, and I'm barred—but I never learned about how to run a business in law school. None of my peers did either. Law school teaches you how to be a great practitioner, not how to manage people, technology, or capital.

That's what makes this moment so exciting. The MSO model doesn't just make law firms more investable; it makes them more sustainable. It allows lawyers to focus on what they went to school to do: practice law. And it provides them with a stronger business foundation to build upon.

Creating Real Enterprise Value

When you separate the business from the practice, something powerful happens: you create an asset with retained equity value. A firm that used to live or die by its founding partners can now outlive them. It becomes a going concern—something you can buy, sell, or scale just like any other professional service business.

That's a huge deal. It means law firms can now attract more potential buyers, not just other lawyers. It also means that value can be measured and traded based on multiples of earnings, just as it is in accounting, dentistry, or healthcare.

To put that in perspective, plumbers, HVAC operators, and dental practice owners are getting seven or eight times their net income for their businesses. Now, for the first time, lawyers can do the same.

And the opportunity is bigger than most realize. The average solo practitioner in America bills just two and a half hours a day. The rest of the day is spent on administrative work—billing, HR, IT, payroll, marketing, and compliance. That's not practicing law; that's running a small business without the support it needs. The MSO model gives that time back. It professionalizes the business side, allowing lawyers to focus on clients, efficiency, and results.

That shift creates value in two directions: for clients, who get better service, and for lawyers, who can finally monetize the non-legal work they've been doing for years without realizing it.

A Mindset Shift in the Market

In personal injury, we're already seeing the MSO model gain traction. It's become increasingly familiar. For a while, some lawyers resisted the idea of breaking out their business functions. They didn't see intake, marketing, or case management as services in their own right. But that mindset is changing.

Today, with technology platforms, automation tools, and analytics transforming how cases are sourced and managed, the MSO model is not only accepted—it's becoming expected. It's natural for investors and founders alike to look at the law firm as two parallel engines: one legal, one operational.

And we're not starting from scratch. The MSO structure has existed for years in other industries—medical and dental, especially. Accounting has followed the same pattern. Each time, the initial skepticism gave way to comfort once people saw the model in action. Accounting is a great example: it has similar "key person" risk, where client relationships drive revenue, but once the first few consolidations proved stable, investment accelerated. The same thing is happening now in law. Investors have seen success in other professional services and are applying those lessons here.

Why Teaming with Investors Works

The benefits of outside investment depend on the size and maturity of the firm. For the large, established PI firms—those with a significant market share and possibly their own AI tools—the value comes from scale and sophistication. Investors can help them transition from regional dominance to a national strategy, providing expertise in M&A, integration, and capital structure.

For mid-sized firms, investment can unlock the next level of growth—access to marketing resources, data systems, and leadership talent that would be hard to build internally. And for smaller firms, it's about acceleration. These founders suddenly gain the ability to compete with the largest firms in their markets, leveraging shared services, technology, and capital they could never access on their own.

That capital matters. PI firms, in particular, face long cash cycles. They carry costs for months before cases settle. Having an investment partner who can bridge that gap, on fair terms, is invaluable.

Ethics, Valuation, and the Road Ahead

On the ethics front, there may be some misunderstanding. My partner likes to say, "There's no opinion on you not running a stop sign." In other words, you don't need a formal opinion to tell you something is compliant when it doesn't violate the rules.

That's what we're seeing with the MSO structure. It doesn't share fees, it doesn't include non-lawyer ownership, and it doesn't cross into the practice of law. That's why it doesn't run afoul of Rule 5.4. The key is simple: as long as the MSO isn't controlling legal decisions or retroactively changing fees, it stays compliant.

Some states are already clarifying this. Texas, for example, has made it clear that while it won't recognize Arizona's ABS model, it has no problem with a lawyer owning a service entity that supports their firm. That's the MSO model. Even the most conservative jurisdictions are showing comfort with it, and that's a great sign for where this is going.

From a valuation standpoint, we're still early, but we're seeing patterns. Smaller firms in both PI and boutique corporate law are generally valued between three- and five-times EBITDA. Larger firms can push that higher, into the high single digits. The largest PI platforms—those with strong brand equity and robust systems—can achieve seven to ten times earnings.

