

# Israel

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## Corporate bond crisis: rescuing the business, to rescue the creditors

Ofer Shapira  
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Tel Aviv

One of the significant changes in the Israeli capital market in recent years has been a decrease in the extent of bank credit to corporations, along with a dramatic increase in the extent of credit-raising through the issue of bonds - especially unsecured bonds - to the public. In 2007 the portion of off-bank credit to corporations reached a peak of 49% of all credits in the market (compared with less than 23% in 2001). Most of these unsecured corporate bonds were bought by public institutions that saw them mainly as a tool to ensure constant interest at higher rates than government bonds. A substantial proportion of the amounts raised in this way in Israel was used as equity in real-estate projects in other countries, particularly in eastern Europe.

One of the most noticeable effects of the world financial crisis on Israel's economy is undoubtedly the "the corporate bond crisis": changes in the world economy, the decrease of corporate activities around the globe and difficulties in obtaining finance for ongoing operations - especially for real-estate projects (particularly in Eastern Europe) - left many companies in a position where there are heavy concerns about their ability to meet their commitments toward bondholders. This situation calls for special and creative deployment by bondholders - usually public institutions - towards companies that are now in the twilight zone of insolvency.

Unlike banks, which are used to collection or settlement of problematic debts, capital market debt collection is much more complicated. First, players in the capital market usually have no expertise in debt collection or schemes of arrangement. Second, collection of the debts by bondholders requires the co-

operation of a large number of holders with completely different interests, who purchased the bonds at different times and on the basis of different information. Third, debt collection by corporate bondholders must be undertaken while observing securities laws - in particular the Securities Act of 1968 and regulations enacted thereunder, as well as observing the antitrust laws in connection to co-operation between institutional bondholders acting as creditors.

The most unique element of the current crisis is the fact that most of the above bonds were purchased by public institutions, including mutual funds, pension funds, study funds, etc, using the monies of their members who assumed that their money was invested in conservative channels and presumably did not take into account the possibility of the dramatic and sharp value decrease that actually occurred. As things stand, non-payment of the credit by the borrowing companies means, among other things, a substantial blow to many household savings.

The magnitude of the crisis, the overall financial scope of the commitments of the business concerns in bonds of the aforementioned type (which in 2008 stood at an amount of NIS330 billion (\$83.57 billion)) and the number of companies whose ability to meet their commitments is in doubt, necessitates precautionary and professional steps on the part of the institutional factors managing the public's money - steps essential in order to bring about collection of the largest possible amounts and to decrease as far as possible the losses caused to the investing public. In this sense, the magnitude of the crisis created a sort of mutual dependency of the investing public in the borrowing companies, so that from a systematic perspective, rescuing the companies' business value or assets means rescuing the public's savings.

In fact, the aforementioned dependency is even more complicated. In most cases the public institutions that purchased the corporate bonds did so as part of investment of the members' monies (as opposed to *nostro* invest-

ments) so that in the current crisis the institutions must fight the fight of the investing public without they themselves necessarily having an immediate advantage from the results of such an endeavour.

In order to address the situation in the face of the lacunae in the law, Israel's Securities Authority issued a public statement with regard to the handling of the corporate bonds crisis by public institutions (Decision 2009-1(a), November 25 2008 as well as Decision 2009-1(b), January 21 2009 - in the matter of creating an infrastructure for corporate bond arrangements). These instructions form a public statement of the Securities Authority with regard to correct interpretation of the law pertaining to coping with the bond crisis.

The Antitrust Authority also issued guidelines relating to co-operation between institutional bodies and with regard to the treatment and enforcement of rights concerning corporate bonds (Public Statement 1/08, November 25 2008 on the matter of co-operation between investment institutions in changing terms of corporate bonds - and the clarification of Public Statement 1/08, March 23 2009 concerning co-operation between investment institutions in changing terms of corporation bonds).

In view of the magnitude of the crisis and its expected effect on the public investing in the various investment tools sold by institutions, the Commissioner for Capital Market in the Ministry of Finance also issued detailed guidelines to public institutions in Israel - intended to guarantee that investment institutions would take active measures to collect debts, independently or in co-operation with other lenders. These guidelines were also intended to define a framework of deployment of public institutions for the purpose of ongoing tracking and supervision of the debts they manage. This course of action is needed in order to evaluate and analyse the state of the debts for the handling of problematic debts, and for the purpose of formulating a decision regarding the means that the institutional bodies will take to collect the debt and

regarding their participation in the debt settlement procedures - as well as determining the factors responsible for these actions (Circular for Public Institutions 2009-9-7, April 6 2009).

