

Baker Tilly merges in Squar Milner

Two major CPA firms, Baker Tilly and Squar Milner, are joining forces, with the combined firm likely to become one of the 10 largest accounting firms in the U.S. when the deal takes effect on Nov. 1.

Baker Tilly, based in Chicago, ranked No. 12 on *Accounting Today's* 2020 list of the Top 100 Firms, with \$754.8 million in annual revenue. The firm has 42 offices, approximately 350 partners and 3,600 employees. Squar Milner, headquartered in Irvine, California, ranked No. 40 on *Accounting Today's* list, with \$130 million in annual revenue, approximately 80 partners and 650 employees. It has nine offices, mostly in California, which will expand Baker Tilly's presence on the West Coast, as the combined firm will operate under the Baker Tilly name. Financial terms of the deal were not disclosed.

Baker Tilly US is part of the Baker Tilly International network of accounting firms. It was formerly known as Baker Tilly Virchow Krause, but shortened the name to emphasize the brand of the London-based network. The deal is probably the biggest expansion since Baker Tilly Virchow Krause combined with another Top 100 Firm, Parente Beard, in 2014. With the addition of Squar Milner, the combined firm will have 4,300 professionals.

"We are creating a new organization with substantial scale — a true combination of two leading advisory CPA firms that are forward-thinking and future-leaning," Baker Tilly CEO Alan Whitman said in a statement Thursday. "Together we are driving progress for a new world, combining our knowledge and expertise to guide our clients through anything."

The deal will add eight California offices to Baker Tilly, including one in San Diego, three offices in the Silicon Valley and the Bay Area, three offices surrounding Los Angeles, along with Squar Milner's headquarters in Orange County. Squar Milner also has an office in the Cayman Islands.

"We are still very much dedicated to serving our California communities, and we are delighted to have the coast-to-coast and global advantage," Squar Milner managing partner Stephen Milner said in a statement. "Our firms are like-minded in our commitment to our clients, support for our profession and putting people at the center of it all."

Baker Tilly US is the biggest member of the Baker Tilly' International network, the 10th largest global network of independent accounting and business services firms. The combination will expand Baker Tilly's footprint, giving

it a bigger presence in San Francisco and Los Angeles, on top of its existing operations in financial centers like New York, Chicago and London.

“This combination can be a game-changer for our profession as Baker Tilly approaches that significant revenue threshold of \$1 billion,” said Koltin Consulting Group CEO Allan Koltin in a statement. “They have scale to innovate and stay ahead of the curve while keeping their entrepreneurial and agile edge. Alan Whitman and Steve Milner make a great team.”

Baker Tilly has done a number of M&A deals in the past two years, expanding into Texas and making several strategic acquisitions in the data analytics, municipal advisory, global forensic accounting, valuation and litigation services, and outsourced accounting areas. In March, it acquired the data analytics firm Talavant. Last year, Baker Tilly expanded to Dallas by adding Top 100 Firm Montgomery Coscia Greulich LLP and completed a three-way combination with municipal advisory firms H.J. Umbaugh and Associates CPAs LLP and Springsted Incorporated. In late 2018, Baker Tilly added global financial investigations firm RGL Forensics and expanded to Houston with the addition of MiddletonRaines+Zapata.



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