As platforms of multiple MSOs emerge, those valuations will climb even higher. Scale reduces key-person risk and increases predictability, which drives higher multiples. Over time, as these structures mature, they'll command the same kind of valuations we see in accounting and healthcare today.

The Early Adopter Advantage

Every industry that goes through consolidation follows a familiar curve. The early adopters are the ones who benefit the most. They get in before the playbook is widely understood, and they help shape it.

Right now, law is in the first or second inning of that curve. There's still enormous white space ahead. Think about it: the U.S. legal market is roughly $400 billion. Compare that to the plumbing or electrical industries, which are a fraction of that size but have already gone through multiple waves of private-equity consolidation.

The firms that move first will define the market. They'll get better terms, more favorable structures, and access to investors who understand partnership rather than control.

And those early partnerships, when they're executed well, create compounding value. You get three levers of growth: multiple expansion, revenue growth, and operational efficiency. Scale brings better margins. Shared back-office functions reduce costs. And with the right MSO structure, you can grow faster and more profitably.

Where We're Headed

Transformation is happening right now. The firms that lean in early will build the platforms everyone else joins later. They'll attract the right capital, the right partners, and the right culture.

In time, we'll look back and realize that this wasn't just a financial innovation—it was a professional one. It gave lawyers back their focus, allowed them to practice law at a higher level, and turned their firms into enduring enterprises.

That's what makes this moment so exciting. The MSO model isn't just about private equity. It's about re-imagining what's possible in law and building a bridge between legal excellence and business excellence that can finally stand the test of time.

Britt Gary is an attorney, investor, and operator helping redefine how law firms grow and scale. A graduate of the University of Virginia School of Law, Britt has built his career at the intersection of capital and professional services—bringing operational rigor and investment discipline to the business of law.

He has led business units exceeding $150 million in revenue at DaVita, served as a board observer and advisor to private equity aggregator strategies—including the first law-firm MSO—and stepped into the CEO seat to turn around and reposition under-performing businesses.

As co-founder and managing partner of Catalex Network, Britt partners with attorney-owners to professionalize operations, attract growth capital, and build firms that endure. His work focuses on bridging investment and ethics, helping lawyers achieve scale without sacrificing independence.

www.catalexnetwork.com

Part 3: The Future Is Now

Operating in the New Era: Inside an ABS Law Firm

By Nic Edgson, CEO and Managing Attorney, Big Auto Accident Attorneys

When I first started practicing law, I never imagined I would be running a firm with non-lawyer ownership. Like most attorneys, I viewed law as a closed system: you build your practice, you bill your hours, you grow your team. Capital, investment, and business alignment seemed like foreign concepts.

Today, that has changed. I serve as CEO and managing attorney of Big Auto Accident Attorneys, a firm built under Arizona's Alternative Business Structure model. We are a fully licensed Arizona law firm with non-attorney ownership, operating inside a regulated framework that brings together capital and business leadership within the legal profession.

For me, it has been a transformative experience that combines the rigor of practicing law with the strategic challenge of building a business.

How the ABS Works Day to Day

When we launched Big Auto, we started from scratch. No legacy brand. No inventory of cases. No existing marketing pipeline. That meant we had to build the law firm and the business infrastructure simultaneously while deploying outside investment capital responsibly. This capital was not theoretical. It was real money from serious investors who wanted to know:

- Where will the money be spent?
- How will it be used to scale and grow the business?
- What data supports your decisions?
- How will you measure efficiency, performance, and growth

These may be new questions for lawyers. Many firms, even large established ones, do not track their data rigorously enough to answer them. But if you want to work with institutional capital, it's a must. Investors expect transparency, accountability, and measurable performance. For us, that created an early challenge: how to share meaningful data with investors without compromising client confidentiality or ethical obligations?

We spent months preparing a viable solution with our ethics counsel, compliance attorney, and investor teams. We defined exactly what data could be shared and what could not. We set up access controls and redaction systems. We built a bridge that allowed investors to monitor business performance while keeping client information fully protected.

It was not easy. There was a lot of trial and error at first in choosing the right case management platform, designing visualization tools, and learning how to extract operational data without identifiers. But after a few years, it has become a smooth process. We can deliver real-time data to our partners while maintaining the confidentiality and integrity of each case the firm handles.

That is what the new world of ABS looks like: not chaos or compromise, but collaboration.

