From Allergan to Alibaba, California attorneys were at the epicenter of some of the most prominent corporate transactions of 2014 — a year of dealmaking defined by a spate of 11-figure acquisitions and the single largest initial public offering in U.S. history.

Also included are the Daily Journal’s annual lists of the largest mergers and acquisitions and IPOs of the past year involving at least one California-based company and the California-based lawyers involved.

But size isn’t everything. After soliciting nominations from law firms across California, the Daily Journal is proud to recognize 10 of the state’s most innovative corporate lawyers.

Irrespective of how much money might have been at stake, each honoree was selected based on his or her ability to wrest a novel solution out of a seemingly insurmountable obstacle or blaze a path through an altogether new frontier.

We invite you to look inside to meet some of the California attorneys who made their mark on the corporate world last year.

— The Editors

Patrick A. Pohlen
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Patrick Pohlen couldn’t have predicted that a stock structure he helped pioneer in the 1990s would come back into play decades later in a one-of-a-kind industry, but it turned out to be the saving grace for his client Fantex Inc. Fantex allows the public to trade shares linked to the present and future “brand value” of professional athletes and entertainers. The securities are only traded on a Fantex stock exchange through a broker-dealer that is a Fantex affiliate.

The wholly new business model was originally rejected by the SEC over concerns about the company facing counterparty risk. It determined that Fantex would need financial statements from individuals with whom it entered into business contracts — a deal breaker for the company.

In what is likely the most in his career thus far, Pohlen, working in tandem with fellow Latham partner Jim Morrone, visited the SEC roughly 10 times during the transaction to work with the agency’s staff to come up with a solution that pleased all parties involved. During an “aha moment” one weekend, Pohlen thought of using tracking stocks — a rare structure that he employed while representing Quantum Corp. in 1999 — which would allow Fantex to issue securities that tracked to the brands of athletes and entertainers.

Pohlen and his team worked over the Christmas holiday to finish the proposal and, early last year, the SEC agreed to the tracking stock structure.

It was “all the emotions you would expect: we were excited, we were relieved,” Pohlen said, as regulatory schemes can often lag behind innovative business structures like Fantex’s.

“It was ‘sometimes it’s a round peg in a square hole,’” Pohlen said. “What’s unique about Fantex is we got a round peg in a round hole from the regulatory perspective.”

In April, Fantex, for the first time, sold 421,000 shares of stock for the brand value of San Francisco 49ers tight end Vernon Davis. The company expects more than 10 IPOs in the next two years.

— Kylie Reynolds