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UNDER
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A new generation of women
are breaking through the testosterone-filled
ranks of M&A and PE lawyers.

Let's Make A Deal

By Amy Kolz

PHOTOGRAPHS BY DAVID YELLEN

LAST SEPTEMBER, KIM TAYLOR was feeling a bit nervous. The Kirkland & Ellis M&A partner was walking into the first face-to-face negotiation between her client, private equity firm Apax Partners LLP, and Endo Pharmaceuticals Inc. over the sale of Apax's Qualitest Pharmaceuticals. Taylor was not a rookie: She had represented clients in more than \$3 billion of M&A and private equity deals in the prior two years alone. But this deal was particularly important. Apax was a major client, and Taylor had represented the private equity shop on its original acquisition of Qualitest three years before, making her feel even more invested in a successful outcome.

Then there was her opposition: Eileen Nugent, a prominent M&A partner at Skadden, Arps, Slate, Meagher & Flom and cohead of the firm's private equity group, was representing Endo. Nugent's stellar reputation and 13-year history with the drugmaker was a bit intimidating, and Taylor wanted to "show well," she says. There was also Nugent's gender. The prospect of negotiating against another woman as lead counsel, a relatively uncommon event, added an element of self-consciousness to an already high-stakes situation. "There's a little bit of additional pressure, especially because with women, there can be a more narrow margin of what is effective negotiating and what people characterize as nasty," Taylor says.

Pressure, indeed: Even today, the rough-and-tumble world of M&A and private equity counts few women among its most prominent and senior ranks. To be sure, there are a handful of women who have attained star status: Debevoise & Plimpton's

Franci Blassberg and Margaret Davenport; Skadden's Nugent; Faiza Saeed at Cravath, Swaine & Moore; Patricia Vlahakis at Wachtell, Lipton, Rosen & Katz; and Alison Ressler at Sullivan & Cromwell. But as one senior female M&A veteran points out: "You can probably name more CEOs and CFOs in the Fortune 500 who are women than you can name senior women M&A partners."

The tendered reasons are many—from the unpredictable and long hours that thwart any semblance of a work/life balance to the testosterone-filled negotiating rooms to the hurdles of networking among executive, boardroom, and private equity clients who are predominantly male. In the face of such obstacles, women who ascend to the highest levels of this rarefied world, including those on this year's 45 Under 45 list, are all the more noteworthy. Like their male counterparts, they must be, first and foremost, outstanding lawyers. But many have also adopted a variety of strategies—from building client lists early in their careers to nurturing a network of female executives to building reputations based on their good listening skills and a lack of ego—in order to attain success. Finding mentors they can relate to and even making sure to marry a supportive spouse can also play a role. "So many stars have to line up to make success [in the M&A world] happen for you," says Tiffany Pollard, an M&A partner at Fried, Frank, Harris, Shriver & Jacobson. "That's even more the case for a woman."

M&A and private equity are not the only practice areas lacking senior women. As just about any female law part-



ner can tell you, a decade after women began graduating in equal numbers from law schools, they still represent only an average of 15 percent of the equity partnerships of The Am Law 200. But anecdotally and according to our analysis of the gender composition of elite M&A firms, the number of women M&A partners is even smaller. According to lawyer biographies on firm Web sites, women constitute 16 percent of the partnership at Skadden, but only 12 percent of the partners who list M&A as a specialty; Sullivan & Cromwell counts 18 percent of their partnership as women but only 11 percent of their listed M&A partners; only 7 percent of Cravath's corporate M&A partners are women, compared to 15 percent of their total partnership; and 15 percent of the listed M&A partners at Ropes & Gray are women, compared to 19 percent of its partnership.

The tough lifestyle associated with advising companies and buyout shops on multimillion- or multibillion-dollar transactions is the easiest explanation for the dismal numbers and the one most frequently given. Women who may be juggling the competing demands of family—or are just more reluctant to give up all other interests for work—self-select out of the M&A and private equity partnership tracks, many partners say. “Any number of women will say to me when they come in to quit: ‘I don’t want to do what you do,’ ” says Allison Schneirov. The Skadden M&A partner, who counts private equity firms Permira Advisers LLC and The Blackstone Group L.P. among her clients, tries to carve out time in the early evening to spend with her two kids and then works late into the night, but she says such a balance is “a train wreck” when she’s in the middle of a live deal. For Schneirov, the opportunity to work on some of the

most complex and fast-paced transactions, as well as with clients she enjoys, more than makes up for the demanding lifestyle. She admits, however, that she has questioned the personal costs at various points in her career.

