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CORPORATE DEPARTMENT OF THE YEAR

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GLOBAL M&A

Latham & Watkins

In 2015, Latham's lawyers were everywhere. In Milan, Paris and Menlo Park, they helped an Italian client merge with a U.S. company, while simultaneously getting its stock listed in Europe. In Los Angeles, Chicago and London, they helped Allergan plc sell its generics business to Israeli pharmaceutical company Teva Pharmaceutical Industries Ltd. for $40.5 billion. And in New York, Washington, D.C., Brussels and the Bay Area, they helped install a holding company between Singapore-based Avago Technologies Ltd. and U.S.-based Broadcom Corp. to allow for a $37 billion tax-deferred deal between the two semiconductor companies.

JASON DOIY

Seated, left to right: Tad Freese, Christopher Kaufman, Anthony Richmond; Standing left to right: Chad Rolston, Luke Bergstrom, Josh Dubofsky

"You need to have people that are on point, 24/7, around the globe," said Latham partner Luke Bergstrom, who helped Italian client Sorin SpA in its merger with U.S.-based Cyberonics Inc. worth $2.7 billion. He was aided by lawyers in London, Chicago and New York, too. "The client can pick up the phone, call any of us, and know they'd get somebody who'd get them an answer."

In the Sorin deal, Bergstrom's multi-region team had to figure out how to get the public company off the Italian exchange while staying on a European exchange. Sorin's investors had a mandate:

invest only in companies on European exchanges, no U.S. listing. And if Sorin did unlist itself, it could lose a lot of money because of shareholders' privileges, Bergstrom said.

"The shareholders had the ability to essentially put their shares to the company to repurchase at a fixed price that would've been potentially greater than what the shares were trading on historically," Bergstrom said. The shares would initially trade on the public market in Italy, but if the shares didn't sell, Sorin was obligated to repurchase them. "That would be a massive cash hit to the company."

In the Allergan deal, Charles Ruck said his team had to move at a breakneck pace he had never experienced before. The team moved so fast that the deal they made was mainly a "framework," Ruck said.

Allergan had just finished its sale to Actavis plc, based in Dublin, after a series of whirlwind acquisitions that grew the company's specialty and generics pharmaceuticals portfolio.

"When all the dust had settled of three major acquisitions, we ended up with a global franchise of both specialty and generics, but there was also a lot of debt for all the deals done," Ruck said. "With a dichotomy in valuations for the specialty pharmaceuticals and the generics, it would've been perfect to sell all the generics portions. The company wasn't looking for that, though." But then Teva came knocking on its door.

Latham's attorneys had to move fast. They needed to carve out the portions of the business Allergan would sell, a process that can take up to nine months. Ruck's team did it in three weeks. The lawyers had some help. Allergan's previous purchases were siloed businesses to begin with. Actavis (bought in 2012 by Watson Pharmaceuticals) was one portion, Warner Chilcott another, Forest Labs yet another.

"We could say 'You're getting everything that was in Actavis and in old Watson, but not what was in Forest Labs, and Warner Chilcott will be split," Ruck said. "Had we gone product by product, it would have taken forever."

— David Ruiz