

Texas Powerhouse: Kirkland & Ellis

Kirkland & Ellis LLP hasn't had roots in Texas for long, only moving into the market in 2014, but it made quick work of establishing a reputation for handling some of the biggest energy deals statewide, including a recent \$12 billion combination that created one of the largest offshore drillers in the world.

In the past 12 months, according to firm data, Kirkland's attorneys have advised more than 100 clients on energy deals that are valued at more than \$80 billion combined, helping the firm land among *Law360's* 2019 Texas Powerhouses. The firm's biggest clients include Total, Energy Capital Partners, Repsol, Warburg Pincus, The Blackstone Group and Kohlberg Kravis Roberts.

Matthew R. Pacey, a partner in Houston, highlighted the complex

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Lee Albritton, Legal Recruiter

work Kirkland is capable of handling by pointing to a deal that was announced in June where the firm represented C&J Energy Services in a \$1.8 billion merger with Keane Group. “It’s a different skill set when you’re merging two public companies together, rather than someone is just buying a division or a private company,” he said. “That’s an area historically that’s ... been dominated by New York-based firms, but this was done by Houston lawyers.”

But Anna Rotman, who leads Kirkland's litigation practice in the Houston office, said the firm has more to offer than top-notch attorneys who can handle blockbuster energy deals.

“I think our niche in the market is we’re a big law firm that actually knows how to try cases, and that’s unique in Texas,” she said, explaining much of that work has been outsourced to litigation boutiques in the past few decades. “So if our clients — or companies that aren’t yet clients — are thinking ‘who can be my trial lawyer in Texas?’ ... a big law firm that’s based in Texas can be on that list again.”

The Chicago-based firm has Texas offices in Dallas and Houston and a total of 15 outposts worldwide, including in London, Paris, Munich, Beijing, Hong Kong and Shanghai.

Kirkland has 192 attorneys in Houston and a total of 2,054 attorneys firmwide. And its roots in the state extend deeper than its offices in Dallas and Houston, as the firm boasts it represented 100 Texas-based companies in deals in 2018.

Austin-based legal recruiter Lee Albritton, a principal of Amicus Search Group, said Kirkland is a “standout firm.”

“It is the most successful, bar none, of all the out-of-state entrants to the market,” he said. “They have nearly 200 lawyers in Houston already, which makes them bigger than some of the homegrown firms, and they’ve only been in the city since 2014.”

In October, Kirkland's Texas attorneys represented Houston-based Rowan Co. PLC in a \$12 billion combination with Ensco PLC, a deal that created one of the largest and geographically diverse offshore drillers in the world.

Houston-based Encino Acquisition Partners was represented by Kirkland in a \$2 billion deal that closed in November, in which it purchased all of Chesapeake Energy's Utica Shale energy assets. Pacey said that deal sticks out to him because of the “very difficult financing market” the attorneys had to overcome.

“The company brought us in specifically for that reason, given our depth,” he said. “We were able to help them secure the necessary financing to close that deal.”

In June, the Fifth Circuit handed Kirkland attorneys a win on behalf of client Linn Energy, in a case where senior secured lenders had alleged the company owed more than \$34 million in default interest. Rotman said that case is also a good example of the type of work Kirkland attorneys are known for.

“Ultimately, we prevailed in the bankruptcy court ... then went to district court and they affirmed, and then the Fifth Circuit affirmed again,” she said, noting the federal appellate court recently declined to rehear the matter. “But I think it’s

illustrative of our type of practice because it is a case that involves a fair amount of money, that is a very complex contract interpretation case that required relentless lawyering in round, after round, after round.”

Kirkland also represented Neiman Marcus in a lawsuit brought by Marble Ridge Capital that alleged the high-end clothing retailer fraudulently transferred more than \$1 billion in assets beyond the reach of the retailer’s creditors. Kirkland attorneys successfully had that suit dismissed and cleared the way to bring counterclaims against Marble Ridge for defamation and business disparagement.

Anthony Speier of Kirkland in Houston said despite uncertainty creeping into the energy transactional

market, he’s confident the firm and its attorneys are in position to keep doing top-notch work for clients.

“Generally, energy is pretty disfavored in the equity markets right now,” he said. “But at the same time, all these companies need money, so in terms of our work, all of those dynamics play into our strength. ... Our sweet spot, if you will, is dealing with more complicated situations, so the market, for us, is good right now.”

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