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M&A Newsmaker: Katten's David Washburn and the Anatomy of a Deal

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David Washburn, the Dallas-based partner and co-chair of M&A and PE at Katten Muchin Rosenman, always felt “hardwired” to become a lawyer despite his father and others trying to sway him down different paths while growing up.

“In what I now understand to be my dad’s attempt to induce me to take another path, he gave me a copy of *Gray’s Anatomy* when I started high school. The book bored me to tears,” Washburn said, noting this moment as one that further pushed him to pursue law.

The combination of feeling like he was born to be a lawyer and the boredom he felt when he read through the medical-focused book his father gave him in high school eventually led Washburn to attend the University of Nebraska-Lincoln to begin his pursuit of being a lawyer.

Washburn graduated from Nebraska in 1989, receiving his undergraduate degree in psychology.

However, Washburn noted that his major selection of psychology while at Nebraska was a strategic one he made in order to support his future law career because he felt that “it seemed like a good way to start thinking like a lawyer.”

After graduating from the University of Nebraska-Lincoln, Washburn continued to pursue law. His journey led him to begin law school, attending the University of Tulsa College of Law, where he earned his law degree in 1992 with the highest honor, the Order of the Curule Chair.

Following his graduation, Washburn has worked at several prominent law firms, including Andrews Kurth Kenyon



David Washburn

and Katten, where he primarily focused on serving clients in M&A matters.

As Washburn officially embarks on his seventh year with Katten, having joined the firm in February 2018, he gave *The Texas Lawbook* an in-depth look into his journey, his expectations for M&A and PE this year and the firm’s goals for 2025.

The following interview has been edited for length and clarity.

Texas Lawbook: What was your journey to becoming a lawyer like?

David Washburn: Let’s say that my journey was intentional but indirect. During high school and undergrad at the University of Nebraska, I started and ran several businesses to earn money and avoid ‘real work.’ I sold garbage bags door-to-door. I sold peepholes door-to-

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door and ‘franchised’ the process to other kids in my high school. I also bought and sold old cars, some of which I am buying back now at much-inflated valuations. I also designed and sold a couple of parts for race cars, and ultimately, I also owned an auto parts store in Omaha, Nebraska, called Dave’s Parts Exchange. Some of these endeavors could be said to have been modestly, marginally, or barely successful (both the garbage bag business and Dave’s Parts Exchange lived on until after I moved to Dallas). However, I certainly didn’t learn how to become rich. Instead, I learned something more valuable. I learned that businesspeople ask questions to further their business objectives. They have very real problems that they are trying to solve, so heading down the ‘could go this way, could go that way’ path was simply not helpful.

In addition, I did not prepare for the LSAT like they do now. In fact, I was a walk-in; I paid cash and took the test cold. And while it must have been good enough to get me into law school, I still had imposter syndrome. I was convinced that at some point during my first week of school, I would be asked to leave; they never did. So, I just kept working, and I loved it. I remember calling my dad to tell him that I was right, that this was where I was meant to be and later, I graduated near the top of my class. Whether it’s garbage bags, auto parts or law, if you do something you love, it’s not ‘real work.’

Lawbook: Who have been your most significant role models in the space?

Washburn: *Vic Zanetti*, a partner in Katten’s Dallas office, saw something in me and hired me 35 years ago. Vic is the single-best M&A lawyer I have ever seen in action, and it’s disarming. A conversation with Vic about substantive issues is like Jiu-Jitsu training with a Sensei. He always said, ‘We will be working for David one day.’ That was both unbelievably encouraging and frightening at the same time. I knew I couldn’t let him down. In addition, *Mark Solomon*, *Joe Hoffman* and *Chuck Perry*, also partners

at Katten, were incredible mentors, each masters of their craft. We’ve all practiced together every single day of my career. They taught me not only how to be a true lawyer but also how to treat clients and be a part of something bigger than myself. They taught me about servant leadership. And they taught me that we are really only temporary stewards of our firm for the next generation. I owe my professional career to them.