Currently there are negotiations between bondholders and a considerable number of companies as part of "the first wave" of payment dates of corporate bonds. It is hoped that companies will be wise enough not to abuse the legal ambiguities relating to the enforcement of bond owners' rights. Similarly, it is hoped that public institutions will handle the collection of debts from the companies issuing the corporate bonds determinedly and efficiently on behalf of the investing public.

## Capital markets

Recommended firms
<b>Tier 1</b>
Goldfarb Levy Eran Meiri Tzafrir & Co Gross Kleinhendler Hodak Halevy Greenberg & Co Herzog Fox & Neeman Meitar Liguornik Geva & Leshem Brandwein Naschitz Brandes
<b>Tier 2</b>
Gornitzky & Co Yigal Arnon & Co Zellermayer Pelossof & Co
<b>Tier 3</b>
Caspi & Co Efrati Galili & Co Fischer Behar Chen Well Orion & Co Shibolet & Co S Horowitz & Co Weksler Bregman & Co Yaacov Salomon Lipschütz & Co Yehuda Raveh & Co

## Banking

Recommended firms
<b>Tier 1</b>
Herzog Fox & Neeman Kantor Elhanani Tal & Co S Horowitz & Co
<b>Tier 2</b>
Gornitzky & Co Gross Kleinhendler Hodak Halevy Greenberg & Co Yigal Arnon & Co
<b>Tier 3</b>
Caspi & Co Goldfarb Levy Eran Meiri Tzafrir & Co Naschitz Brandes Shibolet & Co Weksler Bregman & Co Yaacov Salomon Lipschütz & Co Yehuda Raveh & Co Zellermayer Pelossof & Co

## Mergers and acquisitions

Recommended firms
<b>Tier 1</b>
Goldfarb Levy Eran Meiri Tzafrir & Co Gross Kleinhendler Hodak Halevy Greenberg & Co Herzog Fox & Neeman Meitar Liguornik Geva & Leshem Brandwein Yigal Arnon & Co
<b>Tier 2</b>
Caspi & Co Fischer Behar Chen Well Orion & Co Gornitzky & Co Naschitz Brandes S Horowitz & Co Zellermayer Pelossof & Co
<b>Tier 3</b>
Amit Pollak Matalon & Co Erđinast Ben Nathan & Co Ori Rosen & Co Sharir Shiv Friedman & Co Shibolet & Co Weksler Bregman & Co Yaacov Salomon Lipschütz & Co

## Project finance

Recommended firms
<b>Tier 1</b>
Gornitzky & Co Herzog Fox & Neeman S Horowitz & Co Yehuda Raveh & Co Yigal Arnon & Co
<b>Tier 2</b>
Caspi & Co Goldfarb Levy Eran Meiri Tzafrir & Co Gross Kleinhendler Hodak Halevy Greenberg & Co M Firon & Co Yaacov Salomon Lipschütz & Co Zellermayer Pelossof & Co
<b>Tier 3</b>
Shibolet & Co Tadmor & Co Weksler Bregman & Co

There is a general feeling in Israel that the economy is in a slowdown not a crisis. Although investment from Europe and more significantly from the US has dropped off, the country's conservatism – particularly in the banking sector – has kept things relatively stable. "At the end of the day, relative to other economies, the Israel banks coped quite well over the crisis – there are no rumours about banks collapsing," says one partner.

Israel's equity capital markets have remained slow in the last 12 months, with IPO work almost non-existent. "IPOs are very low, very low," says a partner. One new source of work has come in the form of shelf prospectuses. "In Israel a shelf prospectus is something new," says one practitioner: "It gives companies the option to raise money without filing a prospectus; this started a year and a half ago."

Firms have also been active in debt raising, particularly from institutional investors. "Companies need funds and the initial stages were through existing shareholders, but it seems there was a lot of money stored with the institutional investors," says a lawyer. "We've seen a change in trend as companies are looking at raising money again," agrees another, "hopefully this will continue."

In the banking sector, as has been seen in many other jurisdictions, there has been a reduction in new lending and an increase in restructuring and refinancing work. "We see a lot of refinancing work with the banks," says one partner, "the banks are willing to re-finance a lot of creditor loans."

