

# CORPORATE DEPARTMENT OF THE YEAR

WEEK OF MAY 23, 2016

## 2016 OVERALL CORPORATE DEPARTMENT OF THE YEAR

### Latham & Watkins

**T**here's the \$37 billion cross-border semiconductor deal. There's the \$40.5 billion international pharmaceutical deal. There's the local \$160 million life sciences IPO and the \$911 million follow-on. There are also the \$50 million fundraisings and even the seed financings that barely cracked seven figures.

There's a little bit of everything at Latham & Watkins. And that's by design.

"We focus our practice on caring for and representing all these companies, whether they're a \$2 million startup or a \$100 million IPO or a private equity firm's acquisition that might be modest in size," said R. Scott Shean, the Orange County corporate department chair. "What I love to tell clients when they come in and they say 'Oh, are we too small for Latham?' I say 'No, no. What you have to realize is we spent the last 20 to 30 years building out our global practice so when you become the next big company, we're there for you.'"

On the smaller side, Latham advised now-split tech investment firm Formation 8 on its \$1 million seed funding for micro-finance startup Branch International. The



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Bottom row left to right: Anthony Richmond, Christopher Kaufman, Jim Morrone; Middle, row left to right: Patrick Pohlen, Tad Freese, Mark Roeder, Ora Fisher; Top row left to right: Scott Haber, Judith Hasko, Luke Bergstrom

firm advised Andreessen Horowitz on its \$2 million seed financing of supplement maker Nootrobox. And the firm counseled

Eclipse Ventures on its \$7.4 million financing for Flex Logix Technologies, a new kind of chipmaker.

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As for company-side work, Latham advised Aimmune Therapeutics Inc. in raising \$160 million for its initial public offering and BioMarin Pharmaceutical Inc. in raising \$911.5 million in a secondary offering. Latham also helped Italy-based Sorin SpA in its \$2.7 billion merger with a U.S.-based Cyberonics Inc.

Then the deals get big.

In the largest semiconductor deal in history, Latham advised Singapore-based Avago Technologies Ltd. in its purchase of Broadcom Corp. for \$37 billion. The complex deal, featuring Skadden, Arps, Slate, Meagher & Flom on the other side, required the Latham team to figure out a way to appease shareholders with different needs, as some wanted cash while others wanted a tax-deferred option. Most U.S.-to-U.S. stock mergers can run tax-free, but for cross-border deals, there are tax implications, depending on the sizes of the tied-up companies.

The lawyers made a limited partnership that could offer “units,” which weren’t quite the same as stock. The units could

be exchanged at a later date for Avago stock and they had an economic equivalent in value.

“We ended up offering to the shareholders a smörgåsbord of whatever they wanted,” said Silicon Valley partner Christopher “Kit” Kaufman, who helped lead the deal. “There were limited partnership units, stock in the newly formed corporation done with the new holding company, and cash.” The deal required antitrust review in China and Singapore—and yet negotiations only took six weeks, Kaufman said.

Orange County partner Charles Ruck also felt a time crunch in representing Allergan plc in the sale of its generics business for \$40.5 billion to Israeli pharmaceutical company Teva Pharmaceutical Industries Ltd.

“We didn’t have time to do this deal,” Ruck said. He and his team had just advised Allergan Inc. on its acquisition by Actavis plc for \$70.5 billion, creating a company with two portfolios: generics and specialty pharmaceuticals. Teva was after the generics portion, and the lawyers at

Latham had to carve out what would be sold and what would stay behind. That process, Ruck said, can take six to nine months. Latham’s lawyers completed it in three weeks.

But Latham had some background with the companies that quickened the carve-out.

In 2012, Watson Pharmaceuticals Inc., which had just moved from Corona to Parsippany, N.J., bought Actavis Group, a generics pharmaceutical company based in Switzerland. The new company took the Actavis name and bought three more companies over the next two years. All told, the deals spanned continents, currencies, time zones and regulatory bodies, and were often done under intense deadline pressures.

“The reason that we are able to represent companies through their entire life cycle,” said Kathleen Wells, co-chair of the Silicon Valley corporate practice, “is because of the breadth of practices areas we have and where our footprint is, globally.”

—David Ruiz