Why Capital Matters

I have always been drawn to the business side of law, incorporating best practices to run a practice both profitably and ethically. But like most lawyers, I spent years in models that limited that potential.

In a traditional firm, especially a personal injury practice, you shoulder enormous costs. Salaries, expert fees, marketing spend, case expenses—and all of it before you ever see revenue. It is capital-intensive, and until recently, banks were the only real source of capital.

Banks lend money, but they do not build businesses. Private equity is different. It is partnership capital, a way to bring in business acumen, growth strategy, and operational sophistication, not just dollars.

When Arizona approved ABS ownership, I saw the opportunity immediately. I had already been around the early conversations, watching the rules being drafted and speaking with mentors who were part of the first wave. When the chance came to help launch Big Auto, I jumped in.

I was most excited for the chance to work with business professionals outside of the legal profession, many of whom had wild success before partnering with an ABS law firm. Partners who could help us grow responsibly, measure our progress, and create something durable.

Building a Team with Capital from Day One

Because we had investor backing, we could build the right foundation from the start. Many founders I know who hang their own shingle spend the first few years wondering if they will make payroll. They hesitate to hire, to invest in technology, to take risks. For us, the mindset was completely different. From day one, it was:

- Where do we need to invest to scale?
- How do we structure departments for growth?
- What systems and dashboards will support informed decisions?

That is the power of partnership capital. It gives you breathing room and discipline. Every dollar has to be justified, tracked, and aligned with long-term performance.

My background in sports shaped my approach. I am a football guy; I believe in building teams, not silos. Running a firm is a team sport. You need the right people in the right seats, and you need capital to bring in top talent, technology, and systems that can support growth.

The Data Layer: What Capital Expects (and Firms Need)

A few years ago, before Big Auto, I connected with John Nachazel and Mike Morse at Mike Morse Law Firm in Detroit. They wrote Fireproof, which teaches lawyers how to run a firm like a business using data, analytics, and forecasting.

Their framework changed the way I thought about my legal career, in that I could take a law firm from unpredictable to widely profitable. Later, when I began working with private equity partners, I realized the overlap. The same KPIs that drive strong law firms are the ones investors rely on to value them. If you can fireproof your firm, you will be an attractive option for strategic investment or even acquisition. For personal injury firms, here are some of the essential KPIs:

- **Case acquisition cost (CAC):** What does it cost to get a signed case?
- **Total number of wanted leads:** How many leads to fit your case criteria (car or truck accident, slip and fall, dog bite, etc.)?

- **Total signed cases per day:** Number of converted wanted leads
- **Lost leads:** Number of wanted leads that you did not convert
- **Conversion rate:** % of wanted leads that are signed
- **Time on desk:** How long has a case been open?
- **Dollars per day:** How much is that case costing you to operate per day?
- **Operational costs/budget:** What does it cost to run your law firm?
- **Average settlement:** Gross settlement value
- **Average fee:** Gross attorney fee revenue
- **Days to disburse:** Number of days from settlement to fees being disbursed
- **Yielding %:** How many signed cases are closed without a fee?
- **Inventory value forecasting:** What is the anticipated value of your current inventory?

These are not academic numbers. They are the backbone of how we operate. Every decision, whether staffing, marketing, or technology investment, ties back to these KPIs.

Investors care about them, but so should founders. They tell you whether your business is healthy, scalable, and predictable.

Two principles guide our approach to data:

1. Protect the law. Client confidentiality and attorney independence always come first.
2. Run the firm like a business. Provide timely, useful data that drives better decisions.

To do both, we built a live dashboard, which we call our "Jumbotron." It is a visualization tool that shows, in real time, the life of the firm: new cases signed, average fee, cycle times, and how we are performing against quarterly goals. What gets measured, gets done. If you cannot see your data, you are flying blind.

Coaching and Culture

If a personal injury founder asked me where to start in preparing for capital, I would say two things: get a coach and know your numbers.

Lawyers are trained to minimize risk, not to build organizations. That mindset has to evolve. The right coach helps you see where you are stuck, what to delegate, and how to create structure around growth. Having someone from the outside hold you accountable and push you beyond day-to-day lawyering is critical.

Once that is in place, build your data infrastructure. Your dashboards and metrics should give you instant clarity:

- How many cases are you signing?
- What is your average fee?
- What is your cost per case?
- Are you on or off track for your goals?

