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Texas M&A Dealmakers in 2019: Kirkland & Everyone Else

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Law Firm Texas M&A Activity				
2019 Q1-Q3 (By Count)				
Ranking	Law Firm	Value (US\$M)	Deal Count 2019	Deal Count 2018
1	Kirkland & Ellis	33,541	91	81
2	Locke Lord	6,794	36	35
3	Latham & Watkins	33,179	33	29
4	Vinson & Elkins	22,926	33	54
5	Jones Day	2,110	24	38
6	Ropes & Gray	1,638	24	15
7	Gibson, Dunn & Crutcher	9,090	23	32
8	DLA Piper	3,578	23	33
9	McGuireWoods	2,146	22	22
10	Baker Botts	20,279	21	31
11	Weil Gotshal & Manges	76,711	20	28
12	Sidley Austin	7,509	20	26
13	Norton Rose Fulbright	1,053	17	15
14	Goodwin Procter	3,707	16	15
15	Shearman & Sterling	67,444	15	17
16	White & Case	16,136	15	13
17	Hunton Andrews Kurth	6,334	15	9
18	Willkie Farr & Gallagher	1,820	15	13
19	Akin Gump Strauss Hauer & Feld	3,406	14	23
20	Haynes and Boone	1,320	14	24
21	Morgan Lewis & Bockius	400	14	13
22	Bracewell	9,685	13	18
23	Paul Weiss Rifkind Wharton & Garrison	47,747	12	12
24	Simpson Thacher & Bartlett	17,848	12	19
25	Cravath, Swaine & Moore	89,612	11	3
26	Davis Polk & Wardwell	5,731	11	13
27	Winston & Strawn	2,996	11	10
28	Alston & Bird	57,754	10	6
29	Pillsbury Winthrop Shaw Pittman	10,073	9	13
30	Katten Muchin Rosenman	68	9	12

Source: Mergermarket

In a year when mergers, acquisitions and joint ventures in Texas are down significantly, lawyers at Kirkland & Ellis are actually expanding their position as the go-to M&A law firm for businesses in the state.

The number of M&A transactions involving Texas-based companies as the buyer or seller shrank 18.5% during the first nine months of 2019, but the number of deals handled by

Kirkland jumped 12%, according to new data by the independent research firm Mergermarket provided exclusively to The Texas Lawbook.

By contrast, 17 of the top 30 corporate law firms saw the number of transactions they handled in Texas during the first nine months of this year declined or stayed the same, Mergermarket reports. Five firms are down double-digits in deal count from 2018. Kirkland is the only firm in the top 30 up double-digits.

Kirkland represented the buyer or seller in 91 Texas transactions with a total deal value of \$33.5 billion. The firm's lawyers were lead legal advisors in 13 of the 50 largest M&A deals between Jan. 1 and Sept. 30, including Hillcorp's \$4 billion acquisition of BP's Alaska

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operations, SemGroup in its \$3.6 billion sale to Energy Transfer Partners, Callon Petroleum's \$2.9 billion purchase of Carrizo Oil and Gas, BC Partner's 50% acquisition of Advance Computer Software for \$2.4 billion and ArcLight Capital's \$2.2 billion purchase of nearly three-fourth's ownership of Third Coast Midstream.

"We've been very fortunate to have a nice spread of deals," said Kirkland's Andy Calder. "Our team in Texas has been extremely busy and a lot of our lawyers in other offices outside of Texas have worked on a lot of Texas deals, too."

Mergermarket reports that lawyers at Kirkland did nearly as many transactions involving Texas companies as the next three highest ranked law firms combined.

Locke Lord ranks second with 36 deals under the belt of its lawyers so far in 2019, including advising Comstock Resources in its \$2.1 billion acquisition of Covey Park Energy and NextEra Energy Partners in its \$1.28 billion purchase of 39% of Central Penn Line.

Two energy powerhouses – Latham & Watkins and Vinson & Elkins – tied for third with 33 transactions each during the first nine months of this year.

Latham increased its M&A deal count in Texas from 29 during the first three quarters of 2018 with a combined price tag of \$33.1 billion. The Los Angeles-founded firm which has 85 lawyers in Houston represented Sinclair Broadcast Group in its \$9.6 billion acquisition of Fox Sports Net, Pembina Pipeline in its \$1.5 billion purchase of the Cochin Pipeline from Kinder Morgan and UGI Energy Services in its \$1.27 billion acquisition of Columbia Midstream group.

Houston-based V&E's 33 transactions are actually down from 54 deals during the same period in 2018. V&E advised Buckeye Partners on tax matters in its \$10.2 billion sale to IFM Investors and Targa Resources in its \$1.6 billion sale of Targa Badlands to Blackstone Group. The global law firm Jones Day worked on 24 Texas transactions so far this year – down

from 38 in 2018 – a 36.8 decline. The biggest surprise in this quarter's Mergermarket data is fifth ranked Ropes & Gray, which ranked 21 last year with 15 deals in Texas during the first nine months. So far this year, the Boston-based law firm has worked on 24 Texas transactions.

Most of the Ropes & Gray's deals were small to mid-market with an average value of \$68 million. By contrast, Weil Gotshal & Manges ranked 11th with 20 total deals valued at \$76.7 billion or an average of \$3.8 billion a transaction.

Six other law firms – Gibson, Dunn & Crutcher, DLA Piper, McGuireWoods, Baker Botts, Weil and Sidley Austin – were involved in 20 M&A deals or more involving Texas businesses.

Mergermarket legal advisory rankings take one factor into account: The companies or private equity firms either buying or selling must be headquartered in Texas.

The lawyers for the law firms working on the transactions do not have to be based in Texas.

In fact, 10 of the 30 top law firms ranked by deal value – including Cravath, Fried Frank, Wachtell Lipton, Freshfields and Davis Polk – have no Texas offices at all. Cravath did 11 transactions with a total price tag of \$89.6 billion.

More than half of the deals handled by Kirkland involved no lawyers in either its Dallas or Houston offices.

One final note: Paul Weiss, which is headquartered on Sixth Avenue in Manhattan, was involved in a dozen transactions involving Texas companies with a combined value of \$47.7 billion. Multiple sources tell The Texas Lawbook that Paul Weiss is planning to open a Texas office in the next few months.

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