

# DALLAS BUSINESS JOURNAL



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FROM LEFT: Managing partner Tom Melsheimer, partner Steve Stodghill and managing partner Bryan Goolsby

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## LEGAL SHOCK & AWE IN DALLAS



**Winston & Strawn's new Dallas office is a collection of top talent. From left:, Tom Melsheimer, Steve Stodghill, Christina Tate, Matt Orwig, Billie Ellis, Tom Hughes, Natalie Arbaugh and Bryan Goolsby.**

*The legal landscape in Dallas is changing. National law firms like Winston & Strawn LLP have caught wind of the strong business climate. As they swoop in to claim new business, they could soon push out smaller firms.*

**I**nternational powerhouse Winston & Strawn LLP is methodically building a Dallas office of revered courtroom titans, igniting a seismic shift in the North Texas legal landscape.

Their February announcement of the new Dallas office spotlights a type of economic Darwinism undertow. Legal behemoths such as Winston — with more than 800 lawyers — see Dallas as prime real estate for growth. As more national firms potentially follow suit, they'll likely threaten to gradually wipe out smaller offices lacking resources and name recognition in the fight for top talent.

Winston's Dallas office currently has 60 lawyers and counting. In less than four months, they've

already outgrown their 17th floor uptown digs at 2501 N. Harwood St. and they're working with Phil Puckett, executive vice president at CBRE, to secure new space.

Dallas office managing partners Bryan Goolsby and Thomas Melsheimer also have offers out to even more premier legal talent, and while they can't comment on specifics, both acknowledge they're in no rush to find the perfect fit: quality over quantity is what matters, they say.

Goolsby, Melsheimer and Steve Stodghill, a partner who is leading their charge for new business, met with the Dallas Business Journal to share Winston's game plan and offer insight on legal trends impacting the city:

**Why did Winston & Strawn decide to build a new office in Dallas?**

**STEVE STODGHILL** — They looked at emerging legal trends. Obviously, Texas has been doing great relative to the rest of the country. No state income tax, generally affordable housing, jobs creation. They sat back and made an analysis of where the market is trending in the next 10 to 20 years. They said Texas — Dallas and Houston

are the two best opportunities to go to.

**BRYAN GOOLSBY** — Dallas has always been underserved by the national firms. Even if you look at the ones already here, they didn't open up with the same vision that Winston & Strawn did, which is to be a major force in Dallas. Most of them are service centers for other national offices.

**THOMAS MELSHEIMER** — (Other national firms) didn't quite make the commitment to being here in a major way. Winston & Strawn did a very good job of identifying talent.

**How is the Dallas legal landscape changing?**

**STODGHILL** — There's going to be a wave of these national elite firms that are going to target Dallas. There's going to be a change over the next 10 to 20 years. The top firms are going to be national firms that have the national client base and national talent. They're going to charge the highest rates; they're going to be able to pay the highest salaries. They're going to attract the best talent. You're going to have the smaller individual firms that are going to have niches, and not be able to charge the

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same rates, but they'll be fine because there will be enough business for them. The folks that are going to get killed are in the middle. They can no longer pay the top rates. They can't compete with the New York, Chicago and L.A. firms with the top rates nationally. So, they can't get the top talent in and they can't keep the top partners because the top partners are going to gravitate to the top tier. That's going to take decades to shake out. But when you look around in 10 years, it's going to be national firms dominating the Dallas and Texas market. It's back to economic Darwinism: "The strong will feed on the weak."

GOOLSBY — It's hard to get people to leave firms. It's not that easy. I think as these other national firms come in, it remains to be seen what kind of model they're going to try to do and how they'll be successful at it. There's not that much depth in the market to just replicate this over and over again.

STODGHILL — Also Winston spent two years (preparing). Being the first mover at this level was a great strategic advantage, because they got a look at some of the best lawyers and practices in this area. And they hired the top 25 percent out of that.

## Which law firm do you consider as your biggest competitor?

STODGHILL — So now I would think Gibson Dunn is probably our top competitor in the marketplace. I'd say for the folks we'd want to go hire for talent.

MELSHEIMER — They have similar rate structure, they have similar talent base, they're a national firm. They're an elite firm. They don't grow for growth's sake. They want the premium work. I mean all the things we'd say about ourselves I think is true of them as well.

STODGHILL — You see them coming up. We pitch against them and we recruit (at the same law schools as them). We're talking to the same people.

