

Rising Star: Latham & Watkins' Stephen McWilliams

By **Liz Hoffman**

Law360, New York (March 27, 2012, 2:33 PM ET) -- Stephen McWilliams is one of the youngest office managing partners in BigLaw and has grown Latham & Watkins LLP's Singapore branch from an island outpost advising mostly on domestic power plants to a regional infrastructure heavyweight with a \$100 billion deal pipeline and some of Australasia's most innovative financings to its name, earning him a spot among Law360's top project attorneys under 40.

Working with sponsors, host governments and, increasingly, Asia's biggest banks, McWilliams, 39, is on the leading edge of the region's push to boost power generation, upgrade shaky grids and lock down access to key resources like natural gas and iron ore.

McWilliams has closed a half-dozen "first of their kind" financings across Indonesia, Thailand, Vietnam, Laos, Australia and New Zealand, turning heads and vaulting Latham's Singapore office into the upper echelon's of Asia Pacific's league tables.

"The key to our explosive growth has really been recruiting and developing the next generation of leaders, and Stephen is right up there," said Joe Bevas, a senior partner at the firm's Singapore and Tokyo offices.

That McWilliams, an Australia native, ended up in Singapore at all is something of a happy accident. In 1997, as a young associate at Mallesons LLP, he was hired by Allen & Overy LLP, which planned to send him to its Hong Kong branch. But during the diplomatic transition from British to Chinese rule, McWilliams couldn't get a visa. His new employers told him to wait it out for a few weeks in Singapore.

He never left. Bevas recruited him to Latham in 2000 and since then, the Singapore office has expanded its reach throughout southeast Asia and the Pacific Rim, country by country and sector by sector.

Launched in 1997, the office worked mostly on Indonesian power projects in its early years. It then stepped into hydro power in Laos, which opened the door to Vietnam and Thailand, the region's big fish, McWilliams said. Chinese petrochemicals projects for Royal Dutch Shell PLC in 2004 and Exxon Mobil Corp. in 2008 rounded out the firm's industry chops and soon the phone was ringing with projects across the energy and mining sectors.

A pair of projects, both spearheaded by McWilliams and announced within two weeks of each other last April, cemented the firm's role as one of the region's elite.

McWilliams represented the lenders in a \$3.9 billion Hongsa power project, which included construction of a power plant, coal mine, dams, access roads and grid tie-ins. It was the first true project financing in Vietnam's history, and the first anywhere in the world to be backed exclusively by Thai banks.

A few weeks later, McWilliams led a 40-attorney team acting for the sponsors of a Singapore petrochemical plant. The \$2.63 billion Jurong Aromatics financing was one of the most complex project deals ever closed in Asia and the first without the guiding hand of an oil major. Instead, multiple investors — none with a controlling stake — jockeyed for position and 10 banks committed senior, subordinated and mezzanine debt.

“Those two projects, I think, were really the culmination of the growth we've seen as an office,” McWilliams said. “They also show how the deals here have changed.”

McWilliams says he's seen the sophistication of the legal and financial market grow alongside his 14-year career. Thai banks, once relied on for a token \$10 million slice of a \$200 million project, are now taking lead roles in multibillion-dollar deals. Host governments are more aware of the terms under which multilateral institutions will lend, and more willing to meet them. Opportunities are opening for midcap lenders and sponsors to access deal markets.

That has opened up ample opportunities for McWilliams and the rest of Latham's deal team to set new deal precedent. The Mong Duong II power plant closed in 2010 as the first build-operate-transfer coal project in Vietnam and the first participation of Korean export credit agencies there. Pakistan's Uch II project was the first independent power plant built under a new national power scheme. An \$18 billion LNG project in Papua New Guinea was, at the time, the biggest project financing in the world.

“As the markets become more complex, the parties are developing an awareness of the value of good counsel,” he said. “That lets us spread our wings a bit and keep pushing for new, innovative deal structures.”

Colleagues say McWilliams is as responsible for that increasing sophistication as he is a beneficiary of it. Generous with his time and exhaustive in his industry insights, McWilliams works with clients hungry to be seen as a credible — and creditworthy — by global leaders. At meetings with government sponsors, the room will often be packed with 40 or 50 staffers eager to learn about subordinated debt and take-or-pay structures, and McWilliams answers every last question.

“He's got that unique combination of brains, brawn — in terms of doing the heavy lifting for a project — and benevolence,” Bevash said. “Clients talk about lawyers being a partner, but you don't always see it. Stephen is a partner.”

--Editing by John Quinn.