

## Texas Powerhouse: Locke Lord

By Jess Davis

*Law360, Dallas (June 25, 2014, 3:57 PM ET)* -- Locke Lord LLP has proven to be an example of a law firm that has successfully melded into a whole that's more than the sum of its parts, and with nearly half its lawyers still calling Texas home, the firm has been able to build on a solid foundation and regional strengths to expand its reach across the country.

Dipping into the series of careful combinations that helped build it into a 650-lawyer national and international firm, it's impossible to think about Locke Lord without reflecting on its Texas roots, beginning with the founding of Locke & Locke in 1891. Locke Lord's most recent merger happened in 2007, as the former Locke Liddell and Chicago-based Lord Bissell joined forces, but throughout the firm's history, forward-thinking combinations have helped it grow along with its clients and adapt to meet the needs of an evolving market, making it one of Law360's Texas Powerhouses.

"Texas gives us a very strong and proud foundation to build on," says firm chair Jerry Clements. "We've been able to do that very successfully and have found the Texas economy and roots to be a strong, powerful base from which to grow. Now that other firms are coming here and want to be here, it's been a nice base for us to diversify our firm throughout the United States."

Clements, a native Texan, points to a recent partners' retreat the firm hosted in San Antonio as proof the firm hasn't strayed far from the state where it built its reputation: Lawyers from its London and Hong Kong offices were given their first chances to seize eight seconds of glory atop a mechanical bull. Clements, knowing better, avoided the bull, sticking instead to showing off her Texas Two-Step on the dance floor.

Bill Swanstrom, co-chair of the firm's energy department and a vice-chair of the firm, was at the former Liddell Sapp Zivley Hill & LaBoon before it merged with then-Locke Purnell Rain Harnell in 1999, bringing together two firms with strong presences in Houston and Dallas respectively. Swanstrom says that the firm's growth has brought immense changes in the kind of work it handles and the clients it represents, but that a uniform culture of collaboration and a cooperative, team-oriented environment is "embedded in our DNA" and has made all the difference in maintaining forward momentum.

"There's been a change in scope, but fundamentally, the culture and philosophy hasn't changed at all," Swanstrom says.

What has changed is the firm's image, as it has evolved from traditional strengths in banking and finance to include expertise in energy, insurance, real estate and affordable housing, labor and employment, environmental issues, and intellectual property, along with a strong corporate practice and top-notch litigators. Locke Lord's three Texas

offices are home to 299 of the firm's lawyers, who join a major hub in Chicago, offices dotting major cities along the East Coast and three offices in California. In 2011, the firm opened an office in Hong Kong, followed the next year by one in London.

"Each of the mergers we've done through the years has strengthened our client base and quality of work and made us a stronger firm," Clements says. "Our philosophy has always been to grow as our clients need us to grow in strategic ways that make sense. We're not a head-count firm."

Energy is one of the areas where the firm has grown most notably. Swanstrom's group at the firm was just a few people when he started, but now numbers 60 lawyers active up and down the energy value chain, in what he calls a "night and day" difference from the work they were handling 20 years ago.

The explosion in domestic energy production since the mid-2000s has made fortunes for many Texans, Texas businesses and Texas law firms and brought renewed national interest to the energy legal market, with a bull's-eye on Houston, as law firms sought to break into the market or expand their roles. But despite the flurry of headhunting, none of Locke Lord's core energy group has left, Swanstrom says.

"We take a lot of pride in that, and it's a testament to how strong the culture is and how well we work together as a team," he says. "People in this group like our group, the platform we're on and the leadership, and want to keep on keepin' on."

A game-changing deal for Locke Lord's energy group came in 2012 as the firm guided El Paso Corp. through the sale of its exploration and production business to a group of private equity funds managed by Apollo Global Management LLC, Riverstone Holdings LLC and Access Industries Inc. The sale was contingent upon the completion of Kinder Morgan Inc.'s \$21 billion buyout of El Paso.

The multibillion-dollar deal, which had a lot of moving parts, was emblematic of how far Locke Lord's energy group had moved up the food chain in terms of transaction size. And its team has continued to land major deals, in 2013 representing the conflicts committee of the LinnCo LLC board of directors in the \$4.3 billion acquisition of Berry Petroleum Co.

