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Phone: +1 646 783 7100 | Fax: +1 646 783 7161 | customerservice@law360.com

Capital Markets Group Of The Year: Latham & Watkins

By **Jack Queen**

Law360 (December 8, 2020, 2:01 PM EST) -- Latham & Watkins attorneys represented the underwriters of Saudi Aramco's record-breaking $29.4 billion initial public offering, steered the debut of tech companies including Lemonade on public securities markets and handled multibillion-dollar deals with special purpose acquisition companies, earning the firm a spot among Law360's 2020 Capital Markets Groups of the Year.

When Marc D. Jaffe, global chair of Latham & Watkins' Corporate Department, joined the firm 27 years ago, it specialized primarily in high-yield debt, which at the time was seeing explosive annual growth. Since then, Jaffe said, Latham's capital markets group has become a powerhouse across every type of financial product and transaction, from IPOs to investment grade debt and leveraged finance.

"We can do it because we have talent across the globe, we deeply believe in innovating and getting it right every time and because we view our relationships with our clients as not just one-off relationships but life cycle partnerships," Jaffe said.

With that mentality, Latham can bring clients to the next level with major transactions and then plug them into the firm's other practice groups, said Ian Schuman, global chair of Latham's Capital Markets Group

"We can then take that relationship and service it across the globe, no matter where it wants to go, and give it all the things it needs as a public company over its entire life cycle," he said. "It has a sort of flywheel effect."

The firm's global reach was a selling point for the investment banks that underwrote the IPO for Saudi Aramco, Saudi Arabia's state-owned oil company. The kingdom considered a host of possible listing locations before settling on its own stock exchange, but Latham attorneys were at the ready in financial capitals across the world.

Latham staffed the transaction across a dozen offices in the U.S., Asia and Europe, advising investment banks on everything from securities to antitrust and tax law.

"Coordinating 12 offices and all of those specialties across a deal of this complexity and magnitude required unbelievable teamwork and coordination, which I think Latham is uniquely capable of bringing to bear for our clients," Jaffe said.

In July, Latham attorneys steered a $315 million IPO for Lemonade, an artificial intelligence-powered insurance company that gives a share of its profits to charities chosen by its customers. The listing was only the second for a public benefit corporation, or a company that incorporates a social mission into its charter.

At around the same time, Latham advised on IPOs for online used car dealer Vroom, software company ZoomInfo Technologies Inc., and telemedicine and prescription drug price tracker GoodRx. In recent years, it also had a hand in IPOs or direct listings for companies including Peloton and Spotify.

"These are all disruptive, cool companies that are challenging the way business is done," Jaffe said. "Helping them find a path to capitalization is really exciting."

One of the most popular ways to go public lately has been through special purpose acquisition corporations, or shell companies run by experienced managers who buy private companies and give them a quicker route to securities markets. There has been a bumper crop of those deals this year, and Latham has had a hand in many of them.

"What we've found is that the combination of our number one position in IPO's and our top-tier position in mergers and acquisitions has set us up perfectly to guide clients through both ends of that process," said Ryan Maierson, global chair of Latham's Public Company Representation Practice.

Latham is advising digital real estate platform Opendoor on its $4.8 billion go-public deal with a SPAC led by former Facebook and Twitter executives. The firm also steered Virgin Galactic's SPAC merger that propelled the commercial space travel company to public markets with an enterprise value of $1.5 billion.

This year, some 180 SPACs have gone public, and they're looking for earlier and earlier stage companies to combine with, Maierson said. Some targets likely thought their IPO was two or three years down the road, but when a SPAC comes knocking, the timeline is compressed to as little as six months.

"We have to accelerate the entire traditional IPO public company readiness process, both standing up the company and doing all of the necessary teaching and education to get the people working at the company ready for their new life," Maierson said.

That also includes negotiating mergers with SPACs, inking subscription agreements with additional investors and handling due diligence conducted by all parties to the transactions. On top of that, companies still have to run their businesses. Once, again, Latham's scale helps.

"It's a massive undertaking to get a company public through a SPAC," Maierson said. "Through the different disciplines that we offer, we're able to branch out accordingly and help the company with all of those work streams at the same time."

--Editing by Amy Rowe.