

Foley & Lardner to Merge With Dallas-Based Gardere

Gardere Wynne Sewell and Foley & Lardner will combine on April 1, creating a 1,100-lawyer firm.

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Gardere Wynne Sewell and Foley & Lardner have agreed to merge, effective April 1, creating a firm of approximately 1,100 lawyers in 24 offices in the United States, Mexico, Asia and Europe.

The combined firm will be known as Foley Gardere in Austin, Dallas, Denver and Houston, and Foley Gardere Arena in Mexico City. All other offices will operate as Foley & Lardner. The joint firm's revenue will total \$830 million, placing it among the Am Law 50, the firm said.

Gardere, based in Dallas, and Foley, founded in Milwaukee, have been talking for two years, and the merger is one of three involving large Texas firms this year. Houston-based Andrews Kurth Kenyon is merging on April 2 with Virginia firm Hunton & Williams, and Strasburger & Price, also based in Dallas, is in talks with Detroit firm Clark Hill.

With the April 1 merger, Foley secures a presence in the booming Texas market through Gardere's offices in Dallas, Houston and Austin, as well as offices in Denver and Mexico City, which is a gateway to Latin America. Gardere benefits from Foley's offices in the Midwest, the East and West coasts and Florida, as well as its offices in Belgium and Tokyo.

"In short, Foley and Gardere are better together," Jay Rothman, Foley's chairman and chief executive officer, said in a statement.

Holland O'Neill, chair of Gardere who will be a Foley Gardere partner and member of the combined firm's management committee, said the synergies between the firms are clear.

Gardere will gain access to Foley's experience in the automotive, life sciences, sports and technology sectors and access to a large government affairs practice in Washington, D.C., the firms said. And it will give Foley geographic expansion in such practice areas as corporate, litigation, intellectual property, energy, government solutions and financial restructuring and reorganization.

In particular, the merger will give Foley's energy practice enhanced capability in oil and gas, renewables, infrastructure and project finance. And Foley said it will also deepen its private equity, venture capital, and IP practices to better service its clients in Texas.

Kent Zimmermann, a consultant with Zeughauser Group who worked on the merger, said the U.S. legal market is consolidating and both firms will enjoy the benefits of scale. "They are going to have a larger profit pool to differentiate themselves from the market and attract and retain sought-after lawyers and clients," he said.

This is not the first time Foley & Lardner has sought out a merger partner. In 2015, it considered a potential combination with the British firm Eversheds but broke off those discussions later that year. (Eversheds subsequently found a merger partner in Sutherland Asbill & Brennan.) And last year, Foley & Lardner and New York's Friedman Kaplan Seiler & Adelman talked about a potential tie-up.

For Gardere, the merger brings to an end the firm's 109-year reign as one of Texas' oldest standalone regional law firms.

Rothman said Foley has been looking at the Texas market for the last five-to-seven years, seeking specific practices, including oil and gas to complement the firm's renewables practice, and corporate and private equity, because of Texas's growing economy and the number of corporate headquarters in the state. Also, he said, the firm wanted to add to its IP, healthcare and trial practices. Gardere provides all of this, he said.

In addition, Rothman said the firms' cultures are compatible, which he considers an "absolutely critical" factor. "If you don't have a cultural fit among the lawyers, it's just not going to work," he said.

The firm's Mexico City office was a bonus, he noted, providing a gateway to work in Latin America.

For Gardere, the combination provides a broader network of offices and the broader capability it needed, O'Neil said. Plus, Foley's people are great, she said.

"They have maintained their base culture. That really resonated with our lawyers, putting a bunch of rowdy Texans with others," she said. "We have had a lot of fun together as people have gotten to know each other."