The added challenges for women to build a client list when they’re still a minority in corporate boardrooms, and especially among private equity firms, is another factor. Women must combat everything from the unconscious tendency of clients and colleagues, often male, to gravitate toward people who are similar to them to the remnants of a more outward sexism when awarding or assigning business. “The old boys’ network is alive and well,” says one female private equity client who spoke anonymously because of her firm’s press policy. She remembers requesting a favorite female partner at an Am Law 25 firm for a recent matter, only to get assigned a more junior male partner. When she protested, the law firm suggested she could hire multiple partners, at a higher cost, of course.

“Business development is [also] sometimes trickier,” says Simpson Thacher & Bartlett M&A partner Kathryn King Sudol. Typical client entertaining, like high-priced dinners or drinks, can be fraught with concerns about mixed messages. “You see clients [sometimes] getting twitchy about a dinner one-on-one,” says Sudol. And the stereotypes of what it takes to excel in the testosterone-laden deal negotiating rooms don’t help. “There is a history of the macho M&A deal lawyer; that the loudest voice would win, and [that’s] not necessarily [a trait] associated with female lawyers,” says Gibson, Dunn & Crutcher M&A partner Barbara Becker.

Certainly there are men who shy away from the hard-charging reputation of M&A work. But it’s not a stretch to suggest that the sometimes über-aggressive, game-winning atmosphere might be less attractive to a greater number of women. Take Debevoise partner Jennifer Burleigh, a rising star in the firm’s fund formation group who started out doing more generalist M&A work. She cites the cordial nature of fund negotiations as one of the reasons behind her switch. “You’re building a bridge [with future investors] during a [fund] negotiation, which is more my style than pounding the table and trying to walk away with every point, which is sometimes what characterizes M&A,” she says.

And a largely male atmosphere that can fall short of the politically correct creates yet another hurdle. “We have a bit of a collegial fraternity atmosphere here; we’ve been called the ‘Animal House’ of [private equity],” says James Connors II, the general counsel of private equity firm Kelso & Company. Twenty years ago, Debevoise partner Richard Bohm could have hesitated to staff then-junior associate Margaret “Peggy” Davenport on Kelso transactions for fear of her reaction to any off-color comments, Connors says. Without someone like Bohm, who is a big proponent of diversity, Connors adds, it probably would have been easier “to bring the other guy.” Today, Davenport is the lead relationship partner for Kelso.

In the face of these challenges, there is no single recipe for success. But it’s fair to say that the combination of ingredients behind any accomplished female dealmaker is certainly more complex than taking several cups of hard work and a quart of talent, and bake for a dozen years.

Take Jennifer Hobbs, a Simpson acquisition finance partner who has negotiated multibillion-dollar financing on such corporate megadeals as the \$23 billion buyout of Wm. Wrigley Jr. Company by Mars Incorporated, as well as a slew of acquisitions by private equity firms Silver Lake, Apax, Goldman Sachs Capital Partners, Kohlberg Kravis Roberts & Co. L.P., and S.A.C. Private Capital Group LLC. Hobbs credits excellent mentors, as well as developing her own client relationships early on, as key to her success. Senior finance partner Marissa Wesely, for instance, helped her navigate the “maze and land mines” that accompany the path to partnership. That guidance ranged from pushing Hobbs to speak up when she didn’t want to work with a difficult partner to refuting the myth held by many women that “if you just do your job and do it well, everything is going to be fine,” says Hobbs. Wesely stressed to Hobbs that she would have to voice her ambition to advance, to make it clear to the firm leaders that she wanted to be a partner.