## What are your growth plans for the firm?

GOOLSBY — It's not how big you are. It's who you have, not how many you have. I think it's a mistake to find the practice areas you want and then go and find the people to fill them. (Instead,) you fill them with the top people available. You go for that and the practice areas take care of themselves, for the most part.

MELSHEIMER — This office could be one of the most successful law firms in Dallas, and I'd argue that it already is, but it could be

one of the most successful law firms with precisely the number of lawyers we have right now.

STODGHILL — We're SEAL Team Six. We're not an army battalion; we're a bunch of elite fighters.

GOOLSBY — Right now, if you count everyone that is committed to come, we have 60 lawyers, which is way more than this space accommodates, we don't manage to numbers per se. Both Tom and I look to have 100 lawyers here at the right time, with the right talent.

Internally we're running the no huddle offense here, and we're trying to get in as many plays as we can.

MELSHEIMER — We've talked to a lot of people. You can't rush a soufflé. We're not going to visit with someone who is a star somewhere else and sell them over lunch. And if we are, we've probably interviewed the wrong person. There are a couple of laterals we have outstanding offers to that we hope will decide to come here. We have to be patient about finding the top people.

## Winston & Strawn is clearly looking to you all to win. What types of work in Dallas are attractive to Winston & Strawn?

GOOLSBY — Generally it's non-commodity work. Private equity, more complicated transactions requiring legal talent. You want to pay up for the expertise so you get a more efficient transaction and successful transaction. And Dallas, because of the dynamic nature of the business community, generates those types of transactions. STODGHILL — You don't want to hire Tom Melsheimer or me to do a small breach of contract case. It doesn't make economic sense. You want to hire us when you've got a real problem. You've got something where there's a big case, with a bunch of money, and you have to win. That's our target focus. We will drag the other side through the gates of hell if you hire us. But dragging people through the gates of hell cost a lot of money. It isn't cheap.

# WINSTON & STRAWN

LLP

## KEY W&S PERSONNEL

He tries lawsuits in state and federal courts, emphasizing intellectual property, business torts, and False Claims Act litigation. His trial experience is unusually broad and extensive. On the civil side, he has tried to verdict cases involving patent infringement, trade secrets, insider trading, antitrust, breach of fiduciary duty, fraud, product liability, and FCA violations. On the criminal side, he has tried to verdict cases involving bank fraud, public corruption, copyright infringement, and kidnapping. Tom's jury trials include successfully



**TOM MELSHEIMER**

representing plaintiffs and defendants on both coasts and throughout Texas. He was lead trial counsel for Mark Cuban's widely publicized insider trading case brought by the U.S. Securities and Exchange Commission, where the jury cleared Cuban of any wrongdoing.

**PREVIOUS FIRM:** Fish & Richardson

**EDUCATION:** University of Notre Dame, BA, 1983; University of Texas School of Law, JD, 1986

**ADMISSIONS:** Texas

He represents REITs, both public and private. Bryan has represented many of the nation's leading publicly traded real estate operating companies in connection with their securities, merger and acquisition, and corporate governance matters. In addition to his significant knowledge of the REIT industry, he also has extensive experience in other real estate company merger and acquisition and portfolio transactions. He also represents boards and board committees on corporate governance, conflicts and other matters.



**BRYAN GOOLSBY**

**PREVIOUS FIRM:** Locke Lord

**EDUCATION:** University of Texas School of Law, JD, 1977; Texas Tech University, BA, 1973

**ADMISSIONS:** Texas

He possesses a broad range of experience in complex commercial litigation, representing both plaintiffs and defendants in contractual disputes, breach of fiduciary duty cases, securities litigation and arbitration, shareholder derivative actions and shareholder oppression cases, TRO and injunctive relief proceedings, insurance coverage disputes, class actions, employment litigation, catastrophic injury and medical malpractice cases, intellectual property/trade secret theft cases, lawyer/accountant malpractice cases and post-trial/appellate practice. In addition to being chief litigation counsel to Mark Cuban and the Dallas Mavericks, Steven has also represented numerous prominent companies. He has previously represented interests of 12 billionaires and other high-net worth individuals.



**STEVE STODGHILL**

**PREVIOUS FIRM:** Fish & Richardson

**EDUCATION:** University of Texas at Austin School of Law, JD, 1987; University Of Texas, BA, 1983

**ADMISSIONS:** Texas