

## Private Equity MVP: Latham & Watkins' David I. Brown

By Benjamin Horney

*Law360, New York (December 9, 2016, 1:22 PM EST)* -- Latham & Watkins LLP attorney David I. Brown spent the past year guiding a plethora of private equity transactions, together worth nearly \$6 billion, for clients including the Carlyle Group and Platinum Equity, landing him on Law360's list of 2016 Private Equity MVPs.

Brown, a partner in the corporate department of Latham & Watkins' Washington, D.C., office and global co-chair of the firm's private equity practice, told Law360 that he knew he wanted to be involved in mergers and acquisitions since he was young.

"I went about it backwards probably," he said. "I went to law school with the idea I was going to be an M&A lawyer and never looked back."

"PE was less of a long-term plan," he added.

After graduating from the University of Virginia and then Harvard Law School, Brown landed at Debevoise & Plimpton LLP, where he says he gained a ton of experience working with talented private equity lawyers. In 2000, he came home to Washington, D.C., to work for Latham & Watkins.

"I live five blocks from the house I grew up in," he said. "I like to say I never got far in life."

The last year has been a bit busier than usual for Brown, and much of his time was spent steering transactions for California-headquartered private equity stalwart Platinum Equity. Brown assisted on the firm's \$2.4 billion sale of BWAY Corp., its €200 million sale of the European unit of Mactac and its divestiture of Maxim Crane Works, among others.

Brown's personal history with Platinum Equity dates back to 2009, and he's been doing deals for the firm every year since. The consistent workload is typical for a private equity client with which he has



developed a strong relationship, Brown said, because private equity sponsors are “repeat players” in the mergers and acquisitions market.

“Most clients that aren’t PE firms are not as routinely in the M&A market as a PE sponsor is, so you get to know PE deal teams very well, both personally and in terms of how they like to operate in deals,” he said. “You can form these very sophisticated relationships where you really know what they are thinking. It makes deals flow better and more quickly.”

One deal that took up a decent chunk of Brown’s time this year was Platinum Equity’s agreement to pay about \$323.4 million for Electro Rent Corp., which provides electronic test and measurement equipment to industries including telecom and aerospace and defense.

There was a public auction for Electro Rent, and at first Platinum Equity did not appear to be coming out as the victor, Brown explained. When no deal with any other bidders got done, Platinum Equity decided to get back involved this spring, ultimately getting exclusivity. However, a bidder that had previously been in talks to buy Electro Rent did not completely respect that exclusivity, sending letters to Electro Rent that suggested it could offer a much higher price.

As the exclusivity period was coming to an end, the board of Electro Rent struggled with whether to ink an agreement with Platinum Equity or take the mystery box and see exactly what the other bidder could offer. With the help of Brown and his Latham & Watkins team, Platinum Equity negotiated an “unusual agreement” under which Electro Rent was given a few days to explore the other potential bid while its offer remained on the table.

Though exclusivity would run out during that time period, Platinum Equity agreed to keep its deal on the table in case the other bidder was bluffing. In the end, Platinum Equity acquired Electro Rent.

“It was a creative way to try and bridge concerns that the board had with trying to confirm it was getting the best price,” Brown said. “That’s a good example of how, when faced with very little time to make a decision about how to move forward, it’s important in my practice to advise clients on unique or creative solutions.”

It may seem like Brown spent every second of 2016 helping Platinum Equity clinch numerous deals, but he has a host of other clients that needed to be tended to as well. He assisted as private equity giant the Carlyle Group in May obtained a \$400 million minority investment in ION Investment Group, which provides mission-critical trading and workflow automation software solutions to corporations.

That deal led to Brown nabbing another client, as Carlyle later recommended to ION Investment that it go with Latham & Watkins when one of its business units reached a deal to buy software-as-a-service company Reval Holdings Inc. That deal is still pending, but Brown may have nabbed another long-term client.

“Getting ION, that was solely Carlyle,” he said. “Carlyle recommended that ION consider engaging us.

And having worked across the table from ION on that initial investment, they understood we were able to effectively advise our clients. It was a nice compliment from Carlyle, but from ION as well.”

Going forward, Brown expects to keep busy as the calendar turns to 2017, but not just because of his legal practice. Happily married for 14 years, Brown has two sons.

“They create noteworthy challenges on a daily basis,” he said.

--Editing by Jack Karp.

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