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## Marcum, Friedman to Merge, Creating \$1 Billion Mid-Market Firm

By Amanda Iacone 2022-05-03T19:01:56000-04:00

- Combined firm aims to dominate Chinese audit market in U.S.
- Bigger firm looks to support staff, technology investments

Marcum LLP and Friedman LLP said Tuesday they will merge later this year, aiming to grow their middle-market business and create one of the largest accounting firms in the country.

The merger will expand the firms' ability to provide public company audits and serve clients better in emerging areas such as digital assets and cybersecurity. The combined firm, which would be ranked No. 12, with more than 3,400 professionals, would also be among the largest to serve Chinese companies listed in the U.S., the firms said in a statement.

Together the firms will operate under Marcum's banner, and Marcum's current Chairman and CEO Jeffrey Weiner will continue to fill those roles for the newly merged firm, which they said is expected to bring in \$1 billion in revenue this year.

The deal, set to close this summer, marks the second major merger announced this year. BKD LLP and Dixon Hughes Goodman LLP, now FORVIS LLP, announced their deal in [February](#).

With similar service lines and industry practices in real estate and construction, the two New York-based firms have been "friends" for years, Weiner said in an interview.

"Sometimes timing is everything," he said. "I think the world has gotten complex enough and firms have gotten complex enough with technology needs and capital needs and talent needs and regulatory requirements that it just became the right time for the two firms to get together."

Staff learned of the merger plans over the past two weeks, and partners are expected to ratify the deal, he said.

Marcum has [dominated](#) the audit market for special purpose acquisition companies, and Friedman increasingly has worked with SPAC audit clients amid a boom in the use of what's considered a fast track to taking a company public.

No changes are in store for the firms' work with blank-check companies, Weiner told Bloomberg Tax.

Both firms also work with clients with operations in China and Asia more broadly, and the new Marcum will double down on that market despite threats that many of those companies could be barred from trading on U.S. exchanges.

Combined, the new Marcum will most likely be the largest auditor of middle-market Chinese companies registered in the U.S., Weiner said.

The move will also give Marcum the revenue it needs to invest in its professional staff through [salaries and benefits](#) and in the digital technology they increasingly rely on to do their jobs. "We need the financial muscle to be able to provide the benefits that people can get elsewhere. Otherwise we're going to lose them," Weiner said.

—With assistance from Nicola White in Washington.