

Capital Markets Group Of The Year: Debevoise & Plimpton

By **Darcy Reddan**

Law360 (January 28, 2019, 11:13 AM EST) -- Debevoise & Plimpton LLP steered several high-value initial public offerings, like Axa Equitable Holdings' approximately \$4 billion offering, last year, earning the firm a spot as one of Law360's 2018 Capital Markets Groups of the Year.

The firm's capital markets practice is made up of approximately 70 attorneys operating in nine offices in key financial centers around the world. The past year has seen the firm guide billion-dollar IPOs and follow-on offerings to raise funds and finance acquisitions in the insurance industry. The firm believes the strong year is a testament to its clients' trust that Debevoise & Plimpton will be able to handle the structural and regulatory complexity of the most high-profile matters.

"At Debevoise, in our capital markets work, we're known for the breadth and the depth of the expertise across many disciplines and the seamless integration and cooperation across industries and practices," partner Peter J. Loughran, corporate partner and member of the firm's capital markets and private equity groups, told Law360.

Loughran, a 30-year veteran of the firm, said he believes the firm's history of seamlessly integrating various disciplines to guide deals gives clients a sense of security, knowing that the firm can handle some of the most high-stakes matters.

Over the past year, the firm has helped various companies raise funds via the public marketplace, but no undertaking was bigger than Debevoise & Plimpton's work steering the partial spinoff of the U.S. arm of French insurer Axa SA.

In May 2018, Axa Equitable Holdings Inc. raised approximately \$4 billion in the offering, which went public amid a turbulent market after 17 months of work before culminating in one of the largest insurance offerings in over 15 years.

The firm also guided Axa Equitable Holdings on the pre-IPO offer and sale of \$3.8 billion of senior notes, the proceeds of which were used by Axa Equitable Holdings to repay outstanding financing provided by Axa SA and to fund other pre-IPO reorganization transactions.



Loughran said Debevoise was uniquely positioned to handle Axa Equitable's IPO because capital markets work and processes in dealing with the U.S. Securities and Exchange Commission were, of course, central to the offering, and getting it done took much more than that.

Loughran noted that the firm called upon experts from different practices throughout the firm, including finance, tax, international offices and SEC regulatory teams, among others, calling the work on the offerings “emblematic of the type of experience, knowledge and depth of practice that we can bring to bear on a series of transactions.”

Corporate partner and co-head of the firm’s capital markets group Steven J. Slutzky noted that in order for these deals to get done the team needed a broad range of skills, including U.S. and international tax, benefits, insurance regulatory, mergers and acquisitions, litigation and leveraged finance, as well as the ability to deal with activist shareholders.

Slutzky stated the importance of assembling a team that hits on all of those skills and then “operating as one single unit, together. We have to do that and then we have to coordinate with other law firms and other service providers, accounting firms, proxy firms and everyone else and then deliver a seamless product.”

The co-head of the firm’s capital markets group, Matthew E. Kaplan, said the firm’s work on Discovery Communications Inc.’s \$14.6 billion deal to buy Scripps Networks Interactive Inc. perfectly illustrates the differentiating characteristics of the firm and the capital markets team in particular because the deal was financed by the offer and sale of \$6.7 billion of senior notes.

“The execution of the transaction really required a deep integration of our team with senior management at our client [Discovery]. It required seamless coordination with the other teams here, which is a hallmark of how our firm operates,” Kaplan said, noting that the structuring and execution of the financing is another perfect example of the teams' collaborative efforts.

Kaplan went on to say that \$6.7 billion in bond financing was raised across seven different tranches of debt involving both U.S. dollar and pound sterling issuances in a move that was “syncopated to optimize debt issuance and carrying costs and to optimize [Discovery’s] capital structure post-acquisition.”

Kaplan also noted that a key to the firms integrated and collaborative approach is the “lock-step” compensation system.

“None of us are compensated based on attribution, credit or origination. Our boats all rise and fall with the tide and so we are incentivized to pull in the same direction, to get the right people on the deal, get the right people answering the questions,” Kaplan added.

“We answer questions with the right capabilities, the right way,” Kaplan said.

--Additional reporting by Matthew Guarnaccia and Tom Zanki. Editing by Alyssa Miller.