

# The Texas Lawbook

Free Speech, Due Process and Trial by Jury

## Thirteen Years of Texas M&A: Three Law Firms, 2,000 Deals, \$2 Trillion

December 5, 2019 | MARK CURRIDEN

Total M&A Texas-Based Companies (2007-2019)*			
Ranking	Company Name	Deal Count	Value (US\$m)
1	Vinson & Elkins	771	800,713
2	Kirkland & Ellis	662	399,296
3	Latham & Watkins	518	796,793
4	Norton Rose Fulbright**	426	116,235
5	Jones Day	417	361,455
6	Baker Botts	370	580,583
7	DLA Piper	358	67,373
8	Weil Gotshal & Manges	321	731,056
9	Akin Gump	310	214,147
10	Andrews Kurth Kenyon	305	178,408
11	Locke Lord	300	109,913
12	Bracewell	297	376,557
13	Haynes and Boone	280	34,796
14	Skadden Arps	228	528,000
15	Gibson, Dunn & Crutcher	210	285,677
16	Simpson Thacher & Bartlett	197	614,128
17	White & Case	196	751,182
18	Ropes & Gray	174	119,801
19	Sidley Austin	171	149,752
20	Sullivan & Cromwell	165	851,686
21	Cleary Gottlieb	165	616,925
22	Morgan Lewis & Bockius	157	117,409
23	Baker McKenzie	156	59,414
24	Wilson Sonsini	147	37,881
25	Davis Polk & Wardwell	144	346,569
26	Thompson & Knight	140	62,603
27	Willkie Farr & Gallagher	138	72,098
28	Goodwin Procter	138	28,909
29	Shearman & Sterling	135	511,311

Source: Mergermarket

\* 2019 transactions through Nov. 12

\*\* Includes pre-merger transactions for Fulbright & Jaworski

In mid-October, Kirkland & Ellis partners Sean Wheeler and Doug Bacon represented Parsley Energy in its \$2.27 billion purchase of Jagged Peak Energy, which was advised by Vinson & Elkins partner Steve Gill.

That same week, V&E partners Danielle Patterson and Keith Fullenweider and Kirkland partners John Pitts and Cyril Jones were the legal advisors for Momentum Midstream and Indigo Natural Resources in their \$2.25 billion

sale of assets to DTE Energy.

Just a week earlier, Latham & Watkins partner Ryan Maierson represented Warburg Pincus-backed Citizen Energy Operating in its \$1 billion acquisition of Roan Resources, which hired V&E partners Steve Gill and Alan Beck as its lead counsel. Warburg Pincus used Kirkland's Adam Larson and Kim Hicks as its legal advisors.

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2007			
Ranking	Law Firm	Deal Count	Value (US\$m)
1	Vinson & Elkins	77	84,451
2	Latham & Watkins	40	42,375
3	Fulbright and Jaworski	39	25,638
4	Baker Botts	34	132,694
5	Andrews Kurth Kenyon	31	26,705
6	Skadden Arps	28	74,143
7	Jones Day	25	13,638
8	Kirkland & Ellis	24	62,445
9	Weil Gotshal & Manges	21	14,675
10	Dewey & LeBoeuf	20	66,917
11	DLA Piper	19	2,157
12	Akin Gump Strauss	17	19,331
13	King & Spalding	17	5,293
14	Locke Lord	17	3,504
15	Simpson Thacher & Bartlett	15	65,094
16	Blake, Cassels & Graydon	15	21,653
17	Cleary Gottlieb	14	53,279
18	Hunton Andrews Kurth	14	44,765
19	Cravath, Swaine & Moore	13	69,622
20	Sullivan & Cromwell	12	75,763
21	Bracewell	12	14,492
22	O'Melveny & Myers	12	13,658
23	Stikeman Elliott	12	10,961
24	Gibson, Dunn & Crutcher	12	6,004
25	Fried Frank Harris	11	92,825
26	Dechert	11	45,936
27	Wilson Sonsini	11	828
28	McDermott Will & Emery	10	46,774
29	Baker McKenzie	10	2,615
30	Davis Polk & Wardwell	9	55,014