Once you have visibility, you can act. You can identify weak points, test strategies, and make decisions grounded in real data.

How ABS Changed My Perspective

Working in an ABS structure has accelerated my growth more than any other professional experience. It has given me access to people, resources, and ideas that simply do not exist inside traditional firms.

When you collaborate with investors and executives from other industries, such as healthcare, accounting, and technology, you see new ways to solve problems. You see what operational excellence looks like at scale.

Private equity does not come into legal just to write checks. The best partners want to elevate the profession, improve client service, make outcomes more consistent, and build firms that can endure. That has been the biggest shift for me personally: realizing that the goal is not to protect the old model but to professionalize it. We are still bound by the same ethical rules, but now we have the resources to serve clients better.

The Future: ABS and MSO

When Arizona first changed its rules, I expected a wave of states to follow. Three years in, progress has been slower than I thought. But what has happened in Arizona has been overwhelmingly positive.

There is now a network of ABS firms across the state that are smart, ethical, and collaborative. I am part of the National ABS Law Firm Association, alongside leaders like Linda Shely, Don Bivens, and Andy Kvesic, all of whom have helped shape the ethical framework around these models. The culture is collegial and transparent. We share ideas, solve problems together, and focus on raising the bar for everyone.

That is a stark contrast to how some traditional firms often operate. In the old model, some lawyers may keep their playbooks secret, afraid someone will steal an idea. In the ABS community, we trade ideas freely because we know we are building a new ecosystem together.

At the same time, I am watching a growing interest in the MSO model. For many investors, it is a familiar entry point that brings less change to the legal structure but still allows them to deliver operational support. It lets investors participate without altering ownership rules, while still delivering the same benefits of scale, systems, and professional management.

I expect to see both structures grow rapidly over the next few years. They are complementary paths toward the same goal: better legal services, stronger firms, and better outcomes for clients.

What This Means for Firm Owners

If you are a law firm founder reading this, here is the practical takeaway:

- Educate yourself about the models. Learn how ABS and MSO structures work in your jurisdiction. Know what is compliant and what is not.
- Invest in your data. Build dashboards, track KPIs, and understand your firm's economics at a granular level.
- Engage with mentors and peers. Do not go it alone. Connect with others who have already walked this path.
- Think like an investor. Predictability, scalability, and efficiency are what drive value, not just revenue.

Change is coming to legal whether we embrace it or not. The question is who will shape it: those who prepare or those who wait.

For me, stepping into the ABS space has been the most rewarding chapter of my career. I get to practice law, build a business, serve clients better, and help lead an industry through transformation. That combination of ethics, economics, service, and innovation is what will define the next decade of personal injury law.

Nic Edgson is an attorney, CEO, and nationally recognized leader in the legal industry. As Managing Attorney of Big Auto Accident Attorneys, Nic oversees one of the fastest-growing injury platforms in the country, combining elite legal representation with advanced operational systems to deliver consistent, high-quality results for injured clients.

Nic has built his reputation on building teams, client-first advocacy, disciplined execution, and a commitment to raising the industry standard. He has helped thousands of victims recover the compensation they deserve and has won over $50 million for his clients, earning recognition as one of the National Trial Lawyers' top 100 Civil Plaintiff attorneys in the US.

Nic is at the forefront of the industry's shift toward ABS and modern MSO models, advising law firms and investors on how to integrate capital, technology, and operational excellence into traditional legal environments.

Nic earned his J.D. from Arizona Summit Law School and holds a B.S. in Political Science from Idaho State University, where he was a four-year letter-winner in football, an early foundation for the discipline, teamwork, and resilience that define his leadership today.

www.bigauto.com

Closing Thoughts

by Seth Deutsch and Andy Kvesic, Esq.

You can feel it—the shift in energy, the acceleration of opportunity, the sense that the profession you love is on the verge of something bigger.

Every week, investors, operators, and attorneys are forming partnerships that didn't exist even two years ago. The phone calls are already coming. The question is not if they'll reach you, but when.

You won't have the luxury of simply reacting. By the time opportunity knocks, the firms that have prepared will already be under LOI.

Readiness doesn't happen by accident. It's built deliberately, with discipline. It's built by founders who decide that their firm will be measured not just by settlements, but by metrics. It's built by leaders who track their data, train their teams, and run their firms like businesses built to last.