There has also been the inevitable impact of the collapse of Lehman Brothers. "Most of

the banks invested in Lehman, so we have had a lot of work related to that,” says a commentator. There has also been a clear reduction in work coming from foreign banks. “Before, foreign banks were looking to go into Israel,” recalls one partner, “that’s something that we haven’t seen at all in the last year.”

Another agrees: “Foreign banks were quite quiet in terms of lending to Israeli companies.” Domestic banking work is also slow however firms are optimistic about a swift recovery. The conservatism of the Israeli banks combined with a smaller fund pool meant that they did stretch their investments like many global competitors, leaving them in a relatively healthy position when the crisis hit. “The banks in Israel have a lot less money than other areas of the world; this has actually helped in the crisis,” says one partner. “There’s an anticipation that something is going to happen,” says another.

In corporate and M&A areas deal flow was also sluggish, owing to a combination of liquidity issues and a reluctance from companies to sell at the bottom of the market. “As long as they [sellers] had any cash in their tills, the valuations were far from what the buyers expected,” says a lawyer. This price discrepancy has caused delays in many transactions but there is new work coming from distressed deals. “People are looking at the recession but seeing ... opportunities,” says one partner, adding: “People are going back to the big deals.”

In terms of new investment, the growth sector is clean technology and renewable energy – which is unsurprising given the country’s expertise in this area. “It’s become a really fashionable thing – clean tech and alternative energy,” says one partner, while another echoes: “Clean tech is a sexy word.”

Of all the practice areas, project finance has been affected the least by the slowdown. Israel is close to using fully its current capacity in both water and power, so – recession or no recession – these projects need to be done. As a finance partner comments: “We are desperately in need of water and this is where the projects are.”

Power generation could potentially come from offshore gas after a discovery last year in Israeli waters. Interest in renewables has also increased and in the past year new regulations have been put in place in this sector.

Another interesting development is the new regulations regarding power plant ownership. With private investors now able to enter this sector, it could prove to be a growth area for projects teams in coming years.

### **Goldfarb Levy Eran Meiri Tzafir & Co**

A leading figure at Goldfarb Levy Eran Meiri Tzafir & Co is Ashok Chandrasekhar and market opinion reflected this. “I’ve always been proud of the work that we’ve done together,” says a rival partner.

One of the firm’s largest banking transactions last year saw it act for Koor Industries on a \$1.5 billion credit facility from Goldman Sachs.

In the corporate area the firm had a number of eye-catching deals, including acting for ECI Telecom on its \$1.2 billion sale to a consortium of private investors. The firm also advised the IDB Group over the acquisition of shares in Credit Suisse for approximately \$1 billion and counselled IDB over the sale of shares in Global Village Telecom worth \$45 million.

Other M&A highlights last year were two transactions where the firm acted for the Azorim Group. The Goldfarb team was led by Levy Amitay in Azorim’s NIS800 million (\$202 million) sale of Kiryat Ono Mall and also for Azorim’s acquisition of the Elite compound for NIS300 million.

In the capital markets the firm acted for Israel Aerospace Industries on the \$250 million public offering of debentures. The firm also advised Crystal Opportunities Fund over a \$500 million distressed CDO investment fund.

#### **Leading lawyers**

Ashok Chandrasekhar  
Oded Eran

### **Gornitzky & Co**

Gornitzky is well known in the market for the breadth of its domestic practice. As one partner at a rival firm says: “Gornitzky has the widest domestic client base in Israel. Pinhas Rubin has a fantastic contacts list and on the domestic front they beat the crap out of the other firms.”

Last year the practice’s debt capital markets team acted for Benny Steinmetz Group Resources in a repurchase of debentures from various institutional investors in Israel with a value of NIS1.4 billion (\$353 million), closing in January 2009. The team also worked for Scorpio Real Estate on a prospectus for an NIS516 million corporate bond issuance. In May 2008 the firm advised over the NIS1 billion of issues listed by Shikun & Binui Holdings.

In equity capital markets the firm acted for Galten Global Alternative Energy in the first Israeli IPO for almost 12 months, with the intention of raising NIS40 million.

In banking regulation the team provides advice to the Bino and Lieberman families, the controlling shareholders of the First International Bank of Israel, in regard to regulatory matters.

