

THE AMERICAN LAWYER

An ALM Publication

americanlawyer.com

APRIL 2019

2019 DEALMAKERS OF THE YEAR



WILL SHIELDS, LEFT, AND TSUYOSHI IMAI

Tsuyoshi Imai and Will Shields

Ropes & Gray

“Nobody could afford to have this deal not happen,” Shields says.

At times, it must have felt like half the world was conspiring against Ropes & Gray partners Tsuyoshi Imai and Will Shields and their longtime client Bain Capital in its attempt to acquire Toshiba Memory Corp.

Japanese regulators were adverse to a foreign entity buying the country's only producer of NAND memory chips, crucial for today's smartphones and tablets. Chinese regulators, in the midst of a trade war with President Donald Trump, were reluctant. And then there were Bain's competing bidders for Toshiba's crown asset, the sale of which was the company's ticket to staying out of bankruptcy.

Rival private equity firm Kohlberg Kravis Roberts & Co. teamed up to make a bid with Western Digital Corp., which already sold Toshiba's NAND chips through a joint venture that was the basis of a Western Digital lawsuit seeking to stop Toshiba from selling to a competitor.

And yet, in the face of all this opposition, Shields says, “Nobody could afford to have this deal not happen.”

He was referring, mostly, to tech companies that use NAND chips in their products. For those companies, Bain's bid ensured more robust competition in an already small market. And so Shields, Imai and Bain pulled those companies into its bid, securing financing from Apple Inc., Dell Technologies, Seagate Technology and Kingston Technology, among others.

The deal cured the concerns of its one-time antagonists by keeping a Japanese company in the ownership group and by resolving the Western Digital lawsuit. As for China, the country's imprimatur was the final hurdle, and it came at a time when a confidant of Chinese President Xi Jinping was in Washington discussing the trade dispute.

—Roy Strom

NORIHITO YAGI