Lawbook: What initially attracted you to working in M&A and PE?

Washburn: Vic took me to lunch on my first day as a summer associate and told me this was what I’d be doing. I said ‘OK,’ and I’ve been doing it every day since. What I like about dealmaking is that a purchase agreement is an extremely complicated document, and subtleties in drafting can have significant implications on whether the transaction will close, whether there will be a dispute post-closing and whether our client will prevail if such a dispute arises. I enjoy thinking through all these issues on the front end to ensure clients achieve their business objectives.

Lawbook: You joined Katten most recently in 2018. What about the firm initially attracted you to leave Andrews Kurth?

Washburn: At that time, Andrews Kurth was about to merge with Hunton & Williams, which presented an opportunity to think about where we wanted to finish our careers. The group of us that launched Katten’s Dallas office in 2018 had been working together for decades. We wanted to find a place with a cohesive culture and a real vision for what the Dallas office could be. We did not simply want to be a part of something; we wanted to be a part of something big. Many national firms were opening in Dallas then, so we had our pick. We knew *Roger Furey*, Katten’s now-retired Chair, and trusted him implicitly. Roger and the other lawyers we met shared our energy

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and enthusiasm for what the Dallas office could become. We were hooked.

Lawbook: What has enticed you to stay?

Washburn: This firm has smart, motivated lawyers who are nationally regarded in their respective practices. It's a true partnership where individual lawyers can thrive. We talk, respectfully debate, and make decisions together, whether right or wrong. It's not a 'command and control' environment. It's a place where like-minded professionals are excited about the practice of law, helping each other succeed and building upon the tradition of excellence of our founders.

Katten is an extremely well-run, entrepreneurial and forward-looking law firm. It's why we have been able to grow as quickly as we have. Today, we have about 70 lawyers strong in Dallas and we are still growing. But it's not about the sheer number of lawyers we have attracted. It's about the quality of those lawyers. Katten was largely unknown in North Texas when we started. Today, the firm is not only known here in Dallas, but it's also consequential, becoming a destination of choice for both clients and lawyers. I'm proud of that.

Lawbook: What deals that you worked on at the firm have stood out?

Washburn: While at Katten, I have been fortunate to continue representing some of the most well-known PE funds or their portfolio companies in a variety of transactions across a variety of industries, including technology (such as fintech, agtech and insuretech), aerospace, automotive, food and beverage, healthcare, manufacturing and distribution. I'm particularly proud of the multiple transactions we've led for our client, one of the world's fastest growing and most highly respected generative AI platforms.

I'm also proud of our representation of a special committee of the board of directors of a multi-national manufacturer in its sale. This deal, which took over a year to close, was complicated by numer-

ous cross-border issues, a complex capital structure and an unusually large number of constituent parties with strong and differing views. I'm thrilled that the Katten team could close this transaction on time and without unnecessary disruption.

Lawbook: What have been some of your biggest wins while at Katten?

Washburn: Obviously, it's a win anytime we can help a client acquire or sell a significant business on the terms they require. However, I'm also very proud of the wins achieved by the interdisciplinary team of lawyers here at Katten handling post-closing M&A litigation. The team, which includes *David Crichlow*, *James Bookhout*, *Chuck Perry*, *Brian Muldrew* and myself, among others, has a strong record of navigating the complex internal mechanisms and provisions of purchase agreements to identify the winning strategy.

We've successfully represented PE and non-PE clients in 'must-win' post-closing matters, often when other firms could not chart a course to victory. Wins achieved by this team include a nearly nine-digit settlement for a buyer following a years-long dispute concerning the seller's right to compete with the buyer post-close, a 'more than the purchase price' settlement for a buyer following discovery of the seller's fraud in the transaction and an award of the full earnout for a group of shareholders following buyers refusal to follow the requirements of the earnout mechanism.

Lawbook: What have been your biggest challenges?

Washburn: It's been the shift away from neckties. Nobody wears neckties anymore, and I've been fighting it for years. I still wear both ties and bowties frequently anyway, which is kind of a silent protest.

