

In The News

Net, Gross Income Up in 2015 at Munsch Hardt

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With a "blowout" year in real estate and other busy practice areas, net income at Munsch Hardt Kopf & Harr improved by 15.8 percent in 2015 compared with 2014, and gross revenue increased by 2.6 percent.

Phil Appenzeller, chief executive officer of the Dallas-based firm, said in addition to one of the best years ever for real estate, corporate transactions work was up as well in 2015, and bankruptcy and restructuring gained momentum about midyear. He said litigation was stable for the year after the firm lost a few lawyers early in the year who were not replaced, which "gave opportunity for all of the litigators to get busy."

Overall, Appenzeller said, it was a very good year for the firm, which marked its 30th anniversary in 2015.

"Really, all four cylinders of the firm began firing at once," he said in reference to real estate, corporate transactions, bankruptcy and restructuring, and litigation.

The firm's net income was \$22 million for 2015 compared with \$19 million in 2014, and gross revenue hit \$60 million compared with \$58.5 million the year before. Profits per partner averaged \$600,000 in 2015, a 7.1 percent increase from \$560,000 in 2014 and revenue per lawyer averaged \$560,000, up 5.7 percent compared with \$530,000 the year before.

The decline in the price of oil did not affect Munsch Hardt much, he said, because the firm's energy group in Houston primarily consists of litigators, and bad times in energy result in more litigation and bankruptcy work.

"We haven't been into the energy deals side, so the deals that dried up really didn't affect us," he said.

Appenzeller said the firm's hospitality group worked on various hotel and hospitality deals in 2015 valued at more than a billion dollars. The bankruptcy group also represents ERCOT (the Electric Reliability Council of Texas) in the Energy Future Holdings bankruptcy, and the creditor's committee in the Life Partners Holdings bankruptcy. The firm also represented the principal landowner of the Fort Worth Stockyards in a joint venture agreement, he said.

On the expense side, Appenzeller said the firm has been tightening its belt, for instance, by not filling some support positions that opened up when employees retired or left the firm.

In 2015, the firm had a full-time equivalent (FTE) of 107 lawyers, down 2.7 percent when compared with an FTE of 110 in 2014. The firm had an FTE of 75 partners in 2015 compared with an FTE of 81 the year before.

Munsch Hardt's strong financial performance in 2015 follows a year when gross revenue and net income also improved, but by smaller percentage increases.

Editor's note: This report is part of Texas Lawyer's coverage of the 2015 financial results of the 25 highest-grossing Texas-based firms as part of the Am Law 100 and Second Hundred reports. Texas Lawyer will publish its annual report on firm finance on May 2. The American Lawyer, a Texas Lawyer affiliate, will publish full results for The Am Law 100 in May. The Am Law Second Hundred will be published in June.

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