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Georgia Powerhouse: Kilpatrick

By **Chart Riggall**

Law360 (September 17, 2024, 10:29 AM EDT) -- Atlanta's Kilpatrick Townsend & Stockton LLP continues to be a go-to firm for corporate work in an ever-competitive legal market, having guided RaceTrac Inc.'s acquisition of some 1,200 Gulf Oil filling stations across the Northeast and Delta Air Lines' multibillion-dollar overhaul of LaGuardia Airport.

Kilpatrick shepherded some of the Peach State's flagship companies through major acquisitions and investments over the last year, earning the firm a place among Law360's 2024 Regional Powerhouses.

Celebrating its 150th birthday in Atlanta this year, Kilpatrick traces its roots back to the 1874 founding of Kilpatrick & Cody. The firm merged with North Carolina firm Petree Stockton LLP in 1997, forming Kilpatrick Stockton, and finally added Townsend & Townsend & Crew LLP in 2011, officially creating Kilpatrick Townsend & Stockton.

The firm now stands shoulder to shoulder with a handful of other BigLaw firms headquartered in the city, along with mid-sized and regional firms jockeying for business with an increasing roster of companies who want to call Georgia home.

But Thomas Kesler, a mergers and acquisitions partner in the Atlanta office, said the firm's deep roots in the city have built a wealth of trust in Kilpatrick as a pillar of its legal market.

"That's a big advantage," Kesler told Law360. "If a company's here in Atlanta, they know we've been — we don't have an outpost here. We haven't just started here. We've been here for a long time, and we're going to be here for a long time."

Among the most significant transactions Kilpatrick handled in the last year was the growth move for RaceTrac, the largest acquisition in the history of the Atlanta-based gas station chain.

Ben Barkley, one of the partners who handled the transaction, said the firm has worked with RaceTrac for years, but the Gulf Oil deal was "by far the biggest and most complex transaction we've handled with them." Owned by a private equity firm, Gulf was being sold off in pieces, including its fuel terminal business, but RaceTrac was primarily interested in the retail locations.

"The primary goal is figuring out what the client's objective is," Barkley said. "What are they trying to do? Are they just trying to kick the tires? Is this a business that they're familiar with? Is this a growth opportunity? What are they trying to accomplish?"

While the financial terms of the purchase were the most important bottom line figure, Barkley added, a tighter lending market and increased antitrust scrutiny are variables that have been increasingly important factors in recent years.

"Suddenly, it's a lot more expensive to buy a house because monthly payments are going to be so much higher. It's the exact same thing with a bidder in a deal like this," he noted.

Kelsey Donnalley, one of the leaders of Kilpatrick's M&A practice, said the transaction involved many jurisdictions and state regulations — including 11 Massachusetts turnpike locations — which added another layer of due diligence for the firm to tackle.

"The client did a lot of work internally to figure out, like, what are the licenses you need, and how do the permits transfer over? Just thinking about how you transfer over and transition that many locations on day one is a big logistical challenge for any client," she said.

Another established client in the Atlanta area that Kilpatrick guided this past year was retailer Floor & Decor. The firm previously helped the retailer acquire commercial flooring procurer Spartan Services in 2021. This past year, Spartan — which remains a Floor & Decor subsidiary — purchased Salesmaster Associates to expand into the Northeast.

"We feel like we did a good job building a relationship and getting the confidence of the people at Spartan [who] in the first transaction were obviously suspicious of us," said Kesler, who led the deal. "We were the attorneys on the other side of the transaction, but we built strong relationships with them and feel like that's become a really solid relationship going forward."

On July 1, Kilpatrick named its first new chairman in 11 years when it tapped longtime partner Wab Kadaba as the firm's new leader, working out of the Atlanta office.

Kadaba, the former head of Kilpatrick's global intellectual property practice who studied as a mechanical engineer before going into law, had been with the firm for 25 years before being tapped as its top dog.

With his IP and technology backgrounds, Kadaba pointed to Kilpatrick's branding and tech-focused work with flagship Atlanta-based companies like Cox Communications and Delta Air Lines. For the latter company, the firm served as project counsel for Delta's $4 billion and $2 billion renovations at LaGuardia Airport and Los Angeles International Airport.

"We played a big role in terms of helping them finance and work through all the pretty significant renovations that they're making to their terminals in these great airports," he said. "Obviously, Delta is a big player in Atlanta, and we're excited to be along with them for this pretty substantial investment they're making."

Another significant transaction, Kadaba said, was the firm's representation of nursing staffing company Jackson Healthcare LLC in its purchase of Lawrence Recruiting Specialists.

As he transitions from practicing attorney to the firm's leadership, Kadaba said he's trying to bring with him his decades of experience in the trenches to guide his chairmanship.

"Nothing is static, so you really need to be thinking three to five years out, not only about the law changing, but how your practice is going to change, what value you can add consistently going forward," he added. "You've got to essentially improve your skill set in a way that's going to be appealing to the clientele."

Kadaba said that with the legal market remaining strong, the firm's been able to leverage its success with growth moves, like a merger this past January with Chicago's HMB Legal Counsel that added more than 50 attorneys to its Windy City roster.

"Our initial focus is there, but we will continue to grow in Atlanta as well. It's largely driven by client needs. We have a pretty substantial number of lawyers here. We have all our practice areas covered, so it's a full service office for us. But as the client needs continue to grow, we will grow with them," he said.

--Editing by Dave Trumbore.
