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2022 DEALMAKERS OF THE YEAR



Marc Jaffe



Tad Freese

Latham & Watkins

IN A RECORD-BREAKING YEAR FOR THE CAPITAL markets, one company roared to life unlike any other. Electric vehicle maker Rivian Automotive raised \$11.9 billion in an upsized offering, in the largest IPO in 2021 and the seventh-largest IPO in U.S. history.

The size of the deal was a milestone in itself—at \$66.5 billion, it was the fifth-highest valuation ever—but more notable for Latham & Watkins' Marc Jaffe and Tad Freese was the task of crafting a compelling narrative for a company without a clear history of revenue generation. In fact, Rivian's first vehicle rolled out just two months prior to the transaction.

The team set about "telling a story for a company that had very high market valuation expectations, making sure to do it in a way that investors could understand what was coming without exposing them to too much risk," Freese says.

While Jaffe and Freese are no strangers to advising industry innovators such as Airbnb and Spotify, this was also a company "operating in a vertical that had for 100 years been dominated by very few players," Jaffe says. Unlike the direct-to-consumer sector, the automotive space rarely sees a major disruptor enter the field.

Flashy product art aside, the narrative centered on the vision of the company's board and founder/CEO RJ Scaringe "that the world will pivot away from fossil fuels toward electric vehicles," Freese says. Rivian is further distinguished in its focus on trucks and SUVs.

"One of the great thrills of our work is being able to help incredible visionaries access the capital markets and go further on their journey to realizing their inventive dreams," Jaffe adds.

Jaffe notes that the transaction occurred during an incredibly active year. That is why he and Freese—who have both been at Latham for over 27 years and are based in New York and the Bay Area, respectively—along with capital markets partner Alison Haggerty and a team of associates, collaborated to provide the highest level of coverage and a diversity of perspectives.

And the deal work, highlighting the "E" in environmental, social and governance initiatives by conveying Rivian's plans to develop a worldwide vehicle charging network and create land conservation areas for vehicle owners to foster a community, is indicative of a larger trend, according to Jaffe and Freese.

"We expect to see an increasing amount of focus on ESG initiatives in the capital markets, not just for IPOs but for companies that have already gone public," Freese says. "We're only going to see more and more of that."

—Jessie Yount