

# United States

## Chamber of commerce:

US Chamber of Commerce  
1615 H Street, NW  
Washington DC 20062-2000  
United States  
Tel: +1 202 659 6000  
Fax: +1 202 463 5836

## Professional body:

American Bar Association  
740 15th Street, NW  
Washington DC 20005-1019  
United States  
Tel: +1 312 988 5000  
Fax: +1 312 988 5865

**Janet L Fisher**

**Cleary Gottlieb Steen & Hamilton LLP**  
**New York**

The first year of internal control reporting by US companies suggests some lessons for foreign private issuers (FPIs). Under Section 404 of the Sarbanes-Oxley Act, public companies must report annually on the effectiveness of internal control. The independent auditor must attest to the management's report and state its own conclusion about effectiveness. FPIs will comply for the first time in reports for years ending on or after July 15 2006.

Above all, the US experience affirms the importance of planning. Companies reaching the finish line successfully had detailed plans that identified controls for early review, not only to permit time for documentation, testing and remediation, but also to benchmark the extension of the 404 exercise throughout the enterprise. Surveys suggest a heavy reliance on internal audit resources, but most companies needed more staff and more coordination. Not surprisingly, US companies devoted resources far exceeding SEC estimates; a survey by Financial Executives International of 217 companies with average revenues of \$5 billion reports the cost of first year compliance as averaging \$4.36 million. The FPI experience will be no different and, given the additional testing for US Gaap reconciliation, could be worse.

FPIs will nonetheless have advantages over their US counterparts, if only because their auditors will be better able to integrate financial and control audits. This was not achievable for US companies, because the relevant auditing standard was adopted in mid-2004, well into the year's financial audit.

FPIs will also benefit from a second year of experience with the requirements before they must comply, as well as from ongoing guidance of the SEC and PCAOB. Most recently, these agencies endorsed a top-down, risk-based audit that begins with company-level controls on accounts with more than a remote likelihood of material misstatement, and sequentially focuses on significant accounts, significant processes and individual controls. The benefits of this approach will accrue to companies and investors alike – more efficient resource deployment and a greater focus on high-risk areas. The growing body of analysis and evaluation of control deficiencies should also be a powerful resource.

In their recent guidance, the SEC and PCAOB also encouraged auditors to exercise greater judgment in control audits, eschewing a checklist approach and recalling that *reasonable* assurance about the reliability of financial reporting does not mean *absolute*

assurance. The PCAOB reiterated the flexibility auditors have to rely on others' work in low-risk areas. The auditor's obligation to rely on its own work as the principal evidence for an opinion is a qualitative test, under which work done directly in high-risk areas should have more weight. It is also now clear that, although management must determine Gaap application for the company, it can freely discuss the meaning and significance of Gaap with the auditor. FPIs can therefore avoid some of the duplicative effort and frustrated communications that plagued US issuers.

Material weaknesses disclosed to date involve mainly insufficient documentation, particularly in the area of information systems and controls; period-end adjustments; restatements; staffing adequacy, competency and segregation of duties; revenue recognition; contingencies; and tax accounting. Although auditors predict similar issues for FPIs, many expect other deficiencies to surface, notably in the US Gaap reconciliation. Interestingly, the SEC guidance emphasizes that restatements do not necessarily require a finding of material weakness, but must be assessed in light of all the facts and circumstances. FPIs implementing the SEC's audit committee rules for the first time in 2005 might also face issues: an ineffective audit committee is a *strong indicator* of a material weakness under US auditing standards.

If a material weakness is found, the recent SEC guidance confirms what practice had already demonstrated – companies should disclose the weakness, its impact on financial reporting and control, and the company's plans to remedy the situation. Although market reaction to disclosure about material weaknesses has been largely neutral, some US companies gave investors advance notice of possible problems. A few FPIs have also followed this approach, which can be advantageous particularly if securities offerings are planned. In the US, the warnings were partly driven by auditor assessments of their clients' likelihood of meeting the deadline.

FPIs will also avoid the surprises experienced by US companies when auditor control reports were qualified (for example, due to a scope limitation) or disclaimed. In this case, the SEC staff initially took the view that the annual report is incomplete. The staff's position continues to evolve and will likely moderate, but the incentives for timely compliance are unmistakable. If the annual report is deemed to be incomplete, that can preclude securities offerings using short-form shelf registration, or cause defaults under debt covenants, among other adverse implications, such as possible delisting proceedings.

Of course, the US experience does not resolve the policy

debate about 404 reporting, which will surely rage on. But the resulting refinements to control reporting should make the FPI experience one of less uncertainty, if not less cost.

## Bank lending

### Recommended firms

Tier 1

**Cravath Swaine & Moore**

**Davis Polk & Wardwell**

**Simpson Thacher & Bartlett**

Tier 2

**Shearman & Sterling**

**Sullivan & Cromwell**

**White & Case**

Tier 3

**Cleary Gottlieb Steen & Hamilton**

**Latham & Watkins**

**Milbank Tweed Hadley & McCloy**

**Skadden Arps Slate Meagher & Flom**

Tier 4

**Bingham McCutchen**

**Jones Day**

**O'Melveny & Myers**

**Sidley Austin Brown & Wood**

**Weil Gotshal & Manges**

Tier 5

**Baker Botts**

**Cadwalader Wickersham & Taft**

**Fried Frank Harris Shriver & Jacobson**

**King & Spalding**

**Mayer Brown Rowe & Maw**

## Banking – financial services regulation

### Recommended firms

Tier 1

**Cleary Gottlieb Steen & Hamilton**

**Sullivan & Cromwell**

Tier 2

**Davis Polk & Wardwell**

**Morrison & Foerster**

**Shearman & Sterling**

**Simpson Thacher & Bartlett**

**Skadden Arps Slate Meagher & Flom**

**White & Case**

**Wilmer Cutler Pickering Hale and Dorr**

Tier 3

**Alston & Bird**

**Arnold & Porter**

**Cadwalader Wickersham & Taft**

**Covington & Burling**

**Debevoise & Plimpton**

**Milbank Tweed Hadley & McCloy**

**Sidley Austin Brown & Wood**

## Alston & Bird

Frank M Conner III heads Alston & Bird's financial services and products department, which represents a variety of domestic and international banks on compliance, enforcement and other regulatory matters that come before state and federal bank regulatory agencies, as well as agencies such as the Department of Justice and the Department of the Treasury. Clients of the firm include American Express Financial Advisers, Bank One Corporation, UBS and the Wachovia Corporation. One peer commented that the practice's leading partner, John Douglas, is "really, really good ... he handles sensitive situations extremely well."

The firm lost two partners, Jon Talcott and Kate Kling, to Nelson Mullins in April 2005 but more than filled the gap with the hires of partners Porfirio "Pref" Ramirez from Arnold & Porter, Timothy P Selby from Cadwalader, Kevin Miller from CSFB, and four new associates.

Over the past 12 months, Alston & Bird advised Regions Financial on the regulatory aspects of its \$5.9 billion merger with Union Planters. Discover Financial Securities came to the firm for guidance in relation to its co-branded Wal-Mart credit card.

Alston & Bird also represented the Wachovia Corporation on the regulatory issues surrounding its acquisition of Palmer & Cay, and advised Homebanc on similar issues relating to its subsidiary, the Homebanc Mortgage Corporation, in a deal worth \$289 million.

### Leading lawyer

John Douglas

### Key contact partners

John Douglas

Mark McElreath

Dwight Smith

## Bingham McCutchen

Bingham McCutchen has a strong syndicated and asset-based lending practice, co-led by Amy Kyle and Edwin Smith. In recent work, Bingham McCutchen has represented the McKesson Corporation as borrower, and Wells Fargo Bank as lead arranger, in connection with a \$1.3 billion syndicated line of credit, and acted for Bank of America, as administrative agent, and Goldman Sachs Credit Partners on a secured revolving credit and term-loan facility worth more than \$1 billion granted to the Emmis Operating Company.

Kyle led the team that advised Banc of America Securities and Fleet National Bank, as lead arranger and administrative agent respectively, on an \$800 million-plus multicurrency financing package granted to Ryder System and its Puerto Rican, Canadian and UK subsidiaries. On another financing matter for the same client, Bingham McCutchen represented Bank of America as administrative agent, and Banc of America Securities, as lead arranger, in relation to its \$700 million loan to the international food production and supply company OSI Group, which was comprised of Dutch, German and US borrowers.

**Leading lawyers**

George Hisert  
Edwin Smith

**Key contact partners**

Jonathan Bernstein  
Frederick Eisenbiegler  
Amy Kyle  
Edwin Smith

**Cadwalader Wickersham & Taft**

Cadwalader Wickersham & Taft continues to run a well-regarded practice that, although slightly smaller than some of its rivals, has carved out fruitful niches for itself. One such niche is its highly ranked aircraft and equipment finance practice, and the past year has seen the firm advise on plenty of deals in this area. One client in the area explained that he uses the firm because its lawyers “really know the type of work well ... they are efficient and easy to work with”, while another singled out leading lawyer Richard Aborn because “he knows his stuff, and doesn’t need to go to someone else to find the answers.”

In one such deal, Cadwalader advised Northwest Airlines on the \$45 million debt financing of two Boeing 747 freighter aircraft by hedge funds Special Value Opportunities Fund and Special Value Expansion Fund. And Cadwalader represented Comair, a subsidiary of Delta Airlines, on the \$123 million debt financing of eight Bombardier regional jet aircrafts, and the debt financing of 10 Bombardier regional jet aircrafts valued at about \$151 million.

The firm also recently set up a dedicated securities and financial institutions regulatory group, in time to coincide with the arrival in May 2005 of partner Bruce Hiler. Hiler, who will be heading up the new group, came from rival firm O’Melveny & Myers; his practice focuses on regulatory and corporate counselling and internal investigations. Although new at the time of writing, the group gains the firm an appearance in the rankings because of Hiler’s reputation – the new group will certainly pack a punch in the market, and it will be interesting to watch its progress over the coming year.

**Leading lawyers**

Richard Aborn  
Steven Cohen  
Bruce Hiler  
Robert Link Jr

**Key contact partners**

Richard Aborn  
Derrick Cephas

**Cleary Gottlieb Steen & Hamilton**

Cleary Gottlieb Steen & Hamilton boasts a top transactional banking practice that advises on credit facilities and financing bank mergers. The firm also has a fantastic, dedicated advisory practice that covers complex regulatory and compliance issues and advises boards of directors on corporate governance matters.

Representative clients on regulatory matters include financial institutions, bank holding companies and swap dealers, and the equal strength of the firm’s Washington and New York regulatory operations means that it is a regular adviser to US and international government authorities as well as investment banks.

Cleary Gottlieb Steen & Hamilton has been particularly active on bank merger financings this year. It represented UK bank Abbey National on its \$15 billion acquisition by Banco Santander in Europe’s largest-ever cross-border bank merger, which made Banco Santander the eighth-largest bank in the world, and advised Laredo National Bancshares and its shareholders on its \$860 million acquisition by Banco Bilbao Vizcaya Argentaria.

The firm also fielded a cross-border team that represented Newbridge Asia, an affiliate of the Newbridge Capital Group, on the \$3.3 billion sale of its entire share capital of Korea First Bank to Standard Chartered Bank, the largest foreign investment in South Korea. At the time of writing, Cleary Gottlieb Steen & Hamilton was advising Capital One Financial Corporation on the acquisition and related financing of Hibernia Bank, valued at about \$5.3 billion.

Most recently, in July 2005 Cleary Gottlieb advised the Fitch Group when it borrowed \$500 million under a credit facility granted by BNP Paribas, Calyon, Bank Fédérative du Crédit Mutuel, CCF, Natexis and Société Générale, and the following month it acted for Citibank and a syndicate of banks in relation to \$1.38 billion-worth of term loans to subsidiaries of the Techint Group, which used the loan proceeds to partially fund the acquisition of Hylsamex, a leading Mexican steel producer.

In representative advisory work, meanwhile, the firm advised the Sherman Financial Group on its acquisition of credit card banking operations – the first time the Federal Reserve Board had given formal approval validating the conversion of a full-service bank to a credit card bank. The firm also advised the non-management members of the board of directors of Riggs Bank on regulatory and legal matters applicable to Riggs Bank.

**Leading lawyers**

Lee Buchheit  
Paul Glotzer  
Seth Grosshandler  
Sandra Rocks  
Robert Tortoriello

**Key contact partners**

Derek Bush  
Paul Glotzer  
John Murphy  
Robert Tortoriello

**Covington & Burling**

Covington & Burling has extensive experience in regulatory practice. The firm provides advice on a range of legal and regulatory issues, including corporate, tax and securities matters, domestic and international financing, and regulatory enforcement and compliance matters. The regulatory team practices

before the Federal Reserve Board, the Federal Deposit Insurance Corporation and state bank regulatory agencies. Legislative activity by the firm includes the evaluation and development of new legislative proposals and representing clients with respect to the proposals before Congress.

Examples of the work Covington & Burling has handled over the past year includes advising bank holding companies on compliance under the Gramm-Leach-Bliley Act. Additional representation includes advising Bank One, the PNC Bank Corporation and other banking organizations on setting up Section 20 securities-underwriting affiliates.

Representative clients of the firm include ABA Securities Association, American Bankers Association, Bank One and Microsoft.

#### Leading lawyers

David Martin Jr  
Mark Plotkin  
Harris Weinstein  
Mark Weiss

#### Key contact partners

Mark Plotkin  
Stuart Stock  
D Jean Veta

### Cravath Swaine & Moore

The market considers Cravath Swaine & Moore to have a “fantastic lending practice of extremely high quality,” one interviewee saying “there is absolutely no way that they would not be in the first tier.” The banking practice of the firm covers a range of transactions, including debt restructuring work and large syndicated facilities. The firm also regularly advises on buyout financings and leveraged acquisitions.

In one recent standout transaction, Cravath represented JP Morgan Chase Bank, Deutsche Bank, Citigroup, Goldman Sachs and Morgan Stanley in connection with a \$5.5 billion senior secured credit facility used to facilitate the financing of the \$11 billion acquisition of SunGard Data Systems by a consortium of private equity investment firms organized by Silver Lake Partners, which included Bain Capital, the Blackstone Group, Goldman Sachs Capital Partners, Kohlberg Kravis Roberts & Co, Providence Equity Partners and the Texas Pacific Group. The transaction marked the largest technology privatization and the second-largest leveraged buyout ever completed.

Cravath Swaine & Moore also advised JP Morgan Chase and Lehman Brothers on structuring and arranging around \$3 billion-worth of senior credit facilities made available to Boise Cascade and the Boise Land & Timber Corporation. The credit facilities were used to finance Madison Dearborn Capital Partners’ acquisition of Boise Cascade Corporation’s forest products business and timberlands. Additionally, the firm represented JP Morgan Chase on structuring and arranging \$1.1 billion-worth of senior secured credit facilities to finance the recapitalization of family-owned publisher, Freedom

Communications. The recapitalization was undertaken in relation to the acquisition of a large minority equity investment in Freedom Communications by affiliates of Blackstone and Providence Equity Partners.

As part of Goodyear Tires & Rubber Company’s ongoing debt refinancing, JP Morgan Chase turned to the firm again, this time in relation to \$650 million-worth of tranche B subordinated lien term loans under an asset-backed borrowing base credit facility and a secured \$680 million deposit-funded revolving credit and letter of credit facility.

#### Leading lawyers

James Cooper  
Michael Goldman  
B Robbins Kiessling  
C Allen Parker  
James Vardell III  
George Zobitz

#### Key contact partners

James Cooper  
B Robbins Kiessling  
C Allen Parker  
James Vardell III

### Davis Polk & Wardwell

Davis Polk & Wardwell has great strength in the syndicated lending market, but it is also active on refinancing and debt restructuring matters and has plenty of experience advising large investment institutions on complex regulatory issues. Additionally, Davis Polk & Wardwell provides representation to securities exchanges and securities industry trade organization. The practice contains “some great guys,” and the presence of these market leaders stands the firm in good stead when competing for work from the largest financial institutions. Among the many leading banking lawyers, Randall Guynn stands out – “it’s all down to Randy,” says one peer.

In the past 12 months Davis Polk & Wardwell represented Oracle Corporation on a \$9.5 billion term-loan agreement, with Wachovia Bank and Credit Suisse First Boston as joint lead arrangers and bookrunners, to partially finance its tender offer for the outstanding common stock of PeopleSoft, and acted for JP Morgan Chase and Lehman Brothers, as joint bookrunners and lead arrangers, on a \$9 billion credit agreement for BellSouth Corporation to part-finance Cingular Wireless’ acquisition of AT&T Wireless. Cingular Wireless is a joint venture partially owned by BellSouth.

Davis Polk & Wardwell also represented Marsh & McLennan Companies on three credit agreements – one new, and two amendments and restatements – to refinance four outstanding commercial paper backstop facilities after Marsh & McLennan Companies lost access to the commercial paper markets. The credit agreements, with Citigroup, Banc of America Securities and Deutsche Bank as joint lead arrangers, were valued at \$3 billion. The firm also advised Banc of America

Securities, as lead arranger, on a \$2 billion credit agreement for Lockheed Martin.

The firm also advised Smart Modular Technologies on its \$125 million recapitalization, part of which saw the company enter into a new \$35 million senior secured revolving credit facility that was undrawn at closing in March 2005.

#### **Leading lawyers**

Peter Douglas  
Randall Guynn  
Peter Levin  
Nick Segal  
Bradley Smith  
E Waide Warner Jr  
Lawrence Wieman

#### **Key contact partners**

Peter Levin  
Bradley Smith

#### **Jones Day**

Jones Day has continued to strengthen its banking practice, and over the past year has handled a wide range of work, including commercial and acquisition financings and debt restructurings. Among recent deals, Jones Day represented Ambac Assurance Corporation as guarantor of a \$712 million secured floating rate note issue by Korea First Mortgage No 3 and originated by Korea First Bank on a pool of residential mortgage loans in Korea. At the time of closing, this transaction was the longest in terms of legal maturity cross-border securitizations out of Korea, as it involved a 30-year cross-currency interest rate swap with Calyon in which Ambac Assurance issued an unconditional 30-year swap guarantee. The transaction was the third cross-border residential mortgage-backed security deal completed by the same originator in a single year.

Among the year's other highlights, Jones Day advised Nextel Communications on its term loan and revolving credit facility valued in excess of \$6 billion, and represented Quicksilver Resources on its \$670 million multicurrency senior secured credit facility. The firm also advised Quicksilver Resources on restructuring the existing sub debt facility to eliminate dividend problems.

#### **Leading lawyers**

Michael Bradfield  
Robert Cunningham  
Robert Graves  
Ronald Gross

#### **Key contact partners**

Robert Graves  
Mark Sisitsky

#### **Latham & Watkins**

Latham & Watkins has had a good year in transactional banking, with roles on plenty of high-profile deals. In one standout deal,

the firm represented Deutsche Bank and Goldman Sachs Credit Partners on the \$4 billion financing for the acquisition of the LNR Property Corporation by affiliates of Cerberus Capital Management and Blackacre Institutional Capital Management. The transaction included a \$1.8 billion senior term and revolver facility secured by assets and equity interests in over 400 subsidiaries of the LNR Property Corporation, and three tiers of mezzanine loans valued at \$500 million, a \$700 million collateralized debt obligation, two warehouse facilities and \$400 million-worth of subordinated debt.

It was also a good year for lateral hires – leading lawyer Mark Hanrahan and three other senior lawyers all left Skadden Arps Slate Meagher and Flom to join Latham & Watkins early in 2004. Hanrahan led the Latham & Watkins team that provided legal advice to Citicorp North America and JP Morgan Chase as agents, and Citigroup Global Markets, JP Morgan Securities and Lehman Commercial Paper as arrangers, on a \$9.5 billion term loan to Cox Communications, which comprised a term loan and revolving credit facility valued at \$3.5 billion, and two other term loans each valued at \$3 billion.

Hanrahan also led the Latham & Watkins team that counselled Goldman Sachs Credit Partners and Morgan Stanley Senior Funding on \$2.5 billion-worth of first-lien term loans, revolving credit and letter of credit facilities for Texas Genco. And in another of the year's highlights, Credit Suisse First Boston, UBS Securities, and Goldman Sachs Credit Partners turned to the firm for advice on the \$1.85 billion term loan and revolving credit facility for the Rockwood Specialties Group.

Other recent lender-side deals include acting for the lead arrangers in relation to a \$800 million senior secured credit facility for Cableuropa, representing Lehman Brothers in connection with the workout of the existing indebtedness of the Corrections Corporation of America and a \$715 million amended and restated senior secured credit facility, and acting for the Congress Financial Corporation and Wachovia Bank on a \$250 million secured, asset-based, revolving credit facility provided to Delco Remy International.

#### **Leading lawyers**

David Crumbaugh  
Hendrik de Jong  
Marc Hanrahan  
Christopher Plaut

#### **Key contact partners**

David Crumbaugh  
Marc Hanrahan  
John Mendez

#### **Milbank Tweed Hadley & McCloy**

Milbank Tweed Hadley & McCloy's banking practice focuses heavily on leveraged financings, acquisitions and syndicated lending. The firm also advises on regulatory challenges faced by financial institutions. As such, the firm works regularly with the Federal Reserve Board, the Federal Deposit Insurance Corporation and the Securities and Exchange Commission.

Although the jewel in the firm's crown is still its stellar project finance practice, the banking practice is a solid choice for banking counsel, and wins roles on its fair share of quality deals.

Milbank Tweed Hadley & McCloy's recent transactions include advising the CIT Group on its \$1.2 billion trade receivables sale financing, and representing Bank One, as administrative agent, on \$3 billion-worth of secured credit facilities for Bear Stearns Company and certain affiliates. The facilities were secured by various types of marketable securities.

The firm represented JP Morgan Chase, Chohung Bank and Korea Exchange Bank, as joint coordinating arrangers, in connection with a multicurrency senior loan and bond financing of around \$1 billion, granted in connection with the leveraged buyout of the tyre manufacturing and distribution assets of Kumho Industrial Company of Korea by the Carlyle Group and JP Morgan Partners Asia. And it served as principal outside counsel to the Loan Syndications & Trading Association in connection with drafting standard loan documentation for industry-wide use.

#### Leading lawyers

Richard Brach  
Warren Cooke  
Edwin Feo  
Elliot Gewirtz  
William Mahoney  
Frank Puleo

#### Key contact partners

Trayton Davis  
Frank Puleo

#### Morrison & Foerster

Morrison & Foerster is a specialist adviser on legislative and regulatory affairs both at the federal and state level. The regulatory team also has a wealth of experience advising on the regulatory and compliance requirements for credit cards, debit cards and other payment products, and in this sphere the firm represents all types of clients, including banks, bank holding companies, insurance companies and other financial institutions. Clients of the firm include Bank of America, Capital One, and JP Morgan Chase.

Over the past year Morrison & Foerster advised the Union Bank of California on the regulatory aspects of its acquisition of the retirement plan trust and outsourcing business of the Can Trust Company, and acted for the same client in relation to its acquisition of the Bank of Mitsubishi-Tokyo Trust Company of New York's corporate trust business. Morrison & Foerster also provided legal advice to Westcorp, Western Financial Bank and WFS Financial on the charter conversion and reorganization of Westcorp's financial services group.

#### Leading lawyers

Roland Brandel  
Barbara Mendelsohn

#### Key contact partners

Henry Fields  
L Richard Fischer  
Barbara Mendelsohn

#### O'Melveny & Myers

Best known for its participation in lender and borrower commercial lending, O'Melveny & Myers has continued to be active in this area over the past year. In one deal highlight, O'Melveny & Myers represented Bank of America and its affiliates on the underwriting and syndication of \$1.2 billion-worth of senior secured financing made available to Fischer Scientific when it acquired Apogent Technologies. Citigroup Global Markets, Deutsche Bank Securities and Banc of America Securities also benefited from the firm's advice in relation to their underwriting and syndication of a \$1.4 billion secured multi-jurisdictional facility to finance Owens Illinois' acquisition of BSN Glasspack.

Earlier this year, O'Melveny & Myers represented BNP Paribas, UBS, Credit Suisse First Boston and their affiliates on the underwriting and syndication of \$640 million-worth of senior secured credit facilities for the acquisition of the Kindercare Learning Center by the Knowledge Learning Corporation.

In July 2005, the firm's regulatory practice suffered a bit of a blow when it lost partner Bruce Hiler to Cadwalader Wickersham & Taft, but the market believes that the practice contains enough depth of talent to plug any gap his move has left.

#### Leading lawyers

Matthew Kirby  
Edward McAniff  
Frederick McLane  
Christine Olsen

#### Key contact partners

Dave Johnson  
Matthew Kirby  
Mark Thierfelder

#### Shearman & Sterling

Shearman & Sterling has a highly regarded practice that advises on syndicated lending, debt restructurings and leveraged acquisition financings. The firm also provides advice on legal and regulatory issues to various types of financial institutions, including commercial banks, investment banks, central banks and insurance companies.

Among the highlights of this past year, Shearman & Sterling represented Credit Suisse First Boston, Wachovia Capital Markets and Wachovia Bank National Association on the \$9.5 billion bridge loan to finance the acquisition of PeopleSoft by the Oracle Corporation, and acted for Citigroup, ABN Amro and ING Bank on the financing forwarded to Kohlberg Kravis Roberts in relation to its acquisition of Vendex, a transaction valued at €1.75 billion (\$2.15 billion).

The firm advised Citigroup Global Markets on a first-lien secured and second-lien secured financing valued at \$615 million, forwarded by the bank in connection to MacAndrews & Forbes Holdings' acquisition of AM General. Banc of America Securities and Bank of America also turned to the firm for advice on a \$215 million senior secured credit facility made available to Ames True Temper.

In June 2005, the firm represented the Royal Bank of Canada in connection with financing the acquisition of American Asphalt & Grading by a group of investors led by Code Hennessey & Simmons. The financing package granted to American Asphalt consisted of \$115 million-worth of senior secured credit facilities, consisting of a \$65 million first-lien term loan, a \$20 million first-lien revolving credit facility and a \$30 million second-lien term loan. In the same month, the firm represented leading automotive supplier Delphi in connection with a \$2.8 billion debt refinancing, consisting of a \$1.8 billion senior secured revolving credit facility and a \$1 billion senior secured term loan arranged by JP Morgan Securities and Citigroup.

Most recently, in July 2005 Shearman & Sterling represented Citibank as administrative agent of a \$400 million five-year bank credit facility made available to CenterPoint Energy Resources, the natural gas distribution, pipeline and gathering operations subsidiary of CenterPoint Energy, to replace a three-year, \$250 million facility due to mature in 2007, and advised Citigroup and UBS as lead arrangers of a \$600 million unsecured credit facility for Laidlaw International.

#### Leading lawyers

William Hirschberg  
Maura O'Sullivan  
William Wiegmann

#### Key contact partners

William Hirschberg  
Maura O'Sullivan  
William Wiegmann

#### Sidley Austin Brown & Wood

Sidley Austin Brown & Wood regularly participates on syndicated credit transactions and leveraged and acquisition financings. The firm also has a dedicated regulatory practice group that provides legal advice on transactional and litigation services to depository and non-depository financial institutions. The practice assists a range of clients, including domestic and international banks, savings associations, and other financial services companies.

Highlights of the past year include advising JP Morgan Chase Bank on two high-profile financings. In the first, JP Morgan forwarded a \$2 billion and €750 million (\$922 million) multi-borrower, multi-currency working capital facility to the Masco Corporation and Masco Europe. And in the second, the firm advised JP Morgan Chase on an \$800 million acquisition financing, in the form of a bridge-to-bond syndicated loan, granted to the Deluxe Corporation.

Among the year's other highlights, Sidley Austin Brown & Wood acted for Private Capital Partners and Canpartners

Investments IV on a \$275 million facility for the J Crew Operating Corporation, which included an option for the borrower to incur an additional \$50 million-worth of indebtedness, and advised Barclays Bank on a \$1.5 billion working capital facility and revolving credit syndicated loan provided to Consolidated Natural Gas.

#### Leading lawyer

William Eckland

#### Key contact partners

H Bruce Bernstein  
James Clark  
Robert Lewis

#### Simpson Thacher & Bartlett

Simpson Thacher & Bartlett maintains its role as a leading firm for syndicated lending, and has a wealth of experience representing institutional lenders and private equity borrowers. The firm also provides legal advice on the application of federal and state laws that regulate financial institutions on loans to affiliates, lending limits and other issues.

Over the course of the year, Simpson Thacher & Bartlett represented a consortium of private equity investment firms, which included Kohlberg Kravis Roberts, the Blackstone Group, Hellman & Friedman, and the Texas Pacific Group on the \$2.5 billion acquisition financing of TexasGenco Holdings. On another matter involving a consortium of private equity houses, Simpson Thacher represented the consortium on the \$2.7 billion acquisition financing for the PanAmSat Corporation. The consortium on this occasion included Kohlberg Kravis Roberts, the Carlyle Group and Providence Equity Partners.

