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Law

Drafting Dallas' 'Dream Team'

How Chicago's **Winston & Strawn** barreled into North Texas, raiding stars from other firms for its new office.

by JOHN G. BROWNING

IMAGINE, IF YOU WILL, an NBA expansion team settling down in a new city. But instead of stocking the roster with the usual mix of journeymen, rookies, and perhaps a franchise player or two, picture the new team cherry-picking proven All-Stars from throughout the league, fielding something akin to an Olympic "Dream Team" right from the start. That's the functional equivalent of what happened when international law firm Winston & Strawn opened its Dallas office in February, adding to its 17 offices throughout North America, Asia, and Europe. The 164-year-old Chicago-based powerhouse initially set up shop with 23 lawyers from eight different law firms. The NBA analogy is an apt one, particularly in light of the fact that one of the elite lawyers Winston & Strawn recruited to lead its Dallas office is renowned litigator Tom Melsheimer, who represented Dallas Mavericks owner Mark Cuban in a high-profile 2013 trial win over the Securities and Exchange Commission, beating back insider trading charges.

Melsheimer left initially with five other partners from Fish & Richardson, and will serve as co-managing partner of the new office alongside Bryan Goolsby. Goolsby, who has a national reputation representing real estate investment trusts (REITs), had been an executive chairman at Locke Lord and head of that firm's REIT practice group and its finance committee. Six other Locke Lord partners departed with Goolsby for the new Dallas office, while two other Locke Lord partners joined Winston & Strawn's Houston office, which was founded six years ago. Winston's Dallas office also beckoned to another prominent litigator, Matt Orwig, who brought along two partners from Jones Day. Orwig, the former U.S. Attorney

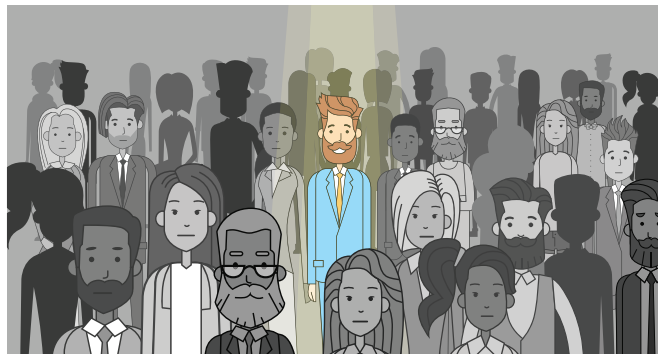
for the Eastern District of Texas, is no stranger to big law circles, having served as managing partner of SNR Denton's Dallas office from 2009 to 2011. Rounding out the inaugural team for Winston's Dallas office were individual partners from K&L Gates, Norton Rose Fulbright, Squire Patton Boggs, and Miller Egan Molter & Nelson.

The move itself is not surprising, given Texas' business-friendly climate and the Dallas area's growing reputation as a favored spot for corporate relocations. In recent years, Toyota North America Corp., State Farm Insurance, and Kubota Tractor Corp. have all moved their corporate headquarters here, drawn by such factors as a lower cost of living, lower taxes, and easy accessibility to both coasts. Tom Fitzgerald, managing partner of Winston & Strawn, says

the decision to expand to Dallas was driven by not only existing client demand, but also by an analysis the firm conducted of practices in the market that would best fit with Winston's existing structure. "We had several clients in the area that we thought we could better serve by having a local office," Fitzgerald says. "We also thought our platform could attract the highest level talent in Dallas." While Fitzgerald declined to name specific clients, a quick check of a federal courts database revealed the firm has already represented banking and technology giants like Bank of America, Dell, Comcast, and Motorola in Texas federal courts in the past year.

But it's how this new office launched that has set the legal community abuzz. As Goolsby shares, "I was intrigued by Winston & Strawn's approach—it's a different way to start an office. The founders of the Winston & Strawn Dallas office came together and made a decision to change the paradigm in the North Texas

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market.” Goolsby adds the innovative approach of assembling such an all-star team “generates more excitement and builds an attraction for future attorneys.” Melsheimer agrees. “The notion that we’d be starting a law firm with that sort of pedigree was very reassuring and exciting at the same time,” he says. “It’s a very difficult approach. Most firms entering the Dallas market have been relatively tentative, dipping their toes in the water with five or six lawyers. Being tentative can be safe, but it can also lead to failure.”