You don't have to sell tomorrow—or ever. You don't have to give up control. But you do have to start thinking like an investor:

- What's my cost per signed case?
- How efficient is my intake?
- What's our average case duration, our staffing ratio, our true margin per attorney?
- What would my firm's numbers look like to someone across the table?

The answers to those questions are your roadmap to options: growth, recapitalization, succession, or legacy.

The lawyers who embrace this new era aren't abandoning the profession's core values. They're strengthening them. As our ecosystem of experts has shared throughout this white paper, ethical structure, operational discipline, and professional capital are not opposites: they're collectively the foundation of a profession that's finally catching up to its own potential.

Every small improvement you make increases your value and reduces your risk. The legal profession has spent decades watching other industries become more sophisticated, data-driven, and investable. It's time for law to lead. You don't need to be the biggest firm. You need to be the one that's ready when opportunity arrives.

The next decade will belong to the firms that professionalize. Those who prepare today will define tomorrow.

So here's your call to action: start. Start with your seven pillars of readiness:

- A clear strategy for where you're going.
- A leadership team that can execute it—and without you, the founder.
- Financials that tell the truth.
- Operations that scale efficiently.
- Revenue that's diversified and recurring.
- Technology that provides visibility and control.
- Documentation and discipline that make your firm transactable.

You don't need to master them overnight. But start somewhere. Pick one area—say, intake. Measure your conversion rate, automate your follow-ups, and track your cost per signed case. Watch how that single improvement cascades through your revenue, your staffing, and your confidence. Then move to the next. Audit your systems. Build your team. Get your data clean. Define your strategy. Every step you take toward readiness increases your options—and decreases your risk.

Whether you're 35 or 65, this is your window to act. Because a decade from now, this transformation won't be new; it'll be normal. The firms that started preparing now will be the ones shaping that future. Every incremental gain compounds. And every bit of progress you make now builds the optionality you'll need later, no matter whether you plan to sell, merge, or simply create a business that runs with less stress. Partnering with Private Equity and outside investors is not for everyone. But outside capital impacts all market participants. Whatever you decide to do, we want you to be prepared. If you need our help, we're here for founders, every step of the way.

*How do I **prepare** my law firm for private equity investment?*
*Who can **represent** me when it's time to go to market?*

Samson Partners Group
Samson Partners Capital

PREPARE

with Samson Partners Group

Get your firm investor-ready – on your terms. Samson Partners Group works alongside law firm founders to prepare their firms for private equity investment, recapitalization, or sale. We focus on strengthening the elements investors value most—without losing sight of your people, culture, or legacy.

WHAT WE DO:

- Assess readiness and value drivers
- Strengthen leadership, operations and financial clarity
- Improve scalability, reporting and governance
- Help founders understand how buyers evaluate law firms

EVRS™
Exit Value Realization System

Our proprietary Exit Value Realization System™ helps owners see their firm through an investor's lens – and take control of the outcome.