Hobbs’s relationship with finance partner James Cross was just as critical. In late 2004, Cross brought Hobbs, then a seventh-year associate, onto the team representing Silver Lake and six other buyout shops in a bid for SunGard Data Systems Inc. The \$11.3 billion

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JULIE JONES, 41

ROPES & GRAY,
Boston

NOT ONLY DOES Jones have an “encyclopedic” knowledge of securities and M&A case law, says TPG Capital, L.P., general counsel Ronald Cami, she is also a preternaturally coolheaded negotiator. That may explain why Jones, who has fashioned a hybrid practice advising PE funds on public company acquisitions as well as the IPOs of their portfolio companies, has stayed so busy. In November alone, she advised TPG on its \$3 billion buyout of retailer J. Crew Group, Inc., with Leonard Green & Partners, L.P., and on the \$515 million IPO of LPL Investment Holdings Inc., a TPG and Hellman & Friedman LLC portfolio company. Other 2010 deals: Thomas H. Lee Partners L.P.’s \$1.1 billion acquisition of inVentiv Health, Inc., and Bain Capital Partners LLC’s \$1.8 billion acquisition of The Gymboree Corporation. Ropes insiders say Jones, who became head of the securities and public companies practice at age 37, is a strong contender to run the firm some day.

transaction entailed more than \$8 billion in financing and allowed Hobbs to develop relationships with Silver Lake’s ascending deal-makers, such as Greg Mondre, a managing director who was only 31 at the time. After SunGard, Hobbs became Silver Lake’s primary financing person, representing the private equity shop in debt deals even when Simpson isn’t involved in the general M&A advisory work, says Mondre. Hobbs has led over \$15 billion in financing for the New York and Menlo Park, California-based firm since the SunGard transaction. “Having my own clients and relationships [so early on] gave me a certain autonomy and fulfillment,” Hobbs says.

Ropes & Gray corporate partner Julie Jones has sidestepped some of the challenges to networking among male clients by forming tight relationships with a cadre of women GCs, including Shari Wolcon at Thomas H. Lee Partners, LP, Karen King at Silver Lake, and Stephanie Brown, the general counsel

of TPG portfolio company LPL Investment Holdings Inc. “It’s sometimes easier to develop a personal relationship with female clients,” says Jones, who jokes that the significant number of women on her client list might be related to her undergraduate degree at the all-female Wellesley College.

There is a natural tendency for women to share personal details in the spaces between substantive legal discussions, says Jones. Family is one topic, work/life balance is another common language: “I think it’s probably like how guys talk about sports,” she says. Jones’s relationships with women GCs has helped her win recent matters including the \$515 million IPO of LPL Investment in November; THL Partners’s \$928 million bid for CKE Restaurants, Inc., last February and its \$1.1 billion acquisition of inVentiv Health, Inc., last May; and Silver Lake’s restructuring of its investment in The NASDAQ OMX Group, Inc., last year. And it may lead to

more. Last year Jones was invited by Silver Lake’s King to a dinner of 25 women GCs of Fortune 500 and other large companies based in Northern California.

Jones, who is also head of the securities and public companies practice at Ropes, tries to forge personal connections with all of her clients, but says she is more likely to second-guess her affable style when it comes to her male clients. “Sometimes I wonder—am I perceived as soft, [when] I will get on a call and ask, ‘How are you guys doing?’ or [when I] ask if there’s anything I can do to help. A lot of men would never enter a conversation that way—they would worry about being perceived as not as tough,” she says.

Kim Taylor’s clients say one of the secrets to her success is her laserlike focus on her client’s objectives. That focus comes from years of experience, says Taylor, who admits that she was more likely to fixate on winning points as a junior lawyer without evaluating their ultimate value to her clients. Today, she prides herself on her listening skills, both with her client and the other side. “It allows me to more quickly solve problems in a way that works for everyone,” she says. That was certainly the case in Apax’s sale of Qualitest to Endo. At the negotiation in early September, the parties were fundamentally apart on issues such as how much indemnification Apax would provide for a particular legal issue. Buddy Gumina, cohead of Apax’s health care team, says Taylor adeptly realized that Apax could give Endo a higher level of protection on the legal risk in exchange for more certainty in closing the deal, a good trade for the private equity firm. (*The American Lawyer’s* parent company, ALM Media Holdings, Inc., is majority-owned by funds advised by Apax Partners.)

In late September, Apax and Qualitest announced the \$1.2 billion sale. “It was a pretty efficient process when we could get in a room and listen to each other,” Taylor says. And she left the negotiations even more impressed with Skadden’s Nugent and Endo legal chief Caroline Manogue: “There aren’t that many of us [women in the deal world], so it was inspiring.”

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