Among the year's other highlights, the firm advised JP Morgan, as lead arranger, on \$19 billion-worth of credit facilities for General Electric Capital and certain affiliates, and advised Lehman Brothers and Citibank, as arrangers, on \$6.8 billion-worth of financing in relation to General Growth Properties' purchase of The Rouse Company, the largest real estate transaction of the year.

#### Leading lawyers

James Buresh  
Paul Ford Jr  
Frank Huck  
Hartwell Hylton  
James Knight  
Lee Meyerson  
Jeremiah Thomas III  
John Walker  
Greg Weiss

#### Key contact partners

Frank Huck  
Hartwell Hylton  
Greg Weiss

### Skadden Arps Slate Meagher & Flom

Skadden Arps Slate Meagher & Flom has an active banking practice that works on a variety of transactions, including debt restructurings and acquisition financings. Additionally, the firm also counsels banks, savings and loans organizations, securities firms, mortgage companies and insurance companies on a variety of matters relating to state and federal legislative and regulatory issues.

Recent work over the past 12 months has seen Skadden represent a lending syndicate, led by Morgan Stanley and Citigroup, when it provided over \$1 billion-worth of bridge and bank loans in relation to the spin-off of Hospira by Abbott Laboratories, act for Cendant on a \$3.5 billion credit facility and advise Allegheny Energy on over \$2 billion-worth of bank financings. The firm also advised a consortium of private equity firms, including Providence Equity Partners, the Texas Pacific Group and DLJ Merchant Banking on an acquisition financing transaction, whereby the consortium joined forces with Sony and Comcast to acquire MGM, financed by a \$4 billion senior secured credit facility.

Other financing transactions include Skadden's representation of HealthSouth in connection with its \$715 million of new bank debt and its role acting for RCN on its \$350 million exit financing.

#### Leading lawyers

Robert Copen  
James Douglas  
Joseph Halliday  
Peter Neckles  
William Sweet Jr  
Fred White III

#### Key contact partners

Robert Copen  
James Douglas  
Peter Neckles

### Sullivan & Cromwell

Sullivan & Cromwell has an excellent reputation for advice across the various types of banking transactions, and well-developed relationships and regular contact with federal and state bank regulatory agencies means that the firm is also well placed to provide legal advice on regulatory matters. The firm has represented its banking clients on matters before the Department of Justice, Federal Reserve Board, and the Federal Deposit Insurance Corporation.

Sullivan & Cromwell's recent deals include advising Wachovia Corporation on its \$14.3 billion acquisition financing of the SouthTrust Corporation and representing General Growth Properties on its \$12.6 billion acquisition of The Rouse Company. This acquisition – the largest real estate transaction of the year – was financed by a \$7.25 billion senior credit facility granted by a syndicate of banks, financial institutions and other entities, including arrangers Lehman Brothers, Banc of America Securities, Credit Suisse First Boston and Wachovia Capital Markets.

The firm also advised Cytec Industries on new credit facilities and a bridge loan in support of the company's acquisition of Belgian specialty chemicals company UCB. The credit agreements, valued at \$1.8 billion, were comprised of a \$725 million five-year term-loan facility, a \$700 million 364-day credit facility and a \$350 million five-year revolving credit facility. The term-loan facility and the 364-day facility were used to finance the acquisition, and the revolving credit facility was used to provide additional liquidity for general corporate purposes.

In a deal that closed in August 2005, Sullivan & Cromwell acted for BMO Financial in relation to its sale of the online brokerage operations of Harrisdirect to E\*Trade Financial for \$700 million. And at the time of writing, Sullivan & Cromwell was representing Mitsubishi Tokyo Financial Group on the financing of its merger with UFJ Holdings, valued at about \$29 billion.

#### Leading lawyers

H Rodgin Cohen  
Stanley Farrar  
Erik Lindauer  
Mark Welshimer  
Michael Wiseman

#### Key contact partners

H Rodgin Cohen  
Mark Menting  
Michael Wiseman

### Weil Gotshal & Manges

Weil Gotshal & Manges' standout deal of the year saw it act for Warner-Chilcott and its financial sponsors on \$1.79 billion-worth of acquisition financing granted to Bain Capital and JP Morgan Partners in relation to their acquisition of Warner-Chilcott and its subsidiaries, and in relation to refinancing the company's existing indebtedness and working capital. The financing also contemplated an additional \$250 million of additional term loans.

The firm also represented Citigroup Global Markets as joint-lead arranger and joint bookrunner, and Citicorp North America as the administrative agent, on \$1.8 billion-worth of financing made available to Novelis and certain subsidiaries in connection with the spin-off of the Rolled Products Division of Alcan, acted for the Canadian Imperial Bank of Commerce and Citicorp, as arranger and administrative and syndication agent respectively, on the \$1.05 billion financing forwarded to the Jarden Corporation in connection with its acquisition of American Household and its subsidiaries. The firm also advised General Electric Capital Corporation as lead arranger and book runner, and GECC Capital Markets as administrative agent, on a \$630 million financing package provided to Delta Airlines.

#### Leading lawyers

Warren Buhle  
Daniel Dokos  
Marsha Simms

**Key contact partners**

Warren Buhle  
Daniel Dokos  
Marsha Simms

**White & Case**

White & Case has an excellent banking practice, with a primary focus on acquisition financing and syndicated lending. However, the firm also regularly advises domestic and international financial institutions on other matters, including restructuring and asset financing. The firm also specializes in bank regulatory advice to commercial and investment banks and other financial institutions. White & Case provides legal advice in regards to internal controls and compliance, corporate governance and organization structure and domicile issues. The firm received a boost recently when partner Scott Zemser joined the firm from Paul Hastings Janofsky & Walker.

In June 2004 White & Case represented the agents and lenders in relation to a \$300 million syndicated term facility granted to the Compania del Cobre de Chile – Codelco, the world's leading copper producer, owned by the Republic of Chile, that controls around 17% of the world's copper reserves. And in November 2004 the firm represented Anthem as the borrower of three facilities: a \$1 billion 364-day credit facility, a \$1.5 billion five-year credit facility; and a \$1.5 billion bridge loan facility. \$2.8 billion of the proceeds of the facilities were used in connection with the \$20.88 billion merger of Anthem and WellPoint Health Networks, which created the largest publicly traded health benefits company in the US.

Recently, White & Case advised Deutsche Bank Securities and Morgan Stanley Senior Funding as joint-lead arrangers on the €2.1 billion (\$2.6 billion) financing provided to BCP Crystal Acquisition, a German company formed by the Blackstone Group, which backed the €3.1 billion leveraged buyout of German chemical company Celanese. The transaction was the largest leveraged buyout ever in Germany. The firm also represented Deutsche Bank Securities and Citigroup Global Markets, as joint-lead arrangers, on providing \$2.05 billion-worth of senior secured financing to the Graham Packaging Company, an indirect subsidiary of the Blackstone Group. Proceeds of the financing were used in connection with the company's stock purchase of Owens-Brockway Plastic Products.

The firm also represented Deutsche Bank Trust, as administrative and collateral agent, and joint lead arranger Deutsche Bank Securities, on the \$650 million acquisition financing for the purchase of commercial satellite company Intelsat by a consortium of private equity firms comprising Apollo, Madison Dearborn, Apax and Permira. Last year White & Case also advised Deutsche Bank and Credit Suisse First Boston, as lead arranger and bookrunning manager respectively, on the \$445 million and €130 million senior secured credit facilities for Exide Technologies, undertaken as part of Exide Technologies' exit from voluntary reorganization under Chapter 11 of the US Bankruptcy Code.

Most recently, in July 2005 Scott Zemser led a team that represented Barclays Capital, Bank of America, Deutsche Bank and Royal Bank of Scotland in connection with the provision

of a \$1 billion bridge financing and \$350 million revolving credit facilities to equity investors Kohlberg Kravis Roberts, Bain Capital and Vornado Trust Realty for the acquisition of retailer Toys R Us.

On the advisory side, meanwhile, White & Case represented the Iraqi Board of Supreme Audit during the highly sensitive review of the United Nations Oil for Food programme, and acted for Banco Industrial de Venezuela in regards to complying with supervisory action that has been imposed by the New York State Banking Department, the Board of Governors of the Federal Reserve System and the Florida Department of Financial Institutions.

**Leading lawyers**

Kevin Barnard  
Eric Berg  
Sean Geary  
David Koschik  
Duane Wall  
Scott Zemser

**Key contact partners**

Kevin Barnard  
Eric Berg  
David Joyce

**Wilmer Cutler Pickering Hale and Dorr**

Wilmer Cutler Pickering Hale and Dorr has particular expertise in representing financial institutions and banking trade associations on legislative and regulatory proposals. Clients of the firm also turn to the firm for regular assistance with preparation for investigations, congressional inquiries and appearances before congressional committees.

In one standout matter closed over the past year, the firm advised Citigroup in relation to the negotiation for acceptance of its Diners' Club cards in the MasterCard system. The firm also represented America Online (AOL) on its agreement with BearingPoint, under which BearingPoint was to design and operate a billing platform to be used in connection with AOL's provision of a voice-activated internet telephone service.

First National Bank of Marin also instructed Wilmer Cutler Pickering Hale and Dorr when it required advice on the sale of stock of its holding company and receivables of its subsidiary bank in exchange for cash and debt.

**Key contact partners**

Russell Bruemmer  
Franca Harris Gutierrez  
Christopher Lipsett

**Other notable firms**

**Arnold & Porter** has developed a lucrative niche advising clients on issues that arise from statutes and regulations that govern the financial services industry. The firm also advises on federal financial regulatory legislation and policy, and represents clients as they enter new lines of business, especially on struc-

turing new products relating to securities underwriting, brokerage, pension servicing and credit card operations. Sample transactions handled by the firm over the past year include advising Provident Bancorp on its acquisition by National City. The firm also represented South Financial in relation to the regulatory issues of its acquisition of the Pointe Financial Group. Robert Mannion is the team's most respected practitioner.

**Debevoise & Plimpton** has a well-regarded regulatory practice that represents domestic and international banking and financial clients on a range of compliance and regulatory issues. Debevoise & Plimpton also provides legal advice to banks and financial institutions in relation to criminal and agency investigations. New head, Paul Lee, joined the firm from HSBC USA in November 2004, and is considered the best lawyer in the team. Recent instructions include advising the Bank of China on its conversion from a state-owned entity to a joint-stock company, and representing Axa Financial on its \$1.5 billion acquisition of the Mony Group and the subsequent merger of Mony's federal savings bank subsidiary into AXA Financial's federal savings bank subsidiary.

Over the past year **Fried Frank Harris Shriver & Jacobson** has represented Merrill Lynch, Deutsche Bank and the National Bank of Canada on the \$1.7 bank bond financing for the Jean Coutu Group, provided legal advice to Telewest on the £1.55 billion (\$2.78 billion) refinancing of its senior secured credit facility, and acted for GS Mezzanine Partners III on \$175 million-worth of mezzanine financing forwarded to Thomas H Lee so it could acquire Progressive Moulded Products.

Gibson Dunn & Crutcher retains its reputation as a solid choice for banking advice. Earlier this year the firm advised the Centennial Communications Corporation on a \$596 million repricing and amendment of a senior secured credit facility and, before this, represented Metro Goldwyn Mayer (MGM) on \$2.4 billion-worth of syndicated revolving and term credit facilities secured by MGM's film library and additional assets. And Williams Companies turned to the firm for advice on a \$1 billion revolving secured credit facility. Edward Shaw Jr, previously general counsel at Aetna, joined the firm this year as of counsel, and associate David Nemecek moved over from Cravath Swain.

In one highlight for **King & Spalding**, the firm advised JP Morgan Chase as administrative agent and lead arranger in connection with \$1.6 billion-worth of multi-tranche credit facilities made available to TXU Energy and TXU Electric Delivery. Former Weil Gotshal & Manges partner Vanessa Spiro joined the firm late last year.

**Mayer Brown Rowe & Maw** has made efforts to strengthen its banking practice, hiring five new partners over the past year: Joel Telpner from Greenberg Traurig, Douglas Landy from Shearman & Sterling, Warren Loui from O'Melveny & Myers, and Christopher Kupec and Kathleen McGill, both from Moore & Van Allen. The firm has dedicated teams specializing in syndicated lending, leveraged buyouts and equipment leasing, making it a solid choice for advice on such transactions. Last year the firm represented Morgan Stanley as lead arranger on a credit agreement between RJ Tower Corporation and Tower Automotive, which comprised a \$400 million first-lien term

facility and a \$155 million second-lien term facility. From among the team, Douglas Doetsch is the partner that receives the most plaudits from peers and clients.

## Capital markets – debt and equity

### Recommended firms

#### Tier 1

**Cravath Swaine & Moore**

**Davis Polk & Wardwell**

**Sullivan & Cromwell**

#### Tier 2

**Cleary Gottlieb Steen & Hamilton**

**Shearman & Sterling**

**Simpson Thacher & Bartlett**

**Skadden Arps Slate Meagher & Flom**

#### Tier 3

**Cahill Gordon & Reindel**

**Gibson Dunn & Crutcher**

**Latham & Watkins**

**Sidley Austin Brown & Wood**

**Weil Gotshal & Manges**

#### Tier 4

**Debevoise & Plimpton**

**Dewey Ballantine**

**Fried Frank Harris Shriver & Jacobson**

**Mayer Brown Rowe & Maw**

**Milbank Tweed Hadley & McCloy**

**O'Melveny & Myers**

**Paul Weiss Rifkind Wharton & Garrison**

#### Tier 5

**Baker Botts**

**Jones Day**

**King & Spalding**

**Kirkland & Ellis**

**Morrison & Foerster**

**Pillsbury Winthrop**

**Vinson & Elkins**

**White & Case**

**Wilson Sonsini Goodrich & Rosati**

### Cravath Swaine & Moore

Cravath Swaine & Moore has an excellent capital markets practice that is equally respected for debt and equity work, working for issuers and banks. The firm's mature and fruitful relationships with many of the most active banks in the markets – including JP Morgan, Goldman Sachs and Credit Suisse First Boston – provide it with a regular flow of work across the capital markets spectrum, and the firm is frequently the first port of call for issuers looking for advice too.

Recent debt work has seen Cravath Swaine & Moore represent the initial purchasers, led by Credit Suisse First Boston and Citigroup, on the PanAmSat Corporation's \$1 billion debt issue under Rule 144A and Regulation S that was listed on the Portal Market, and act for Goldman Sachs, Deutsche Bank and JP

Morgan as initial purchasers on the \$300 million Rule 144A debt offering by the Goodyear Tire & Rubber Company.

On the equity side, Cravath represented the underwriters, led by Goldman Sachs and JP Morgan, on the \$114 million initial public offering (IPO) of Archipelago Holdings, the first open all-electronic stock market in the US. This transaction was of particular importance for the US financial markets as a whole, because Archipelago Holdings' merger with the New York Stock Exchange (NYSE) will mean that, after being a private entity for over 200 years, the NYSE will now be a public entity.

Among the year's other equity highlights, Cravath advised the underwriters, led by Morgan Stanley, Lehman Brothers and Merrill Lynch, in relation to the \$1 billion IPO of Dex Media's common stock, and represented RHJ International on its \$904 million Rule 144A and Regulation S offering. And at the time of writing, the firm was representing DreamWorks Animation in connection with its initial public offering of common stock.

#### Leading lawyers

Kris Heinzelman  
William Whelan III  
John White

#### Key contact partners

Stephen Burns  
Kris Heinzelman  
John White

#### Davis Polk & Wardwell

In both the debt and equity capital markets, Davis Polk & Wardwell is considered to have "a depth and understanding that is unmatched." After another stellar year, the firm maintains its reputation as an undisputed leader in the capital markets realm. The practice is headed by the well-regarded Richard Sandler.

Past debt work has included representing CVS on a \$1.2 billion Rule 144A/Regulation S offering of notes in two tranches. In GMac's two-tranche offering of \$2.5 billion floating-rate notes, the firm advised lead managers Merrill Lynch, Morgan Stanley, Banc of America Securities, and JP Morgan. The firm also advised JP Morgan Securities, Morgan Stanley, Lehman Brothers, Goldman Sachs and Citigroup Capital Markets when they lead managed the \$6.1 billion offering of notes by BellSouth. In June 2005 the firm advised the underwriters on a \$500 million SEC-registered debt shelf takedown by home improvement company the Masco Corporation, and in the same month advised Merrill Lynch and UBS as the joint bookrunners on Aegon's \$925 million perpetual capital securities offering. May 2005 saw the firm act for Barclays Capital and JP Morgan Securities as joint managers of an SEC-registered offering by Diageo Capital of \$750 million notes.

Equity-linked work, meanwhile, saw the firm advise the initial purchasers on software solutions company Sybase's Rule 144A offering of \$460 million convertible subordinated notes in March 2005, and the month beforehand the firm fielded a team drawn from its New York and London offices to act for Fortis on its Rule 144A issue of \$774 million bonds that are manda-

torily exchangeable for up to around 22.9 million shares of Assurant. In another notable deal, Davis Polk & Wardwell advised Citigroup Global Markets and Morgan Stanley as initial purchasers of Charter Communications' Rule 144A \$862.5 million convertible senior note issue.

On the equity side, lead managers Merrill Lynch Canada, Morgan Stanley, and RBC Dominion Securities were counselled by Davis Polk & Wardwell on the \$1.9 billion secondary offering of common stock and non-voting shares of TELUS, a Canadian telecommunications company. The firm also represented Morgan Stanley and Goldman Sachs as lead managers during the \$3.5 billion initial public offering of Class A common stock, equity units and Series A preferred stock of Genworth Financial. On the \$1.5 billion secondary offering of common stock of General Mills by Diageo, Davis Polk & Wardwell provided legal advice to lead managers Citigroup Global Markets, Merrill Lynch, and Morgan Stanley.

Other equity work has seen Davis Polk win roles advising Citigroup, Lehman Brothers, Adams Harkness and Needham & Company on the \$112 million offering of common stock by Advanced Energy Industries and, in June 2005, acting for Citigroup, UBS and UOB Asia as joint lead managers and underwriters on the \$13.5 million initial public offering (IPO) of the Biosensors International Group.

In August 2005 Davis Polk & Wardwell was particularly busy closing a range of equity deals. It advised Morgan Stanley and JP Morgan as joint bookrunning managers and representatives of the underwriters on three matters: the \$759 million SEC-registered initial public offering (IPO) of CF Industries Holdings, the \$259.5 million SEC-registered IPO of Net 1 UEPS Technologies on Nasdaq, and on Net 1's concurrent private placement of shares to certain investment entities affiliated with General Atlantic. Also in August 2005, the firm acted for Greenhill Capital Partners as selling stockholders of 2 million shares as part of Heartland Payment Systems' \$121.5 million IPO, and advised JP Morgan and Banc of America on the Republic Companies Group's \$84 million SEC-registered IPO.

Davis Polk also has experience advising on issues of depositary shares. For example, in August 2005 the firm advised Credit Suisse First Boston, UBS and Wachovia Capital Markets as joint bookrunning managers on residential homebuilder Hovnanian Enterprises' offering of 5.6 million SEC-registered depositary shares.

#### Leading lawyers

Sarah Beshar  
Richard Sandler  
Richard Truesdell Jr  
Charles Whitman III

#### Key contact partner

Richard Sandler

### **Sullivan & Cromwell**

Sullivan & Cromwell is generally considered to be one of the best firms to consult on capital markets matters. The firm and its lawyers are highly regarded; one peer even commented that Palo Alto partner Scott Miller is “in a league of his own.”

Over the last year, the Latin American practice of Sullivan & Cromwell has been very active in the capital markets arena. For example, the firm represented Barclays Bank, Merrill Lynch and UBS, as the international banks managing the restructuring of Argentina’s defaulted public debt. The exchange offer for SEC registered global notes is valued at about \$82 billion.

The firm’s Latin American practice is generally excellent, and with the resurgence of some of these countries over the past years, the region is becoming a fruitful source of work for the firm. Sergio Galvis runs the Latin American practice, which contains more than 50 lawyers – almost half of who are fluent in Spanish or Portuguese.

In April 2005 the Republic of Venezuela issued \$1.6 billion-worth of 20-year bonds, its fifth visit to the capital markets, where it has issued global notes. Listed in Luxembourg, the bonds included collective action clauses with a 75% approval threshold, bringing Venezuela more in line with leading Latin sovereign issuers such as Mexico. Sullivan & Cromwell advised on the issue, acting on behalf of the managers. Indeed, the team has developed an excellent reputation for advising on sovereign issues. For example, the firm acted as underwriters’ counsel on Columbia’s issue of Ps954 billion (\$375 million) bonds and, in January 2005, on the Republic of Peru’s offering of \$400 million global bonds. Columbia’s issue was denominated in Colombian pesos but settled in dollars, providing investors a pure Colombian currency risk, and investor response was so positive that the planned \$250 million deal ultimately became a \$375 million dollar issue. *Euromoney* magazine named the deal Latin America’s best sovereign bond deal for 2004, and *EuroWeek* named it 2004’s best emerging market currencies deal in its *Review of the Year 2004*. Similarly, Peru’s deal was almost four times oversubscribed, with demand reaching \$1.5 billion.

On the equity side, Sullivan & Cromwell acted as issuer’s counsel on behalf of France Télécom during its issuance of \$5.6 billion in ordinary common shares, and represented Standard Chartered on its \$2 billion issuance of ordinary shares. In March 2005 the firm acted for Sunstone Hotel Investors, a southern Californian real estate company that owns 54 Hilton, Intercontinental, Marriott, and Hyatt hotels, on its sale of 4.85 million shares of preferred stock at \$25 a share. The month beforehand, the firm represented the underwriters of Pennsylvania lender and check cashing service provider Dollar Financial Corp on its \$118 million initial public offering (IPO), and also acted for ING Groep and ING Canada in relation to ING Canada’s IPO, which raised an additional C\$136 million (\$114.3 million) when the underwriters exercised their over-allotment option and purchased an additional 5.23 million shares. And in November 2004 the firm represented the underwriters of Nalco Holding’s \$666.7 million IPO on the New York Stock Exchange.

In a standout convertibles deal, meanwhile, Sullivan & Cromwell acted for the managers (Lehman Brothers and Bear Stearns) in relation to the tender for 97.4% of US mortgage-lending company New Century TRS Holdings’ 3.5% convertible senior notes due 2008 to convert to the common stock of its parent company, New Century Financial.

#### **Leading lawyers**

John Baumgardner  
John Bostelman  
Robert Buckholz Jr  
Scott Miller  
Andrew Soussloff  
William Williams

#### **Key contact partners**

John Baumgardner  
Robert Buckholz  
Sergio Galvis  
Andrew Soussloff

### **Cleary Gottlieb Steen & Hamilton**

Cleary Gottlieb Steen & Hamilton has a strong capital markets practice, which has continued to make its mark on the capital markets arena over the past year. The firm’s expertise in acting on emerging markets matters has continued to serve the firm well, and its links with several leading banks make the practice a force to be reckoned with. The opinion of the market is that, although the 35-partner practice does not quite yet rival that of the top-tier firms, it is certainly knocking on the door of the top tier. As emerging market activity picks up, Cleary is bound to be well placed to win mandates on many of the deals from those markets, and it will be interesting to see whether that increased activity will push it higher in *IFLR*’s rankings.

Cleary Gottlieb Steen & Hamilton’s recent debt transactions include advising Goldman Sachs as lead manager on two recent deals: the first, Berkshire Hathaway Finance’s \$3.75 billion senior note issue under Regulation S and Rule 144A, guaranteed by its parent company, Berkshire Hathaway, and the second, in conjunction with JP Morgan Securities, two Regulation S and Rule 144A note offerings by Harrah’s Operating Company, worth a total of \$1 billion. Among the year’s other debt deals, the firm represented Lehman Brothers and Morgan Stanley as underwriters of Vodafone’s \$750 million drawdown from its \$12 billion shelf registration statement, and in August 2005 represented the underwriters, led by CSFB, on CSFB USA’s unlisted issue of \$1.25 billion five-year floating rate notes, \$1 billion five-year fixed rate notes and \$1.75 billion 10-year notes. The offering was a syndicated drawdown from CSFB USA’s \$15 billion shelf registration statement, and was the issuer’s largest ever drawdown on one day.

In equity matters, Cleary Gottlieb represented CPFL Energia on its \$285 million initial public offering (IPO) and simultaneous listings in the US and on the Novo Mercado Stock Exchange, which was the second SEC-registered IPO by a Brazilian company in 2004. The firm also advised LGPhilips

LCD on its \$1 billion offering of common stock and American depositary shares on the Korea Stock Exchange and the New York Stock Exchange, and acted for Goldman Sachs and Morgan Stanley as underwriters of an \$873 million secondary common stock offering of the DirecTV Group by three General Motors pension trusts as selling stockholders.

More recently, Cleary acted for Citigroup in its capacity as underwriter of Targets Trust XXV's \$26.5 million offering of targeted growth enhanced terms securities (Targets), linked to Motorola's common stock. The Targets are preferred securities of a trust that owns a forward contract issued by Citigroup Funding, the payout on which is based on the price of Motorola common stock, and a portfolio of stripped self-amortizing securities issued by the US Treasury known as Treasury Strips.

Mention has already been made of Cleary's stunning emerging markets practice, and over the past year the firm has once again proved itself to be a market leader. Among the highlights, it represented the Republic of Columbia on its \$954 billion (\$375 million) global bond offering, which *Euromoney* magazine named Latin America's best sovereign bond deal for 2004 and *EuroWeek* named best emerging market currencies deal in its Review of the Year 2004. In August 2005 it represented Empresas ICA, Mexico's largest construction company, in relation to its \$220 million global offering of common shares, which included an offering of ordinary participation certificates (CPOs), each representing a financial interest in one common share, to institutional investors outside Mexico. And in July 2005 Cleary Gottlieb represented the Dominican Republic when the country restructured around \$1.1 billion-worth of external debt through two exchange offers with holders of its 2006 and 2013 bonds.

#### Leading lawyers

Lee Buchheit  
William Gorin  
Nicolas Grabar  
Wanda Olson  
Leslie Silverman  
Allan Sperling

#### Key contact partners

Leslie Silverman  
Allan Sperling

### Shearman & Sterling

Shearman & Sterling has an excellent capital markets practice that represents issuers and underwriters in the investment grade market. Although some in the market commented that the firm was losing ground slightly, the deal roster does not bear out this opinion. This, combined with the continued presence of leading partners of the calibre of Rohan Weerasinghe – elected in June 2005 to serve as the firm's senior partner – means that the firm retains its second-tier ranking this year. Robert Evans and Steven Giove head up the firm's capital markets practice, which contains 19 partners and 83 associates.

Shearman's recent capital markets highlights include its representation of an underwriting syndicate led by Citigroup and Credit Suisse First Boston in relation to the initial public offering by PortalPlayer of 7.2 million shares of its common stock. In December 2004 Shearman & Sterling represented Placer Dome, one of the world's largest gold mining companies, when it offered 21.28 million shares for \$468 million. Completed overnight, the transaction was the largest equity offering ever completed by a Canadian mining company as well as one of the largest equity offerings ever completed in British Columbia.

Other equity work saw the firm represent Macquarie Infrastructure Company Trust on its \$615 million IPO and act for Calamos Asset Management on its IPO of class A common stock which, at \$414 million was unique in that it used the UpReit structure for the first time in the financial services sector. And in October 2004, Shearman & Sterling represented the underwriters, led by Citigroup, in relation to the Lubrizol Corporation's concurrent debt and equity offerings, whereby the company issued \$1.15 billion-worth of debt securities with three different maturities, and \$445 million-worth of Lubrizol's common stock.

On the debt side, meanwhile, Shearman & Sterling represented the Barrick Gold Corporation (BGC), one of the world's largest gold mining companies, and its wholly owned subsidiary Barrick Gold Finance (BGF), in relation to a \$750 million triple-series note offering. BGC issued one series, and BGF issued the other two, each of which was guaranteed by BGC. Merrill Lynch Pierce Fenner & Smith also turned to the firm for advice in relation to its lead management of the Atmos Energy Corporation's \$1.4 billion issue of senior and floating rate notes under its shelf registration statement, the proceeds of which were used to finance Atmos' purchase of the TXU Gas Company's natural gas distribution operations. Shearman also fielded a team, led by Lisa Jacobs, that acted for Merrill Lynch International on the update of Ford Motor Credit Company's \$10 billion multi-issuer euro-medium term note (MTN) programme, provided legal advice to the CIT Group on setting up its global MTN programme, and subsequently represented the CIT Group on US dollar-, euro- and sterling-denominated drawdowns under the programme worth a total of \$5.6 billion. And in August 2004, Joel Klaperman spearheaded the firm's advice to Morgan Stanley, as dealer-manager, in relation to an \$800 million exchange offer connected with the Consolidated Rail Corporation's unsecured and secured debentures.

