Landmark Deal in Legal Industry: Porzio, Bromberg & Newman is the First-Ever U.S. Law Firm to Sell its Legal Technology Subsidiary to Private Equity

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Porzio's sale provides proof of concept for popular law firm growth strategy

Morristown, NJ—Oct. 17, 2022—In what appears to be the first-ever deal of its kind executed in the legal profession—and the most successful realization yet of a business strategy that has been adopted by many of the world's largest law firms—New Jersey-based law firm Porzio, Bromberg & Newman has sold its compliance technology-focused subsidiary business, Porzio Life Sciences, to a portfolio company owned by private equity firms. RLDatix, a leading global provider of healthcare governance, risk and compliance software solutions and services, will buy Porzio Life Sciences in a deal announced today.

Porzio will continue to maintain a strategic relationship with Porzio Life Sciences after the transaction closes in October. The two entities will continue to co-market their respective compliance services and the law firm will continue to offer legal

services through its team of life sciences regulatory attorneys based in New Jersey and Massachusetts. Porzio's lawyers will work closely with Porzio Life Sciences, in which several of the firm's life sciences lawyers will maintain dual employment arrangements with the law firm and the newly spun-off entity.

Porzio, a full-service, 90-lawyer firm that, in connection with Porzio Life Sciences, represents more than 600 life sciences companies – including many of the industry's biggest names – is retaining two additional subsidiary businesses. The firm plans to use one subsidiary, Porzio Compliance Services, to continue to incubate additional business and compliance solutions across a range of industries for future opportunities in the legal technology space.

“This is a great day for our firm and our clients,” said Vito A. Gagliardi, Jr., the managing principal of Porzio, Bromberg & Newman. “Under its new ownership, Porzio Life Sciences will continue to simplify the compliance efforts of pharmaceutical companies and – given our ongoing strategic relationship - complement the legal services we offer. With this transaction, meanwhile, Porzio, Bromberg & Newman has gained new resources to continue developing innovative businesses that solve important problems for our clients.”

In recent years, demand among corporate clients for more efficient services has led many of the largest global law firms to develop subsidiary businesses, often employing technology to serve clients at scale. Notable initiatives in this area include the opening of an accelerator for technology companies, Nextlaw Labs, by Dentons, the world's largest law firm with more than 10,000 lawyers worldwide. An isolated number of these businesses have sold, including, last year, a spinoff of 1,100-lawyer Orrick to the legal spend management startup Brightflag. But never before has a U.S.-based law firm legal technology business been sold to private equity buyers.

Porzio Life Sciences was an early and unheralded forebear of the technology-centered businesses that, according to one industry report, are now being operated by 57 of the world's 100 largest law firms. In the early 2000s, Porzio, Bromberg & Newman used excess capacity at the firm to develop a database tracking the ever-shifting federal and state regulations governing the pharmaceutical industry. That effort evolved into Porzio Life Sciences, a database, software, and solution business that automates transparency reporting and other compliance tasks for a large number of pharmaceutical companies.

John Oroho, the Porzio, Bromberg & Newman lawyer who founded and developed Porzio Life Sciences, will join Porzio Life Sciences under its new ownership as President & General Manager, Life Sciences Division, and Porzio Life Sciences will retain its brand . “The success of Porzio Life Sciences, and the resulting sale, is a testament to what lawyers and law firms can do when they invest in opportunities to better and more efficiently serve their clients,” Oroho said. “Porzio Life Sciences will always be built from the law. I am grateful for the opportunity to have founded and developed this company with Porzio, and I am excited to see how we can continue to grow together in this new relationship.”

Porzio, Bromberg & Newman will continue to operate its two additional subsidiary businesses, Porzio Compliance Services and Porzio Governmental Affairs. Under the Porzio Compliance Services umbrella, the firm will retain another component of its life sciences work—one focused on assisting pharmaceutical companies with distribution and licensing issues. Overseen by Porzio, Bromberg & Newman principal (and registered pharmacist) Frank Fazio, the Porzio Distribution and Licensing business line will continue securing licenses for pharmaceutical distribution and addressing distribution challenges across the United States. Porzio, Bromberg & Newman, likewise, will continue to nurture businesses that meet the legal needs of clients in the pharmaceutical industry and beyond.

Fairmount Partners acted as the financial advisor to Porzio and Porzio Life Sciences and Alston & Bird served as legal counsel, along with Porzio Principal, David Carlson, who served as in-house counsel.

About Porzio, Bromberg & Newman, P.C.

Porzio, Bromberg & Newman is one of the most highly regarded law firms in the state of New Jersey, with more than 90 lawyers across eight offices: Morristown, NJ; Princeton, NJ; Ocean City, NJ; New York, NY; Westborough, MA; Wilmington, DE; Philadelphia, PA; and San Juan, Puerto Rico, where we operate as Porzio, Bromberg & Newman (PR), LLC.