

M&A Group Of The Year: Debevoise & Plimpton

By Kurt Orzeck

Law360, Los Angeles (January 15, 2016, 1:39 PM ET) -- Debevoise & Plimpton LLP attorneys over the last year served as principal advisers in multiple transactions valued at more than \$10 billion, including the \$17.7 billion sale of Cablevision Systems Corp. to Altice N.V., earning the group a spot among Law360's M&A Practice Groups of 2015.



The firm also represented the Canada Pension Plan Investment Board in its \$12 billion acquisition of Antares Capital from GE Capital Corp. and advised Verizon Communications Inc. in the \$10.54 billion sale of some of its local wireline operations to Frontier Communications Corp.

Roughly 125 corporate attorneys, including about 30 partners, work on mergers and acquisitions at Debevoise, according to Bill Regner, co-head of the firm's M&A group. Regner said M&A is a core focus for the firm, which employs about 650 attorneys total.

While Debevoise's M&A team didn't grow significantly in size in the last year, it did expand its global reach, according to Regner.

"We've seen a very high volume of cross-border activity, maybe the most ever," he said. "Many of our deals had a complex cross-border dimension that added legal and business complexity."

Jeff Rosen, chair of Debevoise's corporate department, said the New York-based firm — which has attorneys working in eight offices worldwide — is international.

"Whereas the average M&A lawyer at Debevoise 20 years ago probably did four U.S. deals for every cross-border deal, now they're primarily doing one U.S. deal and four cross-border deals," according to Rosen.

In one recent example, Debevoise advised U.S.-based Protective Life Corp. in its \$5.7 billion merger with

a subsidiary of Dai-ichi Life, a life insurance company listed on the Tokyo stock exchange. As a result of the merger, which closed in February, Protective became a subsidiary of Dai-ichi Life and created the 13th-biggest insurer in the world, according to Debevoise.

Meanwhile, expected to close in the first quarter of this year is Meiji Yasuda Life Insurance Corp.'s purchase of U.S.-based StanCorp Financial Group Inc., advised by Debevoise, for roughly \$5 billion. The Japanese insurer is looking to bolster its profitability and diversify its overseas portfolio by making a bigger splash in the U.S.

Rosen noted that Dai-ichi and Meiji Yasuda are raising somewhat similar, cutting-edge business models.

"We've been telling clients for a while that they would see Japanese life insurance companies moving into the U.S. and trying to buy companies here that had successfully implemented M&A strategies," he said. "These cross-border deals involve a somewhat opaque Japanese approval process that the U.S. market has to get comfortable with and mysterious M&A mechanics that the Japanese companies have to get comfortable with."

Regner added that the deals required not only Debevoise's M&A expertise but the firm's insurance expertise as well.

"These deals couldn't be done only over the telephone," Regner said. "We had to get all the parties into conference rooms together to hammer out complex issues. Some of these deals are taking longer to complete in part because of their cross-border nature, and their regulatory and negotiation complexity."

Rosen said the firm's M&A attorneys also spent the past year concentrating on areas where M&A activity picked up steam, including restructuring and consolidating in the media industry, insurance and sponsor lending in the financial institution space, and healthcare-industry transactions.

The Cablevision deal, announced in mid-September, created the No. 4 cable operator in the U.S. Debevoise is representing the Dolan family, controlling stockholders of Cablevision.

Another Debevoise client, CPPIB, sought to break into U.S. middle market private equity lending with its acquisition of Antares Capital. Under the deal, announced in June, CPPIB subsidiary CPPIB Credit Investments Inc. nabbed GE Capital's full U.S. sponsor lending portfolio as well as Antares' management team.

In another mega-deal, Debevoise advised Verizon in the sale of its local wireline operations serving customers in California, Florida and Texas to Frontier. The deal, announced in February, saw Frontier pick up a network that generated more than \$5.7 billion in revenue in 2014 alone.

Debevoise's other highlights included its representation of TIAA-CREF, a leading financial services provider, in its \$6.25 billion acquisition of diversified investment management company Nuveen Investments. The deal, which closed in October 2014, strengthened TIAA-CREF as a leading provider of retirement and financial services, according to the firm.

Debevoise also recently advised Activision Blizzard Inc. in its \$5.9 billion acquisition of King Digital Entertainment Plc, announced in November; and advised Amazon Inc. in its acquisition of Elemental Technologies Inc. The firm also has counseled financial advisers on marquee transactions, including advising J.P. Morgan as financial adviser to Allergan plc in its \$40.5 billion sale of a generics unit to Teva

Pharmaceutical Industries Ltd.

Rosen said most of the deals had complicated financing aspects and that most had tax-structuring elements, particularly with the cross-border transactions.

“Most also had people issues, like benefits, severance and incorporating people into new teams, as well as tax structuring and financing issues,” according to Rosen. “And for each set of those issues, our team has the finest support practices you can find to back it up, providing sophisticated advice on taxes, finance and executive compensation.”

Rosen said Debevoise expects some growth over the next two to three years, but that it won't be shaped like a hockey stick. He noted that the firm tends to expand through internal growth, and that it has a talented associate pool and some senior people who will be retiring.

Regner added that the firm is comfortable with the current size of its M&A practice.

“We are at a scale now that permits us to do any kind of deal anywhere in the world,” he said.

--Additional reporting by Linda Chiem, Chelsea Naso and Benjamin Horney. Editing by Emily Kokoll.

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