Gornitzky’s M&A department is led by Chaim Friedland. A highlight for the team last year was advising the controlling shareholders of the Caniel group regarding the sale of that controlling stake, with a value of NIS220 million. The team also represented the International Wire Group in the \$29 million acquisition of Global Wire.

In addition, the firm has advised over a number of share purchases in the last year, including acting for Bank Hapoalim on a 4% share sale to York Capital Management with a value of NIS735 million. In September 2008 a team led by Pinhas Rubin counselled Arison Investments on its purchase of all public holdings of Israel Salt Industries and its subsequent delisting from the Tel Aviv Stock Exchange – the deal value was NIS141 million. The firm also advised the Strauss Group over the \$293 million purchase of a 25.1% stake in the company by TPG Capital.

Gornitzky was active in project finance, including the representation of the concessionaire on the Hadera desalination plant, Israel’s first public-private partnership (PPP), with a value of \$480 million. The firm is also working on the plant’s proposed extension. Other work includes advising the Housing & Construction Holding Company on the NIS117 million refinancing of the Carmel Tunnels project in Haifa.

#### **Leading lawyers**

Pinhas Rubin

### **Gross Kleinhendler Hodak Halevy Greenberg & Co**

Gross Kleinhendler Hodak Halevy Greenberg & Co continues to have a very good reputation with clients. “They have done excellent work,” says one, adding: “We work with at least six or seven firms and Gross is the number one.”

Last year the firm’s debt capital markets team was kept busy by its involvement in a number of debt raisings, including a NIS700 million (\$179 million) debenture issuance by Israel Chemicals and a NIS650 million issuance for Mekorot, Israel’s national water company. The firm also acted for Hadera Paper in a shelf-prospectus and debt-raising with a value of NIS430 million.

In the M&A field, partner David Hodak is well respected. “I think he’s a tier one guy, an absolutely tier one guy,” says a rival partner. The firm represented Qumranet in the \$115 million acquisition of the company by Red

Hat and also advised Vantor during its \$325 million acquisition by Medtronic.

Joint head of M&A Richard Mann led the firm's advice to the buyer in the NIS700 million acquisition of Prisma Provident Funds by Psagot Investment House and the purchase of a 25% stake in Strauss Coffee by TPG Capital.

One of the firm's most prominent clients is York Global Finance, which mandated the firm in two key transactions. In the first, Plainfield Special Situations Master Fund acquired 21.7% of a York subsidiary, while in the second the firm acted for York subsidiary Psagot Investment House in a deal that saw 24% of the company exchanged for assets in Psagot Provident Funds.

Another strong client is Mizrahi Tefahot Bank, who partner Ofer Hanoh advised over the acquisition of the rights and share capital of Bank Yahav for Government Employees. Hanoh also counselled the company regarding an option agreement with Israel Credit Cards to buy shares worth 10% of the company's share capital.

#### Leading lawyers

David Hodak

### Herzog Fox & Neeman

Herzog Fox & Neeman has a clear focus on the international scene – a strategy reflected by a client list that includes Microsoft, which the firm advised over the acquisition of Zoomix Data Mastering during the last year.

The firm also has a strong track record in private equity and acted on a number of notable deals last year, including the representation of Prisma Investment House in the exchange of its provident funds in Psagot Group for a 24% stake in Psagot Investment House. Herzog also advised Prisma over the sale of a mutual fund to Excellence Investments. Another significant client is Markstone Capital Group – the team acted for both it and Prisma in the sale of 4.99% of shares in the latter to BHS Holdings.

Other M&A highlights include the co-ordination of a sale by Cerberus and Gabriel funds of a 4.79% stake in Bank Leumi le-Israel to the Azrieli Group for NIS742 million (\$190 million).

One of the firm's largest capital markets transactions saw it advise Israel Electric Corporation on the establishment of a \$2 billion Global MTN programme and the issuance of notes valued at \$1 billion.

In the banking sector, Herzog advised Israel Electric with regard to a NIS250 million credit facility from Dexia Israel Bank, as well as Assuta Medical Centers over the NIS730 million financing of a real-estate purchase.

The firm also saw deals coming back to be re-financed. Among the most notable mandates was its advice to the Tel Aviv municipality on a NIS500 million debt refinancing. The team also acted for the Israel Discount Bank over a NIS650 million credit refinancing for the Delek Group (real estate).