The same month as the Berry deal, the firm represented SandRidge Energy Inc. in the \$2.6 billion sale of its Permian Basin properties to Sheridan Holdings Co. II LLC. And just two months later, it represented Regency Energy Partners LP in its \$1.5 billion acquisition of Southern Union Gathering Co. LLC, the owner of Southern Union Gas Services Ltd., from a jointly owned affiliate of Energy Transfer Equity LP and Energy Transfer Partners LP.

Locke Lord also has an ongoing relationship with Dresser Inc., a former Halliburton Co. unit that the energy giant had agreed to provide significant environmental indemnity upon its divestiture. Since 2005, Locke Lord has served as lead counsel overseeing Halliburton's obligations under the \$950 million indemnification agreement for potential environmental, legal and asbestos liabilities and collaborating with Halliburton on remedial technologies and strategies.

The firm also acted as lead environmental counsel for Dresser when it was acquired by General Electric Co. in 2011 in a \$4 billion transaction, and it continues to manage projects at 64 environmental sites in the U.S. and overseas.

Locke Lord has proven its energy bona fides in litigation as well as in corporate work, representing Peak Energy Corp. in a \$20 million victory at trial against Chesapeake Exploration LLC in a dispute over a 1,600-acre land sale in the Haynesville Shale area in East Texas. The firm then defended that verdict before the Fifth Circuit, leading to a first-of-its-kind holding that maps generated by GPS-enabled software — as opposed to a classic property

description set forth in words — can provide a property description that satisfies legal standards.

And in state court, the firm won a Texas Supreme Court victory for client Wendell Reeder against Wood County Energy LLC that reversed a nearly \$1 million damages award against Reeder, in the first interpretation of the updated version of a widely used form operating agreement in the oil and gas industry. The court applied the agreement's exculpatory clause to breach of contract claims, reversing a lower appellate court decision.

“We’ve had great success nationally in class action and energy litigation and won some very important decisions in litigation and on the appellate side that have been important to the energy sector,” Clements says. “It comes not just from one or two cases but a whole lot of other things that have made us have a really incredible year on behalf of clients in the trial section.”

Locke Lord represented Retractable Technologies Inc. in an antitrust and false advertising suit against rival syringe manufacturer Becton Dickinson and Co. that led to a \$113.5 million verdict in September 2013, subject to treble damages under the applicable antitrust law. Retractable had claimed Becton illegally engaged in anti-competitive conduct with the intent to acquire or maintain a monopoly power in the safety syringe market and engaged in false advertising under the Lanham Act.

And the firm’s appellate lawyers brought home a huge win from the U.S. Supreme Court in 2013’s Atlantic Marine Construction Co. Inc. v. J-Crew Management Inc. The unanimous decision resolved a split between circuit courts and established a clear guideline on the enforceability of forum selection clauses. The high court held that when two parties have agreed to a forum selection clause in their contract, a district court should ordinarily transfer the case to the forum specified in the contract, unless an unusual public interest factor weighs against a transfer.

On top of precedent-setting litigation, a team of more than 40 Locke Lord lawyers from across its offices donated their time to coordinate research into how criminal cases are handled, working in conjunction with policy group Texas Appleseed to change criminal discovery practices. Their work helped spark landmark reform and the passage of the Michael Morton Act, named for a man wrongly imprisoned for 25 years after prosecutors hid evidence that would have exonerated him in the murder of his wife.

“That was not our biggest client victory, but it’s an example of the heart and soul and core values of the firm,” Clements says.

Looking ahead, Clements say her goal is to maintain the firm’s culture of collegiality, teamwork and entrepreneurship, to continue to attract top lawyers from around the world, and never to lose sight of the firm's roots and what got it to where it is today. She says the firm is focused on growing its domestic legal markets that are particularly strong — Texas, Chicago and New York — but in the end wants to make sure it continues to hand its clients great successes.

“That’s what ultimately creates a successful law firm,” she says.

And with a relatively young group of lawyers set on seeing the firm’s history of growth continue, Swanstrom says the firm is buoyed by the momentum of having come a long way in a short time and plans to make the best of the opportunities that lie ahead.

“We are very bullish about where we are and where we’re going,” Swanstrom says.

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