

Capital Markets Group Of The Year: Latham & Watkins

By Jon Hill

Law360, New York (January 17, 2018, 5:41 PM EST) -- Latham & Watkins LLP's capital markets group had a 2017 full of achievements that included handling one of the biggest technology initial public offerings of the year and Saudi Arabia's blockbuster, first-ever bond offering, earning the team a slot among Law360's Practice Groups of the Year.

The firm's capital markets team, which is composed of more than 450 attorneys stationed in offices around the globe, worked on hundreds of capital markets transactions involving a diverse range of products, solidifying what Ian D. Schuman, global co-chair of the firm's capital markets practice, calls Latham's reputation as a go-to firm for investment houses on Wall Street.

"Capital markets at Latham is a practice area that in many ways drives the business," Schuman told Law360. "We make a concerted effort to build out the size of the capital markets bench as well as the touch points we have across all of Wall Street and the various practitioners that come into contact with capital markets deals."

The dividends from those efforts were on full display in 2017.

Latham, for example, advised data center company Switch Inc. on its **\$531.3 million IPO**, which closed in October to become the biggest technology IPO since Snap Inc.'s \$3.9 billion IPO in March 2017, the largest offering of last year, according to IPO researcher Renaissance Capital.

Shayne Kennedy, a Latham partner who worked on the Switch IPO, attributes this success in part to the story that the firm helped Switch tell.

"If you look at companies in this data center space, most of Switch's competitors are doing their IPOs under a [real estate investment trust] structure, which is much more focused on underlying real estate," Kennedy said. "When Switch started talking to us about their IPO, they really wanted to present themselves as being a technology company."

Kennedy said that the firm worked closely with Switch to craft a story around this technology angle in its offering.



“As you dug into it, the technology was very distinguishing from the other data center companies in the space,” Kennedy said. “It made for a very interesting process. I think it was also one of the things that drove the valuations they got.”

While Latham also helped the Germany-based hotel search platform Trivago go public with a \$330 million IPO in December 2016, the firm’s offerings work wasn’t just limited to the tech sector.

Latham advised outdoor gear retailer Camping World Inc., for example, on a \$303 million stock offering in May after guiding the company in its nearly \$250 million IPO the previous October, and the firm was responsible in August for steering Mexico’s first IPO of a special purpose acquisition company — a \$650 million IPO by Vista Oil & Gas, an energy-focused SPAC.

The firm’s IPO work wasn’t limited to issuers, either.

When Canada Goose Holdings Inc., the Toronto-based clothier known for its luxury winter down jackets, debuted on both the New York Stock Exchange and Toronto Stock Exchange last year with a more than \$250 million IPO, Latham represented the underwriters.

Latham also advised underwriters on a slew of other offerings, including the \$728 million IPO from Colorado-based Extraction Oil & Gas Inc. that marked the first time a U.S. oil and gas explorer had gone public in more than two years.

The firm showed its capital markets prowess extends into the debt markets, too.

It was Latham, for example, that represented the Kingdom of Saudi Arabia in its first-ever bond offering, a \$17.5 billion whopper that closed in December 2016 to become the biggest syndicated sovereign bond issuance from an emerging market country.

Alex Cohen, a Latham partner and co-chair of the firm’s national office, described the deal as a truly global effort that drew upon the tremendous skills and experience of a very large team of Latham attorneys working out of locales like Riyadh, Dubai, London, and Washington, D.C.

“There aren’t that many firms that can put that package together, and when you’re talking about offerings of this magnitude and importance, there really isn’t much margin for error,” Cohen told Law360. “It has to be executed on an aggressive timeline, and it has to be executed correctly.”

If that level of complexity and precision sounds daunting, try building a database to log each and every one of the billions and billions of stock and options transactions that occur in U.S. markets every day.

That’s what Thesys Technologies is doing as part of the U.S. Securities and Exchange Commission’s Consolidated Audit Trail, an initiative intended to help regulators better police the markets against manipulation and avoid a repeat of the 2010 flash crash.

Last year, a Latham team led by partner Vivian Maese signed on to serve as legal counsel to the Thesys Technologies subsidiary, Thesys CAT LLC, that’s handling the massive project, a potential game-changer for securities regulators who have sought better market surveillance tools.

The relationship positions Latham as a key partner to the company, which will receive the firm’s advice on legal, cybersecurity, transactional, governance and regulatory compliance-related matters, and

highlights Latham's cross-disciplinary strengths by drawing on the resources of its financial technology industry and financial regulatory groups.

"I'm excited for 2018. I'm reasonably bullish that we'll be busy once again," Schuman said.

--Additional reporting by Tom Zanki and Ed Beeson. Editing by Emily Kokoll.

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