



Roy Strom

# BIG LAW BUSINESS

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COLUMN

## Latham Shows How Big Law Cashes In on AI-Driven Data Center Boom

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By Roy Strom, Reporter

Welcome back to the [Big Law Business column](#). I'm Roy Strom, and today we look at how the country's biggest law firms have an edge in building teams around hot practice areas. [Sign up for Business & Practice](#), a free morning newsletter from Bloomberg Law.

Michael Rechtin for years attended a “sleepy,” “nerdy” tech junkie conference in Hawaii tied to his work as a lawyer closing data center real estate deals. Now, it's a big-money event flooded with private equity types.

“We're finally having our time in the sun,” Rechtin said in an interview.

Data center work is hot, and that means Rechtin is cashing in. The real estate lawyer left DLA Piper last week to join Latham & Watkins, the country's second-largest law firm by revenue, and one of the most profitable. He did it, he said, to work with the firm's team of energy lawyers.

Rechtin's move, his fourth in the last 10 years, highlights the draw that the country's largest law firms can have when they set their sights on a rapidly emerging practice area. And it shows how scale across practice groups can become a magnet for talent as legal matters grow more complex.

Data centers being built in just the next two years will require roughly \$150 billion of financing, in addition to what AI companies are funding themselves, Bloomberg [reported](#) this month, citing a JPMorgan Chase & Co. analysis. Facebook parent Meta Platforms plans to spend \$50 billion on a data center in Louisiana, President Donald Trump said this week.

For a follow-the-money business like Big Law, such investment makes data centers an obvious target.

Virtually every major firm now markets a “data center” practice. Perkins Coie in May joined the trend when it [launched](#) a “Data Center Hub,” including energy, technology transactions, and artificial intelligence lawyers. Kirkland & Ellis in January [hired](#) Kemal Hawa, who previously co-chaired Greenberg Traurig's data center industry group. And Orrick in December hired real estate partner Peter Bergan from Loeb & Loeb, [promoting](#) the hire as part of its data center offering.

Latham's data center group relies heavily on the firm's energy lawyers, a function of the huge power demands the centers require. The firm has a 50-lawyer group organized around the projects, said Houston-based partner Justin Stolte, who leads the [nearly \\$2 billion](#) energy and infrastructure practice.

Rechtin said he needed access to the practice to stay competitive.

“Joining Latham was kind of a necessity,” he said. “The industry over the last couple years has taken a hard left turn towards really being about power generation. And to do this properly you have to be at a law firm that has that expertise.”

Today’s flurry of development will give way to industry consolidation, Rechtin said. When that starts, Latham will be a natural choice to advise on large corporate transactions, serving clients through another period of transformation.

### Size Advantage

Data centers have become so important because of the vast scale of computing power required by generative AI. The centers are massive, and they house rows and rows of advanced computing chips—often supplied by the world’s most valuable public company, Nvidia—to train large language models and run their queries.

Latham in the first half of the year led all law firms by the value of data center deals it advised on, according to [Bloomberg Law data](#). It has been helping large asset manager clients such as [Silver Lake](#), [Apollo](#), and [Ares](#) make multi-billion-dollar plays in the rush to provide computing power for the generative artificial intelligence explosion. The firm draws on an “interdisciplinary” team of lawyers focused on real estate, finance, technology transactions, energy regulatory, project development, and environmental land use.

“A firm with the size and success of Latham has an advantage in building these specialty practices with all the resources across groups that they need,” said Jon Truster, a partner at recruiting firm Macrae. “More lawyers are now realizing that is something their clients want.”

A \$9 billion [purchase](#) last month of data center operator Core Scientific Inc. by CoreWeave Inc. showed the scale of the law firms competing in the space, with rivals like Kirkland & Ellis, Wachtell, and Davis Polk working on the matter.

Kirkland ranked second in AI data center deals by value through six months this year, while Wachtell, Davis Polk, and Paul Weiss rounded out the top five.

Michelle Kelban, global chair of Latham’s real estate practice, said Rechtin’s experience with the specifics of data center leases and real estate issues was “the missing link” for the firm’s strategy to offer every aspect of legal expertise needed to close the deals.

Rechtin’s practice for years focused on closing relatively straightforward real estate transactions for warehouse space housing computers.

The Chicago-based lawyer’s first deal came when he was a partner at Holland & Knight, helping Walgreens in 2010 centralize servers that had accumulated in closet space. Comcast turned to him in 2013, when he was at Quarles & Brady, to handle its entire data center portfolio—confirming to Rechtin that his idea of building a niche around data centers had legs.

He moved to Baker & McKenzie in 2015 and Seyfarth Shaw three years later before joining DLA Piper in 2023. His practice took off when companies began converting to cloud computing, he said. Now it’s been supercharged by the AI boom.

“Mike was doing data centers before it was cool to do data centers,” Stolte said. “He was a very rare example where we saw an opportunity and targeted him because we felt it was almost too good to pass up.”

### Worth Your Time

**On The Fed:** Federal Reserve Governor Lisa Cook turned to litigator Abbe Lowell to fend off President Donald Trump, underscoring the emerging role of smaller law firms willing to take on the White House, Tatyana Monnay [reports](#).

**On The IRS:** Sullivan & Cromwell’s Donald Korb is poised to return to the Internal Revenue Service as chief counsel, a position he held under President George W. Bush. This time, he enters a much different agency, Erin Schilling and Erin Slowey [report](#).

**On AI:** Elon Musk hired two boutique law firms—one known for antitrust work and another with Texas roots—to take on Apple Inc. and Open AI in court, Tatyana [reports](#).

*That’s it for this week! Thanks for reading and please [send me](#) your thoughts, critiques, and tips.*