

Texas Powerhouse: Gibson Dunn

By Kelly Knaub

Law360, New York (June 24, 2014, 5:22 PM ET) -- Gibson Dunn's 50-lawyer Texas team may be smaller in ranks than other national law firms with a strong foothold in the state, but its ability to play above its weight class has earned it a reputation as having one of the most sophisticated litigation practices in the region.

The firm boasts an array of case wins and high-profile deals, including last year's \$32 billion MetroPCS Communications Inc. merger with T-Mobile USA Inc., and in recent years it has brought on some of Texas' most noteworthy figures, including Ron Kirk, a former Dallas mayor who also served in President Barack Obama's cabinet.

Gibson Dunn's prowess in complex litigation, known most for its antitrust and intellectual property practices, and its top-notch mergers and acquisitions practice, which has a large private equity component and oversees both energy and non-energy deals, have earned the firm a spot among Law360's list of Texas Powerhouses.

Although the team has grown substantially since 2011 — the year Dallas managing partner Robert C. Walters joined — he told Law360 that Gibson Dunn doesn't have any ambitions or aspirations to become huge.

"We want to practice at an elite level, and that means having nothing but elite, high-profile partners," Walters said. "I learned a long time ago that if you have nothing but elite partners who all have an independent profile, this is a relatively easy business. But if you don't, it's a very difficult business."

Walters, a former leader and management committee member of Vinson & Elkins LLP and former executive vice president and general counsel at Energy Future Holdings Corp., said that the firm competes with different rivals in the state for different things.

In its big-ticket controversy work, Gibson Dunn is up against firms like Kirkland & Ellis LLP, Cravath Swaine & Moore LLP, Quinn Emanuel Urquhart & Sullivan LLP and Sidley Austin LLP, and Texas firms less frequently, Walters said, although it periodically competes with some Texas boutiques. When it comes to its M&A dealings, Gibson Dunn often finds itself facing off against the likes of Wachtell Lipton, Paul Weiss and Shearman & Sterling LLP.

In just the past two months, the litigation powerhouse has racked up some impressive wins, including successfully defending EFH against a \$470 million lawsuit brought by the Sierra Club for alleged

violations of the Clean Air Act at the Big Brown Steam Electric Station in Freestone County, Texas, convincing a Texas federal judge to vacate a multimillion-dollar antitrust verdict on behalf of Dallas-based One Technologies LP, and obtaining dismissal with prejudice of a consumer class action against Dallas-based Mary Kay Inc.

Dallas partner Karl Nelson is a key player on the team handling the fallout cases on behalf of Wal-Mart following the firm's U.S. Supreme Court win in *Wal-Mart v. Dukes* — the largest employment discrimination class action in history — including winning a dismissal with prejudice of a regional class in Texas.

Nelson joined the office in 1990, six years after it was founded by corporate lawyer Thomas Magill — who came from Gibson Dunn's California office to plant its Texas roots — and real estate lawyer Dwight Nye, partners who have since retired from the firm. Shortly after the arrival of Nye, who came from now-defunct Johnson & Gibbs PC, a group of seven lawyers joined the Dallas office from a firm named Coke and Coke, which at the time was the oldest law firm in Dallas but was in the process of disbanding.

Nelson told Law360 that the business market in Dallas has changed substantially over the years, noting that there's increasingly a national and international focus. He said the firm now has a very strong appellate practice, which it didn't have when it opened its doors, and that the corporate M&A practice focuses more on private equity clients these days.

In March, the firm successfully persuaded the Texas Supreme Court that Luminant Energy Co. LLC — the state's largest provider of electricity — did not breach a series of wind energy contracts and can therefore pursue a multimillion-dollar award of actual damages on remand. Gibson Dunn also convinced the Fifth Circuit to rule in favor of Belo Corp. in one of the most prominent disputes impacting the interests of media companies in Texas, and secured a unanimous Texas Supreme Court reversal of the Dallas Court of Appeals in favor of Oncor Electric Delivery Co. LLC — the largest electricity transmission and distribution system in Texas.

Sean Royall, co-chair of Gibson Dunn's antitrust practice — one of the largest in the country — said that the antitrust group works across numerous industries and is not limited in that aspect. Royall, who previously served as deputy director of the Bureau of Competition at the Federal Trade Commission, represented Apple Inc. in a prominent case brought against the company by the FTC for allegedly letting children rack up charges without their parents' consent on mobile applications downloaded through the App Store. The parties reached a settlement in January that was favorable to Apple.

"Antitrust is a very important practice group for our firm, and it crosses a number of different dimensions," Royall said. "We have a very strong litigation practice. We were voted litigation department of the year twice. We litigate in courts all over the country — it's a very important part of our litigation practice."

The firm also has a strong global M&A practice, which is co-chaired by Jeffrey A. Chapman, who led the firm's representation of MetroPCS in its \$32 billion combination with T-Mobile — one of the largest reverse mergers in history.

Chapman said the deal, which was very sophisticated and challenging, involved cross-border transaction negotiating with the Germans representing T-Mobile's parent company Deutsche Telekom AG, as well as a lot of corporate governance and financing issues.

“I think the most challenging aspect was negotiating fairly sophisticated and extensive corporate governance provisions with our German counterparts,” Chapman said.

“We approached it in a fairly vigorous, offensive way. We were aggressive in our positions, and so were the Germans,” he said.

Gibson Dunn’s Dallas corporate team represents a litany of other prominent, locally headquartered clients, including Lone Star Funds, Brazos Private Equity Partners LLP, D.R. Horton and American Airlines Inc.

Chapman represented Lone Star Funds in its \$1.3 billion acquisition of DFC Global Corp., its \$700 million acquisition of Lafarge’s North American gypsum assets and its \$560 million acquisition of the Winn-Dixie supermarket chain. He has also represented Continental Building Products Inc. in its \$190 million IPO. His fellow M&A partner, Robert Little, guided Berkshire Hathaway Energy’s power business MidAmerican Energy Holdings Co. in its \$10 billion acquisition of NV Energy Inc., and Woodbine Holdings LLC — an E&P company with properties in the Woodbine Shale formation of East Texas — in its sale to a Chinese buyer for about \$560 million, believed to be the first sale of an oil and gas operating interest to a Chinese company.

Walters said the firm has an unabiding commitment to quality, pointing out that while it has a very strong Texas presence, perhaps the firm’s blend of its Texas relationships and its national clientele is what sets it apart. And culturally, it’s an extraordinary place, he said.

“This firm makes sure that the right expertise goes to work on the client problem regardless of location or any other issue,” Walters said, whether it’s in Palo Alto, or New York, or in Munich.

“Our goal was to assemble a group of rock-star partners — a really elite group of partners — and every one of our partners practices in what they do at the very highest level. And each one of them has a profile separate and apart from the firm itself,” Walters added. “I think that’s what has made us really successful. And that’s what we’re intent on going forward with.”

--Editing by Jeremy Barker and Philip Shea.