

# Mexico

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**Luis A Nicolau**  
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Pressure from different Mexican entities interested in purchasing foreign debt securities inside Mexico, and from foreign issuers interested in obtaining funds from the Mexican capital markets, caused the Mexican financial authorities to issue new rules that allow non-Mexican issuers to publicly offer debt securities in Mexico, listed on the Mexican Stock Exchange. These rules end the long-lived policy of restricting capital flight.

Under the Conditions for the Registration and Authorization of Public Offerings of Foreign Securities (Condiciones para la Procedencia del Registro y Autorización de Oferta Pública en el País de Títulos de Deuda Extranjeros – the Conditions) issued by the Mexican Ministry of Finance and Public Credit (Secretaría de Hacienda y Crédito Público) and published in Mexico's *Official Gazette (Diario Oficial de la Federación)* on June 21 2005, non-Mexican issuers can now issue debt securities to be offered publicly in Mexico. The foreign debt securities must be registered with the National Registry of Securities (Registro Nacional de Valores – the RNV), maintained by the Mexican National Banking and Securities Commission (Comisión Nacional Bancaria y de Valores – the CNBV) and listed on the Mexican Stock Exchange.

Pursuant to the Securities Market Law (Articles 14 and 106) and the Conditions, the foreign debt securities may be registered with the RNV and be offered publicly in Mexico.

Under general rules issued by the CNBV, to register the foreign debt securities with the RNV and conduct a public offering of the foreign debt securities in Mexico, the following documentation must be filed with the CNBV:

- a power of attorney for the person filing the information with the CNBV, on behalf of the issuer, which must be notarized and translated into Spanish by an official authorized translator;
- articles of incorporation and bylaws of the issuer, certified by an officer of the issuer as to effectiveness, and translated into Spanish by an authorized translator;
- a resolution of the applicable corporate body of the issuer (usually the board of directors), authorizing the registration of

the foreign debt securities with the RNV and the public offering of the foreign debt securities in Mexico, certified by an officer of the issuer as to effectiveness, translated into Spanish by an authorized translator;

- audited financial statements of the issuer for the last three reporting years, together with periodic financial statements accompanied by a limited review, if the last audited financials submitted to the CNBV are older than six months, translated into Spanish. The financial statements must either be: (i) prepared under US generally accepted accounting principles or International Accounting Standards; or (ii) submitted under the relevant principles and reconciled with Mexican generally accepted accounting principles;
- a legal opinion, addressed to the CNBV, to be disclosed as part of the documentation made available to the public, issued by the issuer's external legal counsel, specifying that: (i) the issuer has been duly organized and exists; (ii) the issuer has the power and authority to issue the foreign debt securities; and (iii) the foreign debt securities are valid and binding obligations of the issuer, translated into Spanish. The legal opinion must, as far as possible, follow the CNBV-approved format;
- letters of independence (*independence* is defined in the CNBV's general rules), in Spanish or translated into Spanish, issued by the issuer's external legal counsel and by the issuer's external auditor. These letters of independence must, as far as possible, follow the CNBV-approved format;
- a draft of the underwriting agreement. Although underwriting agreements vary among Mexican underwriters, their form has become quite standardized;
- a draft of the form of security to be used to evidence the foreign securities. This form includes covenants and events of default, the standards of which are different from those used in other markets;
- a draft prospectus, in Spanish, which must satisfy the disclosure standards set out in the CNBV's general rules. In an effort to promote the Mexican market and be flexible, the CNBV has approved the use of the 20-F form, or equivalent annual reports, translated into Spanish, incorporated by reference into a short-form prospectus that satisfies

Mexican legal requirements. Generally, these short-form prospectuses include: (i) summary financial information; (ii) risk factors; (iii) a summary of the issuer; (iv) characteristics of the offering; (v) use of proceeds; and (vi) plan of distribution. Prospectuses to be filed in Mexico and used for public offerings must be executed by the issuer, the underwriter, the issuer's external counsel and the issuer's external auditor, in respect of the accuracy and completeness of the information contained in the prospectus. This requirement has resulted in some level of discomfort among foreign issuers' external advisors, and should be addressed early on in the process, both with the CNBV as well as with such advisors; and

- ratings issued by rating agencies, in connection with the foreign debt securities. If it is intended that the foreign securities are also to be available for purchase by *sociedades de inversion especializadas de fondos para el retiro*, under Rule Eight of Circular 15-12 issued by the National Retirement Fund System Commission (Comisión Nacional del Sistema de Ahorro para el Retiro), two ratings are required.

After the foreign debt securities are registered with the RNV, the issuer is required to provide quarterly and yearly financial information (including the equivalent of an annual report) to the CNBV and the Mexican Stock Exchange. These reports must be provided in Spanish.

The Mexican Stock Exchange's approval for listing is also required. This approval is not difficult to obtain, and is requested by filing with the Mexican Stock Exchange the same information that is filed with the CNBV in connection with the registration and public offering.

To date, because only a limited number of foreign issuers have requested registration of their securities with the RNV, the CNBV has been flexible in granting its approval of the foregoing initial and periodic requirements.