Herzog's project finance team has been active in the key areas of water and power, most notably advising the concessionaire Mekorot over the Ashdod seawater desalination facility. In energy, the firm is advising a bidding consortium for the Ashalim solar thermal power plant, while in the area of infrastructure Herzog has been continuing to work on numerous road projects and the Jerusalem Light Rail scheme.

#### Leading lawyers

Mark Phillips  
Alan Sacks  
Ehud Sol

### Kantor Elhanani Tal & Co

Kantor has a very strong reputation in the banking area, with one rival partner stressing the firm's competence in banking regulation. A key figure at the firm is Dalia Tal, who is highly thought-of within the market.

It was Tal who led the firm's banking team on two key transactions last year. The first was advice to three banks (Bank Leumi, Bank Hapoalim and Israel Discount Bank) in a consortium financing deal for the Apax-Saban-Arkin group for the purchase of 11% of the shares in Bezeq at a value of NIS1.1 billion (\$282 million). Kantor also acted for Bank Leumi in the renegotiation of debt repayments by Tao Tsuot, which closed in March 2009.

The firm was called upon by Bank Leumi in the M&A sector also when it advised on the sale of 20% of Leumi Card to Canit Management as well as the sale of 14.96% of Hot Telecommunication Systems to Cool Holding. Kantor again advised Leumi Card over the sale of 20% of its assets in Gama for NIS63.7 million, with the deal closing in March 2009.

#### Leading lawyers

Dalia Tal

### Meitar Liquornik Geva & Leshem Brandwein

Meitar Liquornik Geva & Leshem Brandwein banking head Shaul Hayoun took charge of the firm's advice to Gazit-Globe over the €20 million refinancing of credit secured from a bank syndicate led by Bank Hapoalim. Hayoun was also involved, along with Cliff

Felig, in advising Citibank on the \$100 million secured financing of a share purchase in an Israeli finance institution.

Felig leads Meitar's capital markets team within its larger corporate practice. The firm has acted for Citibank in three notable bond offerings in the last year. May 2008 saw the firm advise Citibank and Lehman Brothers on a \$1 billion bond offering by Israel Electric Corporation. In January 2009 the firm acted for Citibank alongside JPMorgan in a second bond offering worth \$500 million, while in March of the same year the team advised a consortium of Citi, Deutsche Bank and Goldman Sachs in a \$1.5 billion bond offering by the state of Israel.

On the M&A side, the firm acted for St Jude in December 2008 on its \$300 million purchase of MediGuide and in the same month represented Omrix in the \$440 million acquisition of the company by Johnson & Johnson. In 2009 the team acted for Francisco Partners in its \$77.6 million acquisition of Dmatek, and Vector Capital in its purchase of Aladdin Knowledge Systems for \$160 million.

In project finance Meitar has advised Harel Insurance & Finance regarding the mezzanine financing of the Carmel Tunnels project in Haifa, with a value of NIS117 million (\$29 million).

#### Leading lawyers

Cliff Felig

### S Horowitz & Co

S Horowitz's traditional strength is the banking sector and this is reflected by its involvement in many of this area's key transactions in Israel in the past year. "They're a very well respected firm," says a rival partner. Clients are also complimentary: "You feel that when they do the work they are covering all corners – there is nothing left for the future. They approach all problems in a pleasant way with regard to the other parties."

One of the firm's largest mandates last year came from Bank Hapoalim and Israel Discount Bank concerning a €400 million loan facility to Gazit-Globe to acquire a controlling stake in Atrium European Real Estate.

The firm worked for the same two banks on the \$200 million acquisition financing of Prisma Provident Funds by Psagot Investment House and also counselled a bank consortium on the refinancing of that acquisition in April 2009.

Bank Hapoalim called on the firm again in January 2009 to advise on a \$100 million credit framework facility for Gazit-Globe, Gazit 2003 and MGN America.

In the corporate area the firm has advised on Israeli aspects of a number of cross-border deals, including for Volkswagen on its acquisition of Scania and Alcatel-Lucent on the sale of its 21% stake in Thales to Dassault Aviation. On the domestic front, a highlight was the firm's work for Supersol on its acquisition of supermarket chain Aleph for \$125 million.

S Horowitz's project finance team has represented a number of banks in relation to the refinancing of the Jerusalem Light Rail project.