Like several other top US firms, Shearman & Sterling boasts an enviable Latin American practice, and in fact is one of only a handful of American firms to have a presence on the ground there. After Mastellone Hermanos' default in March 2002 on its outstanding bonds and unsecured bank debt, this year the firm represented the company, which is Argentina's largest dairy company, in relation to a successful private exchange offer to restructure its debt. Under the debt restructuring, the company offered cash, new fixed-rate bonds and/or new floating rate bank debt, at the option of its debt holders, in exchange for its defaulted bonds and bank debt.

**Leading lawyers**

Robert Evans  
 Michael Gruson  
 Joel Klaperman  
 Andrew Schleider  
 Rohan Weerasinghe  
 John Wilson

**Key contact partners**

Robert Evans  
 Stephen Giove  
 Rohan Weerasinghe

**Simpson Thacher & Bartlett**

Simpson Thacher & Bartlett has a strong and diverse capital markets practice that is “seen often” advising on both sides of debt and equity deals both for US and for non-US parties. Vincent Pagano heads the large team of 43 partners and 120 associates. In the past 12 months, debt transactions of Simpson Thacher & Bartlett include representing JP Morgan as initial purchaser in relation to the Noble Group’s \$700 million issue of 10-year senior notes. The issue was originally intended to be for \$500 million, but was increased to \$700 in response to investor demand, and represents one of the largest non-investment grade corporate debt issues in Asia.

Simpson Thacher’s other debt instructions once again show that it is equally comfortable either on the issuer or underwriter sides of large debt deals. Among the year’s highlights, Simpson Thacher advised WMG Holdings on its issue of \$250 million floating rate senior notes, \$397 million senior discount notes and \$200 million floating rate senior payment-in-kind notes, acted for Goldman Sachs, Deutsche Bank and Credit Suisse First Boston in relation to Cablecom’s offering of SFr390 million (\$316.6 million) floating rate senior secured notes, €200 million (\$162.4 million) floating rate senior secured notes and €375 million floating rate senior secured notes, and represented Reed Elsevier in connection with its \$700 million two-tranche global bond offering. Most recently, in March 2005, the firm advised JP Morgan, Merrill Lynch and the other initial purchasers on leading publisher Dow Jones & Company’s issue of \$225 million senior notes, conducted to finance Dow Jones’ acquisition of MarketWatch.

The firm also has a hand in plenty of high-profile sovereign debt restructurings. In April 2005, for example, Simpson Thacher acted for JP Morgan in connection with the restructuring of the final portion of the former Socialist Federative Republic of Yugoslavia’s London Club debt, resulting in an issue by the Republic of Serbia of \$1.2 billion-worth of bonds. Two months later, the firm represented Morgan Stanley and UBS Investment Bank as managers of the \$1 billion restructuring of two series of the Dominican Republic’s outstanding external bonds. The firm is no stranger to emerging markets work such as this, and in August 2005 Simpson Thacher affirmed its Latin American credentials when it represented Empresas Iansa, Chile’s only producer of sugar and sugar beet

by-products, in relation to its offering of \$100 million senior notes under Rule 144A and Regulation S.

On the equity side, Simpson Thacher & Bartlett’s deal roster is equally diverse, and just as impressive. The firm represented the underwriters, led by Morgan Stanley and Credit Suisse First Boston, on Google’s \$1.7 billion initial public offering of common stock, and the PanAmSat Holding Corporation came to the firm for advice on relation to its \$900 million IPO. More recently, in June 2005 Simpson Thacher represented Lehman Brothers and Ryan Beck & Co in connection with the \$3.93 billion offering of common stock of Hudson City Bancorp, which was the seventh-largest domestic equity offering ever completed by a US company. Two months later, Simpson Thacher acted for Citigroup Global Markets and JP Morgan Securities as lead underwriters of Pike Electric’s \$140 million initial public offering; two selling stockholders, including financial sponsor Lindsay Goldberg & Bessemer, sold an additional \$77 million-worth of stock.

**Leading lawyers**

D Rhett Brandon  
 William Dougherty  
 Paul Ford  
 William Hinman  
 Lee Meyerson  
 Vincent Pagano  
 Glenn Reiter  
 John Tehan  
 Edward Tolley  
 David Williams

**Key contact partners**

William Hinman  
 Glenn Reiter  
 Gary Sellers  
 John Tehan

**Skadden Arps Slate Meagher & Flom**

Skadden Arps Slate Meagher & Flom has a very strong capital markets practice, and is active both in the debt and equity markets. The well-respected Matt Mallow leads the debt and equity operations of the firm.

Over the past year, Skadden’s debt instructions have included representing Westfield Capital Corporation, WT Finance (Aust) and WEA Finance on their \$2.6 billion Rule 144A/Regulation S offering of three tranches of senior guaranteed notes – a \$1.4 billion issue of 5.125% fixed-rate notes due 2014, a \$700 million issue of 4.35% fixed-rate notes due 2010, and a \$500 million issue of floating rate notes due 2007.

The firm also represented Morgan Stanley and the other initial purchasers on a related \$774 million Rule 144A offering of bonds by Fortis Insurance, and acted for Allete in relation to its subsidiary Adesa’s \$125 million issue of 7.625% senior subordinated notes, which was launched at the same time as Adesa’s \$150 million initial public offering (IPO).

On the equity side, meanwhile, Skadden advised the Telus Corporation in relation to the sale of a 21% interest in the company by Verizon Communications in an IPO that raised around \$1.9 billion. The firm also represented the Cendant Corporation and Jackson Hewitt Tax Service on the sale of Cendant's 100% equity interest in Jackson Hewitt through an \$863 million IPO, and a bank syndicate comprising Citigroup, Credit Suisse First Boston, Merrill Lynch and Deutsche Bank selected the firm when they needed guidance on their underwriting of the Huntsman Corporation's \$1.9 billion IPO of common stock and mandatorily convertible preferred stock. Lastly, Morgan Stanley and the other underwriters selected Skadden as counsel in relation to the \$832 million secondary offering of common stock by Assurant.

#### **Leading lawyers**

Gregory Ferricola  
David Goldschmidt  
Stacy Kanter  
Phyllis Korff  
Matthew Mallow  
Nicholas Saggese  
Susan Sutherland

#### **Key contact partner**

Matthew Mallow

#### **Cahill Gordon & Reindel**

Although best known for its outstanding high-yield debt practice, Cahill Gordon & Reindel continues to participate in a large number of debt and equity offerings. Over the past year, Michael Michetti led a Cahill team that represented Citigroup Lehman and Morgan Stanley on the two-tranche \$1.5 billion offering by Comcast; the first tranche consisted of \$750 million notes due 2016, and the second was an issue of \$750 million notes due 2035. Banc of America and Morgan Stanley benefited from Cahill's advice in relation to the \$450 million senior notes issued by the Dana Corporation, and the firm also fielded a team led by Helene Banks representing Citigroup, Banc of America and JP Morgan on printer RR Donnelley & Sons' two issues of \$500 million notes, due 2010 and 2015 respectively. Citigroup, Goldman Sachs and JP Morgan also turned to the firm for advice on the \$1.65 billion refinancing of Clorox, achieved through issues of \$500 million floating rate notes due 2007, \$575 million senior notes due 2010 and \$575 million senior notes due 2015.

On the equity side, meanwhile, Cahill Gordon & Reindel was particularly visible advising on initial public offerings (IPOs), winning instructions both from issuers and from underwriters. Among such deals, John Papachristos led a team that represented Reddy Ice Holdings on its \$188 IPO, William Hartnett and Helene Banks advised Goldman Sachs and Morgan Stanley on Warner Music Group's \$554 million IPO, Hartnett acted for Morgan Stanley and Citigroup in relation to the \$519 million IPO of Foundations Coal Holding, and Ann Makich

provided counsel to Merrill Lynch in connection with the \$250 million income deposit share IPO of Coinmach Service.

Lead partner Immanuel Kohn announced that he would be retiring at the end of 2005. While the firm will doubtless be sad to see him go, the practice has enough strength in depth to handle the loss.

#### **Leading lawyers**

James Clark  
William Hartnett  
Gerald Tanenbaum

#### **Key contact partners**

Helene Banks  
James Clark  
William Hartnett  
Gerald Tanenbaum

#### **Gibson Dunn & Crutcher**

Gibson Dunn & Crutcher continues to maintain a solid capital markets practice, and is an excellent choice for issuers seeking advice on debt and equity matters. Three associates have joined the team over the past year, bringing the numbers up to 24 partners and 41 associates that focus on capital markets work for the firm. Steven Finley has overall responsibility for running the debt and equity sides of the practice, supported on the debt side by Douglas Smith and Linda Curtis and by Kevin Kelley on the equity side.

Debt work over 2004 has seen the team represent the Atmos Energy Corporation on its four tranches of \$1.4 billion-worth of floating and fixed rate notes and serve as underwriters' counsel in relation to Wells Fargo's \$2.5 billion note issue in November 2004. And the firm's deal flow seems to be equally healthy in 2005; among the highlights, in February 2005 Gibson Dunn acted for DR Horton when it issued \$300 million-worth of notes arranged by Wachovia Securities, and the following month Pitney Bowes turned to the firm for advice on its \$400 million issue of notes arranged by Citigroup.

On the equity side, meanwhile, the firm has also had a busy 12 months. The firm received issuer-side instructions in relation to three standout initial public offerings (IPOs): from EnerSys, in relation to its \$156 IPO in July 2004 underwritten by Morgan Stanley, from Herbalife, on its \$203 million IPO in December 2004, and most recently, from Neustar, in relation to its \$690 million IPO underwritten again by Morgan Stanley. At in November 2004, the firm won an underwriter mandate when practice head Kelley led a team that represented UBS on the \$2 billion public offering of gold shares issued by StreetTracks Gold Trust, an exchange-traded fund.

#### **Leading lawyers**

Joerg Esdorn  
Steven Finley  
Richard Russo  
Douglas Smith

**Key contact partners**

Linda Curtis  
 Steve Finley  
 Kevin Kelley  
 Douglas Smith

**Latham & Watkins**

Latham & Watkins has an active capital markets practice that is well known domestically and internationally. One peer remarked that Latham & Watkins is “on the rise” for capital markets, and under the leadership of the “outstanding” Kirk Davenport and Marc Jaffe, the future looks rosy for this “ever more impressive” firm. Numbers at the senior level were boosted this year, when Faye Russell joined the practice; the firm also promoted three finance lawyers – John Beeson, Derek Dundas and Moniva Thurmond – to the partnership over the year.

In the equity markets, Latham & Watkins found itself extremely busy closing a number of high-profile transactions towards the end of 2004. In September 2004, Ian Blumenstein and Davenport led the firm’s advice to underwriter Deutsche Bank Securities in relation to the \$750 million issue of contingent convertible notes by the Calpine Corporation. And in December, Davenport completed the firm’s advice to Goldman Sachs as underwriter in relation to the initial public offering (IPO) of around 27 million shares by the Las Vegas Sands Corporation, which raised \$750 million, and at the same time Tracy Edmondson led a team that guided Owens-Illinois through its \$769 million issue of common stock, underwritten by a syndicate of banks comprising Banc of America, Citigroup, Deutsche Bank, Goldman Sachs and Lehman Brothers. Also in 2004 the firm, under the guidance of Jaffe, represented New York & Company on its \$195 million IPO of common stock.

Although arguably better known for its fantastic high-yield practice (where it is without doubt a market leader), Latham’s investment-grade debt capabilities were also given a chance to shine over the year. Among the highlights, Citigroup, Deutsche Bank and Goldman Sachs, in their capacity as lead managers, turned to the firm for advice in 2004 in relation to Texas Genco Financing Corporation’s \$1.125 billion note issue, and the firm provided counsel both to Amgen, when it issued two \$1 billion tranches of senior notes, and to Lehman Brothers, Citigroup and JP Morgan Securities in their role as managers of Cox Communications’ three note issues worth a combined total of \$3 billion. Adam Cohen, Brian Cartwright and Kirk Davenport were the respective lead partners on these three issues.

**Leading lawyers**

Kirk Davenport  
 Thomas Dobson  
 Tracy Edmonson  
 Marc Jaffe  
 Raymond Lin  
 Mark Stegemoeller

**Key contact partners**

Kirk Davenport  
 Mark Jaffe

**Sidley Austin Brown & Wood**

Over the past year, Sidley Austin Brown & Wood has successfully maintained an active capital markets practice. On the debt side, Sidley Austin Brown & Wood served as issuer’s counsel on the \$750 million fixed-rate note offering by Bombardier, a significant Canadian issue in the US Rule 144A market. The firm also acted as initial purchaser’s counsel on the \$1.5 billion Rule 144A/Regulation S floating rate note offering by Westpac Banking Corporation, which was managed by Citigroup, HSBC and Nomura, and acted for China Development Bank on its issue of \$600 million notes due 2014.

Other notable debt instructions saw the firm act as underwriter’s counsel to the Royal Bank of Scotland in relation to three trust-preferred securities offerings worth a total of \$2 billion, and as underwriter’s counsel to the Household Finance Corporation on four Regulation S medium-term note offerings worth \$1.75 billion. Over the year Sidley has acted as issuer’s counsel to Morgan Stanley in over 50 global medium-term note transactions totalling \$19.8 billion, and served as issuer’s and underwriter’s counsel to Merrill Lynch in over 50 medium-term note issues worth \$13.4 billion, including multi-currency notes and index-, inflation-, and currency-linked notes.

On the equity side, the firm represented Provident Senior Living Trust when it offered \$403 million-worth of common stock under Rule 144A, which was one of the few initial offerings (IPO) completed by a real estate investment trust under Rule 144A. In connection with the IPO of Air China, Sidley Austin Brown & Wood advised Merrill Lynch Far East and China International Capital Corporation as joint global coordinators. With a global offering in excess of \$1 billion, Air China’s shares had a dual listing on the Hong Kong and London stock exchanges, making this a public offering without listing in Japan as well as an international tranche pursuant to Rule 14A and Regulation S.

Another equity highlight saw the firm represent Merrill Lynch and Citigroup, as underwriters, in relation to Macquarie Infrastructure Company Trust’s \$615.25 million IPO in December 2004. This was the first IPO of its kind, in which the proceeds were used to purchase a diversified group of infrastructure businesses providing services such as parking, roads, and water through long-life physical assets. The firm’s presence on landmark market firsts continued, when it acted for Citigroup and Deutsche Bank as underwriters of American Campus Communities’ \$211.75 million IPO – the first real estate investment trust transaction in the student-housing sector.

Among the year’s other highlights, Sidley acted for Cabela on its \$156 million IPO and \$270 million secondary offering, and advised the underwriter in relation to Dolby Laboratories’ \$495 million IPO.

**Leading lawyers**

Craig Chapman  
 Paul Choi  
 Scott Freeman  
 Jack Kantrowitz  
 Joseph McLaughlin  
 Norman Slonaker

**Key contact partners**

Craig Chapman  
Paul Choi  
Norman Slonaker

**Weil Gotshal & Manges**

Weil Gotshal & Manges was noted by one peer to be “a good strong firm who are really making a name for themselves.” The firm continues to be active within the capital markets practice arena. In a recent debt transaction, the firm advised Citigroup on the issue of \$275 million notes the Gulf South Pipeline Company, and Citigroup also turned to the firm for advice in relation to TGT Pipeline’s issue of \$300 million notes.

As issuer’s counsel, Weil Gotshal & Manges represented Genworth Financial on its \$1.9 billion debt issue, which comprised of three tranches of fixed rate notes due 2034, 2014 and 2009 and a further floating rate tranche due 2007. The firm again represented Citigroup, meanwhile, in relation to Charter Communications’ issue of \$863 million convertible senior notes due 2009, and the related pending registration of 150 million shares in the company.

On the equity side, Weil Gotshal & Manges counselled DirecTV Group on its \$817 million secondary offering of 55 million shares and represented Credit Suisse First Boston in relation to the \$360 million secondary offering of nine million shares in Wellchoice.

**Leading lawyers**

Matthew Bloch  
Stephen Cooper  
David Lefkowitz

**Key contact partners**

Matthew Bloch  
David Lefkowitz

**Debevoise & Plimpton**

Appearing for the first time in the debt and equity rankings, Debevoise & Plimpton’s capital markets practice offers a range of expertise in representing issuers, underwriters, and financial intermediaries. The practice comprises 10 partners and 40 associates.

Recent debt matters have seen the firm represent Goldman Sachs as underwriter of an \$850 million Rule 144A offering of floating rate insured notes. The transaction was part of Goldman Sach’s solution to assist Scottish Re in accessing capital to meet the requirements of NAIC’s Triple X reserve requirements.

Prudential Financial also selected the firm to advise it on its \$1 billion issue of medium-term notes due 2014, and Westpac Corporation benefited from the firm’s advice on its \$1.5 billion global offering of Rule 144A/Regulation S floating rate notes due 2007 listed on the London Stock Exchange.

On the equity side, Debevoise & Plimpton represented Iowa Telecommunications Services on its \$418 million initial public offering of common stock, and acted for RBC Capital Markets, Credit Suisse First Boston and Merrill Lynch as lead underwrit-

ers on the \$300 million offering of enhanced income securities by B&G Foods Holding Corporation, which included a \$23 million offering of senior subordinated notes due 2016.

**Leading lawyers**

Ralph Ferrara  
Peter Loughran  
Alan Paley

**Key contact partners**

Peter Loughran  
Alan Paley

**Dewey Ballantine**

Frederick Kanner runs Dewey Ballantine’s debt and equity operations, and his team features 21 partners and 25 associates able to handle the full range of capital markets instructions.

Among the highlights of Dewey Ballantine’s debt instructions were its roles representing Eli Lilly and Company on its issue of \$1 billion floating rate notes due 2007, and advising a syndicate of initial purchasers, led by Citigroup, Merrill Lynch and Wachovia Securities, on TXU Corporation’s \$3.5 billion debt issue, which included \$1 billion 4.8% Series O senior notes due 2009, \$1 billion 5.55% Series P senior notes due 2014, \$750 million 6.5% Series Q senior notes due 2024 and \$750 million 6.55% Series R senior notes due 2034. Meanwhile, in September 2004 initial purchasers Citigroup and Banc of America Securities turned to the firm for advice in relation to the issues of \$575 million senior subordinated notes due 2014 and of \$216 million senior discount notes due 2015 by Vanguard Health Holding Company I and its subsidiaries.

On the equity side, in June 2004 Dewey Ballantine advised an underwriting syndicate led by Credit Suisse First Boston and JP Morgan on Cabela’s \$117 million initial public offering (IPO), and in the same month Kanner led a team that acted for Platinum Underwriters Holdings on its \$177 million offering of shares. The firm also closed two equity deals in January 2005 – in the first, it represented the underwriters, led by Citigroup and Merrill Lynch, in relation to the GFI Group’s IPO of 5.86 million shares, and in the second, Glenn Pollner led a team that acted for Credit Suisse First Boston and UBS Investment Bank as underwriters of Viacell IPO of 7.5 million shares.

**Leading lawyers**

Frederick Kanner  
Steven Loeshelle  
Patti Marks  
Peter O’Brien

**Key contact partners**

Frederick Kanner  
Donald Murray  
Glenn Pollner

### **Fried Frank Harris Shriver & Jacobson**

At four partners and 14 associates, Fried Frank Harris Shriver & Jacobson's capital markets practice is smaller than that of some of its rivals but certainly punches above its weight and continues to remain a contender in the capital markets arena. The "superb" Valerie Ford Jacob heads the practice, which over the past year has recruited four new associates – a sure sign of the firm's confidence in its ability to win work at the highest level going forward.

In the debt markets this year, Jacob played a leading role on three of the firm's standout deals. In the first, she acted for Goldman Sachs, JP Morgan, Citigroup and Morgan Stanley as managers of the Procter & Gamble Company's \$900 million and \$600 million notes, the second saw her lead a team that advised Merrill Lynch on Republic Services' issue of \$276 million exchangeable notes due 2035, exchangeable for cash and its notes due 2009, and in the third, she represented Goldman Sachs when the bank came to the firm for advice in its capacity as lead manager of a \$300 million issue of senior notes by the Kroger Company. In February 2005, meanwhile, Lois Herzeca spearheaded the firm's advice to Dow Jones & Company on its \$225 million senior note issue.

In equity matters, Jacob was again at the helm on many of Fried Frank's noteworthy instructions. More recently, in February 2005 she acted for Merrill Lynch on the \$155 million public offering of shares of the Nasdaq Stock Market, in October 2004 acted for Merrill Lynch on the \$165 million initial public offering (IPO) of the shares of the Ares Capital Corporation, and in the same month closed Telvent GIT's IPO of ordinary shares for underwriter Merrill Lynch. Her colleague Jean Hanson, meanwhile, represented Goldman Sachs on the \$503 million public offering of shares of Estée Lauder in June 2004.

#### **Leading lawyers**

Valerie Ford Jacob  
Stuart Gelfond  
Michael Levitt

#### **Key contact partners**

Daniel Bursky  
Michael Levitt  
Valerie Ford Jacob  
Stuart Gelfond

### **Mayer Brown Rowe & Maw**

Mayer Brown Rowe & Maw's capital markets practice is headed by a four-partner team drawn from the firm's international network – practice heads are New York's James Carlson, Scott Davis and Frederick Thomas in Chicago, and Paul Maher in London. The practice has gone on an aggressive recruitment drive over the past year, which has seen the arrival of four partners and 22 associates.

On the underwriting side of debt capital markets transactions, Mayer Brown Rowe & Maw counselled TD Securities and BNP Paribas on two Rule 144A offerings of floating rate

notes worth \$2.5 billion issued by the Toronto-Dominion Bank, and represented an underwriting syndicate led by ABN Amro, Citigroup, HSBC, Lehman Brothers and Merrill Lynch in relation to the \$1 billion Libor floating rate senior notes issued by ABN Amro. Among other debt highlights, the firm advised Coinmach Service Corporation on its issue of income deposit securities, consisting of two tranches of senior secured notes due 2024 worth \$113 million and \$20 million respectively.

In the equity markets, meanwhile, in June 2004 Edward Best led a Mayer Brown team that represented Desarrolladora Homex on its initial public offering (IPO), which raised \$117 million, and in the same month Kay Kohler acted for Goldman Sachs in relation to the Marshall & Isley Corporation's public offerings of hybrid equity product, Spaces. Coinmach Service turned to the firm for advice in November 2004 in relation to its issue of 18.3 million income deposit securities and common stock, and Best again led a team that advised Bermuda insurance company Assured Guaranty on its \$882 million IPO.

#### **Leading lawyers**

Edward Best  
Ronald Brody  
James Carlson  
Diane Citron  
Edward Schneidman  
Richard Shepro  
Paul Theiss

#### **Key contact partners**

Edward Best  
James Carlson  
Philip Niehoff

### **Milbank Tweed Hadley & McCloy**

Douglas Tanner runs Milbank Tweed Hadley & McCloy's capital markets practice, which contains 11 partners and 31 associates. On the debt side, Milbank represented Scottish Power on its \$1.5 billion issue, which comprised \$550 million notes due 2010, \$600 million notes due 2015 and \$350 million notes due 2025. Canada Mortgage Housing Corporation selected the firm to advise it on its \$500 million issue of US bonds due 2010, and underwriters Citigroup and Deutsche Bank Securities came to Milbank for advice in relation to a \$750 million note issue by the Nissan Motor Acceptance Corporation. And in March 2005 leading lawyer Michael Fitzgerald and Taisa Markus represented Credit Suisse First Boston as manager of Grupo Televisa's \$400 million note issue.

Equity instructions have also been plentiful. Robert Mullen has taken the lead on two of Milbank's mandates, in August 2004 advising Lehman Brothers and Credit Suisse First Boston on Aquila's \$462 million issue of premium income equity securities and in March 2005 guiding the International Securities Exchange through its \$207 million share offering. Among the year's other highlights, Fitzgerald acted for Citigroup and Merrill Lynch in relation to Desarrolladora Homex's \$160 mil-

lion offer of 60.6 million shares, and in January 2005 Arnold Peinado represented the GFI Group on its \$150 million initial public offering.

#### Leading lawyer

Michael Fitzgerald

#### Key contact partners

Michael Fitzgerald

Robert Mullen Jr

Arnold Peinado III

#### Paul Weiss Rifkind Wharton & Garrison

Paul Weiss Rifkind Wharton & Garrison makes its debut in the capital markets rankings this year after recommendations from clients and peers and an impressive deal tally. Seven partners and nine associates handle the firm's capital markets instructions, under the guidance of practice heads Mark Bergman and Edwin Maynard.

This past year, the firm has been active on a range of debt issues. On a high-profile cross-border matter, Paul Weiss represented the Swiss Reinsurance Company on a €671 million (\$840 million) issue of mandatorily convertible notes, a ground-breaking hybrid securities transaction that was closed on an extremely tight timetable.

Other debt instructions came from Nexen, which the firm advised on its issue of \$790 million senior unsecured notes due 2035 and \$250 million senior unsecured notes due 2015, leading pharmacy retailer Duane Reade, which turned to the firm for advice on its \$160 million Rule 144A offering of senior secured floating rate notes due 2010, and the EnCana Corporation, which it guided through its issues of \$750 million senior unsecured notes due 2034 and \$250 million senior unsecured notes due 2009.

Equity work, meanwhile, has seen the firm act for Las Vegas Sands in connection with its initial public offering (IPO), lead managed by Goldman Sachs, represent SpectraSite on its secondary public offering of \$375 million-worth of common stock (also lead managed by Goldman Sachs), advise Interline Brands in connection with its \$187.5 million IPO, and act for Signature Bank in connection with a follow-on public offering of \$401 million of common stock, co-lead managed by Friedman Billings Ramsey & Co and Lehman Brothers.

#### Leading lawyer

Leonard Quigley

#### Key contact partners

Mark Bergman

Edwin Maynard

John Kennedy

#### Other notable firms

**Baker Botts** continued to develop its capital markets practice over the past year, advising NCI Building Systems on its \$180 million Rule 144A offering of convertible senior subordinated notes,

representing Wachovia Securities on Enterprise Products' \$2 billion Rule 144A offering of four series of senior notes, and acting for CenterPoint Energy, the Centex Corporation and Valero Energy Corporation on their universal shelf registrations valued at \$1 billion, \$2.5 billion and \$3.5 billion respectively. Equity instructions, meanwhile, saw the firm represent the Halliburton Company on its \$2.5 billion shelf drawdown of secondary common stock, act for the Lyondell Chemical on its \$1.2 billion common stock issue launched in connection with its acquisition of Millenium Chemicals, and advising Liberty Media International on its two-series \$753 million common stock offering.

**Jones Day** advised Procter & Gamble Company on its \$1.5 billion issue of Rule 144A/Regulation S senior floating rate notes, acted for Albertson on its public offering of \$1 billion hybrid income term security units, and on the largest initial public offering in India, Jones Day represented the underwriters, led by DSP Merrill Lynch and JP Morgan India, on the \$1.2 billion Rule 144A/Regulation S issuance of equity shares by Tata Consultancy Services.

Appearing for the first time in the capital markets rankings this year, **King & Spalding** is a solid firm of choice for issuers and underwriters seeking advice on public and private offerings of debt and equity securities. Recent transactions of the firm include representing the Home Depot on a Rule 144A offering of \$1 billion of senior notes, acting for SunTrust Banks on its registered public offering of \$1 billion-worth of floating and fixed rate notes, and advising Sallie Mae on a \$4 billion tender offer to purchase debt securities. On the equity side, King & Spalding advised Great Wolf Resorts on its initial public offering of \$274 million of common stock and related real estate, while Roper Industries turned to the firm for guidance on its registered public offering of \$300 million-worth of common stock.

Although better known for its outstanding high-yield debt practice, **Kirkland & Ellis** wins roles on a good selection of investment grade capital markets deals too. The firm's issuer-side debt work has included advising Navistar International Corporation on its \$400 million senior note issue and acting for NRG Energy on its \$475 million second priority secured notes, while on the underwriting side, Kirkland & Ellis represented Goldman Sachs on News America's \$1.75 billion issues of two senior note tranches. In equity matters, Kirkland & Ellis represented Prestige Brands Holdings on its \$448 million initial public offering (IPO) and guided Valor Communications Group through its \$440 million IPO. Kenneth Morrison is the firm's standout capital markets lawyer.

**Morrison & Foerster** makes its first appearance in the capital markets rankings this year, after recommendations from the market and a healthy flow of instructions. The capital markets team represents issuers and underwriters on public and private offerings, and covers all types of debt and equity securities to assist domestic and international clients. The practice received a boost recently by the hire in August 2005 of Michael Hagan, formerly of the soon-to-be-disbanded Coudert Brothers. Hagan has a strong Asian and European practice -he set up Coudert's office in Vietnam in the mid-1990s, one of the first US firms to open shop in that country. Over the past year, Morrison &

Foerster has been particularly active on the debt side of capital markets, advising Ixis Financial Products on setting up its \$5 billion medium-term note programme and acting for Bank of America Capital Trust VI on its \$992 million offering of capital securities. The firm also advised Lehman Brothers, Citigroup and UBS on the \$260 million auction rate note debt offering for Kayne Anderson Investment Company, and acted for the underwriters on Capital One Financial Corporation's debt remarketing, which encompassed an exchange and new issue of senior notes.