Lawbook: What separates Katten's M&A and PE approach from other law firms?

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Washburn: Some clients view all big law firms similarly. However, the M&A and PE practice group at Katten does things a bit differently. For instance, we have teams of lawyers with specific industry experience, and we ensure that they are assigned to all relevant transactions. We generate and publish numerous market studies to ensure we are not just following what's happening in the market but identifying it for our clients in advance. We have 'embedded' specialists in the M&A and PE group to ensure a comprehensive understanding of our PE clients' issues. We have worked with market-leading reps and warranty carriers to create RWI policies for PE investors that allow them quicker and more cost-effective coverage for transactions in a platform.

We have developed a commercial contracts group that allows our clients to have all of their day-to-day contracts handled by lawyers who are experienced in these kinds of transactions, which also functions to ensure that our M&A lawyers are similarly focused. We have developed a serial acquisition program for our clients interested in closing a large number of add-ons in a manner that identifies 'go/no go' issues early, permits the client to remain a buyer of choice in its given industry, ensures predictable and efficient legal spend and is dedicated to constant process improvement. The program has been very well received by many well-known and highly acquisitive clients. In addition, the training for our associates is second to none, and our focus on quality is unrelenting.

Lawbook: What is Katten looking to accomplish this year?

Washburn: Our goal for 2025 is to make all of our non-practice group clients and contacts aware of the benefits of our unique approach. Katten Dallas has become a significant point of pride for the firm nationally. That's due to our talented people and our unique culture. We are thrilled with our progress in the last few years and expect continued growth in 2025 and beyond. While the signs for

Dave's Parts Exchange may have come down in recent years, I am certain that Katten is here to stay. Sorry, Dad.

Lawbook: What are your expectations for M&A in 2025?

Washburn: Last year, we saw some nice momentum in deal flow, both in the number of transactions and an increase in deal size. That's going to continue, we think, in 2025, driven by technology innovation, as well as an anticipated relaxed regulatory environment. That said, there will still be challenges, including economic and geopolitical uncertainty. We are trying to sort out the implications of tariffs, which tend to drive inflation. Prolonged periods of inflation will likely have a negative impact on M&A. Investing generally does best when there is calmness and certainty with respect to the future. So, while we are optimistic about a nice rebound to the M&A markets, we are cautiously so.

Lawbook: What are your expectations for PE this year?

Washburn: We are at the forefront of middle-market M&A for private equity investors. In fact, we publish the widely read *Middle Market Private Equity Report*, which this year anonymously surveyed over 100 PE firms with a plurality of funds maintaining assets under management of \$101 million to \$500 million. Our goal for the survey this year was to understand how funds can unlock value in 2025 while navigating a new administration, uncertain economic policy and ever-evolving trends across industries. While the full findings have yet to be published, we note strong feelings of optimism around both platforms and add-ons over the next year. Respondents remain bullish on all equity deals, a trend we identified in our last report. A significant majority of our respondents anticipate an uptick in exit opportunities this year over last, but, again, respondents also identify a number of challenges.

Lawbook: What sectors or market

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areas will be the most prevalent in 2025 for M&A and PE?

Washburn: Business services, technology, financial services and energy, both traditional and green. We also anticipate PE activity in healthcare to be driven by the increased demand for services and the enhanced capabilities of AI in the space. We believe the demand for next-generation manufacturing technology and supply chain diversification will drive PE to invest in the sector. Given Katten's market-leading practice in the sports industry, we are also closely watching as PE investors lean into this sector given, among other things, the significant growth of sports wagering and

changing policies around PE investing in sports.

Lawbook: Since the start of January, what is keeping you busy?

Washburn: New deals, both buy-side and sell-side. Since the beginning of the year, we've seen many new sale processes kick off, many of which are receiving robust interest. As noted, we expect an increase in platform deals, which is bearing out as firms double down on existing strategies and identify new opportunities through market research. I'm also seeing more cross-border transactions with overseas investors looking for the higher ROI often presented by U.S. investments.