

Texas Powerhouse: Haynes And Boone

By **Jess Krochtengel**

Law360, Dallas (September 26, 2017, 3:45 PM EDT) -- A half-billion dollar trial win against a Facebook subsidiary and crucial appellate victories for energy titans Exxon Mobil and BP highlight the formidable litigation strength of Haynes and Boone LLP over the past year.

The firm's court prowess, a banking and finance group that helped set up tens of billions of dollars' worth of secured financing and a capital markets practice that advises on middle-market transactions for Fortune 500 clients, private equity firms and independent companies across Texas have propelled Haynes and Boone LLP to a spot as one of Law360's Texas Powerhouses.

Founded in Dallas in 1970, the firm grew quickly to become one of the largest and best respected across Texas, where it today has 370 lawyers across offices in Austin, Dallas, Fort Worth, Houston, Richardson and San Antonio. The firm's growth never stopped at the Texas border, and it now has 15 offices that span the coasts and the globe, including in London and Shanghai.

The firm today is "national in presence and global in scope," as managing partner Tim Powers put it, yet its Texas base is an essential part of Haynes and Boone's structure and culture.

The firm's four core areas are energy, technology, private equity and financial services, which includes banking and finance, real estate, restructuring and bankruptcy. Under those umbrellas, the firm develops both the business and litigation sides of the practice, which generate business for their counterparts while also attracting stand-alone clients.

An ethos of teamwork is pervasive at the firm, enshrined in its compensation structure for partners and taken seriously from the highest echelons of the firm down to the newest associates.

"Partners have every incentive to make sure the right expertise is brought to bear at the right price," said Mark Trachtenberg, administrative partner for the Houston office. "Our system is designed to deliver the right expertise at the right price. That's a competitive advantage for us and it contributes to keeping a stable partnership at Houston and across the firm."



Among the firm's recent client victories was its work as co-counsel for video game developer ZeniMax Media Inc., which in February won a \$500 million jury verdict against Facebook Inc.-owned Oculus VR LLC in a Texas federal trial that had all of Silicon Valley buzzing.

"It doesn't get much bigger than that," Powers said.

And the more than 80-member strong litigation department features one of the state's largest appellate groups. In March, Haynes and Boone appellate lawyers were among the group that convinced the Fifth Circuit to affirm a take-nothing judgment for a BP PLC unit in a \$266 billion False Claims Act suit that saw the company accused of making misrepresentations to the government about a Gulf of Mexico oil production facility.

"Given the stakes, it was a monumental win to be able to put this case to bed for this client," Trachtenberg said.

Other appellate highlights include two Texas Supreme Court victories in unrelated employment disputes for client Exxon Mobil Corp., both of which reversed the rulings of lower appellate courts. An intermediate appellate court sided with Exxon, Shell Oil Co. and Pennzoil-Quaker State Co. in a case of first impression that protects the right of energy companies to contest liability and cleanup orders issued by the state's environmental agency under the Texas Superfund law.

The firm's busy bankruptcy group has handled 280 cases in the past five years, including representing helicopter manufacturer Erickson Inc. and portrait studio retailer TPP Acquisition Inc. through the confirmations of their respective Chapter 11 plans this spring.

Rick Anigian, co-chair of the litigation department, said it's a source of pride within the firm that litigation matters are staffed without ego, based on who can best serve the client, and that the firm's lawyers truly enjoy working with one another.

"In the Haynes and Boone system, we're all looking for the success of everyone," Anigian said. "The more successful each individual partner is, the more successful the firm is. That's always been our culture."

More growth is on the horizon for the litigation section, which in September added to its ranks Craig Stahl and Jeffrey Kuehnle from Andrews Kurth Kenyon LLP and Texas appellate legend Mike Hatchell from Locke Lord LLP. The firm is actively looking at and hiring laterals in litigation, Anigian said.

As an example of how seriously the firm takes its commitment to client service, Trachtenberg told the story of how Houston-based capital markets practice co-chair Bill Nelson's home flooded during Hurricane Harvey, yet while he was tearing out water-damaged Sheetrock from his house, he was fielding calls for a major transaction on behalf of client Landry's Inc.

"We take great pride in providing that kind of service to clients and earn their loyalty through those efforts," Trachtenberg said.

Nelson said if clients pick up the phone and call him, they never get pushed to another office or another partner and they know they'll be working with consistent teams over a long period of time. That's a selling point for clients, as are the firm's Texas roots and deep bench of experience across many sectors of the energy market, Nelson said.

"We're an international firm today, but we're Texas-based and have been in the Houston market for more than 25 years," Nelson said. "If you're really going to be here long term and do deals with the independent oil companies, you need to have that broad platform of expertise."

Among the firm's notable recent deals are its representation of KMG Chemicals Inc. in its \$495 million acquisition of pipeline performance product manufacturer Flowchem LLC. And it represented Callon Petroleum Co. in a series of deals focused on the Permian Basin, including two acquisitions of oil and gas properties worth about \$1 billion that were followed by issuances of common stock and by senior unsecured notes.

For Alta Mesa Holdings LP, an oil and gas developer, the firm represented the company in selling \$371 million worth of stock. The banking and finance group represented Bank of America NA in a \$3.4 billion-equivalent global credit facility and \$500 million-equivalent senior term loan facility for Prologis LP.

"We're in there and working with these clients long before they decide to do an acquisition," Nelson said. "Because of our continuity, we know exactly what it is they need to expect and we know what's important to their business. We're not somebody that's been parachuted in for a transaction, but part of their team. That relationship makes us a long-term partner with them."

--Editing by Katherine Rautenberg.