**White & Case** represented WellPoint on a four-tranche \$1.6 billion Rule 144A note offering, the proceeds of which were used to finance the merger between Anthem and WellPoint Health Networks. The firm also acted for WellPoint on two simultaneous \$500 million debt tender offers to purchase the outstanding notes of Anthem Insurance Companies. And Banco de Galicia y Buenos Aires turned to the firm for advice in relation to its \$1.4 billion debt restructuring and bond exchange offer.

Earlier this year **Wilson Sonsini Goodrich & Rosati** advised Sybase on its issue of \$440 million Rule 144A convertible subordinated notes, and since then has acted for Sanmina-SCI on its issue of \$400 million Rule 144A senior subordinated notes issuance and represented Rambus on its \$300 million issuance of zero-coupon senior notes. Equity work has included advising Goldman Sachs as underwriter, in relation to the \$503 million follow-on offering of Seagate Technology, and representing Dolby Laboratories on its \$495 million initial public offering.

## Capital markets – high-yield debt

### Recommended firms

Tier 1

**Cahill Gordon & Reindel**

**Cravath Swaine & Moore**

**Latham & Watkins**

Tier 2

**Shearman & Sterling**

**Simpson Thacher & Bartlett**

Tier 3

**Cleary Gottlieb Steen & Hamilton**

**Davis Polk & Wardwell**

**Skadden Arps Slate Meagher & Flom**

**Weil Gotshal & Manges**

Tier 4

**Fried Frank Harris Shriver & Jacobson**

**Gibson Dunn & Crutcher**

**Mayer Brown Rowe & Maw**

**Paul Weiss Rifkind Wharton & Garrison**

**Sullivan & Cromwell**

Tier 5

**Baker Botts**

**Kirkland & Ellis**

**Vinson & Elkins**

## Cahill Gordon & Reindel

Cahill Gordon & Reindel is widely recognized as one of the top firms for high-yield debt. According to *Thomson's* table of manager-side representations, Cahill led the field at the end of the second quarter of 2005, having acted for the managers on eight deals worth a total of \$5.1 billion.

Cahill wins roles on many high-yield issues launched in connection with leveraged buyouts (LBOs), and in this market the firm has, unsurprisingly, had an outstanding year. For example, Cahill advised Deutsche Bank, Citigroup and JP Morgan in relation to the LBO financing of SunGard Data, under which the Solar Capital Corporation issued \$3 billion-worth of debt encompassing \$1.6 billion 9.125% senior notes due 2013, \$400 million senior floating rate notes due 2013 and \$1 billion 10.25% senior subordinated notes due 2015. And in relation to the financing of Zeus Merger Two's LBO of Intelsat, Cahill represented Deutsche Bank, Credit Suisse First Boston and Lehman Brothers on Zeus Merger's issues of \$675 million 8.625% senior notes due 2015, \$875 million 8.25% senior notes due 2013, and \$1 billion floating rate senior notes due 2012 for a total value of \$2.55 billion.

Elsewhere, JP Morgan turned to the firm for advice when it lead managed Davita's \$500 million 6.58% senior note issue, and its subsequent issue of \$850 million 7.25% senior subordinated notes. Meanwhile, when the Quest Corporation issued \$1.75 billion-worth of notes, including \$400 million 7.625% notes due 2015 and \$750 million floating rate notes due 2013, and Quest Communications International issued \$600 million 7.5% senior notes due 2014, Cahill advised Merrill Lynch and Deutsche Bank as managers of the transaction.

### Leading lawyers

James Clark

William Hartnett

Gerald Tanenbaum

### Key contact partners

William Hartnett

Jonathan Schaffzin

Daniel Zubkoff

## Cravath Swaine & Moore

Cravath Swaine & Moore is known for its strong high-yield practice, and over the past year it has once again displayed its equal abilities acting either for managers or issuers of high-yield debt. In *Thomson's* analysis of the market, by the end of quarter two 2005, Cravath had picked up roles advising the managers on six high-yield issues, with a combined value of \$2.23 billion. From among the team, Kris Heinzelman, William Whelan and John White all came in for praise from peers.

On the issuer side, Cravath advised Rogers Communications and its subsidiary, Rogers Wireless Communications, on its high-yield issue through Rule 144A and Regulation S. At \$2.4 billion, the offering was the largest high-yield issue in the US for 2004, as well as being the largest offering ever by a Canadian issuer.

On the underwriter side, meanwhile, the firm represented the underwriters, led by Credit Suisse First Boston and Merrill Lynch & Co, in relation to the \$1.4 billion registered debt offering of EI du Pont de Nemours and Company. The notes were listed on the Luxembourg Stock Exchange. The firm also represented Credit Suisse First Boston and Citigroup, as joint book-running managers, in relation to the \$315 million high-yield offering undertaken to finance the \$1.5 billion acquisition of the Loews Cineplex Entertainment Corporation by a investor consortium comprising Bain Capital, the Carlyle Group and Spectrum Equity Investors. The financing package also included \$730 million-worth of senior secured credit facilities forwarded to the consortium, and as a result the deal was an excellent example of how Cravath's bank financing and high-yield teams can work closely together to meet the often-tight timing requirements of such deals.

#### Leading lawyers

Kris Heinzelman  
William Whelan III  
John White

#### Key contact partners

Stephen Burns  
Kris Heinzelman  
John White

#### Latham & Watkins

Rounding out the top tier, Latham & Watkins is considered to have an excellent high-yield practice that is active both in the domestic and international markets. The high-yield practice's work includes advising on recapitalizations and restructurings, and the firm wins plenty of instructions through its strong relationships with high-yield underwriters. The practice is headed by New York partners Kirk Davenport and Marc Jaffe, and recently welcomed a new partner to the ranks in the shape of Faye Russell, who moved over from Clifford Chance.

The firm's performance in the market during 2004 was a perfect display of its top-tier credentials in this area. According to *Thomson Financial*, in 2004 Latham had among the highest totals both for proceeds and number of issues, having advised on 102 issues worth a total of more than \$30 billion over the year. This impressive total was partly due to its strength both on the issuer and on the manager side.

Among the highlight deals of 2004, Latham acted for Bear Stearns and UBS, as managers, and Innophos, as issuer, in relation to Innophos' issue of \$190 million 8.875% senior subordinated notes. In November 2004 it advised Deutsche Bank as underwriter's counsel in relation to the \$1.3 billion issue of 6.625% first mortgage notes by the Wynn Las Vegas Capital Corporation, and the following month served as issuer's counsel to Allied Waste North America on its \$600 million issue of 7.25% senior notes.

The sterling work continued into 2005. In one highlight, in March 2005 Cox Communications and Lehman Brothers, as issuer and underwriter respectively, selected the firm to advise them on a \$3 billion, three-tranche issue by Cox

Communications, which consisted of \$500 million-worth of floating rate notes due 2007, \$1.25 billion 4.625% notes due 2010 and \$1.25 billion 5.45% notes due 2014.

#### Leading lawyers

Kirk Davenport  
Thomas Dobson  
Tracy Edmonson  
Marc Jaffe  
Raymond Lin  
Mark Stegemoeller

#### Key contact partners

Kirk Davenport  
Marc Jaffe

#### Shearman & Sterling

Shearman & Sterling is one of the strongest firms to turn to for advice on domestic and international high-yield debt offerings. From among the strong team, the firm's newly appointed senior partner Rohan Weerasinghe stands out, having taken the lead on many of the firm's high-yield mandates over the past year.

In what was probably Shearman's standout deal of the year, the firm represented Citigroup Global Markets as initial purchaser in connection with concurrent Rule 144A bond offerings worth a total of \$2.78 billion issued by two subsidiaries of Canadian company Rogers Communications – Rogers Wireless and Rogers Cable. The offerings involved five series of bonds, including floating rate bonds, senior secured bonds, subordinated bonds and Canadian dollar-denominated bonds, and represented not only the largest high-yield bond offerings ever completed by a Canadian company, but also the third-largest high-yield offering on record.

In another highlight, Shearman acted for Levi Strauss & Company on its \$543 million Rule 144A and Regulation S offering of floating rate senior notes and euro-denominated senior notes, and advised Citigroup as lead underwriter in connection with a \$1.2 billion bridge financing take-out and shelf takedown of split-rated senior notes and senior debentures by the Lubrizol Corporation.

The firm also advised Morgan Stanley, Lehman Brothers and Bear Stearns as joint bookrunners and as lead managers in connection with Dobson Cellular Systems' issue of \$825 million Rule 144A and Regulation S first priority senior secured notes, floating rate notes and second priority senior secured notes, and acted for bookrunning managers Banc of America Securities, Bear Stearns, Credit Suisse First Boston and JP Morgan in relation to the \$800 million Rule 144A and Regulation S offering of senior notes and senior subordinated notes by Rainbow National Services and the RNS Corporation.

#### Leading lawyers

Robert Evans  
Michael Gruson  
Joel Klaperman  
Andrew Schleider  
Rohan Weerasinghe  
John Wilson

**Key contact partners**

Robert Evans  
 Stephen Giove  
 Rohan Weerasinghe

**Simpson Thacher & Bartlett**

Simpson Thacher & Bartlett has made the most of the recent upturn in high-yield offering, securing roles on plenty of large, high-profile deals. It tends to specialize on advising high-yield issuers, and as such is considered one of the best choices for companies seeking advice on high-yield offerings.

Over the past 12 months, the firm has advised a raft of issuers in this regard. Among recent highlights, Simpson Thacher acted for TexasGenco on its \$1.1 billion offering of 6.875% senior notes due 2014, advised Affinia in relation to its offering of \$330 million 9% senior subordinated notes due 2014, and represented the Jostens IH Corporation when it issued \$500 million-worth of 7.625% senior subordinated notes.

In 2004, meanwhile, Simpson Thacher represented Kabel Deutschland on its \$610 million offering of 10.75% senior notes due 2014 and €250 (\$313 million) offering of 10.625% senior notes due 2014. In June 2004 it acted for Celanese when, through its subsidiary BCP Caylux Holdings Luxembourg, it issued \$1 billion 9.625% senior subordinated notes and €200 million 10.375% senior subordinated notes, both due 2014; before this it had acted for MTU Aero Engines Investment in relation to its issue of 10-year €275 million 8.25% senior notes, and represented the Sealy Mattress Company on its issue of \$390 million 8.25% senior subordinated notes.

The firm also wins its fair share of instructions from the banks, however. Among 2004's highlights, Simpson Thacher acted for JP Morgan and CIBC World Markets in relation to Cellu Tissue Holdings' \$162 million 9.75% senior secured note issue, represented managers Lehman Brothers and Goldman Sachs in relation to a series of high-yield issues for Cinemark worth a total of \$937 million, and advised Deutsche Bank as the initial purchaser of Invensys' issue of €475 million 9.875% and \$550 million 9.875% senior notes due 2011.

**Leading lawyers**

D Rhett Brandon  
 William Dougherty  
 Paul Ford  
 William Hinman  
 Lee Meyerson  
 Vincent Pagano  
 Glenn Reiter  
 John Tehan  
 Edward Tolley  
 David Williams

**Key contact partners**

Art Robinson  
 Ed Tolley

**Cleary Gottlieb Steen & Hamilton**

Cleary Gottlieb Steen & Hamilton maintains a solid high-yield practice that, in terms of both the number of deals handled (24 during 2004) and the volume of those deals (a total of \$8.6 billion), scored well in 2004, attracting a considerably higher number of instructions from managers over the course of the year. For example, the firm advised the initial purchasers, led by Morgan Stanley, on a \$1.2 billion Regulation S and Rule 144A high-yield offering of senior notes by the Elan Corporation and its subsidiary, and represented the initial purchasers again (this time led by Credit Suisse First Boston) in relation to a \$300 million Regulation S and Rule 144A senior note offering by American Tower Corporation in October 2004.

On the issuer side, meanwhile, Cleary Gottlieb served as counsel to the Iasis Healthcare Group on its \$475 million Regulation S and Rule 144A debt offering and concurrent exit tender, advised CanWest Media on its refinancing in November 2004, which included a \$631 million Regulation S and Rule 144A exchange offer and a concurrent \$130 million private placement of notes, and acted for Petrobras in relation to a \$600 million SEC-registered note offering undertaken through its finance subsidiary Pifco in September 2004.

**Leading lawyers**

Lee Buchheit  
 William Gorin  
 Nicholas Grabar  
 Wanda Olson  
 Leslie Silverman  
 Allan Sperling

**Key contact partners**

Leslie Silverman  
 Allan Sperling

**Davis Polk & Wardwell**

Davis Polk & Wardwell has had a strong year in the high-yield market this year. For example, the firm represented initial purchasers Morgan Stanley, Deutsche Bank Securities and Banc of America on the \$1 billion and €200 million (\$250 million) Rule 144A/Regulation S offering of high-yield senior subordinated notes by Celanese, through its subsidiary BCP Caylux Holdings Luxembourg.

The firm also represented E\*Trade Financial on its \$400 million Rule 144A and Regulation S offering of high-yield senior notes, and advised Banc of America Securities, Credit Suisse First Boston and Wachovia Securities in connection with an offering of high-yield notes to finance the acquisition of American Tire Distributors by an investment group sponsored by affiliates of Investcorp, the global investment group. As part of the acquisition, American Tire Distributors issued and sold \$140 million-worth of senior floating rate notes due 2012 and \$150 million-worth of 10.75% senior notes due 2013. American Tire Distributors' newly formed parent company, American Tire Distributors Holdings, issued and sold \$51.5 million of 13%

senior discount notes due 2013. Each series of notes was issued pursuant to Rule 144A.

Among the firm's other standout deals over the past year, as part of the \$1.2 billion recapitalization of Mueller Holdings, Davis Polk represented the Mueller Group on its \$415 million Rule 144A and Regulation S issue of high-yield senior notes, and provided tax advice to Morgan Stanley in relation to the Sino-Forest Corporation's \$300 million high-yield debt issue under Rule 144A and Regulation S. Davis Polk & Wardwell also advised Banc of America Securities as the sole initial purchaser of an \$853 million high-yield debt offering of senior discount notes by Crystal US Holdings 3, which, through its wholly owned subsidiary, owns around 84.3% of the ordinary shares of Celanese, a leading global industrial chemicals company.

#### Leading lawyers

Sarah Beshar  
Richard Sandler  
Richard Truesdell Jr  
Charles Whitman III

#### Key contact partner

Richard Sandler

### Skadden Arps Slate Meagher & Flom

Skadden Arps Slate Meagher & Flom has been active in the high-yield market over the past year, and boasts a well-balanced practice that advises managers and issuers fairly evenly. In 2004, for example, the firm advised on 54 high-yield issues worth a total of \$15.75 billion – 33 of these instructions (amounting to \$11.4 billion) came from issuers, and 21 (amounting to \$4.35 billion) came from managers.

As issuer's counsel, the firm represented Revlon on its issuance of common stock in exchange for around \$631 million of outstanding 8.125% senior notes due 2006, 9% senior notes due 2006 and 8.625% senior subordinated notes due 2008, all of which had been issued by the Revlon Consumer Products Corporation and guaranteed by Revlon. Another issuer instruction came from Allied Security Holdings and Allied Security Finance Corporation, when they required advice as co-issuers on their \$180 million Rule 144A offering of 11.375% senior subordinated notes due 2011, used to finance Allied's acquisition of Barton Protective Services. And as part of a \$2 billion financing package made available to Edison Mission Energy and its large domestic subsidiary, Midwest Generation, Skadden advised the companies on a private offering of \$1 billion-worth of 8.75% second priority senior notes due 2034.

In a manager-side highlight, meanwhile, Skadden represented initial purchaser Morgan Stanley in relation to a \$400 million Rule 144A and Regulation S high-yield offering of 8% senior notes by the E\*Trade Financial Corporation.

#### Leading lawyers

Gregory Fernicola  
David Goldschmidt  
Stacy Kanter  
Phyllis Korff  
Matthew Mallow  
Nicholas Saggese  
Susan Sutherland

#### Key contact partner

Matthew Mallow

### Weil Gotshal & Manges

Weil Gotshal & Manges enjoys a good reputation in the high-yield market. Over the past year, standout instructions from issuers include representing Refco Finance on its \$600 million 9% senior subordinated notes due 2012, and acting for the Warner-Chilcott Corporation on its \$600 million issue of 8.75% senior subordinated notes due 2015.

On the manager side, meanwhile, Weil advised Citigroup in relation to Novelis' issue of \$1.4 billion 7.25% senior notes due 2015, and had a role acting on AMC Entertainment's \$615 million high-yield issue, which included tranches of 8.625% senior notes due 2012, senior floating rate notes due 2010 and 12% senior discount notes due 2014.

In terms of deal flow Weil notched up a solid performance in 2004, advising a near equal balance of issuers and managers. Over the year the firm was instructed 13 times by managers, handling \$3.7 billion-worth of high-yield debt, and 12 times by issuers, handling a further \$4.1 billion.

#### Leading lawyers

Matthew Bloch  
Stephen Cooper  
David Lefkowitz

#### Key contact partners

Matthew Bloch  
David Lefkowitz

### Other notable firms

**Fried Frank Harris Shriver & Jacobson** has a solid high-yield practice. One practice highlight saw the firm represent Merrill Lynch in relation to the issues of \$350 million 7.6725% senior notes due 2012 and \$850 million 8.5% senior subordinated notes due 2014 by The Jean Coutu Group. Banc of America Securities is a regular client of the firm's high-yield practice, and over the past year it has turned to firm for advice in relation to the Uno Restaurant Holdings Corporation's issue of \$225 million 10% senior secured notes due 2011 and Stone Energy's issue of \$200 million 6.75% senior subordinated notes due 2014.

**Gibson Dunn & Crutcher** is well known for its high-yield work. Joerg Esdorn, Brian Kilb and Jeff Hudson head the firm's department, which contains 22 partners and 48 associates all able to turn their hand to high yield. In June 2004 Linda Curtis led

a team that acted for Stater Brothers on its \$700 million Rule 144A offering of 8.125% senior and floating rate notes arranged by Banc of America, and in October 2004, Gibson Dunn represented American Tire Distributions when it issued \$340 million-worth of Rule 144A senior floating rate notes and senior discount notes. In November 2004 K&F Acquisition turned to the firm for advice on its \$315 million issue of senior subordinated notes under Rule 144A to finance its acquisition of K&F Industries, and at the start of 2005 Douglas Smith spearheaded the firm's advice to Del Monte Foods when it issued \$250 million-worth of 6.75% subordinated notes under Rule 144A.

In the past 12 months **Mayer Brown Rowe & Maw** represented Morgan Stanley as underwriter on HydroChem Industrial Services' issue of \$150 million 9.25% senior subordinated notes due 2013, and acted for underwriter Merrill Lynch when Seneca Gaming Corporation issued \$300 million-worth of 7.25% senior notes due 2012. More recently, in November 2004 the firm provided advice to Jefferies & Company in its capacity as underwriter of Levitz Home Furnishings' \$130 million issue, which comprised a tranche of \$100 million 12% senior secured class A notes and a further tranche of \$30 million 15% senior secured class B notes, and in February 2005 represented Morgan Stanley as underwriter of HydroChem Industrial Services' \$150 million Rule 144A high-yield offering.

**Paul Weiss Rifkind Wharton & Garrison's** seven-partner, nine-associate high-yield operation forms part of the larger securities and capital markets group, and is headed by the co-heads of that group, Mark Bergman and Edwin Maynard. The firm has put in a solid performance over the past year, with plenty of instructions from issuers. In May 2004 it represented the Emmis Operating Company, a wholly owned subsidiary of Emmis Communications Corporation, in connection with a Rule 144A and Regulations S offering of \$375 million senior subordinated notes, two months later it advised Duane Reade on its issue of \$195 million senior subordinated notes, and the following month it acted for Harvest Operations when the company issued \$250 million-worth of senior notes lead managed by Morgan Stanley. This year the firm has continued to be busy, accepting an instruction from Las Vegas Sands in connection with its offering of \$250 million senior notes, the proceeds of which were held in escrow until the closing of an amended and restated senior secured credit facility and the satisfaction of certain other conditions. Upon release from escrow, the proceeds of the offering were used to pay a portion of the costs of repurchasing the mortgage notes in a tender offer.

**Baker Botts** has handled its fair share of work over the course of the last year, including serving as counsel to Pride International on its \$500 million Rule 144A issue of 7.375% senior notes and acting for lead purchaser Lehman Brothers in relation to the \$425 million Rule 144A issue of 6.875% senior notes by Inergy. Other manager instructions came from Morgan Stanley, who turned to the firm for advice in connection with Newfield Exploration's \$325 million Rule 144A issue of 6.675% senior subordinated notes, and from JP Morgan Chase in relation to the \$225 million issue of senior notes by Mark West Energy Partners.

## Capital markets – structured finance

### Recommended firms

Tier 1

**Cadwalader Wickersham & Taft**

**Orrick Herrington & Sutcliffe**

**Sidley Austin Brown & Wood**

Tier 2

**Mayer Brown Rowe & Maw**

**McKee Nelson**

**Skadden Arps Slate Meagher & Flom**

**Thacher Proffitt & Wood**

Tier 3

**Cleary Gottlieb Steen & Hamilton**

**Dewey Ballantine**

**Simpson Thacher & Bartlett**

**Weil Gotshal & Manges**

Tier 4

**Cravath Swaine & Moore**

**Latham & Watkins**

**Stroock & Stroock & Lavan**

Tier 5

**Jones Day**

**Kirkland & Ellis**

**Milbank Tweed Hadley & McCloy**

**Morgan Lewis**

**O'Melveny & Myers**

**Shearman & Sterling**

**White & Case**

### Cadwalader Wickersham & Taft

Cadwalader Wickersham & Taft is one of the best firms in the securitization market. It is especially dominant on commercial mortgage-backed securities (CMBS) offerings, commercial real estate collateralized debt obligation (CDOs) and various other types of commercial mortgage loan financing. Robert Link heads the 21-partner, 111-associate practice, which welcomed new partner Charlie Wang into the fold in August 2004. There has been a considerable amount of coming and going at associate level, but as 12 associates left over the year and 25 were hired, overall numbers are well up. Praise for the firm's lawyers was plentiful, one investment bank client saying that "all the firm's main partners have good business sense, and get things done."

In 2004, 83 CMBS transactions were completed in the US, and Cadwalader advised the issuer on a staggering 53 of them, representing almost \$62 billion-worth of CMBS deals. The firm also comes out on top for advising underwriters on CMBS deals, having advised on 27 issues worth a total of \$28.7 billion. The gap between Cadwalader and its closest rival is appreciable on the underwriter side, but on the issuer side the gap shows that the firm leaves even its closest competitors for dead, in terms of dollar amount and number of deals handled. It is the firm's dominance in this area, as well as its solid presence in other areas of the structured finance market, that have pushed the firm into the top tier this year.

A general analysis of the firm's CMBS deal roster shows that in 2004 Cadwalader served as deal counsel in relation to numerous securitization programmes, including multi-seller programmes such as Morgan Stanley's IQ programme, and also acted as loan seller's counsel on a raft of partnered securitizations, including representing UBS on all its partnered deals with Lehman Brothers.

Among the specific CMBS highlights, Cadwalader represented Greenwich Capital and Goldman Sachs on their \$3.6 billion joint securitization, acted for Credit Suisse First Boston both on the origination and securitization of an \$820 million loan secured on 194 healthcare facilities and on the restructuring and securitization of a \$480 million loan to 140 affiliates of Life Care Centers of America, and advised GMac in relation to a customized securitization transaction involving a \$650 million loan secured on interests in 250 golf courses. In another landmark matter, the firm represented Lehman Brothers and Goldman Sachs on the \$2.25 billion refinancing of General Growth Properties' shopping mall portfolio, which was one of the largest single borrower commercial mortgage loan securitizations to date.

Outside of the CMBS market, Ira Schacter took the lead on three noteworthy deals. In May 2004 he acted for Goldman Sachs, as financial advisor to UnumProvident, in relation to UnumProvident's reinsurance transaction, the following month he led a team that acted for Fusion Capital, and the month after that he acted for the Financial Guaranty Insurance Company in relation to its custodial trust sale. The firm also has extensive experience in advising on warehouse and gestation repackagings and financings, and on transactions dealing with Fannie Mae, Freddie Mac and Ginnie Mae. Cadwalader has also worked on a range of debtor-in-possession financings involving warehouse and repo facilities.

#### Leading lawyers

James Croke  
Michael Gambro  
Karsten Giesecke  
Anna Glick  
Robert Link Jr  
Richard Schetman  
Jordan Schwartz

#### Key contact partners

Mike Gambro  
Anna Glick  
Richard Schetman  
Jordan Schwartz

#### Orrick Herrington & Sutcliffe

Orrick Herrington & Sutcliffe's structured finance group is recognized as "undoubtedly one of the best teams in the US" and it enjoys a truly outstanding reputation for "its ability to find innovative funding solutions to complex transactions." Josh Raff and Katherine Crost lead the team of 29 partners and 43 associates. These numbers have grown this year after a fairly

aggressive lateral hiring drive, the result of which has seen two new partners – Martin Bartlam and Hazel Miller – join the firm from Jones Day. The arrival of five associates from Cadwalader Wickersham & Taft, Seward & Kissell, Sidley Austin Brown & Wood and Milbank Tweed Hadley & McCloy in the first few months of 2005 will serve to further ramp up the firm's already impressive credentials.

The firm's most recent deal highlight came in July 2005, when Orrick served as transaction counsel in relation to the Golden State Tobacco Securitization Corporation's sale of \$3.2 billion-worth of enhanced tobacco securitization asset-backed bonds, series 2005A, lead managed by Bear Stearns. The bonds were issued to refund all of the corporation's outstanding enhanced tobacco securitization asset-backed bonds (series 2003B), which it issued to finance its purchase of around 43% of the state of California's future tobacco settlement receipts, under a master settlement agreement entered into in 1998 with the large tobacco companies. The state provided credit enhancement for the transaction in the form of a covenant to request from the legislature an annual appropriation sufficient to cover debt service on the bonds and operating expenses of the corporation if tobacco settlement receipts are ever insufficient. The deal is thought to be the largest single series of refunding bonds ever issued.

Among the year's other highlights, in August 2004 Howard Goldwasser led a team that acted for Chinatrust (as issuer) and Lehman Brothers (as arranger) in relation to Chinatrust's NT\$5 billion (\$146 million) mortgage securitization, notable because it was priced against three-month commercial paper. In November 2004 Orrick advised Merrill Lynch, as restructuring, on the restructuring and recapitalization of Mitsubishi Motors Credit of America (MMCA), the US financing arm of the Japanese automaker, which involved structuring the financing of around \$2 billion-worth of auto loans and leases and residual interests from MMCA, and setting up a joint venture between Merrill Lynch and MMCA for the underwriting and servicing of auto loans.

The landmark transactions continued in 2005. In March, Neil Casey acted for Goldman Sachs in relation to setting up a synthetic collateralized debt obligation programme (the Goldman Sachs Archstone I secured notes programme) and in relation to an issue of euro-denominated notes under the programme. The following month, the firm acted for SG Corporate & Investment Banking and ICCREA Banca as co-arrangers of a securitization of 16 residential and commercial mortgage loan portfolios assigned by 12 Italian banks to a Law 130 special purpose vehicle. At €400 million, it was the largest-ever Italian law-governed residential and commercial mortgage loan securitization by number of originators.

In June 2005 Orrick set up a Moscow office, and officially launched its 19-lawyer Russia practice in August. The office contains 13 lawyers – nine Russians, three Americans and one dual Russian-American citizen – who are fluent in Russian and English, and who are leaders in the Russian market. The office will be well placed to handle the increase in deals coming out of Russia's rapidly growing economy, and the move should

only serve to boost further Orrick's abilities to act on the biggest and most complex cross-border financings.

#### Leading lawyers

Cameron Cowan  
Katharine Crost  
David Katz  
Mark Levie  
Douglas Madsen  
David Nirenberg  
Dennis Martin  
Thomas Mitchell  
Josh Raff

#### Key contact partners

Cameron Cowan  
Katharine Crost  
Josh Raff

### Sidley Austin Brown & Wood

Along with Orrick, Sidley Austin Brown & Wood leads the field for top-drawer advice on structured finance and securitization transactions. The firm has a wealth of expertise across all disciplines and asset classes, but is a particularly good choice for advice on domestic and international credit card securitizations, consumer loans and auto loans. The practice is co-headed by three of its most outstanding partners – Thomas Albrecht in Chicago, and Edward Fine and Renwick Martin in New York, and clients praise the firm because it “truly understands who the client is.”

Recent highlights for Sidley Austin Brown & Wood include counselling Banc of America Securities as underwriter's counsel in relation to a \$330 million credit-linked note offering by Carss Finance Limited Partnership 2004-A and Carss Finance Corporation 2004-A, which was the first credit-linked note offering tied to a reference portfolio of auto receivables, and advising Merrill Lynch as underwriter's counsel on CNH Equipment Trust 2004-A's \$1.5 billion issue of trust obligations collateralized by retail, agricultural, construction, forestry, truck and other equipment receivables. The firm also advised DePfa ACS Bank on its issue of €3 billion-worth of 4.375% asset-backed securities, and represented the Aames Capital Corporation on Aames Mortgage Investment Trust 2005-1's \$1.9 billion issue of mortgage-backed security notes.

