

## *Stroock & Stroock & Lavan Lays Off Associates and Staff amid Slowdown in Big Law Industry*

Stroock & Stroock & Lavan Cuts Staff to Right-Size Amid Slowdown in Legal Industry

### **Firm Lays off Nine Lawyers and 18 Staff After Comprehensive Review of Practice Groups**

Stroock & Stroock & Lavan, one of the largest law firms in the United States, has recently announced layoffs of nine associates and 18 staff members as the firm look to right-size amid what it called a "slowdown" in the legal industry. This move comes after a number of other firms have taken similar steps in the wake of a down year in the legal sector.

The layoffs at Stroock & Stroock & Lavan resulted from a "comprehensive review" of the firm's practice groups and the demand they anticipate for the foreseeable future, the firm said in a statement. The firm stated, "In light of the current slowdown, we determined that we had more attorney and staff resources than we needed for the foreseeable future. Therefore, we decided to separate from nine non-partner attorneys and 18 staff/business professionals, with severance and other support being provided to help ease the transition. We wish our colleagues the best in their future endeavors."

The economic slowdown has hit the legal industry hard, with several firms experiencing layoffs. Firms such as Goodwin Procter, Kirkland & Ellis, Cooley, and Gunderson Dettmer have all announced layoffs in recent months. Many of these layoffs have been at firms heavily weighted towards technology clients, which have themselves slashed budgets and laid off employees.

Firms have often cited an attempt to right-size their lawyer headcounts following a boom in hiring during a record-setting 2021, powered by mergers and acquisitions and capital markets practices. In 2021, the legal industry saw a surge in demand for legal services as a result of the increased activity in the M&A and capital markets sectors. However, as the economy slows, many firms have found themselves with excess capacity, leading to the current layoffs.

Stroock & Stroock & Lavan is the 128th largest law firm by revenue in the US according to AmLaw data, bringing in \$274 million. The firm punches above its weight from a profitability perspective, with its partners earning \$2.3 million on average.

Last year, the firm saw dozens of bankruptcy lawyers depart for Paul Hastings, including nearly 20 partners. Lawyers from that group last month won a plum position as lead lawyers for the creditors' committee in the cryptocurrency exchange FTX's Chapter 11 bankruptcy. Stroock responded months later by hiring six restructuring attorneys from Lusk, Stern & Eisler in New York.

The current round of layoffs at Stroock & Stroock & Lavan reflects the current state of the legal industry. With the economy slowing and demand for legal services decreasing, firms are being forced to make difficult decisions to stay afloat. While it is never easy to lay off employees, these actions are necessary for the firm's long-term survival. The firm wishes all those affected by the layoffs the best in their future endeavors.

In conclusion, Stroock & Stroock & Lavan has recently announced layoffs of nine associates and 18 staff members as the firm looks right-size amid what it called a "slowdown" in the legal industry. The firm cited a "comprehensive review" of the practice groups and the demand they anticipate for the foreseeable future as the reason for the layoffs.