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Dallas-Houston: World-Class Cities – A Global Law Firm

*The Editor interviews **John Strasburger,** Managing Partner, Houston office, Weil, Gotshal & Manges LLP.*

Editor: John, what is the role of the managing partner?

Strasburger: My practice area is Complex Commercial Litigation. I spent the early years of my career trying product liability and other tort cases, and gradually did more and more commercial litigation, including securities cases, big employment cases, and bankruptcy litigation.

Although I am the managing partner of the Houston office, our firm's culture is that our partners are all practicing lawyers – we don't have a management class. So first and foremost, I am a full time litigator with an active trial practice.

My role as managing partner is to keep all the moving pieces of the Houston office moving in the right direction. And the best way to do that is to try to remove impediments to our lawyers practicing law. I want our lawyers thinking about their clients every day, all day long. I don't want them distracted by personnel issues or firm politics. I try to create an environment to let that happen, and I make sure that I stay out of the way as much as possible. And I get a lot of help from a terrific administrative staff both in Houston and in New York.

Glenn West manages our Dallas office, and he has a premier private equity practice and a national reputation in that field. Glenn has worked tirelessly to build our firm's brand in Texas, and Weil's Dallas office is one of the elite firms in that city.

Editor: Please describe Weil's Texas offices.

John Strasburger

Strasburger: Weil's Texas offices have been around a long time. We were one of the very first national firms to establish and successfully maintain a real presence in Texas. We did it by making careful hiring decisions and not just hiring people to fill office space. The Houston office opened in 1985. We have about 40 lawyers practicing in Complex Commercial Litigation, Patent Litigation, and Bankruptcy (Business Finance and Restructuring).

Our Dallas office opened in 1987 and currently has about 80 lawyers working in Complex Commercial Litigation and Transactional practices – with a significant expertise in Private Equity, as well as capabilities in Bankruptcy and Tax.

Weil's Houston and Dallas offices work together seamlessly and also with the rest of the firm We want our clients to understand that when they hire a lawyer in Houston or Dallas, they have immediate access to expertise in any of our practice areas around the world any time they need it – whether it is in New York, London, Frankfort, Shanghai or any of our other 21 global offices. Houston and Dallas are doorways to the entire firm, and it is important to us that we deliver the absolute best service wherever we are. Our culture is collaborative, and we want to provide solutions for our clients, not just spot the problems.

Editor: Is the Texas economy recovering?

Strasburger: The Texas economy has been relatively strong in the last few years. We never experienced the recession as much as other parts of the country. Energy has been the clear driver, with new technologies in exploration and production creating many opportunities for companies in the energy sector. Our clients are doing deals, but we believe they would be doing more if they had more certainty about what the future will look like in the coming months.

Because the Texas economy is doing well, a lot of law firms have opened offices in Texas, often without a coherent strategy. Competition among the firms is robust, and the market is no longer dominated by the old-line Houston and Dallas firms. But the changing firm landscape in Texas has not altered our strategy, which is simple: We remain committed to focusing on what we do best – sophisticated deals, big-ticket litigation including patent litigation, and restructuring. And we try to do those things better than anyone else. We hire the best and the brightest, and train them to deliver the best client service possible.

Editor: Describe the business climate.

Strasburger: Texas is a very pro-business state. A large number of Fortune 500 companies across many industries are headquartered here, particularly in Houston and Dallas. Most of our politicians of both parties understand the importance of creating an environment that attracts businesses and allows them to thrive. Our tax structure is relatively favorable. Infrastructure projects are underway in all our major cities, and the tort landscape is completely different from the way it was when I started practicing in the late 1980s. Tort reform in Texas changed all of that. Employment law in Texas is much more favorable to the employer than in places like New York and California. Texas is living proof that when government shows some regula-

Please email the interviewee at john.strasburger@weil.com with questions about this interview.

tory and judicial restraint, business will flourish.

Editor: Describe transactions handled by the Texas offices.

Strasburger: Weil advised Kinder Morgan in its $38 billion acquisition of El Paso Corporation, which resulted in the creation of the largest natural gas pipeline network in the U.S. According to Bloomberg, this was the largest deal of 2011. Weil partner Tom Roberts (who splits his time practicing in New York and Dallas) was named Dealmaker of the Year by *The American Lawyer* for his role in this transaction and was profiled in the April 2012 edition of the magazine. Additionally, Tom and Dallas partner Jay Tabor were both profiled as Dealmakers of the Week and Dealmakers of the Month in *The American Lawyer*'s December 2011 issue. Jay also led the team that advised Kinder Morgan in El Paso's sale of its exploration and production business, EP Energy Corporation, for approximately $7.15 billion.