The nature of securitizations at the top end of the market means that “plain vanilla” is a term not really applicable to the area. However, the size of the market does mean that some asset classes have become to some extent commoditized, and as such, it is possible to draw conclusions from the volume of flow work handled by a firm. On this front, Sidley Austin Brown & Wood scores extremely highly; the sheer volume of deals handled over the past year is proof alone that it is one of the global market leaders.

For example, as issuer's counsel, in 2004 the firm advised the Countrywide Securities Corporation on more than 140

offerings of residential-mortgage backed securities offerings, worth a combined total of \$128.5 billion. It has also represented issuers or underwriters in 38 commercial-mortgage backed securities offerings worth more than \$25 billion; issuer-side instructions in this area have come from Bear Stearns, Merrill Lynch, Lehman Brothers, Citigroup, GMac and JP Morgan Chase, among others.

Among the year's other highlights, since May 2004 the firm has acted for Credit Suisse First Boston on two issues of SEC-registered auto-loan-backed notes by AmeriCredit Automobile Receivables Trust worth \$575 million and \$750 million respectively, and has advised Wachovia Bank and Banc of America Securities in relation to two issues of asset-backed notes issued by CarMax Auto Owner Trust and secured by motor vehicle retail instalment sale contracts, for \$600 million and \$555 million. It has also represented the underwriters on CNH Equipment Trust's two issues of trust obligations collateralized by retail agricultural, construction, forestry, truck and other equipment receivables, and acted for JP Morgan in relation to Harley-Davidson Motorcycle Trust 2004-3's \$625 million issue of motorcycle contract-backed notes.

#### Leading lawyers

Thomas Albrecht  
Thomas Brown  
Jack Costello Jr  
William Cullen  
Edward Fine  
Cathy Kaplan  
Dale Lum  
Renwick Martin  
Gary Stern

#### Key contact partners

Thomas Albrecht  
Edward Fine  
Renwick Martin

### Mayer Brown Rowe & Maw

Mayer Brown Rowe & Maw is widely regarded within the securitization market as having a solid practice. The securitization practice forms part of the firm's larger finance practice, run globally by Ian Coles, Jason Kravitt, George Pecoulas and Mark Wojciechowski. Each of the firm's US offices also has a practice leader, these spots being filled by Robert Barnardd and Peter Darrow in New York, Don Weaver in Los Angeles, Jay Parry Monge in Charlotte, Doug Doetsch in Chicago, Michael Niebruegge in Houston and Charles Horn in Washington DC.

Justifiably confident of its future in the structured finance arena, Mayer Brown has gone on something of a partner recruitment spree in the first quarter of 2005. In January, Warren Loui joined from O'Melveny & Myers, the following month Douglas Landy moved over from Shearman & Sterling, Joel Telpner joined from Greenberg Traurig in March, and in April Mayer Brown lured both Christopher Kupec and Kathleen McGill away from Moore & Van Allen.

The new partners have joined a busy practice that last year represented GECC on two public note offerings that were backed by dealer floorplan loans; the first was an issue of \$1.25 billion Series 2004-1 notes, and a second was an issue of \$1.25 billion Series 2004-2 notes, both of which were issued by GE Dealer Floorplan Master Note Trust. The firm also advised GECC on two public offerings of notes backed by private-label credit card receivables; Marc Klyman and Robert Hugi worked on all these deals.

In May 2004 Mark Wojciechowski represented Morgan Stanley in its capacity as lead arranger on a credit agreement with the RJ Tower Corporation, comprising a \$400 million first-lien term facility and a \$155 million second-lien term facility. Following this, the team acted for JP Morgan Chase Bank, Credit Suisse First Boston and Deutsche Bank in structuring and implementing a multinational trade receivables securitization as part of the acquisition financing package for KoSa's \$4.2 billion acquisition of Invista and certain of its subsidiaries. Structured using a unique combination of three special purpose vehicles, each a Luxembourg *société à responsabilité limitée*, the deal was one of the first securitizations structured to take advantage of the new Luxembourg securitization law.

And in September 2004, the firm advised Bank of America on the HSBC Real Estate (USA) Funding Trust deal, which was the first single-seller mortgage-backed extendible note conduit funded by extendible notes as well as by traditional liquidity-backed commercial paper. It was also enhanced by a novel over-collateralization structure that dynamically adjusted for the kinds of loans (that is, home equity loans or mortgage loans) being funded at any time.

#### Leading lawyers

Diane Citron  
Carol Hiselberger  
Robert Hugi  
Jason Kravitt  
William Levy  
Stuart Litwin  
Warren Loui  
George Pecoulas  
Elizabeth Raymond

#### Key contact partners

Jason Kravitt  
George Pecoulas  
Mark Wojciechowski

#### McKee Nelson

McKee Nelson has only been around for six years, but in that short time it has developed a fantastic reputation for providing top-flight securitization advice, particularly in its representation of issuers and underwriters in asset- and mortgage-backed transactions. McKee Nelson's enviable client list includes such esteemed finance houses as Credit Suisse First Boston, Deutsche Bank, Goldman Sachs, JP Morgan, Merrill Lynch and UBS. Twenty-one partners and 40 associates make up the practice,

which is split between the firm's Washington DC and New York offices and which is co-headed by partners Robert Wiperman and John Arnholz.

In terms of deal flow, the firm notched up a strong performance, acting for issuers or underwriters in around 50 collateralized debt obligation transactions that represented around \$12 billion. For deals closed by the end of the first half of 2005, the firm led the field for advising underwriters on asset- and mortgage-backed deals, having handled 308 issues worth a total of \$269.3 billion, placing it streets ahead of its closest rival, which acted on 86 such deals.

Among the highlights, in the first half of 2004 McKee Nelson acted for Merrill Lynch as underwriter on a \$70 million transaction using a structure based primarily on a mortality analysis, one of the first-ever true senior settlements securitizations to close. In August 2004, the firm advised Lehman Brothers on Settlement Fee Finance's \$159 million securitization of lawyers' fees owed by five large tobacco companies to a group of Texas lawyers who had represented the state of Texas in litigation against those tobacco companies. Lehman Brothers had previously instructed the firm to act on one of only two securitizations of reverse mortgage loans ever closed in the US, as well as in relation to a public offering of \$500 million IndyMac home equity loan asset-backed notes, series 2004-1, which was the first securitization of home equity lines of credit that provided for the rate on the related notes to be reset at a one-time mandatory auction, and for no payment of principal on the notes until that rate has been reset.

Among the firm's other recent highlights, McKee Nelson developed a new master trust note programme to securitize the credit card receivables of a large US retailer, and acted on the restructuring of one of the largest US asset-backed commercial paper conduits, to bring it into line with new accounting guidelines.

#### Leading lawyers

John Arnholz  
Reed Auerbach  
Edward DeSear  
Edward Gainor  
William Gray  
Laurence Isaccson

#### Key contact partners

John Arnholz  
Reed Auerbach  
Robert Wiperman

#### Skadden Arps Slate Meagher & Flom

Skadden Arps Slate Meagher & Flom's structured finance numbers were boosted last year, when David Wolin joined the ranks in July 2004 from Baker & McKenzie. The extensive practice is headed by C Thomas Kunz, and has developed a solid reputation in the market for advising on auto-loan and credit card receivables, commercial loans and investment grade securities.

Leading lawyer Susan Curtis led the teams that acted on two notable deals to have closed over the past year. In the first, she represented Ford Motor Credit Company in a registered public offering of around \$1.4 billion-worth of asset-backed notes through Ford Credit Auto Owner Trust 2004-A, which was followed by a further issue of \$346 million-worth of class A-1 asset-backed notes that were sold under the commercial paper exemption. And in the second, she acted for State Street Research & Management Company, in its capacity as advisor, in relation to a \$1 billion collateralized debt obligation offering by Pinnacle Point Funding, a Cayman Islands special purpose company, which consisted of a private sale of \$880 million-worth of commercial paper backed by a put agreement with Citibank, \$107 million-worth of investment grade rated notes, and \$18 million-worth of unrated subordinated notes and equity sold under Regulation S and Rule 144A.

Another standout deal saw David Midvidy (with assistance from Curtis and Kirk Wallace) advise Mitsubishi Motors' North American subsidiaries in connection with the sale of around \$1.6 billion-worth of retail automobile instalment sales contracts in a series of negotiated private sales, the financing of a portfolio of closed-end retail automotive leases and the vehicles subject to those leases, and the restructuring of \$1.2 billion-worth of unsecured bank loans from Japanese banks. The restructuring consisted of a pledge of nearly all of the assets of the respective Mitsubishi Motors subsidiaries to a collateral agent, as well as the negotiation of a collateral sharing arrangement between the Japanese banks.

#### Leading lawyers

Susan Curtis  
Andrew Faulkner  
Richard Fortunato  
Richard Kadlick  
C Thomas Kunz  
David Midvidy  
James Stringfellow

#### Key contact partner

C Thomas Kunz

#### Thacher Proffitt & Wood

Thacher Proffitt & Wood is one of the asset- and mortgage-backed market's most active players. In the first half of 2005 it placed second in terms of numbers of asset- and mortgage-backed deals handled for underwriters (86 deals, worth a total of \$64.1 billion), and on the issuer side it came out on top, having acted on 159 deals representing a combined total of \$134.4 billion – almost double the dollar amount it handled in the same period in 2004.

Stephen Kudenholdt runs the structured finance practice from Thacher Proffitt's New York office. The firm's other presences in Washington DC and Mexico City allow it to compete both in the US and Latin American securitization markets; indeed, the firm played an integral part in some of the first securitizations to close in Mexico, Brazil and El Salvador. At 23

partners and 74 associates, the firm's overall numbers are up on last year: since May 2004, 11 associates left the firm but the firm recruited 28, and also hired two senior lawyers – Christopher Lewis moved over from Simmons & Simmons as of-counsel in June 2004, and Robert Villani joined from Fried Frank Harris Shriver & Jacobson in December 2004.

The firm has acted on a variety of landmark deals over the past year. Perhaps most notably, in December 2004 the firm's presence in Mexico really came into its own when Guillermo Uribe acted for the underwriter of the state of Mexico's \$200 million securitization of future toll-road revenues, which was named *Project Finance International* magazine's infrastructure deal of the year. Another standout matter that closed in December 2004 saw Wachovia Securities, in its capacity as underwriter, instruct the firm in relation to the Baltic American Enterprise Fund's \$64 million securitization of a mortgage pool consisting of mortgage loans secured by liens on residential properties in Latvia, that country's first-ever securitization.

Among the year's other highlights, in June 2004 Jim Cotins led a team that acted for Eurocastle CDO I, as issuer, and the Fortress Investment Group, as portfolio manager, on Eurocastle CDO I's collateralized debt obligation backed by asset-backed securities, swap obligations and synthetic securities and underwritten by Morgan Stanley and Barclays, and in March 2005 Richard Simonds represented the American Home Mortgage Investment Corporation on American Home Mortgage Investment Trust 2005-1's \$3.9 billion securitization of fixed and adjustable-rate mortgage loans and adjustable-rate revolving home equity security lines.

#### Leading lawyers

Richard Horowitz  
Richard Simonds  
Stephen Whelan  
Robert Villani

#### Key contact partner

Stephen Kudenholdt

#### Cleary Gottlieb Steen & Hamilton

Andrea Podolsky runs Cleary Gottlieb Steen & Hamilton's well-respected structured finance practice, which is divided between the firm's New York and Washington DC offices. Capabilities in each office are fairly even – seven partners and 20 associates handle structured finance in New York, while four partners and 26 associates take care of things in Washington DC. From the team, Ray Check came in for plenty of praise for his “excellent service” and “attention to detail.”

From New York, in May 2004 the firm acted for Northwoods Capital IV and Deutsche Bank on Northwoods Capital IV's \$507 million offering of eight tranches of fixed and floating rate, revolving and subordinated notes listed on the Irish Stock Exchange, and two months later Steven Horowitz led a team that acted for the McDonalds' Corporation in relation to Salt Creek Pass Through Trust 2004's credit tenant secu-

ritization of 839 properties leased to McDonald's across 47 states and the District of Columbia.

Towards the end of the year, in November 2004 Cleary's New York practice represented Citigroup Global Markets and Citibank on the Skytop collateralized loan obligation (CLO), a pro rata synthetic CLO transaction that, including the security issue and the swap transaction, was valued at \$400 million, and the following month Richard Lincer led a team that represented Korea First Bank on Korea First Mortgage No 3's residential mortgage-backed securities offering under Regulation S and Rule 144A. At €550 million (\$683.3 million), this was the first euro-denominated mortgage-backed deal in South Korea and the country's largest cross-border securitization to date.

Mitchell Dupler and Michael Mazzuhci are Cleary's structured finance point men in Washington DC, and over the year this office has also handled an impressive amount of work. Mazzuchi spearheaded the firm's advice on two notable deals. In the first, he represented Citigroup in relation to the \$500 million Tess synthetic collateralized debt obligation (CDO), a managed synthetic CDO-squared transaction and credit-linked note programme that was closed in November 2004, and in the second, in April 2005 he acted for the CDS provider on the Madison Park CDO, a secured loan CDO with variable funding obligations and synthetic loan assets. Dupler, meanwhile, took the reins on the office's other standout deal, advising an underwriting syndicate led by Lehman Brothers, Morgan Stanley and UBS on the \$3 billion Remic R001 deal – the first-ever offering of Freddie Mac's reference Remic securities. Remics – real estate mortgage investment conduits – have been designed to further Freddie Mac's housing mission by broadening the investor base for mortgage-backed securities. The deal closed in April 2005, and is expected to be the first of many such issues by Freddie Mac.

#### Leading lawyers

Raymond Check  
Andrea Podolsky  
David Sugerman  
Michael Weinberger

#### Key contact partners

Raymond Check  
Mitchell Dupler  
Andrea Podolsky  
David Sugerman

#### Dewey Ballantine

Dewey Ballantine's structured finance practice is headed up by Chris DiAngelo, and its six partners and 16 associates have enjoyed a good year. In the asset- and mortgage-backed market the firm is a solid performer, chalking up six underwriter mandates worth a total of \$5 billion and 13 instructions from issuers totalling \$13.5 billion in the first half of 2005.

In one standout deal, in May 2004 a Dewey team comprising Eileen Bannon, Anna-Liza Harris and Gigi Parke represented the Promontory Asset Finance Company and Freedom Park

Capital on the creation of its \$2 billion multi-seller extendable conduit, a market first. In September 2004, partner Emil Arca was particularly busy closing two Brazilian deals within two days of each other. The first saw him act for Credit Suisse First Boston and BB Securities in relation to Banco do Brasil's issue of \$300 million fixed rate subordinated notes through its Cayman Islands branch, and in the second, he served as US counsel to Merrill Lynch in relation to an issue of \$400 million by the Brazil Foreign Diversified Payment Rights Finance Company.

And in October, practice head DiAngelo led a team that acted for the Ameriquist Mortgage Company in relation to Memory Lane Servicer Advance Receivables Funding Company's \$150 million issue of advanced receivables-backed notes, series 2004-S1.

#### Leading lawyers

Emil Arca  
Eileen Bannon  
Christopher DiAngelo

#### Key contact partners

Emil Arca  
Christopher DiAngelo  
Michael du Quesnay

#### Simpson Thacher & Bartlett

Simpson Thacher & Bartlett's strong links with many of the world's leading investment banks means that it does well when it comes to winning underwriter-side mandates for structured finance work. In the asset- and mortgage-backed sector, the first half of 2005 has seen the firm act for underwriters on 10 deals worth a combined total of \$6.7 billion. While these figures do not rival those of the market's most dominant firms, they do represent a sharp increase on the same period last year, when the firm only received two underwriter instructions worth a total of \$1.3 billion. What is clear is that, under the leadership of Laura Palma, the practice has successfully marked its territory in the structured finance market, and its visibility is growing.

As well as running the practice, Palma is an active transaction lawyer, and took the lead on three of the firm's notable deals over the past year. Lehman Brothers came to her for advice twice: in July 2004, when it required advice as structuring and placement agent on the Special Value Opportunities Fund's private placement of \$238 million-worth of money market cumulative preferred shares that were wrapped by Ambac Assurance, and again in February 2005 when it needed guidance on QFA Royalties' private placement of \$250 million-worth of notes backed by franchise royalty fees. Palma's third deal saw her act for JP Morgan in relation to a Rule 144A offering of asset-backed notes secured by a pool of recreation vehicle and marine instalment sale contracts originated by the CIT Group/Sales Financing, which closed three days before Christmas 2004.

Among the year's other highlights, meanwhile, David Eisenberg acted for JP Morgan in relation to the integration of

the credit card receivables and asset-backed securities issuance programmes of Bank One and Chase Manhattan Bank in connection with the merger of Bank One and JP Morgan.

#### Leading lawyers

David Eisenberg  
Michael Nathan  
Laura Palma

#### Key contact partners

David Eisenberg  
Michael Nathan  
Laura Palma

#### Weil Gotshal & Manges

Eight partners and 20 associates make up Weil Gotshal & Manges' structured finance practice, which is headed by Frank Nocco and which has continued to make its mark in the market. One satisfied client acknowledged the firm's deep bench of talent, saying that the firm's lawyers are "very responsive, smart guys and also very solid in expertise."

In May 2004 Daniel Mette and Nancy Lynch acted for BMW Vehicle Owner Trust 2004-A, as issuer, and BMW Financial Services, as seller and servicer, on BMW Vehicle Owner Trust 2004-A's public offering of \$1.49 billion-worth of auto receivable-backed notes and certificates, and two months later John Dedyo and Katy Soudmand represented Insurance Investment Associates when it launched a private offering of \$150 million-worth of Class A and B floating rate insured notes, backed by a defined block of life insurance policies.

Later in the year, Eric Peterman led a team that guided Morgan Stanley and Inman Square Funding I through the latter's \$300 million collateralized debt obligation backed primarily by asset-backed securities, which closed in October 2004, and the firm kicked off 2005 well when Frank Nocco led a team that advised ARG Funding, as issuer, and Vanguard Car Rental USA, as servicer, in relation to ARG Funding's Series 2005-1 issue, a private offering of \$1.8 billion-worth of medium-term rental car asset-backed notes.

#### Leading lawyers

Robert Chiperfield  
John Dedyo  
Daniel Mette  
Frank Nocco  
Eric Peterman

#### Key contact partners

Robert Chiperfield  
Frank Nocco  
Eric Peterman

#### Other notable firms

**Cravath Swaine & Moore** has a solid structured finance group that over the past year represented the Hertz Corporation in

connection with the \$600 million issue of rental car asset-backed notes by Hertz Vehicle Financing, advised IBM on a \$500 million receivables securitization facility agreement with Citicorp North America, Cafco and Ciesco, and served as underwriter's counsel in connection with Citigroup Credit Card Issuance Trust's issue of around \$52 million-worth of asset-backed securities. The firm also represented Vitro America in relation to a \$45 million receivables securitization facility with Windmill Funding, ABN Amro and the Finacity Corporation.

Among recent highlights, **Latham & Watkins** served as issuer's counsel to Discover Bank in relation to its \$1.58 billion Discover Card Master Trust I, Series 2005-1 issue, which involved the issue of around \$1.5 billion in floating rate Class A certificates and \$78.9 million-worth of floating rate Class B certificates. Latham & Watkins also advised MBIA Insurance Corporation on its insurance wrap of JetBlue's \$498 million pass-through trust certificates, and provided advice on the public offering of \$1.1 billion, and the private offering of \$66 million, in commercial mortgage pass-through certificates, series 2005-Top 18, by Bear Stearns Commercial Mortgage Securities. Laura DeFelice heads up the firm's practice from its New York office.

**Stroock & Stroock & Lavan** does not handle the same volume of deals that some of the other ranked firms do, but it really comes into its own for its top-level advice to clients requiring customized financing solutions. The firm has had a dedicated structured finance practice since 1986, and since then has advised on around \$450 billion-worth of deals for clients such as Banc of America Securities, Bear Stearns, Citigroup, Credit Suisse First Boston, the GMac Mortgage Corporation, UBS, Wachovia and Wells Fargo Home Mortgage. Last year, the firm brought one of the first Triple X insurance securitizations into the market, and this year it has acted as underwriters counsel in relation to multiple issues of mortgage pass-through certificates by, among others, Wells Fargo Mortgage-Backed Securities, GMac Mortgage Loan Trust, Fannie Mae Remic Trust and Bear Stearns Asset-Backed Securities Trust. Among the year's other highlights, it acted for Collegiate Funding Services in relation to its \$1.4 billion issue of student loan asset-backed notes series 2005 A.

Over the course of the year, **Jones Day** represented Ambac Assurance in relation to the issue of guaranteed secured floating rate notes by Korea First Mortgage No 3. Originated by Korea First Bank on a pool of residential mortgage loans in Korea, the \$712 million, 30-year cross currency interest rate swap was one of the largest and longest-running cross-border securitization matters ever closed. The firm also represented Standard & Poor's on a \$230 million issue of secured floating rate notes issued by Cosmos Ban on a revolving pool of credit card receivables in Taiwan, which marked one of the first-ever cross-border securitizations to come out of Taiwan.

**Shearman & Sterling's** recent representations include advising Ambac Assurance Corporation as financial guarantor of a royalty securitization transaction linked to 13 pharmaceutical products, acting for UBS, Warburg Pincus, Morgan Stanley, JP

Morgan and Barclays in connection with a Rule 144A and Regulation S offering of political risk insured bonds for Petrobras, a Brazilian state-owned oil company, and Ambev, a large Brazilian brewery, and acting for Goldman Sachs, as underwriter, of a \$103 million issue of collateralized floating rate notes linked to two property transactions by the Rouse Company.

And lastly, **White & Case** advised Ambac Assurance on a \$100 million securitization in which a trust controlled by Hipotecaria Su Casita issued notes backed by a pool of construction loans made to housing developers in Mexico. Meanwhile, in the first example of the securitization of credit card receivables in Russia, White & Case acted for Merrill Lynch and Credit Suisse First Boston on Rosbank's \$225 million bond issue; the five-year notes were backed by credit card cashflows from Visa and MasterCard and payable to the Bank of New York as trustee.

## Insolvency and restructuring

### Recommended firms

#### Tier 1

**Kirkland & Ellis**

**Skadden Arps Slate Meagher & Flom**

**Weil Gotshal & Manges**

#### Tier 2

**Davis Polk & Wardwell**

**Jones Day**

**Milbank Tweed Hadley & McCloy**

**Wachtell Lipton Rosen & Katz**

**Willkie Farr & Gallagher**

#### Tier 3

**Latham & Watkins**

**Paul Weiss Rifkind Wharton & Garrison**

**Shearman & Sterling**

**White & Case**

#### Tier 4

**Akin Gump Strauss Hauer & Feld**

**Bingham McCutchen**

**Cadwalader Wickersham & Taft**

**Fried Frank Harris Shriver & Jacobson**

**Simpson Thacher & Bartlett**

**Stroock & Stroock & Lavan**

**Wilmer Cutler Pickering Hale and Dorr**

#### Tier 5

**Debevoise & Plimpton**

**Gibson Dunn & Crutcher**

**Morgan Lewis**

#### Tier 6

**Arnold & Porter**

**Baker & McKenzie**

**McDermott Will & Emery**

**Orrick Herrington & Sutcliffe**

### Kirkland & Ellis

Gordon W Johnson, former chief legal adviser on commercial insolvency and creditor rights system at the World Bank, joined Kirkland & Ellis as a partner in the New York Office this year. This high-profile hire follows an equally noteworthy addition to the office in the shape of Rick Cieri, who joined the team from Gibson Dunn & Crutcher. The combination of these partner hires, an outstanding deal list and recommendations from peers and clients has gained Kirkland promotion to the top tier this year.

Over the past year, Kirkland & Ellis was retained by Tower Automotive, one of the largest auto-parts manufacturers in the US, to assist it in its Chapter 11 case. And in another auto-parts restructuring matter, the firm advised Collins & Aikman, a Fortune 500 company that, although reportedly achieving revenues of around \$3.9 billion in 2004, stated that it only had \$13.4 million in cash on the day before a Chapter 11 was filed, with a \$15 million debt payment due that day and an additional \$26.9 million due the following month. At the time of writing, JP Morgan Chase had committed to providing \$300 million-worth of debtor-in-possession financing.

In one of 2004's largest bankruptcy filings, the firm provided legal advice to Maxim Crane Rental and some of its affiliates. Within seven months Kirkland & Ellis confirmed a plan of reorganization that removed more than \$500 million in debt from the company's balance sheet and restructured a further \$800 million-worth of debt. Kirkland & Ellis also represented Trico Marine Services and two subsidiaries in a prepackaged Chapter 11 case; at only 28 days between filing date and confirmation, this was one of the fastest Chapter 11 bankruptcies in recent history. Cornerstone Propane was another client, turning to the firm for assistance in relation to its reorganization in 2004. Cornerstone – the fifth-largest domestic retail propane distributor in the US – entered into a \$600 million debt-restructuring programme that, with Kirkland's help, was completed in six months. The firm also secured a \$50 million exit facility for the company.

Kirkland provided advice to exchange carrier Allegiance Telecom when it sought help over its reorganization case. The procedure involved selling off the company's assets through an auction process to Qwest Communications and XO Communications. The sale was part of Allegiance's Chapter 11 plan, and spelled the resolution of a number of complex issues relating to its business relationships. In another highlight matter, Chevys came the firm for advice on its Chapter 11 restructuring, which culminated in Chevy's successful emergence from bankruptcy proceedings in January 2005, having repaid in full all secured lender claims. The firm also acted for Fleming Companies, the US's largest distributor of packaged foods to retailers, in relation to its Chapter 11 proceedings. After 18 months of Chapter 11 restructuring, Fleming paid off \$609 million-worth of senior secured debt and converted the remaining unsecured debt into equity valued at between \$130 and \$180 million. Kirkland also advised on the sale of the company's distribution capacity, which netted the firm a further \$250 million.

In all, Fleming was able to pay \$7.7 billion to tax authorities, service providers and third-party vendors.

Late 2004 saw Kirkland conclude business with Protection One, the leading provider of property monitoring services. This out-of-court restructuring meant the company received \$73 million from its former majority owner to settle ongoing tax disputes. Around the same time, the firm represented the UAL Corporation (United Airlines), the world's second-largest carrier, and 27 of its affiliates and subsidiaries, in a Chapter 11 case that, at around \$20 billion-worth of assets, ranked among the largest-ever filed. The UAL Corporation emerged from Chapter 11 proceedings having arranged commitments for \$1.5 billion-worth of debtor-in-possession financing.

Kirkland also represented Conseco, and some of its subsidiaries, in a case that involved finance, banking and insurance work, all of which are heavily regulated areas. As part of the restructuring, after conducting a lengthy auction, Kirkland received court approval for the sale of the assets of the finance subsidiaries for more than \$1 billion in cash – reported to be the largest cash-only sale in Chapter 11 history. The firm also negotiated the restructuring of the holding company debtors, who own the insurance subsidiaries.

In the Williams Communications Group restructuring, Kirkland acted for the official committee of unsecured creditors, who held more than \$6 billion in debt, and for the noteholders committee in relation to more than \$2.5 billion in unsecured debt, in pre-petition negotiations.

Other recent clients have included DDi Corp, the circuit board maker Diva Systems, and Ritter Ranch, which the firm assisted in relation to the successful auction of more than 7,000 acres of land in Palmdale California for more than \$57 million. The winning bidder finally won the auction after 57 rounds of bidding.

#### Leading lawyers

Matthew Cantor  
Richard Cieri  
Theodore Freedman  
Marc Kieselstein  
Matthew Kleiman  
James Sprayregen  
James Stempel  
Richard Wynne

#### Key contact partners

Richard Cieri  
James Sprayregen  
Richard Wynne

#### Skadden Arps Slate Meagher & Flom

Skadden Arps Slate Meagher & Flom's extensive international network of offices means that it can represent clients in many of the world's largest international financial centres, and has played a key role involving troubled companies.

Highlights over the past year have seen Skadden represent Interstate Bakeries, and seven of its subsidiaries and affiliates, on

Chapter 11 reorganization proceedings and advise Winn-Dixie Stores on its Chapter 11 reorganization proceedings. In one high-profile collapse, Skadden provided legal advice to the Enron Corporation on several matters in connection with its Chapter 11 reorganization, including advice on congressional inquiries, governmental investigations and regulatory matters, corporate governance and the restructuring of its affiliate relationships and financings.

The firm continued to represent the RCN Corporation on its restructuring, which involved more than \$3.5 billion-worth of debt and preferred equity. RCN entered into a commitment with Deutsche Bank Securities under which the bank will provide the company with new financing upon completing its plan of reorganization. Once the reorganization plan was confirmed by the US Bankruptcy Court for the Southern District of New York, \$2.6 billion in bonds, other debt, and preferred stock was either eliminated or converted into equity.