From beginning to end, the RNV registration process relating to foreign debt securities is time consuming, because it involves a learning experience on the part of both the issuer and the CNBV; differences between the legal systems and disclosure standards of various countries, the requirement to translate and formalize documents, and constant requests for additional information also lengthen the process. Also, it has not been uncommon for foreign issuers to request clear guidelines from the CNBV in respect of what the periodic reporting requirements will entail. Concluding the registration and offering of the relevant foreign securities generally takes at least 12 weeks.

## Banking and capital markets

### Recommended firms

Tier 1

**Galicia y Robles SC**

**Mijares Angoitia Cortés y Fuentes SC**

**Ritch Mueller SC**

**White & Case**

Tier 2

**Creel García-Cuellar y Müggenburg SC**

**González Calvillo SC**

**Jáuregui Navarrete y Nader SC**

**Kuri Breña Sánchez Ugarte Corcuera y Aznar**

**Martínez Algaba Estrella de Haro y Galván-Duque**

Tier 3

**Berdeja Abogados SC**

**Carrillo Gamboa**

**Santamarina y Steta SC**

**Solórzano Carvajal González y Pérez Correa SC**

### Galicia y Robles SC

Galicia Robles is one of Mexico's top firms for banking advice, and is "particularly active in securities," according to *IFLR's* survey respondents. It also advises on many of the major debt restructuring deals in Mexico. The firm has recently changed its name after highly respected capital markets partner Antonio Franck left to join Haynes Boone, but it retains a strong team of "very good individuals".

Galicia y Robles counts numerous domestic and multinational banks among its impressive client roster, as well as a wide spectrum of industrial and commercial corporations. It has considerable experience providing counsel on syndicated loans, credit audit programmes for borrowers, and commercial paper and stock certificate programmes.

Rafael Robles Miaja, a founding partner of the firm, is the firm's leading specialist in securities. He serves as a member and secretary of the board of directors for several Mexican companies.

#### Leading lawyer

Rafael Robles Miaja

#### Key contact partner

Rafael Robles Miaja

### Mijares Angoitia Cortés y Fuentes SC

Mijares Angoitia is described as "a full service firm that is growing in the market," and after strong year continues to demonstrate comprehensive expertise in banking and equity transactions. The practice regularly advises on structuring syndicated loans, asset-backed securities issues and credit restructuring transactions, and its excellent track record in these areas has drawn a number of prestigious local and international investment bank clients to the firm. Among these are Deutsche Bank, Volkswagen, ABN Amro, Banco Nacional de México, Morgan Stanley, Standard Bank London, Credit Suisse First Boston and Goldman Sachs.

Mijares Angoitia has had an active year in the secured loan market, a field where “it dedicates time and resources to understand the dynamics of asset securitization and the needs of its market and issuers.” It represented ABN Amro’s Stockholm branch in relation to arranging a \$92.8 million credit facility to América Móvil, and advised Gmac Financiera and Sociedad Financiera de Objeto Limitado in connection with negotiating a \$100 million secured bridge loan from Credit Suisse First Boston. When Hipotecaria took out a \$107 million loan from the International Finance Corporation and DEG, Mijares Angoitia provided counsel for the company. The firm further advised television operator Innova on negotiating and executing a seven-year bank loan valued at \$95 million.

The highlights of the firm’s debt restructuring deals were acting for Grupo Financiero Serfin on its \$3 billion restructuring and capitalization process, and advising Pegaso Telecomunicaciones in relation to restructuring and executing several loans valued at about \$1.2 billion. It also represented Grupo Televisión concerning a \$983 million debt restructuring package. Mijares Angoitia has been exceptionally busy acting on credit restructuring matters too, representing creditors in the restructuring of companies in the retail, steel, publishing, textile and automobile industries. Among its many deals this year, it advised Banco Serfin on the restructuring and subsequent sale of the Guadalupe World Trade Center, and represented Banco Nacional de México on the restructuring of San Luis Corporación.

Mijares Angoitia is as respected in capital markets as it is in banking, and has been involved in some noteworthy deals over the past 12 months both on the issuer and lead manager side. Among these, it represented Morgan Stanley on TFM’s \$460 million senior note issue, and advised Grupo Televisión when it issued \$400 million of 20-year senior notes. The firm has twice represented local governments in bonds issuances backed by the proceeds from state highways – the government of the state of Puebla on a \$49 million issue, and the government of the state of Chihuahua when it raised financing through a \$230 million bond issue from the proceeds of four federal and five state highways.

The largest equity offering Mijares Angoitia acted on this year was a \$200 million flotation by Industrias CH, the leading producer of speciality steel products in Mexico. It also provided counsel for Desarrolladora Homex, an income housing developer, on its \$185 million initial public offering on the Mexico and New York stock exchanges in July 2004.

From among the team, José Raz-Guzmán-Castro was variously described as “especially good” and “an outstanding transaction lawyer, especially in mortgage-backed securities”. Among his highlights of the year, he was the lead lawyer in the Morgan Stanley senior notes deal, the largest capital markets handled by the firm this year.

