

Private Equity Group Of The Year: Ropes & Gray

By **Brandon Lowrey**

Law360, Los Angeles (January 30, 2018, 1:43 PM EST) -- Ropes & Gray LLP led a business group's \$18 billion deal to acquire Toshiba Corp.'s semiconductor business, showcasing its ability to create an intricate international agreement on an epic scale, while also striking a series of other nine- and 10-figure deals notable in their own right, placing the firm among Law360's Private Equity Practice Groups of the Year.

The firm cut its biggest deal this year on behalf of a group led by Bain Capital Private Equity LP, paving the way for its purchase of Toshiba Memory Corp., the largest Japanese deal since 2011. And this deal was not without complication. Toshiba had been tied up in arbitration with its joint venture partner, Western Digital Corp., and unable to complete a sale without consent from Western Digital and its SanDisk subsidiaries before the companies settled late last year.

"This one, I would have to say, is at or near the top in terms of complexity," said Will Shields, co-chair of the firm's private equity transactions group.

In all, well over 100 Ropes & Gray attorneys spent "significant" time on the case, according to Shields and fellow co-chair David Blittner.

Toshiba and Western Digital had been locked in arbitration over the planned sale of TMC. Under the terms of the settlement, which was first announced in September via a statement issued in Japanese, Toshiba would sell all of the shares of TMC to K.K. Pangea, a special-purpose acquisition company formed and controlled by Bain.

In late October, the company's shareholders voted in favor of the TMC sale. However, in December, Asian media reported that Chinese regulators were investigating the deal over antitrust concerns — a facet of the case that Ropes & Gray is also handling, with antitrust pros stationed overseas.

"There was not a decision we made on this deal that didn't require considering impact on other facets of the deal," Shields said. "So as you think about making antitrust decisions — where you file, what your strategy will be in this deal — you have to think: OK, how is that going to affect our Western Digital litigation? How is that going to affect our ability to get financing? How is that going to affect our strategic partners who are providing funding for the deal?"



Another standout among the firm's many transactions this year is client Berkshire Partners' \$7.1 billion sale of Lightower Fiber Networks to Crown Castle International Corp. That deal was the culmination of years of work, beginning with Berkshire's acquisition in 2013 of the fiber infrastructure company with a strong footprint in the northeastern U.S.

Ropes & Gray also represented TPG Capital in its \$4.2 billion deal with Intel to establish the independent cybersecurity firm McAfee, which it jointly owns with Intel.

That deal stands out not only for its high value but also for the intensity of its negotiations. Unlike most deals involving private asset managers, this wasn't an attempt to improve and resell a company. The McAfee deal instead involved negotiating and establishing a new partnership with shared control, and that was a real challenge, Shields said.

Shields and Blittner said that while these big deals might be landmarks, they're only part of the firm's story. The firm had about 225 transactions on behalf of more than 200 clients in the past year, they said. And it's those smaller, midmarket transactions in the nine-figure range that allow Ropes & Gray to develop the expertise and groundwork necessary to pull off the blockbuster ones, they said.

"The sheer volume of work that comes through representing the 200 middle-market firms, that repetition, that ability to see everything that's going on in the market and digest it and understand it," Shields said, "is really the bedrock that also allows us to handle the more complicated stuff."

--Additional reporting by Chelsea Naso, Benjamin Horney, and Cara Bayles. Editing by Jeremy Barker.