The size of Skadden's practice (well over 100 lawyers dedicate their time to insolvency and restructuring matters in the US alone) means that it is able to take on the biggest deals – and often handle multiple large deals simultaneously. One such deal saw the firm advise Reliant Resources in connection with restructuring about \$10 billion-worth of the company's debt and preserving 100% of Reliant's equity.

Skadden's corporate restructuring group spends much of its time advising companies (or their financial advisers) on non-judicial debt restructurings, often involving billions of dollars-worth of publicly and privately held debt securities. The transactions in question often involve refundings and renegotiations of debt and other financial stresses for the benefit of not just ailing companies, but also healthy companies seeking to recapitalize or restructure operations or retire debt at a discount.

Other debtor-side clients that have recently benefited from Skadden's restructuring expertise include Avado Brands, Birch Telecom, FiberMark and Hollywood Casino Shreveport, while further advice has also been provided to such clients as America West Airlines, Rural Cellular Corporation and the Xerox Corporation.

#### Leading lawyers

DJ "Jan" Baker  
John Wm Butler Jr  
Jay Goffman  
J Gregory Milmo

#### Key contact partners

DJ "Jan" Baker  
John Wm Butler Jr  
Jay Goffman  
J Gregory Milmo

#### Weil Gotshal & Manges

Weil Gotshal & Manges "without doubt" boasts one of the top debtor practices in the insolvency and restructuring practice area. The outstanding reputation of Weil Gotshal's restructuring team means that it is involved in almost every large Chapter 11

reorganization case in the US, and the firm has served as primary counsel to the debtor in five of the 10 largest bankruptcies in US history. However, the practice is multi-faceted, and is equally capable of handling the biggest creditor representations involving financial institutions and investors.

In September 2005, the firm promoted John Strasburger to managing partner at the firm's Houston office. Strasburger succeeds Scott Lassetter in the position, and has extensive experience of bankruptcy work.

Over the past 12 months, Weil Gotshal & Manges' highlight, both in terms of size and profile, has been its role as US legal adviser to the debtors involved in the restructuring of the Parmalat Corporation's US dairy business. The instruction followed on from the regulators' discovery in 2004 that Parmalat Finanziaria was collapsing under \$178 billion-worth of debt that had been fraudulently hidden. The firm handled the dairy subsidiaries' Chapter 11 procedure and the sale of its non-core US assets, and filed ancillary proceedings under Section 304 of the US Bankruptcy Code to support and assist the prosecution of the restructuring cases.

Another debtor matter saw the team represent the textile business of West Point Stevens in relation to its restructuring, while over the past year the firm continued to represent about 180 debtors of Enron with an asset value of \$12 billion and liabilities of around \$60 billion. Indeed, the firm's work on successfully guiding both Enron and Worldcom through Chapter 11 bankruptcy protection – the two largest and most challenging bankruptcies ever filed – have been the jewels in the practice area's crown. If there was ever any doubt as to Weil's prowess in the debtor representation role, surely none remains now.

On the creditor side Weil is also strong. Among the year's highlights, it represented the bank group involved in Owens Corning Building Materials' restructuring. Owens, a Fortune 200 company, owed the bank group more than \$2 billion.

#### Leading lawyers

Paul Basta  
Martin Bienenstock  
Marcia Goldstein  
Stephen Karotkin  
John Rapisardi  
Michael Walsh

#### Key contact partners

Martin Bienenstock  
Marcia Goldstein

#### Davis Polk & Wardwell

Davis Polk & Wardwell has one of the leading insolvency and restructuring practices in the country, with an impressive flow of instructions acting both for debtors and for creditors. Over the past year, Davis Polk & Wardwell has represented Delta Air Lines on the reorganization of its business operations, and in relation to the MCI Corporation's Chapter 11 proceedings the firm provided legal advice to the company regarding the financing arrangements that would allow it to emerge from bankrupt-

cy protection. Davis Polk & Wardwell also counselled MCI in relation to its pending sale.

In one highlight, a team led by Michael Kaplan and Richard Truesdell acted for water flow control products company, Mueller Holdings, in connection with its \$1.15 billion recapitalization. The deal saw Mueller issue 14.75% senior discount notes and warrants to purchase Mueller Holdings' common stock, while one of its subsidiaries, the Mueller Group, issued and sold \$100 million-worth of second priority senior secured floating rate notes and \$315 million-worth of senior subordinated notes. Mueller then went on to enter a \$625 million amended and secured credit facility, which provided \$545 million-worth of term loans and an \$80 million revolving credit facility. The proceeds of this extensive financing package were used to pay off debt, redeem stock and pay a dividend.

Leonard Kreynin led a Davis Polk team that recently advised the Allmerica Financial Corporation when it sold off its run-off variable life insurance and variable annuity business to Goldman Sachs, and then transferred the assets and liabilities of Allmerica Investment Trusts to Goldman Sachs through a fund reorganization transaction and by the sale of the related investment advisory company. The transaction was valued at around \$385 million, and at the time of writing was expected to complete in November 2005.

Davis Polk & Wardwell's strong relationships with many leading banks mean that it often wins creditor-side instructions on some of the largest restructuring matters around. For example, on the Chapter 11 proceedings of cable TV company Adelphia Communications, Davis Polk represented JP Morgan Chase, Credit Suisse First Boston, Citigroup and Deutsche Bank as arrangers of an \$8.8 billion exit facility finance package. The package included \$5.5 billion-worth of senior secured credit facilities and a \$3.3 billion bridge facility, and was assembled under the guidance of partners Karin Day and Tiziana Bason. Another creditor-side mandate came from the official creditors committee in connection with Dow Corning's emergence from a nine-year bankruptcy resulting from its \$2.35 billion settlement of product liability litigation. At the time of writing, the firm was continuing to prosecute an appeal regarding the treatment of the commercial claims in the case.

The firm has also previously worked on Enron's emergence from Chapter 11 proceedings and has advised Bank of America as the agent bank and major creditor in relation to Conesco's \$2 billion syndicated loan. On the Conesco matter, the firm devised a preferred stock instrument with a delayed conversion feature, allowing Conesco's exit from Chapter 11 and offering an exit strategy for lenders to realize full recoveries on their claims.

#### Leading lawyers

Donald Bernstein  
Nick Segal  
Karen Wagner

#### Key contact partners

Donald Bernstein  
Karen Wagner

### **Jones Day**

Jones Day is highly regarded in the insolvency and restructuring market, with a large and varied practice that handles top-end Chapter 11 matters and out-of-court restructurings.

Recently, Jones Day advised the WHX Corporation in relation to its emergence from Chapter 11 proceedings. WHX, a holding company set up to invest in and manage a diverse group of businesses, had book assets valued at \$400 million, and \$350 million-worth of liabilities. The leading individual on the deal was Jones Day partner Richard Engman, who specializes in distressed M&A and who has recently been seen advising clients such as Goldman Sachs, Banca Nazionale Del Lavoro, as well as bondholders and creditors.

A team from Jones Day including leading lawyers Paul Leake, Robert Cunningham and Erica Ryland also provided advice to auto parts supplier Meridian Automotive Systems in its Chapter 11 proceedings, in relation to the representation of the second lien lenders. The firm is an expert adviser to distressed companies, and last year acted for telecoms company Cablevision Systems on a complaint filed against it and various of its affiliates.

In a prepackaged Chapter 11 case, Jones Day represented the Trico Bank Marine Group (a provider of marine support vessels), advised CD, DVD and video game packaging maker, the NexPak Corporation, on its prearranged Chapter 11 reorganization, which involved around \$200 million-worth of pre-negotiated Chapter 11 debt and was completed in five months, and represented Resilience Capital Partners in relation to the acquisition of the assets of the distressed BBi Enterprises.

Jones Day's extensive national network of offices means that it is often the first choice of counsel for matters going on in the country's main cities. For example, Jeffrey Ellman, who oversees the business restructuring and reorganization practice in Jones Day's Atlanta office, led a team that provided counsel to the International Paper Company as the largest unsecured creditor (holding a claim of around \$41 million) in relation to the Androscoggin Energy Chapter 11 case. Giuliani Capital Advisers turned to the firm for advice in relation to the auction of Sun World International's assets under Section 363 of the Bankruptcy Code. Partner Erica Ryland, formerly of JP Morgan Chase Manhattan Bank, oversaw the deal. Ryland is an extremely experienced practitioner; not only does she handle a large amount of domestic work, she has also been heavily involved in developing Jones Day's global restructuring practice, advising companies on cross-border restructurings as well as creditors and potential acquirers of distressed assets.

Among the year's other highlights, a Jones Day team led by Heather Lennox and Rachel Rawson acted for the National City Bank in relation to a loan to the Advance Watch Company, granted as part of that company's workout. On the \$786 million buyout of Horizon Natural Resources, Jones Day represented WL Ross & Company as lead investor in a consortium, and the firm advised a collection of bondholders in relation to the restructuring of \$16.6 million-worth of senior secured notes of the distressed nail polish-producing firm Kirker Enterprises. Ryland spearheaded the firm's advice on this deal

too, this time along with Paul Leake, who heads Jones Day's firm-wide business restructuring and reorganization practice and who coordinates the New York office's corporate practice.

#### **Leading lawyers**

Corinne Ball  
Paul Harner  
David Heiman  
Erica Ryland

#### **Key contact partners**

David Heiman  
Paul Leake

### **Milbank Tweed Hadley & McCloy**

Milbank Tweed Hadley & McCloy has an excellent insolvency and restructuring practice that represents lending syndicates as well as creditors on bankruptcy matters. Over the course of the year, Milbank Tweed Hadley & McCloy has represented the agent to the secured lenders in many insolvency and restructuring proceedings, including Adelphia Communications Corporation, Global Crossing, US Airways and Tower Automotive. Debtor or out-of-court restructuring representation of the firm includes American Restaurant Group, Gruppo TMM and Satélites Mexicanos.

At the time of writing, the firm was still representing the official committee of unsecured creditors of the Enron Corporation Chapter 11 filing, and also the debtor companies in the Fruit of the Loom proceedings.

Other instructions to represent the official committee of unsecured creditors have included the Chapter 11 filings of the Pacific Gas and Electric Company, the RCN Corporation and Amerco. The firm also provided legal advice to the *ad hoc* committees of creditors in relation to the Chapter 11 proceedings of WorldCom, Trump Hotel & Casino Resorts and Horizon Natural Resources.

#### **Leading lawyers**

Paul Aronzon  
Luc Despins  
Dennis Dunne  
Robert Moore

#### **Key contact partners**

Paul Aronzon  
Luc Despins

### **Wachtell Lipton Rosen & Katz**

Wachtell Lipton Rosen & Katz has one of the leading creditors' rights practices in the US, consisting of a team of seven partners and six associates. The firm also has a wealth of experience representing investment funds and securities derivatives dealers as creditors in national and multinational bankruptcy cases and restructurings. Wachtell's clients include banks, insurance companies and investment funds, while the firm also works closely

with these groups on bankruptcy acquisitions and other transactions involving creditors' rights.

In one standout matter of the past year, Wachtell acted for Oceanair Linhas Aereas on its acquisition of a 75% stake in Aerovias Nacionales de Columbia (Avianca) as part of its exit from bankruptcy. Once the US Bankruptcy Court approved the plan, Oceanair invested \$44.5 million in the company to purchase the equity from Valores Bavaria and the Columbian Federation of Coffee Growers. In exchange for a 25% stake in Avianca, the Columbian Federation assumed \$18.5 million-worth of debt.

Recent creditor-side transactions have included representing the Kimco Capital Corporation, the Ramius Capital Group and Third Avenue Trust on the Chapter 11 proceeding of Frank's Nursery and Crafts.

From a strong team of practitioners, Scott Charles is especially recommended. He is a partner in the creditors' rights department, and he concentrates on commercial transactions, distressed mergers and acquisitions and bankruptcy.

#### Leading lawyers

Scott Charles  
Richard Mason  
Philip Mindlin  
Harold Novikoff

#### Key contact partners

Richard Mason  
Harold Novikoff

### Willkie Farr & Gallagher

Willkie Farr & Gallagher has a highly regarded insolvency and restructuring practice, whose diverse talents give it the ability to represent debtors and creditors. At 32 lawyers the team is sizeable; 27 are based in New York and five in Paris.

In June 2005, the insolvency and restructuring group advised the distressed Adelphia Communications Corporation, and its joint venture partner ML Media Partners, in relation to the sale of jointly owned San Juan Puerto Rico area cable operations to private equity firms MidOcean Partners and Crestview Partners for \$520 million. Willkie Farr maintains an ongoing relationship with Adelphia, acting as bankruptcy counsel to the firm, which is on the cusp of emerging from Chapter 11 bankruptcy protection, with a view to selling its US assets for \$17.6 billion. Partner Maurice Lefkort is overseeing the deal.

The firm also represented National Energy & Gas Transmission when the US Bankruptcy Court for the District of Maryland approved the \$1.7 billion sale of the company's Canadian pipeline unit to the Trans-Canada Corporation. Included in the transaction was a \$500 million assumption of debt by Trans-Canada.

In an emerging markets matter, meanwhile, Willkie Farr & Gallagher provided legal advice to Telefonos de Mexico and certain related entities in relation to an agreement to sell its entire equity interest in MCI to Verizon Communications for an amount topping \$1 billion. And after the sale of substantial-

ly all of its assets to MaxMed Acquisition, Argon Medical Devices, and Medline Industries, the firm advised Medical Wind Down Holdings III as it continued to wind down its business estate in an attempt resolve claim issues.

#### Leading lawyers

Marc Abrams  
Shelley Chapman  
Matthew Feldman  
Michael Kelly  
Myron Trepper

#### Key contact partners

Marc Abrams  
Matthew Feldman  
Myron Trepper

### Latham & Watkins

Latham & Watkins continues to strengthen its insolvency and restructuring practice, and its credentials advising debtors, creditors and lenders serves it well. The firm has represented international and US agent banks and other financial institutions in connection with large out-of-court workouts and debt restructurings of public and privately held companies. These matters have seen the firm advise clients from various sectors, including finance, retail, healthcare and communications.

The firm also advises clients in the leisure industry. In one such deal earlier this year, Latham & Watkins advised Trump Hotel & Casino Resorts, along with 27 corporate affiliates, on pre-negotiated Chapter 11 proceedings in the New Jersey Bankruptcy Court. The Chapter 11 proceedings were used to restructure and recapitalize around \$2 billion-worth of indebtedness.

In the financial sector, meanwhile, the firm was recently seen advising Wells Fargo Bank Minnesota in relation to the \$63 billion Enron bankruptcy filing (the second largest filing of this kind), and in another large deal, representing Lehman Brothers as a secured creditor of Conseco Finance in relation to the \$61.4 billion Conseco bankruptcy. Latham & Watkins also represented Citibank as administrative agent to 35 lenders that were owed around \$1.7 billion by Union Power Partners and Panda Gila Partners, pursuant to their Chapter 11 filing for bankruptcy protection. Under the plan of reorganization, the lenders will take ownership of the companies.

As debtor-in-possession (DIP) counsel, Latham & Watkins advised Consolidated Freightways as it continued to liquidate its assets through a series of auctions pursuant to its filing of Chapter 11 protection. Consolidated Freightways is the third-largest long-distance mid-sized carrier in the US, and it filed for Chapter 11 protection in September 2002. The firm had about \$500 million-worth of secured debt and \$1.4 billion and pre-petition unsecured claims, and at the time of writing was liquidating assets through auctions of its 220 items of real estate and rolling stock property.

Further instructions saw the firm advise Bank One as DIP lender and agent of a \$300 million credit facility granted to

United Air Lines, the world's second-largest carrier, in relation to its Chapter 11 proceedings. United Air Lines is the largest airline ever to file for Chapter 11 bankruptcy protection.

#### Leading lawyers

David Heller  
Robert Klyman  
Michael Lurey  
Robert Rosenberg

#### Key contact partners

David Heller  
Michael Lurey  
Robert Rosenberg

#### Paul Weiss Rifkind Wharton & Garrison

Paul Weiss Rifkind Wharton & Garrison continues to enjoy a sterling reputation in the insolvency and restructuring market, and has been successful in winning instructions from a series of top-drawer clients, including Calvin Klein, Major League Baseball and Lehman Brothers. The firm continues to leave a satisfied trail of clients in its wake, who seek out the firm for advice on complex structured financings and investments.

The firm recently represented the Penn Traffic Company on its Chapter 11 proceedings. Penn Traffic Company, one of the leading food retailers and wholesalers in the US, was able to fund its continuing operations by selling some of its assets, restructuring its balance sheet and obtaining attractive exit financing package from GE Capital Corporation and the Kimco Realty Corporation. Additional financing came from the proceeds of a sale and leaseback transaction involving five of the company's distribution centres.

The firm also advised a group of bondholders in relation to IWO Holdings' restructuring. Upon approval of its prepackaged Chapter 11 restructuring plan, IWO Holdings, a company affiliated to Sprint PCS, proceeded to cancel all outstanding senior notes in exchange for 100% of the reorganized company's new common stock. IWO also cancelled 100% of the company's existing stock with no distribution or payments. As a result, the company's \$215 million outstanding credit agreement indebtedness was repaid in full, using proceeds from two note issues: the first, a \$150 million issue of senior secured floating rate notes, and the second, a \$140 million issue of senior discount notes.

And in the largest bankruptcy sale in history, Paul Weiss Rifkind Wharton & Garrison advised Time Warner on its \$17.6 billion bid with Comcast Corporation to acquire the cable properties of Adelphia Communications Corporation pursuant to Adelphia's Chapter 11 restructuring plan.

At the time of writing, Paul Weiss was providing ongoing advice to the California Public Utilities Commission on the bankruptcy of Pacific Gas & Electric.

#### Leading lawyers

Alan Kornberg  
Stephen Shimshak

#### Key contact partners

Alan Kornberg  
Jeffrey Saferstein  
Stephen Shimshak

#### Shearman & Sterling

With an ever-developing insolvency and restructuring practice, Shearman & Sterling has the capability to advise on a wide range of matters, including Section 304 ancillary proceedings, exchange offers and out-of-court proceedings. These wide-ranging credentials have seen the firm recently win a role advising a Canadian joint venture partner in relation to restructuring \$320 million-worth of debt incurred under an Alabama paper mill project financing, acting for the bank lenders to Courtyard by Marriott in the restructuring of around \$350 million-worth of debt, and providing legal advice to the official committee of unsecured creditors in relation to the Mirant Chapter 11 proceedings.

The firm is also well-versed in debtor-in-possession (DIP) financings, and recently showed its ability in this line of work by representing the DIP lender to Leslie Fay in a \$350 million financing, and acting for the agent for the DIP lenders to Crystal Brands in a \$75 million financing.

Over the past year, the firm has advised a raft of unsecured and secured creditors of troubled companies, as well as debtors. Indeed, although the firm's work tends towards the creditor side of large insolvencies and restructurings, the firm has also picked up plenty of debtor-side instructions. For example, Shearman & Sterling advised Applied Extrusion Technologies on its \$500 million Chapter 11 proceedings, and at the time of writing the firm was representing Spiegel on its Chapter 11 filing valued at \$1.5 billion. And last year, Shearman & Sterling counselled Savvis Communications on its \$155 million Chapter 11 acquisition of Cable & Wireless USA.

#### Leading lawyers

Douglas Bartner  
James Garrity  
Steven Sherman  
Frederic Sosnick

#### Key contact partners

Douglas Bartner  
James Garrity  
Frederic Sosnick

#### White & Case

White & Case has had a strong showing in the insolvency and restructuring sphere, winning roles on plenty of high-level proceedings.

The firm's international network means that in many practice areas the firm is a market leader in emerging markets work, and insolvency and restructuring is no exception. In one example, White & Case advised Mexican company Corporation Durango and its affiliates on their restructuring of around \$870 million-worth of debt, which required the firm to restructure public bond debt in excess of \$550 million, bank debt in excess of \$150 mil-

lion and additional liabilities and claims asserted under Mexico's bankruptcy laws. The firm also facilitated restructuring protection granted to foreign debtors under US Law.

Another emerging markets highlight saw the firm provide legal advice to the global committee of Argentina bondholders in relation to its negotiations with the Argentinean government over restructuring of the country's debt obligations to the committee members. Totalling more than \$150 billion, Argentina's sovereign debt is one of the largest in history; around \$1 billion-worth of debt is owed to private bondholders, \$37 billion of which is owed to White & Case's client.

White & Case also represented Deutsche Bank Trust Company as administrative agent, and JP Morgan Chase Bank as syndication and collateral agent, regarding \$609 million-worth of pre-petition debt and a \$150 million post-petition debtor-in-possession financing of the Fleming Companies. The firm is also representing Deutsche Bank Trust Company as administrative agent for the lenders in relation to two credit facilities forwarded as part of the restructuring of Atlas Air's lease and debt obligations, valued at more than \$2 billion.

Among the year's other highlights, White & Case advised the post-confirmation DCHC Liquidating Trust, set up upon the successful Chapter 11 reorganization of the estates of Doctors Community Healthcare Corporation and five debtor affiliates. The debt restructuring in this case was worth more than \$1 billion. And at the time of writing, White & Case continued to represent the Mirant Corporation and affiliated debtors on its \$10 billion-plus court-supervised restructuring, and act for the Bank of America, as agent for the Century Cable lenders, on the Adelphia Communications restructuring.

#### Leading lawyers

Howard Beltzer  
Andrew DeNatale  
G Larry Engel  
Kevin Fisher  
Thomas Lauria

#### Key contact partner

Howard Beltzer

#### Other notable firms

**Akin Gump Strauss Hauer & Feld** has a solid insolvency and restructuring practice with a focus on bondholder and creditor committees, and over the past year has handled a particularly large number of instructions from this latter group. For instance, the firm counselled the official creditors' committee in relation to Solutia's proceedings. Before this representation, Akin Gump had also advised the informal bondholders' committee on this matter. The firm also provided legal advice to the official creditors' committee of Pegasus Satellite Television and, at the time of writing, was still engaged advising the official creditors' committee in relation to the insolvencies of WorldCom and the Kaiser Aluminum Corporation.

**Bingham McCutchen** has a reputable international insolvency and restructuring practice that recently represented the public

bondholders on the insolvency of Sons of Gwalia. The Australian company, the world's largest tantalum and lithium provider, had debts of around \$250 million. The firm also represented the official Chapter 11 creditors' committee in relation to the filing by NRG Energy, an international power provider with debts of around \$10 billion. The *ad hoc* committee of private and public noteholders in the Parmalat bankruptcy also selected the firm as counsel; the collapse of Parmalat after accounting irregularities was marked as one of the largest-ever bankruptcy filings in Europe – the firm's representation alone covered more than \$6 billion-worth of debts. Bingham McCutchen also represented the *ad hoc* committee of noteholders on the Argentinean restructuring of TGS.

At **Cadwalader Wickersham & Taft**, Bruce Zirinsky remains "the firm's top guy"; peers say he is "extremely talented". However, the practice is by no means a one-person show – from among the team leading lawyers John Bae, Adam Rogoff and Barry Dichter all came in for plenty of praise from commentators. Cadwalader's recent instructions include advising the Renco Group, as parent company, on WCI Steel's Chapter 11 proceedings, and representing the Pharmacia Corporation in connection with Solutia's bankruptcy proceedings. Cadwalader also represented Pfizer in relation to the Chapter 11 reorganization of its subsidiary, the Quigley Company, in respect of which Pfizer entered into settlement agreements with claims against the two companies that amounted to \$430 million-worth of payments. Cadwalader is also a frequent adviser on the creditor side. Over the past year, for instance, it counselled the official committee of unsecured creditors on the Mirant Americas Generation bankruptcy proceedings. At the time of writing, the firm was still engaged as special bankruptcy counsel to the Enron Corporation and its affiliates in connection with its energy trading businesses as part of the Chapter 11 proceedings.

**Fried Frank Harris Shriver & Jacobson** represents a wide range of clients in relation to the formal bankruptcy proceedings and out-of-court restructurings of financially troubled companies. In this regard the firm advises corporate debtors, secured and unsecured creditors, trustees, creditor and bondholder committees and lenders. Last year, the firm represented the High Voltage Engineering Corporation and its domestic subsidiaries on their Chapter 11 restructuring. Upon confirmation of High Voltage's plan of reorganization, the company eliminated around \$170.5 million-worth of bond debt and obtained a new \$45 million senior secured credit facility.

In the past year **Simpson Thacher & Bartlett** represented Wachovia Securities as agent in relation to the \$19 billion Adelphia Communications insolvency proceedings. During the high-profile, \$7 billion asbestos-related Chapter 11 filing of Federal Mogul, meanwhile, the firm advised JP Morgan as administrative agent in relation to the fourth amended and restated credit agreement. At the date of filing the company was facing around \$2 billion of outstanding debt. JP Morgan, as agent for the pre-petition secured lenders, turned to the firm again in relation to the Chapter 11 proceedings of the Interstate Bakeries Corporation, which involved around \$650 million-worth of claims. Lastly, Simpson Thacher served as counsel to GSC Partners, Pequot

Capital and Perry Capital on \$1.6 billion-worth of liens and notes relating to Westpoint Stevens' Chapter 11 bankruptcy proceedings.

**Stroock & Stroock & Lavan's** insolvency and restructuring practice has plenty of experience advising bondholders and creditor committees on large restructurings and international insolvencies. The firm also works on resolving complex problems for financially distressed companies. In the past year, Stroock & Stroock & Lavan has represented bondholders on acquisitions of distressed companies in the out-of-court restructurings of, among others, Compass Aerospace, Pacific Aerospace, Woods Equipment and Scovill Fasteners. Past bondholder representation includes the insolvency matters of AEI Resources and WorldCom. Representation of bondholder-dominated creditors' committees, meanwhile, includes in relation to the proceedings of Advanced Lighting, Fromica and WestPoint Stevens. Stroock & Stroock & Lavan also represented the purchasers of the assets of LTV, Georgetown Steel and Burlington Industries when those companies were in trouble.

Over the past 12 months **Wilmer Cutler Pickering Hale and Dorr** represented KB Toys and 69 of its subsidiaries on its Chapter 11 filing. With about \$80 billion in asserted claims, the firm also served as debtor's counsel in the Kmart Chapter 11 proceedings. Additionally, Wilmer Cutler provided legal advice to the debtor and liquidating trustee on the \$4.4 billion Chapter 11 filing of PSINet. Over the year the firm has continued to advise Hartford Accident & Indemnity and related entities on the numerous bankruptcy proceedings filed by its insured clients; in relation to this representation, the firm counselled Hartford Accident on various settlements in the form of policy buybacks.

**Debevoise & Plimpton** has a solid insolvency and restructuring practice and continues to strengthen its capabilities after a strong showing in the market. In a matter involving complex issues of US, Brazilian and UK law, Debevoise advised Brazilian company, Globo Comunicações e Participações on its successful completion of the restructuring of around \$1.3 billion-worth of debt, and also represented Pegasus Communications, as parent company, on the Chapter 11 bankruptcy protection matter filed by Pegasus Satellite Communications. The firm also advised the institutional debtors in relation to USGen New England's bankruptcy, and in relation to the sale of a large hydroelectric facility in the New England merchant power market. At the time of writing, the firm continued to advise Pillowtex on its Chapter 11 proceedings.

**Gibson Dunn & Crutcher's** recent highlights include providing legal advice to DII Asbestos Trust, an entity set up as part of the \$2 billion debt restructuring of a Halliburton subsidiary's asbestos obligations. Gibson Dunn also represented International Power, as parent, on the restructuring of a \$900 million credit facility of its subsidiary, American National Power, and secured lender Citibank turned to the firm for advice on a \$100 million credit facility in relation to the now-defunct law firm Brobeck Phleger & Harrison. At the time of writing, Gibson Dunn was representing Solutia and its affiliates on their Chapter 11 proceedings, with a debt value in excess of \$3 billion.

**Arnold & Porter** has been advising US Airways on its Chapter 11 proceedings over the past year. The firm also represented the unsecured creditors' committee in relation to the Chapter 11 reor-

ganization of the Covanta Energy Corporation, and acted for the Texas Pacific Group when it backed the sale of Enron's Portland General Electric to the Oregon Electric Utility Company for \$2.35 billion.

Strong in many emerging markets thanks to its formidable international network, **Baker & McKenzie** represented the Bank of New York as indenture trustee on the restructuring of \$250 million-worth of bond debt issued by the Argentinean province of Mendoza.

Last year **McDermott Will & Emery** provided legal advice to Pegasus Investors on the restructuring of the outstanding indebtedness and capital stock of its portfolio company, G&G Retail Holdings, and its subsidiary. The firm also represented the Bank of New York, as indenture trustee, in relation to several bond series in the United Airlines bankruptcy case – as trustee, the Bank of New York is the largest unsecured creditor in the proceedings, which relate to around \$1.9 billion-worth of debt.