Source: Mergermarket

2009			
Ranking	Law Firm	Deal Count	Value (US\$m)
1	Vinson & Elkins	34	22,456
2	Jones Day	24	2,304
3	Baker Botts	22	18,653
4	Akin Gump Strauss	19	11,338
5	Latham & Watkins	18	62,465
6	Baker McKenzie	18	5,091
7	Fulbright & Jaworski	17	10,496
8	Andrews Kurth Kenyon	16	12,983
9	DLA Piper	16	2,156
10	Skadden Arps	15	61,477
11	Weil Gotshal & Manges	15	45,201
12	Kirkland & Ellis	15	1,897
13	Cleary Gottlieb	13	50,376
14	Locke Lord	13	1,841
15	Bracewell	13	1,415
16	Sullivan & Cromwell	12	56,896
17	Haynes and Boone	11	5,435
18	Wilson Sonsini	11	1,040
19	Dewey & LeBoeuf	10	11,953
20	BakerHostetler	10	11,192
21	Davis Polk & Wardwell	9	46,931
22	O'Melveny & Myers	9	981
23	Alston & Bird	8	6,698
24	Hunton & Williams	8	4,181
25	Porter Hedges	8	1,938
26	Cravath, Swaine & Moore	7	84,482
27	Debevoise & Plimpton	7	3,345
28	Freshfields	7	537
29	Greenberg Traurig	6	40,717
30	Mayer Brown	6	7,431

Source: Mergermarket

More and more, lawyers at Kirkland, Latham and V&E – three of the most profitable and expensive law firms operating in Texas – see each other across the table in the biggest M&A deals in the Lone Star State.

In fact, *Texas Lawbook* research shows that at least two – and a few times all three – of those law firms represented clients in the same mergers, acquisitions and joint ventures involving Texas-based companies nearly three-dozen times the past two years.

But new data also shows that the dominance of the trio of law firms in Texas dealmaking is far from a new trend. The numbers are staggering.

During the past 13 years, V&E, Kirkland and Latham combined have been involved in nearly 2,000 M&A transactions in Texas valued at just shy of \$2 trillion, according to data provided exclusively to *The Texas Lawbook* by the independent financial research firm Mergermarket.

“These are three elite corporate law firms that have gained the trust and loyalty of some of the biggest companies and private equity funds in the world – companies and funds that do a lot of business in Texas,” says Chicago law firm consultant Kent Zimmermann.

“These are three law firms that are in direct competition with each other for talent and clients, but they are successful because they are different,” Zimmermann says.

To be sure, other corporate law firms operating in Texas have done their fair share of dealmaking.

Eight Texas-based law firms – Norton Rose Fulbright, Baker Botts, Akin Gump, Hunton

Andrews Kurth, Locke Lord, Bracewell, Haynes and Boone and Thompson & Knight – worked on 2,205 transactions over the 13 years that had a combined price tag of \$1.6 trillion.

Between 2007 and 2014, corporate lawyers at Akin Gump, Andrews Kurth, Baker Botts, Bracewell and Fulbright regularly ranked in the top 10 in Mergermarket’s top law firms for deal counts. None of those five firms has been in the top 10 more than twice during the past five years.

One exception is Locke Lord, which has found a niche doing mergers and acquisitions for middle market businesses. Locke Lord actually ranks fourth during the past four years in deal count with 163 M&A transactions valued at \$40.9 billion.

Three large global law firms – Jones Day, Weil, Gotshal & Manges and DLA Piper – also rank high in the Mergermarket rankings. In fact, those three rank fifth, seventh and eighth in Texas deal count for law firms during the past 13 years, representing clients in 1,096 deals valued at \$1.2 trillion.

There are two measurements for M&A transactions: deal count and deal value. For example, since the start of 2007, DLA Piper lawyers worked on 358 transactions with an average value of \$188.3 million. Weil handled three-dozen fewer deals over the same time period, but the average price tag of those transactions exceeded \$2.27 billion.

Three elite national law firms – Gibson, Dunn & Crutcher, Sidley Austin and Shearman & Sterling – barely registered on the Mergermarket charts for Texas M&A between 2007 and 2015.

All three law firms made significant lateral

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2013			
Ranking	Law Firm	Deal Count	Value (US\$m)
1	Vinson & Elkins	67	71,844
2	Kirkland & Ellis	45	19,659
3	Latham & Watkins	44	66,917
4	Bracewell	34	48,442
5	Akin Gump Strauss	34	14,968
6	Jones Day	32	17,386
7	DLA Piper	31	7,256
8	Weil Gotshal & Manges	30	64,893
9	Norton Rose Fulbright	30	2,451
10	Andrews Kurth Kenyon	27	22,162
11	Baker Botts	24	40,420
12	Simpson Thacher & Bartlett	23	51,189
13	White & Case	20	56,077
14	Haynes and Boone	19	2,047
15	Skadden Arps	16	22,799
16	Baker McKenzie	16	2,101
17	Morgan Lewis & Bockius	15	2,766
18	Gardere Wynne Sewell	15	657
19	Wachtell	14	54,299
20	Cleary Gottlieb	13	12,559
21	Locke Lord	12	10,508
22	Thompson & Knight	12	3,079
23	McDermott Will & Emery	11	6,985
24	Ropes & Gray	11	1,896
25	Alston & Bird	10	34,696
26	Stikeman Elliott	10	2,241
27	Sullivan & Cromwell	9	15,586
28	Paul Weiss	9	6,656
29	Gibson, Dunn & Crutcher	9	5,878
30	Greenberg Traurig	9	2,643

