

M&A Group Of The Year: Latham & Watkins

By Y. Peter Kang

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The mergers and acquisitions team at Latham & Watkins LLP posted yet another strong year that was boosted by a \$40.5 billion deal to sell Allergan's generic drugs business and a \$38 billion takeover of The Williams Cos., landing the firm among Law360's M&A Groups of the Year.



It's the fourth straight year the M&A practice group has earned the honor, which is well-deserved for a group that ranked second in M&A deal value and third-highest in deal count in the U.S. in 2015, according to rankings put together by Thomson Reuters. On a global basis, Latham was a top-tier M&A firm last year, with \$748 billion worth of deals, according to Dealogic.

About 600 M&A attorneys across the globe, including 145 M&A partners, work on shepherding deals at Latham, according to David Allinson, global co-chair of the firm's M&A practice and one of 250 M&A attorneys based in 12 U.S. offices.

"We have a big global footprint and M&A capabilities across the globe, which certainly helps with cross-border M&A matters and dealing with companies that have a presence in a lot of different jurisdictions," Allinson said. "It does require a lot of manpower in those different jurisdictions, which plays well to our strengths."



David Allinson

By utilizing the firm's global capabilities and knowing the ins and outs of clients' various industries, Allinson says Latham is able to tackle complicated deals requiring a lot of intricate work and maintain its position as an elite M&A practice group.

"Latham very much focuses on bringing that expertise and doing it in a way that keeps an eye on value for the client and making sure the client gets the deal done, and done well," he said.

One of those successful deals was the March closing of a \$73 billion deal in which Actavis PLC acquired Latham client Allergan Inc. in a cash-and-stock acquisition. Along the way, Latham helped Allergan thwart a hostile takeover attempt by Valeant Pharmaceuticals International Inc. and activist investor Bill Ackman's Pershing Square Capital Management LP.

That monster deal — the largest announced in 2014 — prompted Allergan to initiate the sale of its global generic pharmaceuticals business to Israeli drug giant Teva Pharmaceuticals Industries Ltd. for \$40.5 billion in a cash-and-stock deal announced in July. The deal was notable as it was completed in

just three weeks, which Allinson says forced the group to kick into high gear.

"It required an awful lot of work from the deal team to work out the proper structure and the documentation for such a large carve-out transaction," he said.

Latham also represented Energy Transfer Corp LP in its \$38 billion acquisition of The Williams Cos. Inc. Announced in September, it was one of the largest energy deals of the year and positioned Energy Transfer as the third largest energy company in North America and the fifth largest in the world.

"What stands out about that deal was that it was a giant merger in that space with two energy behemoths," Allinson said. "We had to do it very carefully because you are combining such large companies and, clearly, those sorts of deals get a lot of regulatory scrutiny. Given the size of the merger and the regulatory hurdles you have, it takes a lot of time to put together and a lot of thought. There is more advanced planning than you see."

The firm advised chipmaker Avago Technologies Ltd. in its \$37 billion acquisition of Broadcom Corp., a deal announced in May that the firm said is the largest semiconductor transaction in history. So far, the transaction has secured clearance in the U.S., Taiwan and Japan, with three other jurisdictions pending, according to Latham.

In September, Latham represented Sirona Dental Systems Inc. its \$13.3 billion all-stock merger with Dentsply International Inc., which creates the world's largest manufacturer of professional dental products and technologies.

Latham also represented Orbitz Worldwide Inc. in its \$1.6 billion sale to Expedia Inc. — a merger that the U.S. Department of Justice cleared in September, saying the deal was not likely to hinder competition or harm consumers following a six-month investigation by the DOJ's Antitrust Division.

Looking ahead, Allinson said recent declines in the stock market could lead to diminished deal activity in the first half of 2016, but he expects deal volume to increase in the back half of the year.

"My personal prediction is that we'll have a correction in the equity market this quarter and next quarter," he said. "But I think we'll see enhanced activity for the second half of 2016 because valuations will come down, and that will encourage other participants to enter the M&A market and get deals done."

--Additional reporting by Pete Brush, Kurt Orzeck and Chelsea Naso. Editing by Catherine Sum.