Lastly, **Orrick Herrington & Sutcliffe** represented Deutsche Bank, as creditor and standby purchaser, on a C\$850 million (\$715 million) rights offering undertaken as part of the Air Canada reorganization. And in one of the largest bankruptcies in history (with around \$13 billion debts and \$700 million of unsecured claims) the firm advised the official committee of unsecured creditors in relation to Reliance Holdings' Chapter 11 proceedings.

## Mergers and acquisitions

### Recommended firms

Tier 1

**Cravath Swaine & Moore**

**Davis Polk & Wardwell**

**Simpson Thacher & Bartlett**

**Skadden Arps Slate Meagher & Flom**

**Sullivan & Cromwell**

**Wachtell Lipton Rosen & Katz**

Tier 2

**Cleary Gottlieb Steen & Hamilton**

**Latham & Watkins**

**Shearman & Sterling**

Tier 3

**Cadwalader Wickersham & Taft**

**Debevoise & Plimpton**

**Fried Frank Harris Shriver & Jacobson**

**Gibson Dunn & Crutcher**

**Weil Gotshal & Manges**

Tier 4

**Dewey Ballantine**

**Jones Day**

**Paul Weiss Rifkind Wharton & Garrison**

Tier 5

**Baker Botts**

**Kirkland & Ellis**

**Mayer Brown Rowe & Maw**

**Vinson & Elkins**

**Willkie Farr & Gallagher**

**Wilson Sonsini Goodrich & Rosati**

## **Cravath Swaine & Moore**

Few would dispute that Cravath Swaine & Moore has one of the best mergers and acquisitions practices in the country. The firm participates in transactions on behalf of acquirer and target companies, and is particularly experienced in advising on hostile takeovers. Despite having a much smaller international network than most of its rivals (Wachtell Lipton Rosen & Katz being a notable exception), the firm manages to remain at the forefront of cross-border M&A work.

Recent deals have included working for Unilever, the food and soap products conglomerate, in relation to the \$800 million sale of its fragrance business to Coty. The firm also acted for Bristol-Myers Squibb on the sale of its subsidiary Oncology Therapeutics Network to One Equity Partners, advised the Brunswick Corporation in connection with its \$66 million acquisition of the Triton Boat Company, and counselled Ripplewood Holdings, as the lead member of an investment group, in connection with its proposed \$2.1 billion acquisition of Maytag Corporation. Transkaryotic Therapies was another client, turning to the firm for advice when it was acquired by Shire Pharmaceuticals for \$1.6 billion.

In an extremely large standout deal, Cravath served as US counsel to Royal Dutch on the \$81 billion unification of the Royal Dutch/Shell Group of companies to form one company, Royal Dutch Shell. The firm also represented the Sprint Corporation on its \$35 billion merger with Nextel Communications, and acted for IBM on its \$1.75 billion sale to Lenovo.

Among this outstanding firm's other deals of note, Johnson & Johnson selected Cravath for advice on its \$25 billion acquisition of the Guidant Corporation, and the firm acted on behalf of BAE Systems when it acquired United Defense Industries for \$4.2 billion.

Cravath's excellent reputation and practice scope has ensured the firm a broad range of the highest-profile M&A clients, including BAE Systems, Bacardi, DreamWorks and AOL Time Warner. The team houses a host of fantastic lawyers, but Scott Barshay received the most plaudits from interviewees this year.

### **Leading lawyers**

Scott Barshay  
Allen Finkelson  
Richard Hall  
Faiza Saeed  
Alan Stephenson  
Robert Townsend III

### **Key contact partners**

Allen Finkelson  
Richard Hall  
Alan Stephenson  
Robert Townsend III

## **Davis Polk & Wardwell**

Davis Polk & Wardwell continues to maintain a strong and active mergers and acquisitions practice, and gains promotion to

the top tier after a fantastic deal flow over the past year, and multiple recommendations from peers and clients. George Bason Jr and Dennis Hersch run the firm's US M&A operations.

In August 2004 a Davis Polk team headed by Hersch and Louis Goldberg advised CVS in relation to its \$2.15 billion acquisition from JC Penney of 1,260 Eckerd drugstores in the southern US states, as well as Eckerd's pharmacy benefit management business, to create the nation's largest pharmacy retailer. In January 2005, the firm advised Californian software company Oracle on its successful \$10.3 billion hostile takeover of rival software company PeopleSoft. Other pending deals include acting for Gillette on its proposed \$57 billion acquisition by Procter & Gamble, and acting for Virginian long-distance communications provider MCI on its \$6.7 billion acquisition by New York competitor Verizon.

While Pennsylvania cable television operator Adelphia Communications was operating under Chapter 11 bankruptcy protection, Davis Polk advised it on the \$17.6 billion proposed joint acquisition with Time Warner Cable. The Robert Mondavi Corporation turned to the firm for advice in relation to its \$1.3 billion unsolicited acquisition by Constellation Brands, and the firm represented CNOOC on its proposal to acquire the Unocal Corporation for \$18 billion, following ChevronTexaco's agreement to acquire Unocal for a mix of stock and cash. In a high-profile cross-border transaction, Davis Polk advised Goldman Sachs on its sale of shares in Ping An Insurance Company of China to HSBC Insurance Holdings for HK\$4.4 billion (\$565 million).

At the time of writing, Davis Polk & Wardwell was serving as counsel to JP Morgan, as financial adviser to Neiman Marcus' board of directors, in connection with the \$5 billion acquisition of the company by an investment group consisting of Texas Pacific Group and Warburg Pincus. The firm was also acting for the Liberty Corporation on its merger with Raycom Media. Liberty is a broadcasting firm based in South Carolina that owns and operates 15 network-affiliated television stations, while Raycom is based in Alabama and owns 37 television stations. The deal will involve Raycom paying a cash consideration of \$47.35 per share for Liberty's common stock, and will also mean that Raycom will assume around \$110 million-worth of Liberty's debt, reflecting a total enterprise value of about \$987 million. The deal was being overseen by Hersch, who was being assisted by associates Nicolas McKee, Wilfred Pereira and Himanshu Singh.

### **Leading lawyers**

George Bason Jr  
Peter Douglas  
John Ettinger  
Arthur Golden  
Dennis Hersch  
Diane Kerr  
Phillip Mills  
Joseph Rinaldi  
Carole Schiffman

**Key contact partners**

George Bason Jr  
Francis Currie  
Dennis Hersch  
William Kelly

**Simpson Thacher & Bartlett**

Simpson Thacher & Bartlett is a firm that enjoys consistent stature in the mergers and acquisitions market, and the practice, led by the esteemed Charles “Casey” Cogut, has once again had a tremendous year. The firm has a staff of more than 40 corporate partners, most of which play an integral role in the firm’s admired M&A practice, as do the practice’s 95 associates. Practitioners from other practice areas are routinely called upon to assist in certain aspects of the firm’s many M&A instructions, which form a large portion of the firm’s output. One peer could not have put it more succinctly when he described Simpson Thacher as “a truly wonderful M&A firm.”

Recent sample deals have included representing technology company Veritas Software, which came to the firm for advice in relation to its \$13.5 billion merger with the Symantec Corporation. K-Mart Holdings Corporation turned to the firm for guidance on its acquisition of Sears Roebuck & Company for \$11 billion. In March 2005 Lee Meyerson spearheaded a team that acted for the Toronto-Dominion Bank in relation to its \$3.8 billion business combination with the BankNorth Group, and, keeping his hand well and truly in the transactional side of the business as well as the management side, Casey Cogut led from the front on the firm’s representation of the Adolph Coors Company on its \$6 billion merger with Molson, which closed in February 2005.

The firm has a wide range of international and domestic clients to which it provides top-drawer advice on the largest and most complex M&A transactions. The list of deals is as long as it is impressive, and a short tour of recent standout instructions deals brings to light clients such as JP Morgan Chase, which the firm advised on a \$58 billion stock merger with Bank One, UFJ Holdings, which required advice over a \$29.2 billion cash and stock merger with the Mitsubishi Tokyo Financial Group, WellPoint Health Networks, which sought guidance over a \$16.4 billion cash and stock merger with Anthem, and Travelers Property Casualty, which requested Simpson Thacher’s services in relation to its \$16 billion stock merger with St Paul’s Companies.

As well as this, Simpson Thacher acted for the Manulife Financial Corporation when it selected the firm to advise on its \$11 billion stock merger with John Hancock Financial Services, and guided America Online when it found itself embroiled in an \$8.25 billion recapitalization of Bertelsmann’s joint ventures in European and Australian joint ventures. And, while private equity instructions are covered more comprehensively elsewhere in this editorial, two high-profile deals that do warrant a mention here were the firm’s representation of Toys R Us when it turned to the firm for advice in relation to its \$6.6 billion leveraged buyout (LBO) and acquisition by a consortium including Kohlberg Kravis Roberts and Bain Capital, and its

representation of the Blackstone Group and Kohlberg Kravis Roberts on their \$11.3 billion LBO of Sungard Data Systems.

**Leading lawyers**

Richard Beattie  
Charles “Casey” Cogut  
William Dougherty  
John Finley  
Gary Horowitz  
Alan Klein  
Lee Meyerson  
David Sorkin  
Robert Spatt

**Key contact partners**

Charles “Casey” Cogut  
John Finley  
Lee Meyerson

**Skadden Arps Slate Meagher & Flom**

Franklin Gittes oversees operations at Skadden’s “wonderful” M&A practice, which “commands a tremendous amount of respect” among peers. The size of the firm’s practice – and not to mention the quality of the lawyers therein – allows Skadden to offer clients the full range of M&A advice. This is reflected in the broad range of domestic and financial institutions – especially public companies – that see Skadden as their first port of call.

Recent work has seen Skadden advising Californian internet search engine Yahoo! as it searched for a long-term alliance with a comparable Chinese entity. The result of this has been Yahoo!’s acquisition of a 40% interest in Alibaba.com for an estimated \$4 billion, an exclusive partnership arrangement that is the first of its kind to involve a Chinese communications entity. The plan is to grow the Yahoo! brand in China, creating the country’s largest internet company.

At the time of writing, the firm was also representing Merrill Lynch, in its capacity as financial advisor to sporting goods and clothing producer Adidas-Salomon. Merrill Lynch came to the firm for advice on Adidas-Salomon’s plan to acquire Massachusetts rival company Reebok International for around \$3.8 billion. The deal will involve the melding of the businesses of the second-largest sporting goods provider in the world (Adidas) with the third-largest (Reebok) and will undoubtedly create an entity with a market-leading and far-reaching presence.

Over the past year Skadden advised Caesars Entertainment on its acquisition by Harrah’s Entertainment for \$9.4 billion, represented the Guidant Corporation in relation to its \$25 billion acquisition by Johnson & Johnson, and advised May Department Stores when it was bought for \$17 billion by the Federated Department Stores. Skadden also represented Minnesota’s Metris Companies, an issuer of unsecured and co-branded credit cards, on its \$1.6 billion acquisition by Illinois’ HSBC Finance Corporation, and guided Fisher Scientific International through its \$3.7 billion merger with Apogent Technologies.

In the banking sector, meanwhile, Skadden represented SunTrust Banks on its \$7 billion acquisition of the National Commerce Financial Corporation, while on the \$6.3 billion acquisition of the GreenPoint Financial Corporation, the firm advised the acquirer, North Fork Bank.

Among the firm's most recent instructions, Skadden represented Duke Energy in relation to its \$9.1 billion acquisition of the Cinergy Corporation, and provided advice to both parties on the regulatory aspects of the deal, acted for the Alltel Corporation on its acquisition of Western Wireless for an estimated \$6 billion, and advised the News Corporation in connection with its acquisition of all of the outstanding shares of class A common stock of the Fox Entertainment Group that it does not already own, for a reported \$5.9 billion.

#### **Leading lawyers**

Roger Aaron  
Peter Atkins  
Kenneth Bialkin  
Eric Cochran  
Howard Ellin  
Joseph Flom  
Thomas Kennedy  
Kenton King  
Lou Kling  
Morris Kramer

#### **Key contact partners**

Roger Aaron  
Peter Allan Atkins  
Franklin Gittes

#### **Sullivan & Cromwell**

Sullivan & Cromwell continues to maintain its reputation as an impressive mergers and acquisitions firm, providing sophisticated advice on highly complex deals. The firm's M&A partners have developed a superb reputation for the level of corporate advice that they provide, and this reputation, combined with roles on many high-profile deals, has gained the firm promotion into the top tier this year. James Morphy oversees a talented team of 26 partners and 46 associates. The firm's M&A operation as a whole came in for much praise from clients; one said that "they work seamlessly across their offices ... they coordinate very well and they have a uniformity of excellence at all levels, providing excellent service and adding value."

As one would expect from a practice of this calibre, Sullivan & Cromwell's visibility on the country's biggest deals has been unquestionable. Going by statistics alone, according to a survey conducted by Bloomberg, Sullivan & Cromwell took the top spot as adviser to principal players in M&A transactions globally in 2004 and the first quarter of 2005, while in terms of US-dollar volume, the US practice has advised the target or acquiror on \$248.7 billion-worth of deals – again, more than any other firm. Among the big-ticket mandates, the firm acted for General Growth Properties in relation to its \$12.6 billion acquisition of the Rouse Company, Stephen Kotran and H Rodgin

Cohen advised Anthem on its acquisition of WellPoint Health Networks for \$16.4 billion, and the firm represented JP Morgan Chase's board of directors when the leading investment bank acquired Bank One for \$58 billion.

The firm has also played a key role in plenty of large deals in the communications and media sector. To take just two notable examples, Benjamin Stapleton and John O'Brien stepped up to the plate to advise SBC Communications on its \$22 billion acquisition of the AT&T Corporation, and Adelphia Communications was the recipient of expert guidance from Sullivan & Cromwell partners Neil Anderson and Alexandra Korry in relation to its \$17.6 billion sale to Time Warner and the Comcast Corporation.

Among the year's many other highlights, Sullivan & Cromwell advised Archipelago Holdings on its \$4 billion merger with the New York Stock Exchange, acted as counsel to Lehman Brothers and Citigroup Global in their capacity as financial advisors to the \$35 billion Nextel Communications merger, represented the Wachovia Corporation on its \$14 billion acquisition of SouthTrust (another deal handled by H Rodgin Cohen, with help from Mitchell Eitel), and served as counsel to satellite services provider Intelsat in relation to its \$5 billion merger with Zeus.

Sullivan also scores highly in the increasingly active and lucrative Latin American market, and its dedicated Latin American practice has been busy over the past 12 months. Headed by Sergio Galvis in New York, the practice comprises more than 50 lawyers, 20 of whom are fluent Portuguese or Spanish speakers. Following on from the merger in early 2004 between Interbrew with AmBev (which created the world's largest brewing company), Sullivan & Cromwell continued to represent Interbrew in relation to its \$1.2 billion acquisition of a 30% interest in Mexico's Femsa Cerveza by Fomento Economico Mexicano, and represented Camargo Corrêa on its \$1 billion acquisition of Loma Negra and its subsidiaries. At the time of writing, deals still pending included Bancolombia's \$1 billion merger with Corp Nacional de Ahorro y Vivienda and Corfinsura, on which Galvis is advising Bancolombia, and Sumitomo Metal Mining's acquisition (along with Japan's Sumitomo Corporation) of a stake in Peru's Sociedad Minera Cerro Verde, on which Galvis is again leading the team, acting for Sumitomo Metal Mining.

#### **Leading lawyers**

Francis Aquila  
H Rodgin Cohen  
Joseph Frumkin  
James Morphy  
Benjamin Stapleton III

#### **Key contact partners**

Sergio Galvis  
James Morphy  
Alison Ressler  
Benjamin Stapleton III

### **Wachtell Lipton Rosen & Katz**

There are 27 M&A partners at Wachtell Lipton Rosen & Katz, a firm that continues to maintain its reputation as a top mergers and acquisitions firm, and that participates in complex transactions. Among the partners is Martin Lipton, a founding partner of the firm and, in the words of one client, “a legend”. Lipton has vast experience and specializes in advising large corporations on mergers and acquisitions and matters affecting corporate policy and strategy. He has also written and lectured on these issues, and is one of the US corporate legal world’s best-known personalities.

This past year has been another uniformly excellent one for the firm. In two representations of targets, the firm advised telecommunications company AT&T on its \$23 billion acquisition by SBC Communications, and acted for the Unocal Corporation when ChevronTexaco acquired it for \$18 billion. Other such instructions came from the Cinergy Corporation in relation to its \$9 billion acquisition by the Duke Energy Corporation, the Providian Financial Corporation on its acquisition by Washington Mutual for \$6.5 billion and the Western Wireless Corporation when it was bought by Alltel for \$6 billion in January 2005.

In an unprecedented transaction, the firm provided legal advice to the New York Stock Exchange (NYSE) on its \$4 billion merger with Archipelago Holdings. After more than 200 years of being a private entity, after the merger the NYSE will be a public corporation. Other merger work saw the firm act for The Valero Energy Corporation in relation to its \$8 billion merger with Premcor in April 2005, advise BCG Partners on its cash merger with the Maxcor Financial Group, represent Sear Roebuck in relation to its \$12.3 billion merger with Kmart in December 2004, and guide the Banknorth Group through its \$3.8 billion merger with TD Bank Financial Group in August 2004.

However, it is in advising acquirers on takeovers – particularly hostile ones – that Wachtell really comes into its own. In one standout deal of 2004, the firm acted as US counsel to Sanofi-Synthelabo in relation to its mix-and-match takeover of Aventis, which at €57 billion (\$71.4 billion) was the largest acquisition by value in Europe in 2004. After rejecting Sanofi’s initial offer, Aventis launched a defence never before seen in France – a warrant connected to a pending US patent ruling on Plavix, Sanofi’s leading product. If the ruling went against Sanofi and it lost its Plavix patent (thus damaging its share price), under the terms of the warrant, former Aventis shareholders would be issued with new shares in a subsidiary, Aventis shares in Sanofi would be diluted, and the former Aventis shareholders would be less exposed. Aventis only accepted Sanofi’s advances once its offer had been increased by 14%. This highly complex deal was the winner of *IFLR*’s European M&A deal of the year for 2004.

Among Wachtell’s other buyer-side acquisition instructions, in 2004 the firm acted for Apollo Management on its acquisition of AMC Entertainment for \$2 billion, and advised ConocoPhillips on its \$2.4 billion cash acquisition of LukOil. The flow of deals has continued in 2005, with instructions from

Novartis on its \$2.7 billion acquisition of Eon Labs, BHP Billiton in relation to its \$7.3 billion purchase of WMC Resources, and the InterActive Corporation on its \$1.85 billion acquisition of internet search company Ask Jeeves.

#### **Leading lawyers**

Andrew Brownstein  
Edward Herlihy  
Richard Katcher  
David Katz  
Martin Lipton  
Daniel Neff  
Andrew Nussbaum  
Pamela Seymon  
Craig Wasserman

#### **Key contact partners**

Daniel Neff  
Patricia Vlahakis

### **Cleary Gottlieb Steen & Hamilton**

Cleary Gottlieb Steen & Hamilton continues to be a leading player in the mergers and acquisitions market, and over the past year has further developed its expertise participating on both sides of complex domestic and international transactions. Victor Lewkow and Daniel Sternberg run the team from New York, and the firm has additional presence in its Washington DC office in the shape of three partners and 12 associates. One peer noted that Cleary Gottlieb “does very good work,” while another stated that if his own firm were conflicted out of a deal, he would “think of Cleary first.”

Cleary’s specialty is in advising on mergers and acquisitions in the banking sector, and over the past 12 months it has done so with impressive frequency. In one landmark transaction, Cleary represented the Bank of America in connection with its \$3 billion investment in China Construction Bank (CCB). Operating some 14,500 domestic branches, CCB is one of the largest banks in China, and the transaction marked not only the largest investment ever seen in a Chinese company, but also the first strategic investment in one of China’s big four state-owned banks. Under the terms of the deal, Bank of America will acquire around a 9% stake in CCB and will be granted a 5-year option to increase this stake to 19.9% for an aggregate purchase price of \$2.5 billion. Bank of America has also committed to invest \$500 million in an initial public offering by CCB.

The firm also took part in what was, at the time of writing, 2005’s second-largest US deal: the Bank of America Corporation’s acquisition of the MBNA Corporation. The deal, valued at \$35 billion, brought together the largest domestic bank in the US with a leading provider of payment facilities and credit cards. Another banking sector instruction came from Citibank, which required advice from Cleary in relation to a \$1.38 billion term loan to subsidiaries of the Techint Group, the global steel, energy, engineering and health conglomerate, to fund that firm’s acquisition of Mexican steel producer

Hylsamex. A further banking sector deal came in the form of BNP Paribas's acquisition of FundQuest Incorporated.

Of course, Cleary has also been active outside the banking world. In July 2004 practice co-head Lewkow led a team that advised Kroll when it acquired Marsh & McLennan for \$1.9 billion, the firm provided legal advice to the American Express Company on its \$11 billion spin-off to shareholders of its American Express Financial Advisors unit, and PeopleSoft turned to the firm for advice when it was sold for \$10.3 billion (a 65% increase on the original price) after a hostile tender offer from Oracle. In the media sector, meanwhile, Cleary acted for Goldman Sachs in its capacity as financial advisor to Knight-Ridder in relation to the sale of its Detroit area newspaper interests (the Detroit Free Press and its partnership interest in the Detroit Newspaper Agency) to Gannett.

Far from being merely a satellite of the firm's New York office, Cleary's Washington DC office handles plenty of M&A deals for the firm too. In May 2004 John Byam led a team that acted for DSM Food Specialties in relation to its joint venture with Martek Biosciences, and in December 2004 the firm closed two deals, acting for Citigroup Financial Products on its acquisition of Knight Financial Products and, right before the Christmas break, advising The Texas Pacific Group when it acquired the Celerity Group.

#### **Leading lawyers**

Ethan Klingsberg  
Victor Lewkow  
Paul Shim  
Daniel Sternberg

#### **Key contact partners**

Victor Lewkow  
Daniel Sternberg

#### **Latham & Watkins**

Latham & Watkins gains promotion to the second tier this year after notching up an excellent performance in the M&A market. The practice, which is headed by Peter Kerman, was given a boost this year by the recruitment of Barry Bryer, who joined the firm from Wachtell Lipton Rosen & Katz. Further appointments followed, including Thomas Forschbach, Nathalie Alibert and Gaeten Gianasso who arrived at the firm from Ashurst as partners, and Faye Russell, who recently moved from Clifford Chance to become the managing partner of the firm's San Diego office. These personnel changes now mean that the count of lawyers working on M&A in the US stands at 60 partners and 145 associates.

In one landmark deal to reach the market in the past year, Latham & Watkins represented Harrah's Entertainment on its \$9.4 billion acquisition of Caesars Entertainment. The transaction was one of the largest deals in the history of the gaming industry. The firm showed its emerging markets credentials, meanwhile, by representing the special committee of the Southern Peru Copper Corporation on its \$4.3 billion stock-for-stock acquisition of Minera Mexico, an indirect subsidiary

of Grupo Mexico. Chuck Nathan led the Latham team on the deal.

Latham & Watkins also represented Metro-Goldwyn-Mayer on its \$5 billion acquisition by a consortium led by Sony Corporation of America, and Singapore Power selected the firm to advise it when it acquired TXU Australia for \$3.7 billion; the complexity of the acquisition prompted Latham to field an 11-lawyer team on the deal. In another highlight, Latham & Watkins served as lead regulatory counsel to the DirecTV Group on the \$3.4 billion sale of its controlling stake in the PanAmSat Corporation to a consortium of private equity firms.

#### **Leading lawyers**

Barry Bryer  
Ronald Hopkinson  
Christopher Kaufman  
Peter Kerman  
Charles Nathan  
David Schwartzbaum  
Edward Sonnenschein Jr  
Erica Steinberger  
Paul Tosetti

#### **Key contact partners**

Thomas Forschbach  
Mark Gerstein  
Charles Nathan

#### **Shearman & Sterling**

Shearman & Sterling has a highly regarded mergers and acquisitions practice, which has fared well despite the recent loss of senior partner (and corporate specialist) David Heleniak, who left the firm to join Morgan Stanley as vice-chairman. Peter Lyons heads up the M&A practice, and he is supported by 12 other partners and 44 associates.

In one of the largest deals of the year globally, partners Jeffrey Lawrence, John Marzulli and Peter Rooney led Shearman's advice to the Mittal Steel Company on its acquisition of LNM Holdings (which closed in December 2004) and merger with the International Steel Group a few months later in April 2005, the two deals together worth \$26.5 billion. Shearman & Sterling also represented the Siemens Corporation on its \$1.9 billion acquisition of the water systems and services division of the United States Filter Corporation and, in a related transaction, advised Siemens Medical Solutions USA on its tender offer for the outstanding shares and the subsequent acquisition of the remaining shares of CTI Molecular Imaging.

A further deal saw the firm advise the Cayman Islands branch of Credit Suisse, in its capacity as sole bookrunner and lead arranger on Spectrum Equity Partners' acquisition of Los Angeles media and publishing company Canon Communications. Active Health Management also turned to the firm for advice on its acquisition by Aetna for \$400 million; Active Health is a medical data analysis and management company that Aetna now plans to manage as an independent business entity. Staying in the healthcare sector, Shearman advised

Bank of America Securities when Amide Holdings was acquired by the Actavis Group for \$500 million in cash. This cross-border acquisition had the effect of combining generics companies in Europe and the US, giving each company the potential to release drugs into the other's market.

Among the year's other highlights, Shearman & Sterling provided legal advice to Viacom on the \$2 billion sale of its 81.5% interest in Blockbuster as part of its split-off exchange offer, acted for SunGard Data Systems on its \$11.3 billion acquisition by a consortium of private equity firms, and guided ST Assembly Test Services through its \$1.6 billion acquisition of ChipPac.

#### Leading lawyers

Creighton Condon  
Peter Lyons  
John Madden  
John Marzulli Jr  
Clare O'Brien

#### Key contact partners

Creighton Condon  
Peter Lyons  
John Madden

#### Cadwalader Wickersham & Taft

Cadwalader Wickersham & Taft has enjoyed another active year in the M&A market. Louis Bevilacqua leads the 11-partner, eight-counsel, 23-associate practice, but in the eyes of the market the most prominent deal lawyer is without doubt Dennis Block, who one peer noted to be "extremely effective with clients" when it comes to completing transactions. Past comments from the occasional nay-saying peer suggested that the firm lacked depth underneath Block – but if there ever was any truth in this, it is certainly not the case now. Over the past year Cadwalader has, in the words of one rival, "really beefed up," going on something of an aggressive recruitment drive at the senior level. With the addition of partners Mark Roppel from Shearman & Sterling in April 2005 and Kevin O'Mara from Clifford Chance in June, the firm is well placed to be a serious contender on the market's biggest and most complex deals, and moves up the rankings accordingly.

In what was probably its standout deal of the year, Block led a Cadwalader team that represented Proctor & Gamble in relation to its \$57 billion acquisition of the Gillette Company, to create the world's largest consumer products conglomerate. Bear Stearns and Bank of America turned to the firm for advice as financial advisors in relation to the \$3.1 billion acquisition of Extended Stay America by the Blackstone Group, and the firm also represented DPL on the \$754 million sale of its subsidiaries to AlpInvest/Lexington 2005. Lastly, Bevilacqua led a team that acted for Klesch & Co in relation to Jordan & Co's purchase of Transamerica Maritime Containers.

#### Leading lawyers

Louis Bevilacqua  
Dennis Block

#### Key contact partners

Louis Bevilacqua  
Dennis Block  
William Mills

#### Debevoise & Plimpton

Debevoise & Plimpton moves up the rankings this year after a strong performance and upon the recommendation of peers, one of whom commented that the firm "does better deals than [last year's] ranking shows." The M&A practice, which has a reputation for its "extremely good technical lawyers and very nice guys," is large – 23 partners and 100 associates handle M&A matters for the firm – and is headed by Paul Bird and Jeffrey Rosen. Although "great guy" Meredith Brown retired last year, the practice retains plenty of top-drawer lawyers. Among these, Paul Bird and John Vasily were picked out by one client as "leaders in their area who provide practical advice ... they are able to take extremely complex matters and make them easier to understand for the business people to make judgments."

In a \$3.5 billion deal, Debevoise & Plimpton advised the special committee of the board of directors of a leading international provider of video, voice, and broadband internet services, UnitedGlobalCom, in connection with its agreement to merge with Liberty Media International, the largest cable television operator outside the US in terms of video subscribers, to form Liberty Global. The new entity will be one of the largest owners and operators of broadband communications systems outside the US.

In the communications sector, Debevoise acted for Verizon Communications, one of the world's leading providers of communications services, in relation to its agreement to acquire MCI, another global communications provider for equity and cash worth a total of \$7.5 billion. And in the entertainment sector, the firm guided General Electric and NBC through NBC's \$14 billion merger with Vivendi Universal Entertainment, a subsidiary of Vivendi Universal. After the acquisition, which closed in May 2004, General Electric (NBC's parent) owned 80% of the new company, NBC Universal, while Vivendi Universal Entertainment's shareholders owned the remaining 20%. NBC Universal had an estimated value of \$43 billion.