#### Leading lawyers

Francisco Fuentes-Ostos  
José Raz-Guzmán-Castro

#### Key contact partners

Jaime Cortés-Rocha  
Ricardo Maldonado-Yáñez  
José Raz-Guzmán-Castro

#### Ritch Mueller SC

Established in 1975, Ritch Mueller is justifiably considered one of Mexico’s foremost firms for banking and capital markets counsel. Judging by peers’ comments, the excellent reputation of the practice stems from its strength in a range of different areas. Not only is the firm “the best for investment banks and derivatives,” but it also possesses “the best mix of foreign and local clients”. Another commentator remarked that “Ritch Mueller provides excellent service and advice in transactions ranging from syndicated loans to local bond and equity deals.”

With such a reputation, Ritch Mueller is unquestionably in Mexico’s top tier for banking and capital markets, despite the fact that Thomas Heather, one of the pre-eminent banking practitioners in Mexico, has moved to rival firm White & Case. Interviewees state that, although his departure is significant, Ritch Mueller is one of the few Mexican firms with sufficient strength in depth to maintain its market position in such circumstances. One major factor in this is the continued presence of Luis Nicolau, another banking and securities heavyweight who is “outstanding, tireless, and never fails”.

Alongside Nicolau, Ritch Mueller has one of Mexico’s leading banking and finance practitioners in Thomas Mueller-Gastell. Interviewees pointed to his “very good contact with the banks”; one of them even saying that “among the banks, he is known as ‘Mr Mexico’”. Another stated that he “has a wealth of experience, an excellent reputation in the market, and a pragmatic approach to getting the deal done.”

The firm’s client roster demonstrates its reputation for excellence in complex, multimillion-dollar deals. Leading international investment banks such as JP Morgan Chase, Credit Suisse First Boston, Citibank, Deutsche Bank and Merrill Lynch have all sought counsel from Ritch Mueller in recent times.

The banking and capital markets transactions the firm has acted on this year are no less impressive. Citigroup turned to the firm for advice on the two largest deals – the first, a \$5.8 billion loan to Cemex (by Citigroup and Goldman Sachs), and the second a \$2.4 billion syndicated loan to Telmex. Luis Nicolau led Ritch Mueller’s team on the two other major banking deals: a \$1.5 billion loan bridge facility to Coca-Cola Femsa by Morgan Stanley and JP Morgan Chase in relation to its acquisition of Panamerican Beverages, and a \$500 million bridge loan to Fomento Economico so it could acquire Interbrew’s participation in Femsa Cerveza. In the latter deal Ritch Mueller advised syndicated underwriters Morgan Stanley, Citigroup and Banamex.

In capital markets, meanwhile, Ritch Mueller acted for JP Morgan Chase as the underwriter of two sizeable equity transactions: the Mexican government’s issue of \$872 million 20-year notes, and Teléfonos de México’s \$1 billion senior note issue. The firm also acted on the sale of \$1.75 billion of perpetual

bonds by Petroleos Mexicanos, advising the underwriting syndicate comprising Citigroup, Merrill Lynch and HSBC.

#### Leading lawyers

Thomas Mueller-Gastell  
Luis Nicolau  
Guillermo Pérez Santiago

#### Key contact partners

Thomas Mueller-Gastell  
Luis Nicolau  
Pablo Perezalonso-Eguía

#### White & Case

White & Case's Mexico office comprises eight partners and 24 associates and is headed by Alberto Sepúlveda Cosio, a "highly recommended" practitioner who "has a strong relationship with banks, especially Citibank". The firm's lawyers are accomplished negotiators in financial matters such as credit facilities, debt restructuring, export credit financings and bank regulation and compliance. Vicente Corta, a specialist in solving complex regulation cases for banks and pension fund issues, is also widely recognized for his excellence. Interviewees remark that he is "well tuned-in, open and honest," and one client described him as "a true genius".

The highlight of the banking deals White & Case acted on this year was advising the syndicated lenders (comprised of three of Mexico's largest banks) regarding the restructuring of the Mexican state's \$3.5 billion public debt. The transaction entailed a reacquisition of credits held by the federal government under various support programmes implemented during the peso crisis. The loan is secured by the state's participation in federal taxes, which were transferred to a master trust.

White & Case's reputation in Mexican capital markets continues to go from strength to strength. In one of the largest single issues ever launched in Mexico, the firm represented Petróleos Mexicanos (Pemex), Mexico's largest company and one of the largest oil corporations in the world, in relation to setting up its \$3.5 billion domestic shelf programme and the first domestic offering done under that programme. In January 2005 the firm acted as transaction counsel to Banco Nacional de México in connection with the securitization of a \$2.8 billion credit granted by Banamex to the Bank Savings Protection Institute. The firm's largest debentures transaction, meanwhile, was acting for sole bookrunner Deutsche Bank Securities in relation to structuring the \$300 million offering of step-up subordinated debentures.

White & Case acted as transaction counsel in the establishment of the Mexico City government's \$220 million debt shelf programme, and the debut \$150 million offering under that programme. This was the second public offering of securities ever made by the government of Mexico City; White & Case also advised on the first. The firm also acted for Grupo Posadas, Mexico's leading hotel operator, in two offerings of senior unsecured notes worth \$225 million, and represented the MBIA Insurance Corporation, the main operating subsidiary of New York Stock Exchange-listed MBIA Inc, on structuring

the securitization of the toll collection rights of one of the most important highways in the Mexican highway system.