Source: Mergermarket

2016			
Ranking	Law Firm	Deal Count	Value (US\$m)
1	Kirkland & Ellis	86	62,501
2	Vinson & Elkins	65	95,315
3	Latham & Watkins	51	87,179
4	Locke Lord	42	13,742
5	Weil Gotshal & Manges	36	135,375
6	Norton Rose Fulbright	35	2,319
7	DLA Piper	32	8,867
8	Haynes and Boone	32	2,124
9	Jones Day	31	37,168
10	Akin Gump Strauss	27	19,648
11	White & Case	26	244,546
12	Andrews Kurth Kenyon	26	7,515
13	Morgan Lewis & Bockius	23	7,320
14	Sidley Austin	22	11,688
15	Baker Botts	21	14,527
16	Ropes & Gray	21	11,473
17	Bracewell	21	9,275
18	Skadden Arps	18	76,889
19	Davis Polk & Wardwell	17	59,448
20	Hogan Lovells	16	11,459
21	Willkie Farr & Gallagher	16	7,122
22	Goodwin Procter	16	2,218
23	McDermott Will & Emery	16	979
24	Gibson, Dunn & Crutcher	15	31,342
25	King & Spalding	15	2,961
26	Sullivan & Cromwell	13	213,067
27	Paul Weiss	13	15,840
28	Jackson Walker	13	210
29	Cleary Gottlieb	12	17,682
30	Thompson & Knight	12	7,683

Source: Mergermarket

hires in their Houston, Dallas and Austin offices the past three years and have made significant inroads into the Texas M&A community. In fact, Gibson Dunn and Sidley have been in the top 10 for deal count each of the past two years and Shearman has been in the top 10 for deal value.

The very same day in October that the Warburg Pincus-backed Citizen Energy Operating transaction was announced, lawyers at Gibson Dunn, Latham and Baker Botts were finalizing a \$6.2 billion deal for Hess Global Infrastructure Partners.

Latham partners Thomas Brandt and Bill Finnegan represented Hess Global Infrastructure Partners. Gibson Dunn partner Hillary Holmes advised a conflicts committee of Hess Midstream. Baker Botts partner Josh Davidson worked for the financial advisor, Intrepid Partners. Holmes, it should be noted, was previously a partner at Baker Botts and Finnegan was a partner at V&E.

## The New Big Three

For decades, Baker Botts, Fulbright and V&E were viewed as “The Big Three” and dominated M&A and litigation legal work in Texas.

But Mergermarket data makes it clear that there is a new “Big Three” in Texas for corporate transactions work: Kirkland, Latham and V&E.

Between Jan. 1, 2007, and Nov. 12, 2019, the three corporate law firms were the legal

advisors in 1,951 M&A transactions involving Texas-based companies and private equity firms – deals with a combined value of \$1.996 trillion.

No other law firms even come close to handling the volume of M&A activity of those three. And the gap has only grown wider during the past four years.

“Our lawyers see lawyers from Kirkland and Latham on the other side most of the time,” V&E Chairman Mark Kelly said in an interview earlier this year.

The Mergermarket data, which tracks every M&A transaction involving a Texas company as the buyer, seller or third party, gives extraordinary insight into dramatic shifts that have taken place in the Texas corporate legal world since the Great Recession of 2008.

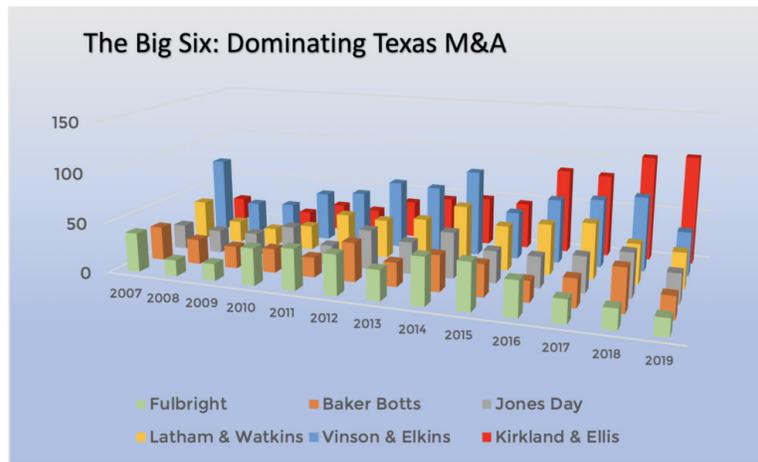
The starting point in this story is 1001 Fannin Street in downtown Houston – the headquarters of Vinson & Elkins.

No legal practice has represented more Texas businesses in M&A activity during the past dozen years than V&E, a 102-year-old Houston-based law firm.

