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BUSINESS

Magic circle giant strikes a blow in Manhattan

ILLUSTRATION BY TONY BELL

Clifford Chance is beating US law firms at their own game, winning lucrative work on private equity deals from its New York base

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The view from Clifford Chance's office on the 42nd floor of Two Manhattan West is about as good as it gets in New York. Two months ago, the British law firm expanded its floor space in the sky-scraper to house its growing headcount.

An ostentatious show of wealth? Perhaps. But a bit of spectacle is needed if you're hoping to challenge American legal giants such as Latham & Watkins and Paul, Weiss.

"Obviously our clients are sophisticated, and people that come to our office think it's an enhancing experience," said Neil Barlow, a partner in Clifford Chance's US business.

"But when the door to the conference room shuts and you get down to business, it's about who's in the room. No one's looking out the window."

The £2.4 billion law firm has spent the past few years mounting an expansion across the Atlantic, where it now employs about 500 lawyers across offices in New York, Houston, Washington and Sao Paulo in Brazil. Reports have suggested a West Coast office could be opened, too.

To crack the US market, Clifford Chance has positioned itself as a go-to practice for American buyout barons, launching an aggressive hiring spree that has doubled its headcount of US private equity partners — senior lawyers who advise on mergers and acquisitions for acquisitive funds — in the past year alone.

"The private equity market is huge globally, but the majority of 'dry powder' emanates from the United States," said Barlow. "The market has been surprised at our ability to break into the US elite, especially in the private capital sphere."

Clifford Chance came tenth in Bloomberg rankings of legal advisors for US and global private equity deals over the first half of the year, and was the only British firm to make the top ten on both counts, although its market share slipped slightly against the same six months in 2025.

Private equity is not the only part of the firm's US operation, but it is an increasingly crucial bit of it. With about $5 trillion (£3.75 trillion in assets under management, the US is the home of buy-out businesses. And deals are global in nature, requiring cross-border expertise.

So far, Clifford Chance's lawyers have advised on KKR's purchase of a stake in motorcycle-maker Harley-Davidson, a $27.3 billion capital raise to fund a colossal data centre for Meta, and the acquisition of Sunderland AFC Women by the US sports investment group Bay Collective, among others.

New partners have been poached from firms such as Kirkland & Ellis, O'Melveny, White & Case, and even private equity funds — partners Patrick Scott and Annie Lewis joined in 2025 from KKR and Blackstone.

"Private equity is an area where if you have one or two key relationships with decision-makers in a fund and you move, they will often move with you," said Chris Clark, director of legal industry recruiter Definitum.

Barlow denied that Clifford Chance is simply throwing money at expensive recruits to buy their relationships. "If you take the approach of just going out into the market to buy revenue, that is fairly short-term," he argued. When it comes to the cost of junior lawyers, newly qualified associates in the US are paid the same rate by all the elite law firms, using what is known as the Cravath scale. Pay for a first-year associate currently stands at $235,000, rising with every year of experience they gain.

"We are not driven by headcount. We're not growing for the sake of growing to create scale," said Barlow

It seems to be paying off. The latest accounts for Clifford Chance show its Americas business, which includes its Sao Paulo office in Brazil, grew by almost 20 per cent to £385 million in 2025.

That's smaller than "magic circle" rival Freshfields, which turned over about £500 million in the US in its latest financial year. Allen & Overy, meanwhile, merged with the US firm Shearman & Sterling in 2024, creating a combined business called A&O Shearman that has almost £3 billion in global revenues.

British firms are setting their sights on the US just as US law firms have invaded London, poaching top-performing partners from the magic circle with the promise of astronomical pay and putting the UK's legal giants under pressure.

The US firms have been accused of lighting a fire under pay packages for lawyers; last month, the aggressive litigation firm Quinn Emanuel began handing record salaries of about £190,000 to newly qualified solicitors in London.

Partners at top US practices, can take home annual profits of £5 million to £6 million. Last year, the average earnings of Clifford Chance partners were £2.1 million. "US firms are far more nimble; they make quicker decisions and there's less management structure to block things," said Clark at Definitum. "This can result in an 'eat what you kill', performance-based, meritocratic culture."

Clifford Chance helped US buyer Bay Collective snap up Sunderland AFC Women's team

An analysis of law firms' profits per lawyer, by news site Law.com, found that only one magic circle firm — A&O Shearman — ranked among London's ten most profitable firms, with Freshfields and Slaughter and May dropping out.

"It's a weird scenario we've created where Latham and Kirkland are showing up in London to steal Clifford Chance's clients, and Clifford Chance is going to New York to steal their clients," said a senior US lawyer now based in London.

Both sides love to trade barbs over culture. British lawyers have accused US firms of taking an overly aggressive approach to how they do business while John Quinn, the founder of Quinn Emanuel, suggested in an interview with The Sunday Times this year that Us lawyers "may work harder" than their British counterparts.

Clifford Chance is betting that American clients won't care where their lawyers come from as long as they get the job done. In the US, it has built teams of sector specialists in areas of growing national importance such as infrastructure, energy and defence.

However, the London-based US lawyer believes betting heavily on private equity comes with risks, and not just for Clifford Chance: "You've got a huge number of very large law firms all chasing the exact same target, and this is also one of the areas where you will see the biggest hit coming on the AI side of things.

"You're seeing a rush into the market at the exact same time when consumers of legal services have — for the first time ever — been given some real tools to reduce their legal spend. Private equity firms are not the nicest people when it comes to looking for savings."

This is not the first time Clifford Chance has attempted to crack America. It made its first foray across the Atlantic in the early 2000s when it merged with the New York firm Rogers & Wells.

However, the integration of the two companies was beset with issues. At the outset, US lawyers were irked by relatively poor British pay scales, sparking a wave of defections to rivals at the time.

Its US expansion has not been without issues. Last week, Clifford Chance was dragged into the spotlight when two former lawyers who had worked in a different American division sued the firm, alleging that it was unjustly attempting to reclaim almost $6 million in pay under a partnership agreement after they left to join rival Sidley Austin. Clifford Chance did not comment on the allegations.

And there is still a long way to go before the firm ranks among the biggest players in America. Chicago-based Kirkland & Ellis, for instance, turned over more than $10 billion last year — more than three times the size of Clifford Chance's entire business.

"I wouldn't say this is Clifford Chance conquering the US," said Tony Williams, who formerly led the practice as managing partner from 1997 to 1999, and is now a legal industry consultant.

"But to be holding your own and to be well-regarded in such a competitive market is no mean feat."