#### Leading lawyer

Alberto Sepúlveda Cosio

#### Key contact partners

Vicente Corta  
Alberto Sepúlveda Cosio  
Juan Pablo Rico

#### Creel García-Cuéllar y Müggenburg SC

Creel García-Cuéllar y Müggenburg is regarded as "a well-balanced firm" that is "very good in capital markets". Traditionally one of the strongest firms in Mexico for M&A, its young banking and finance team is now starting to make waves in the market as well, and gains promotion to the second tier this year on the strength of numerous recommendations from the market. Part of this success can be attributed to Carlos Aiza, who was consistently recommended by respondents for his activity and expertise in complex securitization deals.

One such securitization deal was acting as counsel for Credit Suisse First Boston Casa de Bolsa (México) in connection with the mortgage-backed securitization of \$150 million-worth of residential mortgage loans originated by Hipotecaria Su Casita and Gmac Hipotecaria. The firm again represented Credit Suisse First Boston Casa de Bolsa (México) in relation to a subsequent \$100 million mortgage-backed loan securitization originated by Gmac Financiera.

Among the year's other highlights, Creel García-Cuéllar served as counsel to BBVA Securities, BBVA Bancomer and Accival as underwriters of Industrias CH's \$175 million global initial public offering, and represented Cablemás in connection with its \$55 million public offering of guaranteed notes through the Mexican Stock Exchange.

#### Leading lawyer

Carlos Aiza

#### Key contact partner

Carlos Creel Carrera

#### González Calvillo SC

González Calvillo enters the rankings in the second tier this year, thanks to an impressive level of activity, especially in capital markets, and to repeated market recommendation. The capital markets team has considerable experience advising on regulatory and stock exchange filings, and is regularly involved in sizeable equity and debt offerings. The firm also offers comprehensive banking counsel on matters such as securitization, syndicated loans and restructuring, and counts a number of prestigious investment banks, private investment funds and asset management companies as its clients. Among these are Société Générale, JP Morgan and Bank of America.

The highlight of the firm's banking deals involved its representation of Tri-Gem Corporation in the negotiation and

structuring of a \$200 million financing facility from General Electric Capital Corporation. However, it was in capital markets that González Calvillo really demonstrated its considerable prowess. A high point for the practice saw the firm advise Petróleos Mexicanos (Pemex) regarding the implementation of two note programmes valued at about \$1 billion. It also advised DaimlerChrysler México Holding in relation to a short-term commercial paper programme worth \$400 million, to allow DaimlerChrysler to effect public offerings.

Among the year's other highlights, González Calvillo acted for a syndicate of banks and holding companies in relation to the \$165 million debt and equity restructuring of Mexican local exchange carrier Maxcom Telecomunicaciones, and provided counsel to telephone provider Miditel and PCS concessionaire Midicel in connection with a \$150 million debt restructuring package.

#### **Key contact partners**

Pedro Resendez Bocanegra  
Rodrigo Rojas Robleda  
Juan Manuel Sancho Rodrigo  
José Victor Torres Gómez

#### **Jáuregui Navarrete y Nader SC**

Jáuregui Navarrete y Nader has a growing reputation for excellence in the finance sphere, and is "very active in structured finance". Unfortunately, partner Jorge Labastida recently left the firm, but it has reacted well to this loss by expanding its banking department, with six new associates hired over the last 12 months.

Labastida's departure has not had any profound implications, judging by the number and size of the transactions the firm has acted on this year. Under the leadership of Michell Nader Schekaiban, a specialist in debt restructuring and securitization as well as "a very strong lawyer in banking," the banking and finance department has recorded some noticeable deals. The most noteworthy of Jáuregui Navarrete's banking transactions was its advice to TV Azteca in respect of a \$300 million committed line of credit provided to it by Banco Inbursa. It also advised the Congress Financial Corporation when it acted as an agent in an \$87.5 million loan agreement.

The largest capital markets transaction handled by Jáuregui Navarrete involved it advising a syndicate of commercial banks (including Citibank and the International Finance Corporation) in relation to restructuring a medium-term loan granted to Carrix, in a project valued at \$131 million. In other deals, it acted for the Inter-American Investment Corporation regarding a participation agreement for an issue of securities certificates by Cablemás, and advised Scotiabank on a similar issue by Fonacot. These transactions were valued at \$25 million and \$279 million respectively.

Other clients of the firm include Bank of America, Exxon Mobil, General Electric and Western Union.

#### **Leading lawyer**

Michell Nader Schekaiban

#### **Key contact partners**

Hans Goebel  
Yves Hayaux-du-Tilly  
Michell Nader Schekaiban

#### **Kuri Breña Sánchez Ugarte Corcuera y Aznar**

Kuri Breña has had an active year, winning a particularly high number of mandates to act on debt capital markets deals. Representative transactions in this sector included advising Vitro Envases Norteamérica in relation to its issue of senior secured guaranteed notes for \$170 million, and acting for Gruma on its \$300 million issue, the first issue of perpetual bonds by a private sector company in Mexico.

In banking, meanwhile, the firm advised Sicartsa in connection with restructuring its loans with several foreign banks, including Toronto Dominion Bank and Standard Chartered Bank. Banamex also turned to Kuri Breña for assistance with negotiating the conditions of a \$125 million loan to Phaema to finance a tender offer to acquire public shares in pharmaceutical company Nadro.