EXECUTE

with Samson Partners Capital

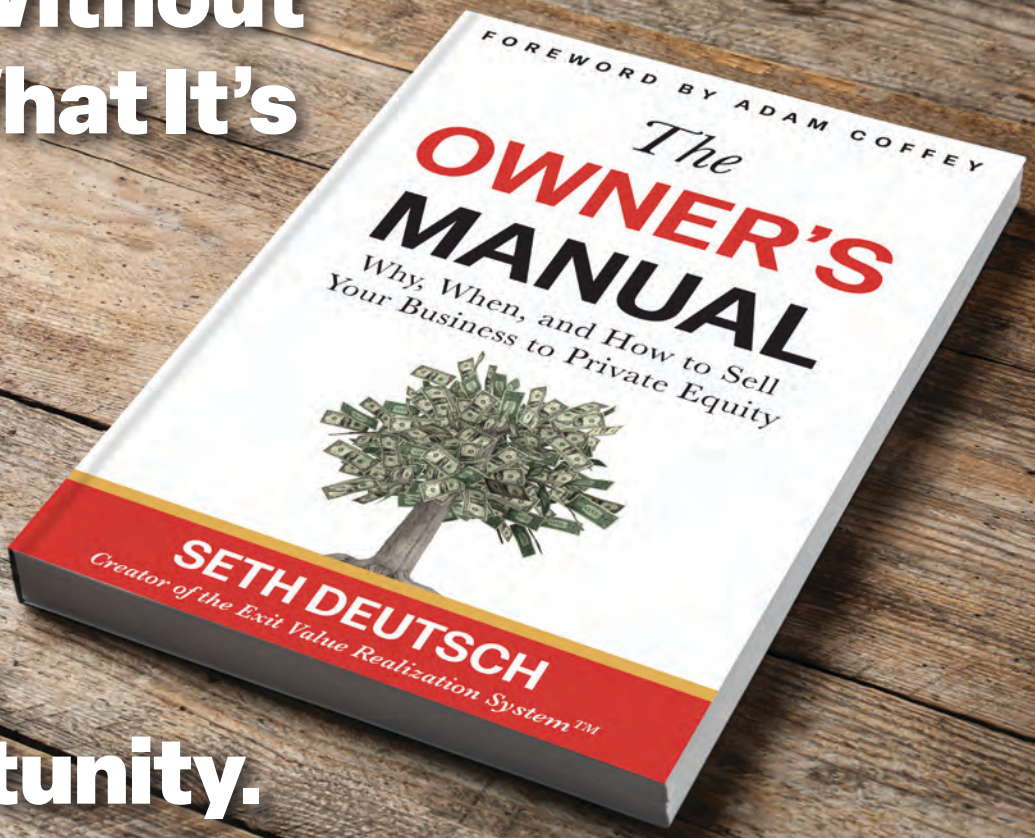
The right partner to take your firm to market
When you're ready to explore outside investment, Samson Partners Capital serves as your operator-led investment bank, managing the M&A process and representing your firm in market.

WHAT WE DELIVER:

- Thoughtful positioning and deal strategy
- Access to hundreds of private equity firms active in legal services
- Guidance on structure, valuation and partner fit
- Advocacy focused on alignment, ethics and long-term success

We don't just run a process – we help you find the right investor for your firm's next chapter.

Would You Sell Your Company Without Knowing What It's Worth?



Turn Ownership Into Opportunity.

Ranked among Amazon's best-selling business books, *The Owner's Manual: Why, When, and How to Sell Your Business to Private Equity* is the must-read book for business owners planning or considering an exit strategy.

Packed with proven insights and practical steps, this guide demystifies the private equity sales process so you can position your company for maximum value. Whether you're just starting to think about an exit or actively planning to sell, this manual gives you the tools to get the most for your life's work.

Ready to get started? We're here to help. Simply complete our EVRS Assessment today and email it to info@samsonpartnersgroup.com.

Order your copy of **The Owner's Manual** on **Amazon** today!

Trusted Counsel at the Epicenter of the PE, MSO and ABS Revolution

Private capital is reshaping the business of legal services. Investors, law firms and advisors are navigating a fast-moving market that blends mergers and acquisitions, financing, operational scale and new regulatory challenges. **Holland & Knight is at the forefront**, advising on the structuring, investment and execution of Management Services Organizations (MSOs), Alternative Business Structures (ABSs) and other next-generation legal platforms.

As a pioneer in this space, we are distinctly positioned to provide nationally integrated, end-to-end support for these transactions entirely in-house. Our integrated team combines deep experience in M&A, private equity, debt financing, tax, employment, litigation, bankruptcy, and legal ethics and regulatory compliance, including nationally recognized leadership in the law governing lawyers.

That combination matters. From diligence and deal design to governance, post-close operations and dispute readiness, we help clients move capital and build durable platforms without sacrificing regulatory integrity, professional independence or enterprise value.

