

## M&A Group of the Year: Latham & Watkins

By Jake Simpson

*Law360, New York (January 04, 2013, 4:21 PM ET)* -- A series of multibillion dollar deals in 2012 and a leading position as transactional counsel for the U.S. energy and life sciences industries have earned Latham & Watkins LLP a spot on Law360's M&A Practice Groups of 2012.

Latham's mergers and acquisitions team is one of the largest and most prolific in the world, with 421 attorneys in 27 Latham office worldwide, including 208 partners. Latham represented firms on a total of 363 public and private transactions in 2012 with a combined value of \$287.4 billion.

The group completed 250 transactions worth a combined \$264.7 billion in the U.S. alone and ranked fourth in U.S. M&A activity by deal value in 2012.

Chicago-based partner Mark D. Gerstein, global co-chair of Latham's mergers and acquisitions group, told Law360 that the practice is made up of veteran attorneys with the skills and experience to complete any type of transaction.

"We have not only a very talented group of lawyers, but a very savvy group of deal-makers," Gerstein said. "Our team keeps an eye on the endgame."

The endgame was at the forefront of the minds of Latham's deals team when it advised Watson Pharmaceuticals Inc. on its roughly €4.3 billion (US\$5.6 billion) acquisition of Swiss life sciences company Actavis Group, first announced in late April. Latham helped Watson navigate the complex regulatory and competition issues of the cross-border deal, including an October agreement with the Federal Trade Commission to divest 18 of its drugs to competitors to allay antitrust concerns.

Gerstein, who called the deal "a long-running and challenging transaction," noted that Watson is just one of several leading pharmaceutical companies that Latham advises, along with Eli Lilly & Co. and others.

"We have a market-leading practice for buy- or sell-side M&A in the life sciences industry," he said.

The group also has strong ties to the energy sector through its Houston office, with M&A partners from across the U.S. pitching in to work on major deals. Latham advised master limited partnership Energy Transfer Partners LP on its \$5.3 billion acquisition of Sunoco Inc., which received final shareholder approval in October.

ETP absorbed Sunoco's natural gas transportation and logistics business and its branded retail operation of 4,900 stores across the country. During negotiations, Latham's M&A partners relied heavily on the firm's tax group, which was able to navigate the complex MLP tax issues and secure maximum growth for ETP.

"That deal is another good example of how our other practice groups — such as our finance, corporate law and tax groups — have helped us out," Gerstein said. "Every one of those team members stepped up as if it had been their own client they brought into the firm."

In addition to its general corporate transactional work, Latham's mergers and acquisitions practice has a robust private equity deal component. Gerstein said the group's workload is split roughly 50-50 between corporate M&A and private equity M&A, with a subspecialty in PE energy deals.

Among the firm's private equity clients are industry leaders The Carlyle Group LP, KKR & Co. LP and Leonard Green & Partners LP. Latham advised Carlyle and London-based BC Partners on their \$3.5 billion acquisition of United Technologies Corp.'s Hamilton Sundstrand industrial unit, first announced in July.

That deal, like many others in 2012, utilized Latham's cross-border transactional experience and M&A expertise outside the U.S., particularly in Europe. Roughly 24 percent of Latham's deals in 2012 were cross-border, according to firm data.

The group hopes to expand its international operations in 2013, with a focus on Latin America and Asia, Gerstein said.

Latham also advised Lucasfilm Ltd. on its \$4.05 billion sale to The Walt Disney Co. in October and represented Quest Software Inc. on its \$2.4 billion merger with Dell Inc. in September. The Quest deal was especially complex because Dell entered negotiations during a 60-day "go-shop period" after Quest had agreed to a roughly \$2 billion take-private deal with private equity firm Insight Venture Partners in March, according to Gerstein.

"That's where your M&A expertise, just in terms of instincts, really comes into play to get a higher value for stockholders," he said of the Quest deal. "We had negotiating savvy as well as a set of go-shop documents that worked exactly the way they were supposed to."

Going forward, the group hopes to broaden its industry expertise and has targeted the financial services and middle-market M&A sectors as growth opportunities, Gerstein said. With a wide array of geographic and industry-specific experience and a bevy of complementary practice groups, Latham's mergers and acquisitions group is well-positioned to build on its robust 2012.

"We spend a lot of time focusing on industry expertise, which allows us to bring to bear not only the M&A capabilities of our deal teams but the experience of other practice groups as well," Gerstein said. "We all speak the language of the sector."

--Editing by Katherine Rautenberg.