Antonio Casares is the leading banking specialist at the firm, while Daniel Kuri Breña is a prominent figure in the capital markets team.

#### **Leading lawyers**

Manuel Aznar  
Antonio Casares  
Daniel Kuri Breña

#### **Key contact partner**

Daniel Kuri Breña

#### **Martínez Algaba Estrella de Haro y Galván-Duque**

Martínez Algaba was founded in 1969, and today has 25 lawyers based in Mexico City and Monterrey. The firm's strengths are in financial, regulatory and securities issues; it also has considerable experience in the energy and telecommunications sectors and boasts a strong litigation practice. Interviewees remarked that the firm's quality of work is solid, and that it merits the firm's second-tier position.

Over the past 12 months the firm has represented a number of large Mexican corporations in relation to all types of public offerings and private placements, both in Mexico and abroad. Martínez Algaba's securities specialists also provide assistance to public companies regarding compliance with current securities regulations. In the past the firm has advised such prestigious clients as Citigroup, Deutsche Bank, BBVA Bancomer, ING Bank Mexico, BankBoston and the Inter-American Investment Corporation.

#### **Leading lawyer**

Carlos Galván-Duque

#### **Key contact partner**

Carlos Galván-Duque

### Other notable firms

**Berdeja Abogados** advised HSBC regarding the negotiation and exchange of Fobaproa's \$2.17 billion Mexican government-guaranteed notes. It also represented the International Finance Corporation concerning the issue of a guarantee to enable a \$50 million public offering of bonds made by Financiera Comportamos on the Mexican Stock Exchange.

**Santamarina y Steta** is an increasingly recognized name in the Mexican capital markets, particularly in relation to public debt securities offerings. In this area it advised Inmobiliaria Ruba on its \$28 million flotation, acted for Financiera Independencia in connection with its \$9 million offering, and represented Sare Holding in relation to a public debt security offering valued at \$7 million. Another major transaction saw Santamarina act for Holcim Apaso in respect of the public tender offer of 31.1% of its capital for \$749 million.

Lastly, **Solórzano Carvajal González y Pérez Correa** is a small firm that has attracted international clients such as Citigroup, Gmac, Wells Fargo (which it advised on a \$13 million asset-based financing package) and Rabo Bank (which it acted for on \$10 million-worth of cross-border financing structures).

## Mergers and acquisitions

### Recommended firms

Tier 1

**Creel García-Cuéllar y Müggensburg SC**

**Galicia y Robles SC**

**Mijares Angoitia Cortés y Fuentes SC**

**White & Case**

Tier 2

**Jáuregui Navarrete y Nader SC**

**Kuri Breña Sánchez Ugarte Corcuera y Aznar**

**Martínez Algaba Estrella de Haro y Galván-Duque**

**Ritch Mueller SC**

**Santamarina y Steta SC**

Tier 3

**Basham Ringe y Correa**

**González Calvillo SC**

**Von Wobeser y Sierra SC**

### Creel García-Cuéllar y Müggensburg SC

Creel García-Cuéllar has consistently been one of Mexico's strongest M&A firms in recent years, and continues to merit accolades through its involvement in many of Mexico's largest transactions in this area. The firm's excellent credentials are underpinned by the reputations of highly regarded partners Samuel Garcia-Cuéllar – who a client described as “very good in M&A and capital markets” and Jean Michel Enriquez, a “very experienced professional”.

Creel García-Cuéllar has advised on three billion-dollar M&A deals over the past year. First, it provided counsel to Onex Capital and Oaktree Capital Management in connection with the \$2 billion global sale of the Loews Cineplex

Entertainment Corporation to a syndicated investment group. Secondly, Associated British Foods sought the firm's advice regarding its acquisition of bakery and spices businesses in Mexico for a global purchase price of \$1.35 billion. And thirdly, Creel García-Cuéllar represented the Cypress Group regarding the buyout of the Dana Corporation and the Automotive Aftermarket Group in Mexico for \$1.105 billion.

Highlights of the firm's smaller (but still worthy of mention) M&A deals include advising Bain Capital in connection with the \$530 million acquisition of Rhodia's North American phosphates business, and representing Hipotecaria Nacional when it sold \$375 million (70%) of stock to BBVA Bancomer. Among the firm's other clients are Pepsi, Vodafone and Microsoft.

### Leading lawyers

Jean Michel Enriquez

Samuel Garcia-Cuéllar

### Key contact partner

Jean Michel Enriquez Dahlhaus

### Galicia y Robles SC

Galicia y Robles is “very visible, very good and aggressive” in Mexico's M&A market, and has an impressive degree of experience advising on cross-border deals. The firm has acted in transactions across most industry sectors, including telecommunications (for which Rafael Robles Miaja in particular is highly respected), energy, finance and electronic commerce. Clients of the firm include Kodak, UBS Warburg, Grupo Sanborns and Industrias Bachoco.

Carlos de Maria y Campos Segura is widely praised for his experience advising on M&A and international joint ventures, while Manuel Galicia is a recognized specialist in international business transactions and serves as member of the board of directors of Aurum-Heller Factoraje and Afore Bitel.

