



Latham & Watkins expands emerging company and venture capital practice

The recent round of promotions to the worldwide partnership of Latham & Watkins has strengthened the firm's abilities in the venture capital and emerging company fields, among many others.

Haim Zaltzman, who has received a promotion from associate to partner, divides his time mostly between Latham's San Francisco and Silicon Valley offices. Zaltzman has a broad finance background and specializes in advising emerging companies with respect to pre-cash flow debt and hybrid financings. He is also highly knowledgeable about private equity financings in the tech, renewable energy, and life sciences sectors. Zaltzman has done extensive work with financial institutions, developers, and sponsors as well as start-ups. In a discussion with IFLR1000, Zaltzman cast light on the growing tendency of emerging companies to access debt markets in order to establish a foothold and grow.

"Four to five years ago, you would see debt being a small part of the capital structure of an emerging company, maybe 10 percent. Now it is up to 30 to 40 percent. Dodd-Frank and other legislation have had an impact on my practice and tightened the things banks can do and the types of clients that major banks can extend credit to. In light of debt being relatively cheap, and banks being more tightly regulated, there have been a lot of non-bank lenders providing financing for start-ups. Silverlake's new debt fund is one example," Zaltzman said.

Zaltzman noted that he and his colleagues are getting more questions nowadays from venture capital and private equity funds as to how they can provide debt directly to their portfolio companies, or to other companies

accustomed to receiving investments only on the equity side.

"Some of these portfolio companies are just no longer good candidates for bank debt. As always happens in the finance world, somebody steps in and fills a void for a certain price. We're seeing new money, new funds, and more aggressive deployment both from venture capital funds and corporations that have large seeding arms. A lot of the companies seeking this type of debt are in the tech space," he commented.

The current tense expectation in the markets has not hampered the growth of certain vital sectors and is not likely to do so, in Zaltzman's view.

"Everybody will be paying attention to the new Fed chair, whenever that person is appointed, to see what happens with respect to the availability and cheapness of debt. Will tech continue to be as hot as it is now, and will there continue to be a lot of IPOs and focus on the tech sector? We think there will. These are very different tech companies from 2000, when there was a bubble, and there are a lot of legs in the market," he said.

Zaltzman, a former editor of the Stanford Journal of International Relations, practiced law at Skadden Arps Slate Meagher & Flom in New York City before joining Latham.

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Haim Zaltzman

Associate

Tel: 1 415 395 8870

Email: haim.zaltzman@lw.com

San Francisco | Silicon Valley
505 Montgomery Street
Suite 2000
San Francisco, CA 94111-6538
USA

Haim Zaltzman is an associate in the San Francisco and Silicon Valley offices of Latham & Watkins.

As a member of the Finance Department, Mr. Zaltzman's practice focuses primarily on emerging company debt transactions. He has closed over US\$2.5 billion in emerging companies debt transactions and his emerging companies debt expertise has been featured in CFO Magazine, The Recorder and VCExperts.com. Mr. Zaltzman also works on renewable energy project finance transactions (over US\$3 billion in wind, geothermal and solar financings, including transactions that have won prestigious "Deal of the Year" designations from Project Finance International), technology-related private equity financings and leasing transactions. He frequently represents borrowers, banking clients and venture capital providers in all areas of financing transactions.

Mr. Zaltzman was the editor of the Stanford Journal of International Relations and served as a Fulbright Scholar in Russia. Prior to joining Latham & Watkins, Mr. Zaltzman practiced law in the New York office of Skadden, Arps, Slate, Meagher & Flom LLP.



Latham & Watkins has a top tier ranking in the IFLR1000.