### **Yigal Arnon & Co**

A key client for Yigal Arnon & Co's banking practice is the Israel Discount Bank, and the firm acted for their client last year in the restructuring of the debt of investment group Milomor and the debts of its subsidiaries. It also advised the Mercantile Discount Bank over a joint venture with Hadas Arazim in the formation of a new management company to manage the pension funds previously controlled by Mercantile.

In capital markets, the firm advised Boymelgreen Capital in a \$14 million rights offering in August 2008 and also represented Knafaim Holdings on a NIS100 million (\$25.2 million) debenture issue closing in May 2008. The team has also acted on several debt restructurings, including work for Direct Capital Investments concerning a NIS200 million debt and advising the debenture holders of Globalicom Trade over restructuring of the debt.

Within the M&A area, the firm has advised Medtronic in the \$325 million purchase of the remaining shares in Vantor Technologies. The firm also counselled Deere & Company over its acquisition of Plastro Irrigation Systems for \$170 million, which closed in June 2008. Another large deal saw the firm advise Spansion over its acquisition of Saifun Semiconductors in a triangular merger valued at \$368 million.

In project finance, the firm is involved in the drafting and organisation of a number of tenders, including acting for the state in regard to two solar power plants and a photovoltaic power plant. Yigal Arnon & Co has also drafted tenders for the ministries of internal security and transport. Another notable deal has been advising Bank Hapoalim over an additional credit facility for the expansion of existing desalination plants.

### **Zellermayer Pelosof & Co**

Lead partner Michael Zellermayer advised the Saban Capital Group, Apax Partners and Mori Arkin of Arkin Communications in one

of Zellermayer Pelosof & Co's largest deals of 2008, the \$300 million purchase of the controlling stake in Bezeq.

The firm also represented private investment vehicle Shamrock in the acquisition of 40% of the share capital of SkyVision Holdings for \$25 million and 15% of the share capital of New Lineo Cinema for \$12 million.

Another M&A highlight was the firm's work for dairy and food manufacturer Tnuva on its acquisition of 50% of the share capital of Ba'emek Advanced Technologies.

### **Other ranked firms**

Ram Caspi, lead partner at **Caspi & Co**, continues to receive strong recognition from the market and most practitioners see him as the main force at the firm. "Ram Caspi is the name that comes up. If you need a guy with connections, he's the one you go to," says a rival partner. "He's the best lawyer in Israel, he's number one, he's one step above the others, he's an icon," says another.

A firm with a strong corporate focus is **Erdinast Ben Nathan & Co**, which last year acted for Motorola in the \$25 million sale of one of its divisions to a private company. The firm also advised Spanish company Abengoa in the creation of a joint venture with Clal Industries and Investments.

**Fischer Behar Chen Well Orion & Co's** M&A team represented the Excellence Group last year over the acquisition of management company Provident Funds from Prisma Group at a value of NIS450 million (\$116 million). The team also advised Phibro Animal Health on its \$47 million acquisition of an animal health business from Teva. One of the biggest deals completed by the capital markets team saw the firm act for Tachlit Investment House over the issuance of financial instruments valued at NIS400 million. Another highlight saw Fischer Behar advise Menorah Insurance over the issuance of debentures worth NIS200 million.

**Ori Rosen & Co** was particularly active over the last year in the high-tech sector, advising Eurekify over its acquisition by CA. In March 2009 the firm acted for YaData software concerning its sale to Microsoft. A further highlight was Ori Rosen & Co's advice to B-hive Networks over its \$67 million acquisition by VMware.

One of **Shibolet & Co's** key recent transactions saw it represent Plainfield investment house over the acquisition by its subsidiary of Gadish for \$200 million and a subsequent merger with a subsidiary of York Capital Management. The firm also acted for BNP Paribas on the grant of a \$125 million loan facility. Shibolet represented Space

Communications in both an NIS105 million (\$27 million) rights issue and the acquisition of a communications satellite for \$157 million. In project finance, a highlight was the team's work in the tender process for a new liquefied natural gas import facility.

**Tadmor & Co's** Jonathan Finklestone is well respected in the project finance area, with one rival partner saying: "Jonathan Finklestone is a lovely guy and an ace lawyer." This year Finklestone led a team advising MTS group over a Build Operate and Transfer (BOT) metro project in Tel Aviv. The firm also worked on financing for a PFI highway project and the development of a 540MW natural gas fired power plant. On the M&A front, the firm is advising Markstone Capital Group on the proposed \$65 million sale of Steimatzy to Supersol.