The new office boasts an exceptionally deep bench of transactional lawyers whose practices run the gamut from tax and real estate to private equity and mergers and acquisitions. In addition to well-known M&A and securities specialists like Tom Hughes and leading private equity and real estate practitioner Billie Ellis Jr. (a co-founder of the \$200 million private equity fund The Halifax Group), Winston & Strawn’s Dallas office now includes leading M&A lawyer Richard “Rick” Frye, who left Weil, Gotshal & Manges LLP in March. Frye’s experience encompasses advising everything from healthcare and consumer products companies to a prominent music publishing company and the government of Abu Dhabi’s strategic investment and development company.

On the litigation side, Melsheimer says “every case that I was lead counsel on has come with me.” That includes a who’s who of corporate America, ranging from Mark Cuban and his myriad business interests to business technology leader SAP. Beyond the initial group of all-star lawyers that initially started the Dallas office, Melsheimer adds that others have been flocking to join, so that his clients “are getting essentially the entire trial team.” Melsheimer observes that this includes an array of more high-profile talent from Fish & Richardson, including prominent commercial and class action litigation partner Tom Walsh, a former member of Fish & Richardson’s management committee. Another is seasoned trial lawyer Natalie Arbaugh, a nationally recognized leader among women in law circles and former national chair of Fish & Richardson’s women’s initiative. Yet another new addition is Taj Clayton, former congressional candidate and also a leader in diversity issues. Melsheimer applauds Winston & Strawn’s commitment to diversity, noting that law firm inclusiveness is another key ingredient to success. After all, he says, “It’s the way boardrooms look, and it’s the way society looks.”

After its splashy entrance into the Dallas legal market, the growth has increased at a meteoric pace. At press time, the initial headcount of 23 lawyers had swelled to more than 50. “I think we’ll grow to 70 lawyers within six to 12 months,”

Melsheimer says, “and we could easily hit 100 within two to three years. These partners are going to need young lawyers to help out. The buzz, the vibe is so strong that I think we’ll be hearing from law students, students completing judicial clerkships, and other lawyers.”

Conventional wisdom would dictate that the departure of so many “rock star” lawyers—and their clients—from established firms to a Dallas newcomer would breed resentment and ill will. Yet here again, the approach taken by the founding partners of Winston’s Dallas office seems to have defied expectations. Goolsby says that Locke Lord “has been very supportive,” and notes he still has many friends there. Melsheimer says that he wasn’t looking to leave Fish & Richardson, where he had practiced for nearly 20 years, but when Winston & Strawn came courting last fall, he did some soul-searching. “I thought, I’m 56, I’m nowhere near finished, but if I don’t do this now, I’ll probably never leave.” For Melsheimer, “it came down to wanting

to have a broader platform not just for me, but for the younger lawyers who work with me.” He stresses that while he and all of his partners “feel very comfortable with the strong financial position of Winston & Strawn,” the departure from Fish & Richardson was not about money. “I waited until after compensation decisions were made, so that Fish & Richardson would not think it’s a money play. It’s broader than that,” explains Melsheimer. “I

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Tom Melsheimer, WINSTON & STRAWN

called the president of Fish & Richardson in January to discuss the opportunity—that’s not the way most lawyers leave firms, but I felt strongly about it. I was torn about leaving. We had about a month of good constructive conversations, and it cemented some of the relationships I had at Fish & Richardson,” according to Melsheimer. “It was hard to leave, but the way we left could be a model for how people should exit employment.”

Eight-hundred-plus lawyer Winston & Strawn wasn’t the only big law firm making waves in Dallas’ legal market. Philadelphia-based Drinker Biddle & Reath LLP opened a Dallas office with 23 lawyers moving from San Francisco-based Sedgwick LLP. The move decimated Sedgwick’s Dallas office, leaving only six lawyers, and swelled Drinker Biddle’s ranks to over 635 lawyers nationwide in 12 offices.

Will the unique approach taken by Winston & Strawn in launching its Dallas office impact how other national firms enter the market? “I think it will have an effect,” says Melsheimer. “Other firms will see the level of commitment Winston & Strawn made to Dallas. If you want to go big, this has set a new standard.” **D**

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