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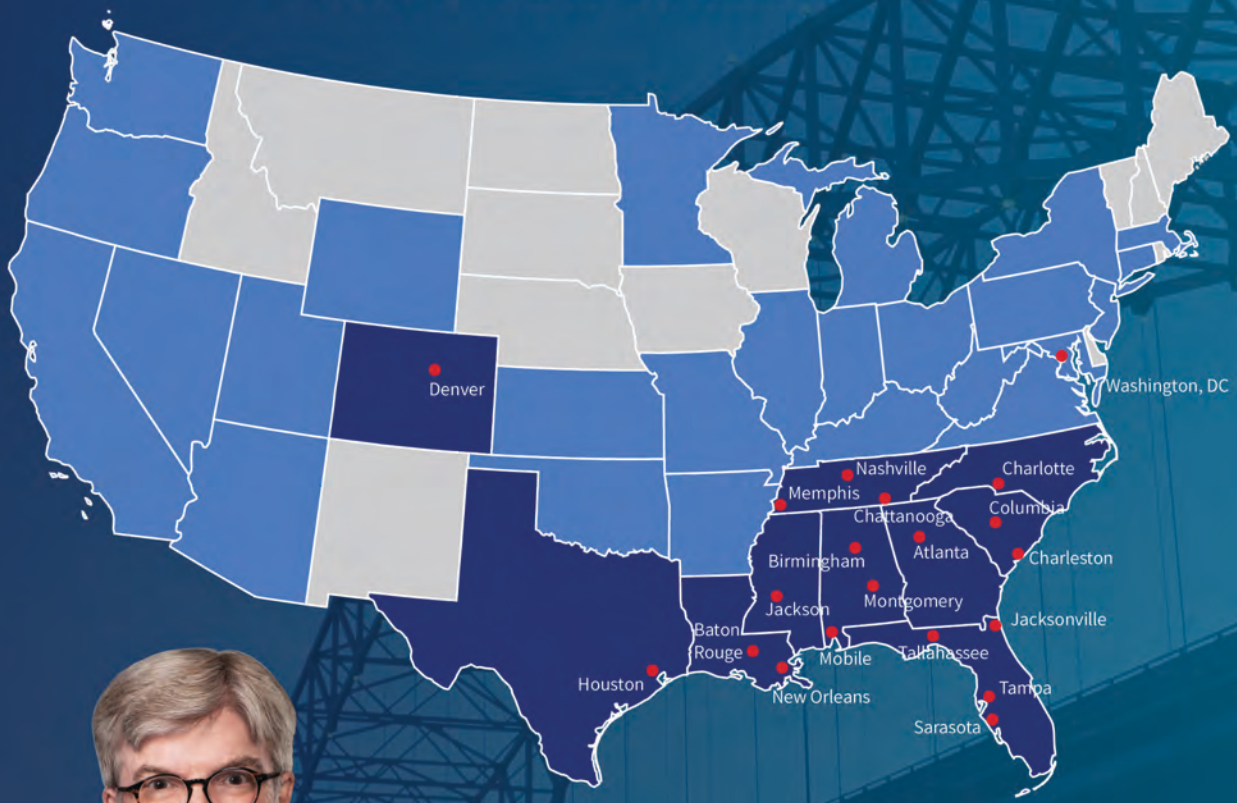

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Chamberlain
MISSION FIRST • PEOPLE ALWAYS

MISSION FIRST, PEOPLE ALWAYS.

For Chamberlain Advisors founder Matt Schachman, being hit by a moped wasn't just an accident – it was an introduction to the inner workings of how personal injury lawyers fight to protect their clients when they need it most.

Chamberlain has worked with PI law firms on non-lawyer roles for years and is a proud member of PELA.

We'll take our knowledge of PI and PE to ensure you have someone to fight for you and your human capital needs as you navigate execution of the PELA PI playbook.

- ☑ Hit by a moped.
- ☑ Trusted by PE for talent.
- ☑ Executive searches for founder-led PI roll-ups for years.
- ☑ Case-to-cash liquidity risk management.
- ☑ Cycle time improvement via people/process/technology.

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CSUITEFP
A RAVIX GROUP COMPANY

Financial leadership for personal injury firms preparing for private equity — and beyond.

CSuite Financial Partners works alongside founders and leadership teams at personal injury law firms to professionalize finance, improve operational visibility, and prepare firms for private equity investment, MSO partnerships, or scaled independence.

We bring hands-on CFO leadership, investor-grade reporting, and practical experience helping PI firms navigate complex growth and transaction environments.

How CSuite Supports Personal Injury Firms

- Stand up investor-grade finance functions (GAAP, accruals, controls)
- Prepare firms for private equity, MSO, and ABS transactions
- Build board-level KPIs and dashboards tied to case economics
- Normalize owner compensation and profitability
- Support diligence, QoE readiness, and post-transaction integration
- Serve as fractional or interim CFOs during transactions and transitions

Why Firms Work With CSuite Financial Partners

CSuite combines deep experience in private equity, professional services, and transaction-driven environments.

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