### Leading lawyers

Manuel Galicia

Carlos de Maria y Campos Segura

Rafael Robles Miaja

### Key contact partner

Rafael Robles Miaja

### Mijares Angoitia Cortés y Fuentes SC

Mijares Angoitia enjoys “lots of visibility” in the M&A market, thanks largely to its team of “very good lawyers who provide very good results”. It has recently added two new associates to its M&A department, bringing the total of associates up to 20 to support the practice's six partners.

One of the firm's most prestigious clients is JP Morgan, which it recently advised in relation to the sale of its controlling interest in Mexico's third-largest pharmaceutical distributor, Grupo Marzam. It also advised the Steadfast

Companies, a California real estate group, on the purchase of eight Mexican hotel properties from Grupo Sidek-Situr. In a deal worth \$65 million, Mijares Angoitia represented Hipotecaria Su Casita (a large Mexican residential mortgage lender) and its shareholders in connection with the formation of Grupo Su Casita, and its subsequent capitalization by Caja Madrid.

Other recent M&A clients include Top Personnel, Hayes Lemmerz, Oxiteno, Fintech Advisory, Grupo Televisa and Southern Peru Copper Corporation, Peru's biggest copper producer (which Mijares Angoitia advised in respect to its acquisition of Minera México in November 2004).

Francisco Fuentes-Ostos and Pablo Mijares-Ortega are both highly respected M&A practitioners with considerable experience working with international clients.

#### **Leading lawyers**

Jaime Cortés-Rocha  
Francisco Fuentes-Ostos  
Pablo Mijares-Ortega

#### **Key contact partners**

Jaime Cortés-Rocha  
Ricardo Maldonado-Yáñez  
Pablo Mijares-Ortega

#### **White & Case**

The "very capable" Alberto Sepúlveda Cosio heads White & Case's corporate and M&A department, which retains its top-tier ranking due to its participation in some of Mexico's largest transactions over the past 12 months. Foremost among these was White & Case's advisory role to KoSa, a subsidiary of Koch Industries, in relation to the antitrust and corporate law aspects of its \$4.1 billion purchase of DuPont's global polyester business. Another major acquisition transaction for White & Case was the purchase of a 51% voting interest in the Mexican railway concessionaire, TFM, by White & Case's client, Kansas City Southern.

White & Case's M&A credentials were given a significant boost by the arrival of Thomas Heather, one of the top lawyers in this field in Mexico and variously described as "excellent" and "the best". Adding further strength at the senior end of the practice, the firm promoted Juan Antonio Martín to partner in January 2005.

Among the year's other highlights, in December 2004 White & Case acted for an individual shareholder when it sold its 25% participation in the capital stock of Nadro.

#### **Leading lawyers**

Alberto Sepúlveda Cosio  
Thomas Heather

#### **Key contact partners**

Alberto Sepúlveda Cosio  
Juan Manuel González  
Rodrigo Orozco

#### **Jáuregui Navarrete y Nader SC**

Jáuregui Navarrete y Nader is lavished with praise from the market for the ambitious expansion of its M&A department and its excellent professionalism in recent deals. The firm has undergone an audacious expansion programme, adding seven new associates to its M&A team this year (bringing the size of the team up to 39), and is described by one client as "highly sophisticated – meaning that it has worked on complicated transactions, with expertise in handling US and European clients". Another commentator added: "I am impressed by the way Jáuregui Navarrete is handling the cost-effectiveness of its work and related transparency."

This year the firm advised ABN Amro in relation to its acquisition of Bank of America Mexico's trust portfolio, and represented Svenska Cellulosa on its \$200 million buyout of Copamex. Leading US law firm Davis Polk & Wardwell sought the firm's advice on Mexican regulatory issues arising from the merger of the St Paul Companies and Travelers Property Casualty, and Bellsouth Corporation also turned to Jáuregui Navarrete for counsel when it sold its interests in 10 Latin American countries to Telefónica Móviles. In other deals, Jáuregui Navarrete represented IBM when the Lenovo Group acquired its global PCD business, and also acted as co-counsel to GIC and ABM Realty Corporation in relation to their \$250 million joint venture to acquire and operate industrial parks in Mexico City, Monterrey and Guadalajara.

From among the team, Michell Nader Schekaiban can probably be considered one of the top M&A lawyers practising in Mexico, judging by the feedback from the market. Commentators variously described him as "an excellent lawyer," "an extraordinary lawyer" and "outstanding". Another states he is "knowledgeable in the law, with expertise in complicated transactions, and supported by an organized team of very good lawyers."

#### **Leading lawyers**

Miguel Jáuregui  
Michell Nader Schekaiban

#### **Key contact partners**

Yves Hayaux-du-Tilly  
Miguel Jáuregui  
Michell Nader Schekaiban

#### **Kuri Breña Sánchez Ugarte Corcuera y Aznar**

Kuri Breña is referred to as "a strong player in M&A, although it lacks a bit of size". Certainly, despite its size its reputation in M&A is extremely good, as reflected, for example, in a mandate from Johnson Controls to advise it on the purchase of automotive batteries manufacturer Enertec for \$500 million.

Two other M&A deals of note saw the firm represent the Boeing Capital Corporation in relation to the sale of a portion of its Mexican loan portfolio to General Electric, and advise America On Line in connection with the sale of its assets to Nextel. Other clients include Lake Pacific Partners, the Texas-Pacific Group and Grupo Tribasa.