Since 2007, V&E lawyers have worked on 771 transactions with a combined price tag of \$800 billion.

Long known for its ties to the oil and gas industry, V&E did 77 deals in 2007 valued at \$84.4 billion – which was nearly double the number of transactions handled by Fulbright & Jaworski, Baker Botts or any other law firm

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operating in Texas. That year, for example, V&E represented the private equity firm TPG Capital for its role in the \$45 billion leveraged buyout of TXU Energy.

Legal industry analysts say V&E's dominance can be explained in three points:

- **The firm has more corporate transactional lawyers in Texas than any other law firm;**
- **The shale revolution and energy boom played directly into V&E's strength; and**
- **V&E learned decades ago the strategic importance of placing its lawyers in-house with its clients as general counsel, who then hired their old colleagues at V&E to do their legal work.**

"Our alumni are very important to the firm, including those who go in-house," Kelly said.

The strategy paid off. Between 2007 and 2014, V&E lawyers worked on 431 M&A transactions valued at \$442.1 billion, according to Mergermarket.

Norton Rose Fulbright was a distant second with 264 during the eight-year span. Baker Botts followed with 224 deals. Andrews Kurth had 204 transactions. Bracewell did 183 deals, while Akin Gump did 165.

But V&E and the entire Texas corporate legal market witnessed a significant shift starting in 2010 when Latham opened an office in Houston by hiring away top partners from V&E, Baker Botts and other firms.

Soon, other top national law firms, such as Sidley, Simpson Thacher and Gibson Dunn,

followed. All grew by poaching lawyers from the Texas-based firms.

Latham and Sidley grew quickly and steadily.

For example, Latham averaged 20 deals per year in Texas between 2007 and 2010, but more than doubled its deal count after it opened a Houston office. In fact, Latham ranked in the top five for most M&A activity in Texas every year since 2010.

Mergermarket reports that Latham lawyers have represented clients in 518 M&A deals in Texas with a total value of \$796.8 billion during the past 13 years.

Then came April 2014.

Kirkland opened its first Texas office in Houston. The firm stole Andrew Calder away from Simpson Thacher, and then Calder convinced scores of other top corporate lawyers from a handful of other corporate law firms to join him.

In 2014, Kirkland ranked third in the Texas M&A rankings, working on 49 deals compared to 87 by V&E, according to Mergermarket.

Kirkland strategically used its prestigious bankruptcy and restructuring legal practice to catapult its M&A practice. For example, Kirkland lawyers in New York and Chicago led the \$45 billion restructuring of Energy Future Holdings between 2014 and 2018, but the firm's Houston lawyers handled several major multibillion-dollar M&A deals that resulted from the bankruptcy.

In 2015, V&E's lead evaporated. The Houston-based firm worked on 48 Texas transactions, while Kirkland did 47 and Latham handled 45.

A year later, Kirkland claimed the No. 1 spot, handling 86 Texas deals compared to 65 for

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2019*			
Ranking	Law Firm	Deal Count	Value (US\$m)
1	Kirkland & Ellis	109	36,421
2	Vinson & Elkins	44	28,901
3	Locke Lord	38	6,794
4	Latham & Watkins	36	39,352
5	Jones Day	29	3,440
6	DLA Piper	28	4,119
7	Ropes & Gray	26	1,638
8	Gibson, Dunn & Crutcher	24	14,191
9	McGuireWoods	23	2,161
10	Baker Botts	22	20,279
11	Sidley Austin	22	8,709
12	Weil Gotshal & Manges	21	86,091
13	Willkie Farr & Gallagher	21	8,286
14	Goodwin Procter	21	3,952
15	White & Case	19	20,588
16	Shearman & Sterling	18	71,951
17	Norton Rose Fulbright	17	1,053
18	Morgan Lewis & Bockius	17	511
19	Akin Gump Strauss	16	3,619
20	Haynes and Boone	16	1,320
21	Hunton Andrews Kurth	15	6,332
22	Bracewell	14	8,629
23	Simpson Thacher & Bartlett	13	23,748
24	Davis Polk & Wardwell	13	5,731
25	Paul Weiss	12	47,747
26	Pillsbury	12	10,253
27	Cravath, Swaine & Moore	11	89,612
28	Alston & Bird	11	57,754
29	Winston & Strawn	11	2,996
30	King & Spalding	10	439

Source: Mergermarket

\* Through November 12

V&E and 51 for Latham.

In July 2018, Kirkland opened an office in Dallas and its share of the M&A market has been breathtaking.

So far in 2019, Kirkland has handled 109 Texas M&A transactions – a new record by a law firm

in a single year and more than double runner-up V&E, which has handled 44 deals involving Texas-based companies or private equity firms.

“You cannot help but be awed by what Kirkland has done,” Zimmermann said.