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LATHAM & WATKINS LLP

## SHERIDAN WORKS NEW WAVE OF PE AND SPAC DEALS

RACHEL SHERIDAN

*Rachel Sheridan of Latham & Watkins talks about guiding clients through intricate transactions in the high-profile arena of private equity, recently with a lean toward SPAC deals*

Whether navigating a novel IPO structure, a SPAC merger or financing a traditional buyout, Latham & Watkins LLP partner Rachel Sheridan brings a unique approach to dealmaking.

Her self-described “no-nonsense” and “grounded” approach to the craft helped her become a successful lawyer and navigate complex and ground-breaking transactions with flexibility and an eye on the ultimate business goals of the client.

Sheridan, for instance, was part of the Latham team that advised Onex Corp. as well as Clarivate Analytics plc, Baring Private Equity Asia and their respective affiliated funds in a \$4.3 billion

deal with special purpose acquisition company Churchill Capital Corp.

“This was a very large and complicated cross-border deal and one of the first major de-SPAC transactions,” said Sheridan, an honoree for The Deal’s 2020 Women in Dealmaking package in Private Equity. “It was truly cutting-edge, as we needed to set new standards that pressed against old SPAC precedent.”

Since 2019, the floodgates have opened for the SPAC world, and Sheridan is riding the wave while continuing to advise private and public clients alike on M&A and capital-raising issues, among other things.

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“The credibility and success of that deal created a watershed moment for SPACs, and we’ve seen enormous growth in SPAC deals since,” she said.

To that end, de-SPACs were a big theme in her 2020 deal sheet.

In September, Sheridan and a Latham team advised Opendoor Technologies Inc. in a \$4.5 billion deal with Social Capital Hedosophia Holdings Corp. II. The deal was the largest-ever technology de-SPAC merger at the time, surpassing a previous Latham and Sheridan mandate in Clarivate-Churchill. In November, the firm and Sheridan advised GCM Grosvenor Inc. in a merger with SPAC CF Finance Acquisition Corp. to bring the digital platform for residential real estate and alternative asset management firms public.

Sheridan attributes the acceleration in SPAC activity to the “rising caliber of both the SPAC sponsors and targets in the de-SPAC process, as well as the investors in the SPAC and their PIPE issuances.”

Valuations are negotiated up front and there are less regulatory hurdles to go through for the target, which has also helped the vehicles’ rise in popularity, she added. According to PrivateRaise, The Deal’s database tracking SPACs, 2020 saw 325 Form S-1 filings related to SPACs, compared with just 59 in 2019. As of Jan. 22, 73 SPACs have filed registrations.

“The rise of SPACs has been the talk of the deal economy, and working on the cutting edge of these complex transactions with expedited timelines is exciting,” Sheridan said. “Because

Latham has comprehensive and market-leading capital markets, M&A, PE and public company representation capabilities, as well as deep industry expertise, we are one of the few firms that can advise companies throughout the SPAC lifecycle, from private company through the business combination to life as a public company.”

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Where the deal activity goes, so will Sheridan, who advises a number of investors and their portfolio companies through deals and offerings outside the realm of SPACs, too.

One such deal was the July initial public offering for Israeli insurance tech company Lemonade Inc. (LMND), a public benefit corporation and certified B-corporation, in which Sheridan was co-lead. Sheridan and Latham not only guided the company through its IPO but also advised

Lemonade on complex intellectual property challenges presented by its operations being split between Tel Aviv and New York.

The IPO was also only the second of a public benefit corporation, following the IPO of Baltimore-based Laureate Education Inc. (LAUR) in 2017. It required navigation of novel legal issues given B-corps’ obligations to help nonprofit organizations, she said, and demonstrated strong investor appetite for the product, “which may pave the way for PBC IPOs to become more popular.”

Whether navigating a complex IPO with a novel corporate structure or working with PE firms and their portfolio companies through SPAC deals, Sheridan brings a unique toolbox to the table.

“Even among her peers, which is an esteemed group, she stands out as someone who brings a unique combination of intellect, experience, flexibility, a strong commercial sense and pragmatism to every situation,” Onex managing director Kosty Gilis said. “And, frankly, she is just a pleasure to work with.”

“Rachel is an exceptional lawyer, and it’s easy to see why she’s become a standout leader at Latham and within the private equity and capital markets space,” added Marc Jaffe, global chair of Latham & Watkins’ corporate department. “She is uniquely equipped to advise clients on all sides of the financing spectrum, and they trust her with their most critical transactions.”

While 2020 was a busy year for Sheridan, like many, she encountered

a number of challenges over the finish line.

ise of SPACs, more and working with new clients eed to build trust and fficiently over the phone So the combination of novel structures with n a remote context has nique and exciting,” she the pace and precision SPAC deals particularly can of worms “with deal ng on a monthly if not ”

m’s versatility helps the these negotiations.

xceptional expansion has o grow tremendously as she said. “With market-sactional, litigation and ractices and offices all world, our platform is , and I’m able to bring e capabilities of the firm my clients throughout .”

lan was busy navigating s and SPAC deals in of the year in terms of : activity was subdued by c. The market, however, ake a turn in the second something Sheridan said into 2021.

a huge uptick in [private rity in the last several :h we expect to continue,” d. “As we get more clarity ton and the pandemic], firms will be back in the big way pursuing new ner transactions such as

leveraged buyouts.”

Sheridan, a graduate of the University of Virginia School of Law and UVA’s undergraduate program, joined Latham out of law school in 1998. She made partner Jan. 1, 2007.

She credits her success over the years, in part, to Latham’s unique global platform, which she said has experienced “exponential growth” since she joined. Today, the firm employs more than 3,000 lawyers spanning 14 countries.

“The most esteemed global PE firms, middle-market PE investors, energy funds, infrastructure funds and sovereign wealth funds turn to us for their most complicated and high-stakes transactions,” she said.

While the evolution and growth of Latham has helped Sheridan, she attributes as much of her success to the people that helped her along the way as she does to the firm itself.

“Seek out mentors whom you respect for their accomplishments, and who complement your personality, regardless of whether or not they are in your specific practice area,” she advised young attorneys. “I can’t understate the importance of finding mentors who actually work for and with you, rather than those that may be assigned to you in a program.”

Proactivity and pragmatism have remained key attributes that have helped Sheridan succeed as a corporate lawyer and helped her navigate the ever-evolving world of SPACs and keep up with the latest structures in private equity dealmaking and finance, and

everything in between.

“Whether she’s advising on first-of-their-kind deals or mentoring our future leaders, Rachel brings creativity and a positive attitude to everything she does,” Jaffe said. “I’m very proud to have her as a colleague and friend.”

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