**Leading lawyer**

Daniel Kuri Breña

**Key contact partner**

Daniel Kuri Breña

**Ritch Mueller SC**

Ritch Mueller's M&A department is not far off the top tier, and clients speak of "a practice that has evolved really well". In particular, clients praised the firm for being "very good, active and professional".

The firm's client roster is as impressive as ever, with JP Morgan Chase, Scotiabank, Credit Suisse First Boston, Citibank and BBVA Bancomer all among those who have recently used Ritch Mueller's services.

The most significant recent transaction involved Ritch Mueller advising Grupo Cinemex when it was acquired by the Carlyle Group for \$1.5 billion. It also represented The Bank of Nova Scotia when it bought 45% of the equity in Scotiabank Inverlat. Other deals included acting for Citicorp Venture Capital in relation to its acquisition of moulded packaging business Empaques de Carton Titan, and advising Kimco Realty Corporation when it bought Gaccion.

**Key contact partners**

Jean Paul Farah

Octavio Olivo

James Ritch

**Santamarina y Steta SC**

Santamarina y Steta was founded in 1948 and today is one of Mexico's largest law firms, with 22 partners and more than 40 associates. Its reputation as a strong M&A firm is well established, providing it with "a very good client base". This includes many prestigious Mexican firms, as well as leading international corporations such as Chevron Overseas Petroleum, Dresdner Bank, American Airlines, Cadbury Schweppes, General Electric and Microsoft.

This year Santamarina advised British Foods on its acquisition of \$110 million of assets from Unilever de México, and acted for Grupo Chen in relation to a joint venture with Sigma Alimentos. Agustín Santamarina, a founder of the firm and a highly regarded commercial lawyer, is a leading figure in the M&A department.

**Leading lawyer**

Agustín Santamarina

**Key contact partner**

Agustín Santamarina

**Project finance****Recommended firms**

Tier 1

**Galicia y Robles SC****Ritch Mueller SC**

Tier 2

**Creel García-Cuéllar y Müggenburg SC****Mijares Angoitia Cortés y Fuentes SC****White & Case**

Tier 3

**Baker & McKenzie****Berdeja Abogados SC****González Calvillo SC****Jáuregui Navarrete y Nader SC****Kuri Breña Sánchez Ugarte Corcuera y Aznar****Martínez Algaba Estrella de Haro y Galván-Duque****Santamarina y Steta SC****Galicia y Robles SC**

Feedback from the market suggests that Galicia y Robles is "a close second behind Ritch Mueller in project finance," and there seems little doubt that it merits its first-tier position, given its reputation for professionalism, deep knowledge and regular involvement in many of Mexico's highest-profile project finance deals.

One of the largest transactions Galicia y Robles was involved in this year was the financing of the El Cajón hydroelectric power plant for \$682 million, on which it represented the lending syndicate, led by Mizuho Bank and the Japan Bank for International Cooperation. Another significant deal was the expansion of a nitrogen power plant to increase the volume of nitrogen delivered to Petróleos Mexicanos (Pemex) for oil production. Galicia y Robles provided counsel to Compañía de Nitrogeno de Cantarell on the expansion project.

**Leading lawyer**

Carlos de María y Campos Segura

**Key contact partner**

Carlos de María y Campos Segura

**Ritch Mueller SC**

Ritch Mueller enjoys an outstanding reputation in project finance in Mexico, and is considered by many to be "the number one firm" in this sector, with "excellent knowledge and a significant track record". The department is relatively small, with three partners and six associates, but the quality of the lawyers easily compensates for this.

Thomas Mueller-Gastell is the leading project finance specialist in the firm, and possibly in Mexico. Clients were extremely effusive about the qualities that make him stand out, variously describing him as "calm and intelligent," "tremendously experienced," "very clever," "a good negotiator" and "very famous in the market".

Another client, meanwhile, states: “He is very efficient, creative, rapid, clear and practical. He proposes interesting strategies and always finds a good solution. He is recognized by the international banks and international legal firms, because he knows the project finance sector perfectly.”

Ritch Mueller’s team is not just comprised of Thomas Mueller-Gastell, of course. His colleague Federico Santacruz González also elicits praise for being “a very good person to work with,” while the rising star in the firm is Rodrigo Conessa, who is “extremely pragmatic and very well connected”.

The pick of the deals Ritch Mueller advised on this year was the financing of the El Cajón hydropower project for \$682 million, on which it represented WestLB as lender and bondholder. It also acted for Mitsubishi/Kyushu in its capacity as sponsor of the financing of the Tuxpan V independent power project for \$210 million, and acted for BNP Paribas as the underwriter of the \$115 million construction of the Milpillás copper mine. BBVA Bancomer also turned to Ritch Mueller when it financed the Petróleos Mexicanos (Pemex) platform for \$80 million. Thomas Mueller-Gastell was the lead lawyer in each of these transactions.

Other project finance clients of the firm include EDF International, El Paso, NordLB and Shell.

