

Texas Powerhouse: Akin Gump

By Kelly Knaub

Law360, New York (June 17, 2014, 7:06 PM ET) -- In 1945, when Dallas was evolving into a significant business center, Robert S. Strauss and Richard A. Gump formed a two-attorney law firm in the city. Since then, that firm — Akin Gump Strauss Hauer & Feld LLP — has grown to six offices in the Lone Star State, put down robust roots in Houston's energy sector, and become a leader in Dallas' investment funds, mergers and acquisitions, and bankruptcy practice areas.

Akin Gump has racked up some impressive wins recently, including the representation of Crestwood Midstream Partners LP in a massive \$8 billion merger with Inergy LP and Inergy Midstream LP, earning it a spot on Law360's Texas Powerhouses list.

Both of the firm's late founders had been FBI special agents, and Strauss had gotten his feet wet in politics, having campaigned for Lyndon B. Johnson, who won a House seat on a New Deal platform in 1937. During the early years, the firm benefited from a strong market in Texas, where commerce was booming thanks to the economic growth generated by World War II.

From that original duo, the firm's Texas presence has since grown to more than 200 lawyers in six offices across the state — in Austin, Dallas, Fort Worth, Houston, Longview and San Antonio — and has expanded not just to the East and West coasts but to global offices in Asia, Europe and the Middle East.

Ken Menges, who heads Akin Gump's Dallas, Fort Worth and Longview offices, told Law360 that the entrepreneurial spirit Strauss instilled in the firm is alive and well.

"It's always been a firm known for being entrepreneurial, reacting very quickly to changing dynamics at both the business level and at the governmental level," Menges said. "But over 70 years, that entrepreneurial spirit has continued, and I think if you look at the last 25 years in particular, you've seen the growth of Akin Gump from a firm with a solid Texas presence and a solid Washington, D.C., presence to a firm that is truly global."

And Menges points out that the firm not only has outposts around the world but also commands a global clientele.

Whether it's Akin Gump's presence in Singapore and Hong Kong or its growth opportunities in China or India, the firm's global strategies relate right back to Texas, especially in the energy sector, Menges says. These global transactions include inbound investments from non-U.S. investors into the United States — particularly Texas — and outbound investments from U.S. companies — especially Texas ones — to

places around the world.

The firm's Dallas office, according to Menges, touts the dominant investment funds practice in the Southwest, which is led by Eliot Raffkind, and also has a muscular corporate transactional practice and bankruptcy practice — generally not a strong practice area in Texas.

In Houston, the firm is focused on addressing the needs of the energy sector, which dominates the city. Christine LaFollette, who heads the Houston office, told Law360 that the office is strategically located downtown, surrounded by buildings that house international energy companies.

"We approach it as a holistic practice of helping those clients, with our largest group here in this office focusing on corporate and business law, which involves everything from cradle to grave with clients," LaFollette told Law360.

LaFollette says the work includes helping the companies form, go public, raise funds for projects, and carry on daily governance. She says it's "quite exciting" because the firm can partner with a client and get to know its business completely.

The Houston office is supported by a robust litigation group that's familiar with the energy industry's perspective, as well as a good group of intellectual property attorneys, LaFollette says, noting that IP's importance in the energy industry necessitates a great deal of expertise.

LaFollette says the Houston office is active in the domestic market because of its strategic location but pointed out that it's necessary to think in terms of the whole energy chain.

This starts with the upstream sector — where companies go in and drill for oil and gas — which is strong domestically with the revolution of the unconventional shale but is also seeing a lot of foreign investment coming in, she says.

The chain then continues on to the midstream business, involving infrastructure, which is key in the United States, with all of the emerging markets that need pipelines and transportation, LaFollette says. The firm is very involved with the master limited partnerships that are key to building that backbone, she says.

As for the downstream sector, which involves the refining of petroleum crude oil and the processing and purifying of raw natural gas, LaFollette says one of the challenges for the United States is seeing facilities built for the export of liquefied natural gas. The firm works with companies around the globe to focus on the ability to export LNG, she said.

LaFollette says Houston has seen an influx of New York firms opening offices there to get in on the energy boom. Latham & Watkins LLP, for example, opened a Houston location in 2010.

"They see that as a market that they're missing out on completely if they don't have boots on the ground," LaFollette said. "The challenge, though, is that this industry has a long history of relationships and they're very conscious of the roots, and the Texas roots that we have are a very distinguishing factor for us."

In addition to the firm's \$8 billion Crestwood-Inergy merger, Akin Gump has also scored a number of other impressive victories lately.

Menges and fellow Dallas partner Robert Dockery advised a special committee of the board of directors of MetroPCS Communications Inc. in its sale to T-Mobile USA Inc., now valued at \$17 billion, in April 2013. Then in November, partner Steve Zager, who heads the firm's IP practice, and Dallas partner Todd Landis led a team of Akin Gump attorneys to secure a defense verdict on behalf of Zynga Inc. in a patent infringement suit brought by Personalized Media Communications LLC.

Four months ago, the firm, led by San Antonio partners Barry Chasnoff and Neel Lane, achieved a significant pro bono victory on behalf of two gay couples when U.S. District Judge Orlando Garcia of Texas' Western District struck down the state's same-sex marriage ban.

In 2012, Dallas partner Marty Brimmage secured a favorable ruling for Asarco LLC, which had appealed a fee award granted to Barclays Capital PLC in a case stemming from Asarco's bankruptcy. And Houston partner John Goodgame along with New York partner Rosa Testani advised EP Energy Corp. in its initial public offering of 35.2 million shares of its common stock at a public offering price of \$20 per share, which closed in January, with net proceeds of the sale at about \$664 million.

Akin Gump's San Antonio office is led by partner Rick Rosenblum, and its Austin office is headed by partner Michael Simons. The firm's Texas team also includes former U.S. Magistrate Judge Charles Everingham IV, former Texas Court of Appeals Justice Murry B. Cohen, numerous former judicial clerks, and former regulatory officials from state and federal agencies.

According to Menges, three things distinguish Akin Gump from other firms.

"Of any firm founded in or with a large presence in Texas, we are clearly the most global in our outlook and footprint and in our strategy," he said. "Secondly, of any Texas-founded firm — and I would also expand that to any other very large firms in the United States — we have the strongest government policy lobbying practice of any of those firms. And that is absolutely part of what distinguishes us — it is part of our brand, and it's something that we know attracts clients to us and expands our client business."

Third, he said, is the legacy left by Strauss, who passed away in March.

"The entrepreneurial spirit that goes hand in hand with the ability to represent a number of different and disparate clients and interests, I think, is also a distinguishing mark," Menges said. "It's very hard to pigeonhole Akin Gump as just being on one side or the other because we like to think we can help just about anybody."

--Editing by Kat Laskowski and Katherine Rautenberg.