Another well-known client of the firm is AMR Corporation and its U.S. subsidiaries, including American Airlines and American Eagle. The firm advised AMR and its subsidiaries in the largest chapter 11 cases filed in 2011, involving a multitude of difficult, complex issues, including significant labor management problems. The lawyers on this deal spanned many of Weil's offices, but the Texas-based partners on the case included Houston partner Alfredo Perez and Dallas partners Stephen Youngman and Mary Korby.

Additionally, Weil is well known for its representation of Lehman Brothers Holdings Inc. and its affiliated debtors in the largest chapter 11 cases in U.S. history, including the formulation of chapter 11 plans and related disclosure statements, the analysis of more than one trillion dollars in claims asserted against the debtors, the unwinding of over 10,000 derivative contracts and 1.7 million derivative transactions, the sale, restructuring and management of billions of dollars of real estate, private equity and principal investments across the globe, and the coordination of Lehman's chapter 11 cases with the insolvency proceedings of approximately 80 of Lehman's foreign affiliates in 16 different jurisdictions pursuant to the first ever multilateral cross-border insolvency protocol. The partners involved in the matter span many of Weil's offices, but the Texas-based partners include Houston partner Alfredo Perez and Dallas partner Stephen Youngman.

Finally, another notable win achieved by lead partner Kelly Dyblala (Dallas) was the firm's representation of Thomas H. Lee Partners (THL) in $1.125 billion term and $400 million revolving facilities for Party City, the largest U.S. party supplies retailer, to finance THL's $2.69 billion acquisition of a majority stake in Party City. Weil's capital markets team represented THL on the $700 million bond financing, and the M&A team advised THL on the acquisition.

Editor: Mention litigations handled by your Texas offices.

Strasburger: We have two very significant matters currently in trial or about to begin. We represent Anadarko Petroleum in a lawsuit that is currently in trial in Manhattan. The plaintiffs are seeking about $25 billion for environmental claims related to a business that was divested. Our trial team includes lawyers from Houston – among them Melanie Gray and Jason Billeck – and New York.

In another case, our Houston and Dallas offices are representing Verizon in a fraudulent transfer action seeking billions of dollars related to Verizon's former telephone directories business, which Verizon spun off in 2006. I am working on that, along with many other lawyers, including Ray Guy, in our Dallas office.

These two cases are representative of the significant litigation we have had the opportunity to work on and are examples of how our offices work together on major cases.

Our Houston and Dallas lawyers are also currently working on many other interesting cases, including defending an energy client against a minority shareholder oppression case; representing Credit Suisse against allegations of fraud, RICO violations and predatory lending in a suit seeking billions of dollars; and representing Willis Insurance in numerous actions arising out of the heavily publicized, $8 billion Ponzi scheme allegedly orchestrated by R. Allen Stanford and The Stanford Financial Company. We recently handled litigations for Kinder Morgan and Halliburton. And our Dallas office has particular expertise in handling the most sensitive corporate internal investigations, an area in which Yvette Ostolaza specializes. Both Houston and Dallas lawyers have been heavily involved in litigation involving derivatives and the financial crisis, including representing Lehman Brothers.

These are just a few of the representative litigations going on in our Texas offices.

Editor: Describe the quality of life.

Strasburger: Both Houston and Dallas have world class performing and visual arts communities, including resident symphonies, opera and ballet. Both cities have internationally renowned museums as well as impressive medical centers. They have strong university systems. And of course, we have several professional sports teams in both cities, some of which are firm clients.

Editor: What about diversity and pro bono?

Strasburger: Weil is committed to a culture that promotes diversity and pro bono. Increasingly, our clients expect firms to be leaders in these areas.

Both Houston and Dallas rank at the very top of the law firm diversity rankings in their cities. In fact, in a report released this month, the Dallas office ranked as the top firm in the Dallas Law Firm Diversity Report for the sixth consecutive year.

Weil is one of the pro bono leaders in the profession. I have the pleasure of serving as co-chair of our firm-wide Pro Bono Committee. Both the Houston and Dallas offices have Pro Bono Committees that oversee a wide variety of work. We have a groundbreaking firm policy requiring our lawyers, including partners, to do pro bono every year. We partner with our major clients on pro bono projects including clinics that serve the poor. Many of our partners and associates serve on charitable boards that promote pro bono service, including the Houston Volunteer Lawyers Program and the Dallas Volunteer Attorney Program.