#### Leading lawyer

Thomas Mueller-Gastell

#### Key contact partners

Thomas Mueller-Gastell  
Guillermo Pérez-Santiago  
Federico Santacruz González

### Creel García-Cuéllar y Müggensburg SC

Creel García-Cuéllar is increasingly respected for the quality of its banking and finance advice (especially the “very impressive” Javier Gallardo Guzmán), and the knock-on effect of this is that firm has also had a reasonably active year in advising on project finance transactions.

One of the firm’s most significant clients is Sempra Energy, which recently hired the firm regarding two major energy deals. The first of these was Sempra Energy’s successful public bid for the Mexican state-owned electricity utility’s supply of natural gas to its facilities in Baja California. The 15-year supply agreement was valued at about \$1.4 billion. Secondly, Ritch Mueller provided counsel to Sempra in connection with the construction, development and operation of the Energía Costa Azul liquid natural gas plant, in a deal worth \$750 million.

Aside from these deals, Creel García-Cuéllar advised GE Capital de México and GE Commercial Industrial Finance as underwriters of the \$80 million equipment financing of Collins & Aikman.

#### Leading lawyers

Carlos Aiza  
Carlos Creel Carrera  
Javier Gallardo Guzmán

### Mijares Angoitia Cortés y Fuentes SC

Mijares Angoitia Cortés y Fuentes’ four-partner project finance department is particularly prominent on gas and water projects, and clients praise the outfit for being “highly professional” and “extremely fair in terms of the work produced and the expense invoiced”. New partner Horacio de Uriarte-Flores has further strengthened the team, which counts ABN Amro, Société Générale, Suez Lyonnaise des Eaux and Bufete Industrial among its regular clients.

Mijares Angoitia recently advised a bank syndicate fronted by BBVA Bancomer underwriting a \$210 million loan to Concesionaria Mexiquense. The purpose of the loan was to finance the construction, operation and maintenance of a system of highways in Mexico City. The firm also represented Energía Mayakan in connection with developing the second phase of the 700km Mayakan pipeline, the longest privately owned pipeline in Mexico.

Francisco Fuentes-Ostos draws much praise from the market for his professional approach and project finance expertise. “The quality of his work is outstanding,” one client reported. “He has worked very efficiently with both sides of the table to facilitate agreement and structures.”

#### Leading lawyers

Francisco Fuentes-Ostos  
Horacio de Uriarte-Flores

#### Key contact partners

Francisco Fuentes-Ostos  
Fernando Orrantia-Dworak  
Horacio de Uriarte-Flores

### White & Case

For some years now, White & Case’s project finance team has fantastic strength in depth, all the more so now Thomas Heather has joined its ranks from Ritch Mueller. One client stated that White & Case’s project finance specialists “have wide experience in the field, and are proactive in finding logical and commonsense solutions, always watching the best interests of their clients”.

The highlight of the firm’s deals this year was its advice to Constructora Internacional de Infraestructura, an international consortium led by engineering and construction services company Empresas ICA Sociedad Controladora. White & Case provided counsel regarding the financing of the El Cajón hydroelectric generating facility, which comprised of a \$230 million Rule 144A bond offering and a \$452 million syndicated bank loan (at a total of \$682 million). This was the largest public infrastructure project administered in Mexico under the presidency of Vicente Fox.

#### Leading lawyer

Thomas Heather

**Key contact partners**

Juan Manuel González  
 Thomas Heather  
 Ariel Ramos  
 Alberto Sepúlveda Cosío

**Berdeja Abogados SC**

Berdeja Abogados enters the rankings this year thanks to a growing presence in the project finance sector and some impressive transactions. Perhaps its most prestigious regular client is Grupo Financiero HSBC, which it represented on two large financings this year.

The first of these was HSBC's \$20 million contribution to a co-financing loan totalling \$210 million to Electricidad Sol de Tuxpan. The loan will facilitate the construction of a natural gas power facility in Veracruz, Mexico. Berdeja also advised HSBC regarding purchase and construction contracts to build its new headquarters in Mexico City, in a development valued at \$137 million.

The largest project finance deal Berdeja acted on this year saw the firm advising the International Finance Corporation regarding the renewal of the public bus fleets of six major transportation companies in Mexico, in a transaction worth \$369 million.

**Key contact partner**

Teo Berdeja

**Jáuregui Navarrete y Nader SC**

Jáuregui Navarrete y Nader has been active in some noteworthy project finance transactions this year, and counts high-calibre clients on its roster such as General Electric, Exxon Mobil, the Export-Import Bank of the United States, EDF International and BP Amoco. Interviewees remark that the firm is making considerable progress in this sector, although highly respected partner Jorge Labastida recently left, which leaves the firm with two partners specializing in project finance.

Over the past year, Jáuregui Navarrete's project finance team represented BNP Paribas as lead arranger and agent on a \$106 million secured credit facility for the construction of a power plant owned by the Comisión Federal de Electricidad. The firm also advised the Mexican Ministries of Health and Education regarding the construction of a hospital in Guanajuato and a university in San Luis Potosí, for a total of \$100 million, and acted for WestLB when the bank financed the \$30 million development of a resort in Los Cabos.

The "excellent" Michell Nader Schekaiban was the lead lawyer on each of the above transactions, and is recognized as an expert project finance practitioner.

**Leading lawyer**

Michell Nader Schekaiban

**Key contact partners**

Hans Goebel  
 Michell Nader Schekaiban