And in July 2004, the firm represented AXA Financial when it bought the Mony Group for an estimated \$1.5 billion. The acquisition increased AXA Financial's retail insurance and annuity distribution reach by almost 25% in high-growth geographic markets.

#### Leading lawyers

Paul Bird  
Wolcott Dunham Jr  
William Regner  
Kevin Schmidt  
John Vasily

#### Key contact partners

Paul Bird  
Jeffrey Rosen

### **Fried Frank Harris Shriver & Jacobson**

Fried Frank Harris Shriver & Jacobson has a solid mergers and acquisitions practice and continues to be an active participant on big-ticket domestic and international transactions. The senior partner overseeing the practice is Arthur Fleischer Jr, a resident in the New York office who, as well as his transactional and practice management duties, has written extensively on corporate law matters. The firm has M&A capabilities in three main US financial centres (New York, Washington DC and Los Angeles), giving it access to a widespread client base, and the firm has been noted for “doing really good work.”

Over the course of the year, Fried Frank Harris Shriver & Jacobson provided legal advice to the Rouse Company when it was acquired by General Growth Properties Inc for \$12.6 billion, and acted on behalf of Goldman Sachs in its capacity as financial adviser to Johnson & Johnson when it acquired the Guidant Corporation for \$25 billion. On the \$5 billion acquisition of Metro-Goldwyn-Mayer (MGM), meanwhile, the firm represented the Tracinda Corporation/Kirk Kerkorian as controlling stockholders of MGM, and it also served as counsel to the special committee of Cox Communications in relation to its \$8 billion acquisition by the company’s majority stockholder.

Fried Frank has developed a seasoned reputation for advising large international and domestic firms on highly complex mergers and acquisitions. A sample of the firm’s deal history reveals that it has advised the Chevron Group in relation to its \$42 billion acquisition of Texaco, counselled BellSouth as one of Cingular’s parent companies (with SBC Communications) on Cingular’s \$41 billion acquisition of AT&T Wireless, and represented Goldman Sachs in relation to several deals, including the \$23 billion acquisition of American General Corp and the \$16 billion merger between Travelers Property Casualty and St Paul Companies, in which Goldman acted as financial adviser.

Further M&A clients include the Rouse Company, the Procter & Gamble Company, MGM Mirage and Salomon Smith Barney.

#### **Leading lawyers**

Arthur Fleischer Jr  
Peter Golden  
Stuart Katz  
Sanford Krieger  
William Reindel

#### **Key contact partners**

Jonathan Adler  
Philip Richter  
Warren de Wied

### **Gibson Dunn & Crutcher**

Gibson Dunn & Crutcher has a diverse mergers and acquisitions practice, which has continued to develop over the past year under the leadership of partner Dennis Friedman, who was noted to have “a very strong following among the investment banking community.” In September 2004 partner numbers

were boosted when M&A expert Ruth Fisher joined the practice from Munger Tolles.

Among Gibson Dunn’s recent highlights, in January 2005 Douglas Smith led a team that represented PeopleSoft on the hostile cash offer and subsequent merger agreement reached with Oracle for \$10.3 billion, and in August 2004 PanAmSat turned to the firm for advice on its \$3.5 billion auction sale by majority shareholder DirecTV to Kohlberg Kravis Roberts.

In May 2004 a Gibson Dunn team led by Steven Shoemate acted for GE Capital Commercial Finance when it acquired \$2 billion-worth of secured loans, financings and leases of various kinds of equipment from Boeing Capital. In July 2004, Barbara Becker spearheaded the firm’s advice to Goldman Sachs in its capacity as financial advisor to Target when Target sold the Marshall Fields department store chain and selected real estate assets to May Department Stores for \$3.2 billion. And Gibson Dunn was CTF Holdings’ firm of choice when it required guidance on its \$1.45 billion sale of 32 hotels to Sunstone Hotel Investors, Walton Street Capital and Marriott International.

The M&A practice has provided advice to a wealth of domestic and international clients, including Cadence Design Systems, Computer Sciences, CRH, Del Monte, Fiber Mark, Focus Digital, GE Medical, Intel, Nortel Networks, Northrop Grumman, Schlumberger, Siemens and Tyco.

#### **Leading lawyers**

Howard Adler  
Andrew Bogen  
Dennis Friedman  
Stephen Glover  
Michael Greaney  
Bruce Meyer  
John Olson  
Douglas Smith

#### **Key contact partners**

Dennis Friedman  
Jonathan Layne  
Richard Russo

### **Weil Gotshal & Manges**

At Weil Gotshal & Manges, partner Thomas Roberts received the most plaudits from the market, one peer describing him as “an excellent lawyer.” The firm has put in a solid performance over the past year, and the firm’s extensive national office network (covering New York, Austin, Boston, Dallas, Houston, Miami, Providence, Silicon Valley, Washington DC and Wilmington) means that it enjoys an enviable level of access to domestic clients across the US. Roberts co-heads the practice along with “extremely capable” Fred Green, and the practice’s numbers now stand at 46 partners and 125 associates following the hire of new partners Gil Friedlander and E Norman Veasey.

In February 2005, Howard Chatzinoff led a Weil team that acted for brewing company Molson on its \$6.7 billion merger with rival brewer Coors, and co-head Roberts was at the helm when the Great Lakes Chemical Corporation selected the firm

to advise on its \$1.8 billion merger with the Crompton Corporation. Weil also acted on behalf of the DirecTV Group in relation to the \$3.5 billion acquisition of its subsidiary, PanAmSat, by Kohlberg Kravis Roberts (KKR), under which KKR also assumed \$750 million-worth of PanAmSat's liabilities. And the firm represented Blockbuster on its unsolicited \$1.3 billion offer to acquire Hollywood Entertainment, although the offer was withdrawn.

Just before going to press, the firm advised the Whirlpool Corporation in connection with its takeover of Maytag. The two companies signed the agreement to merge at the end of August 2005, in a deal valued at \$2.7 billion; the merger comprises a mix of cash and stock.

#### Leading lawyers

Howard Chatzinoff  
 Stephen Dannhauser  
 Frederick Green  
 Robert Lang  
 Akiko Mikumo  
 Ellen Odoner  
 Thomas Roberts

#### Key contact partners

Howard Chatzinoff  
 Frederick Green  
 Akiko Mikumo  
 Thomas Roberts

#### Other notable firms

**Dewey Ballantine** is considered by peers and clients to have a solid mergers and acquisitions operation that is especially visible advising the financial advisors in large M&A deals. From among the team, partner Morton Pierce was described as "the number one guy" and "a very good businessman." Over the past year, the firm represented Sony when it teamed up with Comcast and their equity partners to acquire Metro-Goldwyn-Mayer for \$5 billion, and acted for LifePoint Hospitals when it agreed to acquire the Province Healthcare Company for \$1.7 billion. Dewey Ballantine also acted on behalf of Omnicare in relation to its \$1.5 billion unsolicited bid to acquire all of the outstanding shares of NeighborCare, and represented the Mony Group on its \$2.3 billion acquisition by AXA Financial.

**Jones Day** has continued to strengthen its domestic and international mergers and acquisitions team over the past year. In terms of volume alone it is tough to beat; indeed, one peer described the firm as "a very good mid-market firm with a huge deal volume." Among the highlights, the firm advised Nextel Communications on its \$35 billion merger with Sprint Corporation, and in one of the largest retail transactions to date, represented Federated Department Stores (FDS) on its \$17 billion acquisition of The May Department Stores Company, to establish FDS as a \$30 billion national retailer. The firm also acted for the International Steel Group on its \$4.5 billion acquisition by Ispat International, to create the world's largest steel company.

**Paul Weiss Rifkind Wharton & Garrison's** recent highlights included representing the EnCana Corporation, Canada's largest independent oil and gas company, on its \$2.7 billion merger with Tom Brown, and acting for Time Warner and its subsidiary, Time Warner Cable, in connection with their \$12.7 billion acquisition (with Comcast) of Adelphia Communications. Several rivals have noted that Paul Weiss is "one to watch," and it will be interesting to chart the firm's progress over the coming year.

Over the course of this year, oil and energy specialist **Baker Botts** acted for the Exelon Corporation in relation to its \$26 billion acquisition of the Public Service Enterprise Group, represented CenterPoint Energy on the \$3.7 billion sale of TexasGenco to GC Power Acquisition, and provided legal advice to Evergreen Resources when it was sold to the Pioneer Natural Resources Company for \$2.1 billion. And in one stand-out deal, the Liberty Media Corporation turned to the firm for advice in relation to the spin-off of its 100% interest in Ascent Media and 50% interest in Discovery Communications, to form the Discovery Holding Company. In relation to this transaction, the firm also represented Liberty Media on its \$3.7 billion acquisition of 47% of the outstanding shares of UnitedGlobalCom.

Highlights of **Kirkland & Ellis'** year include representing the Coors Brewing Company on its \$4 billion merger with Molson, and advising Forstmann Little & Company on its \$1.6 billion acquisition of 24 Hour Fitness Worldwide. Meanwhile, instructions from financial advisors came from Peter J Solomon, which turned to the firm for advice in relation to the \$17 billion acquisition of May Stores by Federated Department Stores, and from Houlihan Lokey Howard & Zukin, which selected the firm to advise it on Pernod Ricard and Fortune Brands' \$14 billion acquisition of Allied Domecq.

Over the past year **Mayer Brown Rowe & Maw** represented the BellSouth Corporation on the \$5.9 billion sale of its Latin American subsidiaries in 10 countries to Telefonica Moviles, and advised Cargill on the combination of Cargill Crop Nutrition and IMC Global to create a new publicly traded company with \$5.4 billion in total assets and a combined revenue of \$4.1 billion.

**Willkie Farr & Gallagher** has had an active year, the highlight of which saw it represent MidAmerican Energy Holdings on its agreement to acquire PacifiCorp from ScottishPower for \$9.4 billion. The transaction involved the \$5.1 billion cash purchase of all of PacifiCorp's common stock, and a further \$4.3 billion-worth of net debt and preferred stock. The firm also represented Adelphia Communications in relation to its acquisition agreement with Time Warner and Comcast Corporation, and provided legal advice to Intelsat when Zeus Holdings acquired it for \$3 billion. On the target side, Willkie Farr also represented Eon Labs, an affiliate of Germany's Hexal, when Novartis acquired both companies for \$8.4 billion.

Lastly, **Wilson Sonsini Goodrich & Rosati** is a good choice for targets seeking advice. For example, over the past year the firm provided advice to VISX on its \$1.2 billion

acquisition, represented Angiosyn on its \$527 million acquisition by Pfizer, and represented BrightMail when it was bought by Symantec for \$370 million. On the acquirer side, meanwhile, Juniper Networks turned to the firm for advice when it acquired Netscreen Technologies for \$4 billion. Jeff Saper is generally considered to be the firm's top M&A lawyer.

## Private equity – transactions

### Recommended firms

Tier 1

**Debevoise & Plimpton**

**Kirkland & Ellis**

**Simpson Thacher & Bartlett**

Tier 2

**Davis Polk & Wardwell**

**Latham & Watkins**

**Skadden Arps Slate Meagher & Flom**

**Weil Gotshal & Manges**

Tier 3

**Fried Frank Harris Shriver & Jacobson**

**Gibson Dunn & Crutcher**

**Ropes & Gray**

**Schulte Roth & Zabel**

**Wachtell Lipton Rosen & Katz**

**Willkie Farr & Gallagher**

## Private equity – fund formation

### Recommended firms

Tier 1

**Debevoise & Plimpton**

**Simpson Thacher & Bartlett**

Tier 2

**Kirkland & Ellis**

**Ropes & Gray**

**Weil Gotshal & Manges**

Tier 3

**Akin Gump Strauss Hauer & Feld**

**Davis Polk & Wardwell**

**Gibson Dunn & Crutcher**

**Latham & Watkins**

**Schulte Roth & Zabel**

### Davis Polk & Wardwell

Davis Polk & Wardwell's US private equity practice is spread across three offices, in New York, Washington DC, and Menlo Park, California, and is traditionally stronger on the transactional side of the private equity market.

The Menlo Park office is run by Alan Denenberg and William Kelly, and it operates a highly respected private equity practice. Denenberg and John Amorosi recently advised California's NPTest, a big player in the semiconductor production market, in relation to its \$660 million merger with a

subsidiary of Credence Systems, a Californian producer of automatic test equipment and related software used during the design, validation and manufacturing stages of semiconductor production.

The firm has advised Francisco Partners – a Californian technology-focused buyout fund – on a number of deals. The first of these was its \$95.2 million sale of XcelleNet, a Georgian provider of device management software, to Sybase, a Californian provider of enterprise infrastructure and mobile software; Davis Polk lawyers David Ferguson and Kelly ran the deal. The second of these deals – Francisco Partners' \$50 million investment in Office Tiger, the business process outsourcing services company operating mainly out of India – also benefited from Kelly's expert guidance. And a third deal saw Davis Polk advise Francisco Partners and the private investment partnership, the Texas Pacific Group, on their \$100 million acquisition of Smart Modular Technologies, a global manufacturer of memory module, communication sub-systems and display products for the computing, networking and telecommunications industries, from the Solectron Corporation.

Partner John Bick runs the New York practice, which retains a staff of 15 partners and 40 associates. The practice recently fielded a team led by Nancy Sanborn to act for DLJ Merchant Banking Partners in connection with the \$1.84 billion sale of Noveon International, a company owned by AEA Investors, DLJ Merchant Banking Partners and Mid-Ocean Capital Partners, to Lubrizol, an Ohio maker of additives for lubricants and fuels.

The New York office also picks up instructions from Francisco Partners, recently advising it in relation to its \$860 million acquisition, with CVC Capital Partners, of Hynix's non-memory semiconductor business in South Korea. Phillip Mills also led a team that advised Quadrangle Capital Partners on its joint \$750 million acquisition, with Citigroup Venture Capital, of NTelos, a Virginian regional integrated communications provider. And Vanguard Health Systems, a Tennessee owner and operator of acute care hospitals and complementary healthcare facilities and services, came to the firm for advice on a \$1.75 billion majority investment by the Blackstone Group. Practice head John Bick stepped up to the plate on this deal, while Simpson Thacher & Bartlett advised Blackstone.

### Leading lawyers

George Bason Jr

John Bick

John Ettinger

Nora Jordan

Yukako Kawata

Leor Landa

### Key contact partners

John Bick

Alan Denenberg

William Kelly

Nancy Sanborn

## Debevoise & Plimpton

Debevoise & Plimpton has an excellent private equity practice that comprises 11 partners and 37 associates. Along with Simpson Thacher & Bartlett, Debevoise is the only firm to rank in the top tier both for transactional work and fund formations. The firm has a fantastic reputation among clients, one of whom explained that Debevoise is his legal counsel of choice because of “the service they provide, the energy that they put into a case, their clearness of vision and their ability to adapt to a changing environment ... they have strong strategic skills and can implement the tactical plan very efficiently.”

The transactional practice has been particularly active over the past 12 months. The firm represented the Carlyle Group on its proposal to acquire the outstanding publicly held shares of Insight Communications, which were valued at about \$700 million; the company itself had an implied value of \$2.1 billion. Debevoise also represented Clayton Dubilier & Rice on its \$1.65 billion acquisition of VWR International. Teachers’ Private Capital turned to the firm for advice on its \$450 million agreement to purchase Alliance Laundry Holdings from Bain Capital and other minority shareholders, and Debevoise also represented Kelso & Company and its affiliate, DLI Holding Corporation, on the \$465 million acquisition of Del Laboratories, a cash transaction that also involved an assumption of \$80 million-worth of debt. Del Laboratories became a subsidiary of DLI Holding and ceased to be a publicly traded company.

On the fund formation side, Debevoise & Plimpton has handled a vast amount of work. It represented Providence Equity Partners in relation to the organization of a \$4.25 billion private equity fund focusing on investments in media and communications businesses. The fund – Providence Equity Partners VLP – was the largest US private equity fund to close in 2004. Founded in 1991, Providence Equity Partners is the leading private investment firm specializing in investments in media and communications companies. It manages more than \$9 billion-worth of equity commitments and has invested in more than 80 companies in over 20 countries.

Debevoise & Plimpton also represented Oaktree Capital Management, the leading global distressed debt investment firm, in relation to the formation of OCM Opportunities Fund, a \$1.2 billion global distressed fund, OCM Principal Opportunities Fund III, a \$1.4 billion global control distressed fund, and several other funds. Oaktree, which was founded in 1995, specializes exclusively in investing in alternative and inefficient investment markets and has over \$27.8 billion in assets under management. And Kelso & Company came to the firm for advice in relation to the formation of Kelso Investment Associates VII, a \$2.1 billion US buyout fund. Kelso & Company, one of the oldest and most established firms specializing in private equity investing, has been involved in leveraged acquisitions since 1971 and, since 1980, has invested in more than 70 companies with a total initial enterprise value of more than \$18 billion.

In another highlight, in July 2004 New York partners Rebecca Silberstein and Adele Karig spearheaded Debevoise’s

advice to MMC Capital, a subsidiary of Marsh & McLennan Companies, on the formation of a \$1.07 billion global buyout fund, Trident III, dedicated to acquisitions in the financial and insurance industries. MMC Capital is a global private equity firm that manages the Trident funds, which have raised more than \$3 billion-worth of committed capital to make investments in the insurance, employee benefits and financial services industries. In a related development, in March 2005 Marsh & McLennan announced that the management team of MMC Capital will spin out to form an independent entity led by Chuck Davis, MMC Capital’s chairman and chief executive.

### Leading lawyers

Paul Bird  
Richard Bohm  
Franci Blassberg  
Woodrow Campbell  
Margaret Davenport  
Michael Harrell

### Key contact partners

Franci Blassberg  
Woodrow Campbell  
Margaret Davenport  
Michael Harrell

## Fried Frank Harris Shriver & Jacobson

Robert Schwenkel is the head of private equity at Fried Frank Harris Shriver & Jacobson. He oversees a solid team of 30 partners and 70 associates that count among their clients such organizations as Goldman Sachs, AEA Investors, Permira Advisors, New Mountain Capital and Shamrock Holdings of California.

In January 2005, Richard Ansbacher led a team that acted for Permira Europe III in its capacity as a member of a consortium of buyout firms that acquired satellite company IntelSat for \$5 billion. Steven Steinman, Schwenkel and Valerie Ford Jacob advised GS Capital Partners in relation to its \$1.16 billion acquisition of Cooper Standard Automotive Group from the Cooper Tire & Rubber Company, and GS Capital Partners came to the firm again when it required advice on its £390 million (\$716.9 million) acquisition of the Autocam Corporation as part of a buying consortium that also comprised Transportation Resource Partners and LP Investors.

Among the year’s other transactional highlights, Fried Frank advised Sovereign Specialty Chemicals and AEA Investors, as its 75% shareholder, on Sovereign’s \$575 million merger with the Henkel Corporation, and represented a consortium of investors comprising GS Capital Partners 2000, Cerberus Capital Management and Kimco Realty in connection with its bid to acquire leading toys and games retailer Toys ‘R’ Us. Unfortunately the consortium’s bid was ultimately unsuccessful, and the company was sold to a competing consortium led by Kohlberg Kravis Roberts & Co for \$6.6 billion.

On the fund formation side, meanwhile, Fried Frank represented the Goldman Sachs Group in connection with the formation of GS Capital Partners V, a private-equity fund with \$8.5 billion-worth of committed capital. GS Capital Partners V is, to date, the largest private-equity fund ever set up.

Other representative clients of the firm include Permira, New Mountain Capital and Shamrock Holdings of California.

#### **Leading lawyers**

Aviva Diamant  
Christopher Ewan  
Robert Schwenkel

#### **Key contact partners**

Christopher Ewan  
Robert Schwenkel  
Steven Steinman

### **Gibson Dunn & Crutcher**

Gibson Dunn continues to increase the visibility of its private equity practice under the guidance of practice heads Michael Greaney, Jennifer Bellah Maguire and Edward Sopher. This year has seen the arrival of two lawyers into the practice – Michael Sfregola, who joined the firm as a partner from Allen Matkins in January 2005, and Jason Karlinsky, who joined as an associate from Sullivan & Cromwell in the middle of 2004. This leaves the count of lawyers in the private equity practice at 36 partners and 14 associates.

This past year, Gibson Dunn & Crutcher represented Aurora Capital Group on its \$1.06 billion acquisition of K&F Industries from Lehman Brothers Merchant Banking Partnership, Steven Shoemate led a team that acted for Investcorp Bank on its acquisition of Thomson Media through an auction for \$350 million, and Jennifer Bellah Maguire provided legal advice to Phoenix Scientific, a portfolio company of Leonard Green & Partners, on its \$272 million acquisition by the Ivax Corporation.

On the fund formation side, meanwhile, Gibson Dunn & Crutcher represented CSFB Strategic Partners on setting up CSFB Partners III, a \$2 billion private equity fund formed to invest in other private equity funds on a secondary basis. Edward Sopher led the firm's advice on the deal, which was valued at \$2 billion and which closed in late-2004.

#### **Leading lawyers**

Michael Greaney  
Russell Hanson  
John Herbert  
Jennifer Bellah Maguire  
Edward Sopher

#### **Key contact partners**

Michael Greaney  
Jennifer Bellah Maguire  
Edward Sopher

### **Kirkland & Ellis**

Kirkland & Ellis continues to maintain a formidable private equity practice, which is run out of offices in Chicago, Los Angeles, New York, San Francisco and Washington DC.

The high regard in which Kirkland & Ellis is held is reflected in the list of excellent clients that it retains, and in the number and variety of high-profile instructions it attracts from those clients. In one recent standout matter, Kirkland & Ellis advised Bain Capital on its acquisition of Toys 'R' Us. Along with Kohlberg Kravis Roberts (KKR) and Vornado Realty Trust, Bain Capital acquired the retail toy chain for \$7.2 billion in March 2005. In the same month, the firm also represented GTCR Golder Rauner in relation to its \$2.2 billion purchase of the Triad Financial Corporation, as part of an acquiring consortium that also included Goldman Sachs Capital Partners and Hunters Glen Capital.

Among the year's other highlights, Kirkland & Ellis provided legal counsel to TransWestern Publishing on its \$1.58 billion sale to the Yell Group, and acted on the \$3.7 billion sale of the Boise Cascade Corporation to Madison Dearborn Partners, which saw the sale of all paper, timberland businesses and forest products in Boise and the creation of a spun-off company called OfficeMax.

Other clients of the firm include Sun Capital Partners and Vestar Capital Partners.

#### **Leading lawyers**

Kevin Evanich  
Stephen Fraidin  
Kirk Radke

#### **Key contact partners**

Bruce Ettelson  
Kevin Evanich  
Jeffrey Hammes  
Frederick Tanne

### **Latham & Watkins**

Latham & Watkins has a strong private equity practice, headed by partner Peter Kerman. The well-regarded team received plenty of praise from the market, one market observer explaining that the firm's excellent standing in the area stems from "a reputation for focusing on the most complex transactions."

In the past 12 months Latham & Watkins has been the Carlyle Group's private equity legal adviser of choice on many top-flight deals. In one deal it acted for Carlyle as part of a consortium that acquired DDI Pocket from the KDDI Corporation for ¥220 billion (\$1.97 billion), and in another it served as corporate counsel to Carlyle in connection with its investment in the \$4.3 billion controlling stake in the PamAmSat Corporation. Elsewhere, Latham acted for Metro-Goldwyn-Mayer (MGM) when it was acquired by a consortium led by Sony Corporation of America and its equity partners, Providence Equity Partners, the Texas Pacific Group, the Comcast Corporation and DLJ Merchant Banking for \$5 billion.

Leading private equity house Kohlberg Kravis Roberts & Co (KKR) was another client of the firm, and it turned to the firm for advice on two notable deals over the past year. In the first, Latham guided it through the acquisition of leading toy retailer Toys 'R' Us for \$6.6 billion, and in the second, at the time of writing, the firm was advising KKR and Silver Lake Partners on their acquisition of Agilent Technologies' semiconductor products group. At an estimated \$2.66 billion, this transaction will create the largest privately held independent semiconductor company in the world.

Among the year's other highlights, Latham also acted as lead regulatory counsel to the Direct TV Group in relation to its \$3.4 billion sale of a controlling stake in the PanAmSat Corporation to a consortium comprising Kohlberg Kravis Roberts, the Carlyle Group and Providence Equity Partners.

#### Leading lawyers

Ronald Hopkinson  
Robert Kennedy  
Peter Kerman  
Scott Klein

#### Key contact partners

Mark Gerstein  
Charles Nathan

#### Ropes & Gray

Originally a Boston firm, Ropes & Gray now runs its private equity practice out of its Boston and New York offices. The practice is co-headed by William McCormack, Othon Prounis, Larry Jordan Rowe and Newcomb Stillwell. The 2003 merger with New York boutique firm Reboul MacMurray Hewitt & Maynard has served the firm well, particularly in New York, where the firm is now seen as "a real contender" to the traditional market leaders both on the transactional and fund formation sides of private equity practice.

In one of the largest private equity buyouts ever seen in the US market, Ropes & Gray recently advised a consortium of private equity firms, led by Silver Lake Partners and including Bain Capital, the Blackstone Group, Goldman Sachs Capital Partners, Kohlberg Kravis Roberts, Providence Equity Partners and the Texas Pacific Group, on its \$10.8 billion acquisition of SunGard Data Systems. Under the acquisition terms, the consortium paid \$36 per share for SunGard and assumed \$500 million-worth of SunGard's debt.

Over the course of the year Ropes & Gray fielded a team led by Othon Prounis to advise Welsh Carson Anderson & Stowe on its \$1.7 billion acquisition of US Oncology, and Bain Capital came to the firm for advice twice: first, in relation to its \$2 billion sale of Advertising Data Solutions to the Yellow Pages Group, and secondly, in relation to a \$2.15 billion negotiated stock purchase for cash.

At the time of writing, Ropes & Gray was providing ongoing advice to private equity firms Bain Capital, Silver Lake Partners and Warburg Pincus on a \$2.05 billion negotiated stock purchase for cash of UGS PLM Solutions, and to Thomas H Lee in relation to its \$1.75 billion acquisition of Nortek Holdings.

#### Leading lawyers

William Hewitt  
Othon Prounis  
John MacMurray  
William McCormack  
Larry Jordan Rowe  
Newcomb Stillwell

#### Key contact partners

William McCormack  
Othon Prounis  
Larry Jordan Rowe  
Newcomb Stillwell

#### Schulte Roth & Zabel

Schulte Roth & Zabel has run an active private equity practice this year under the guidance of practice head Paul Roth. While the firm's focus tends to be on the development of domestic and international funds, it also attracts a fair amount of transactional work, and so appears in the transactions rankings for the first time this year. One satisfied client spoke highly of the firm's "creativity and attention to individual needs," while another mentioned that its lawyers have "a great grasp of the real issues, and knowledge of how to deal with them."

The private equity team's transactional experience includes advice on mergers and acquisitions, distressed acquisitions and leveraged buyouts. Earlier this year the firm represented Cerberus Capital Management twice: first, on its \$2.3 billion acquisition of the paper business of MeadWestvaco, and secondly, in connection with its \$3.8 billion acquisition of LNR Property Corporation. Other transactional highlights saw Veritas Capital Fund II select the firm when it required counsel on its \$850 million acquisition of DynCorp International, and Castle Harlan Partners IV turn to the firm for advice when it bought the Horizon Lines Holding Corporation for \$650 million.

In the fund formation area, meanwhile, the firm's practice has been a frequent adviser. Schulte Roth & Zabel advised Black Diamond Capital Management on the formation of the \$750 million BDCM Opportunity Fund, which is designed to invest in distressed debt situations, such as well-collateralized senior secured loan obligations, in scenarios where the Opportunity Fund could be expected to obtain a controlling or blocking position. Among the year's other highlights, the firm represented Oak Investment Partners on the formation of a \$1.25 billion fund, while other fund formation clients of the firm include Castle Harlan, one of the firm's longest-standing clients, and Wexford Capital, the asset-management company that has \$1.5 billion-worth of assets under its control.

#### Leading lawyers

Stephanie Breslow  
Steven Fredman  
Paul Roth  
Phyllis Schwartz

**Key contact partners**

Stephanie Breslow  
Steven Fredman  
Phyllis Schwartz

**Simpson Thacher & Bartlett**

For top-drawer private equity advice, it would be foolish to overlook Simpson Thacher & Bartlett's outstanding practice; it is, in the words of one peer, "the granddaddy of the market." The private investment funds practice is headed by partner Tom Bell, and recently grew in number when Daniel Lavon-Krein joined the firm as an associate from Testa Hurwitz. This brought the number of private equity practitioners in New York to four partners and 20 associates; the firm has a further 12 private equity lawyers spread across its other offices.

Unsurprisingly, the firm has enjoyed a host of deal highlights over the past year. In one of the biggest deals of the year, Simpson Thacher & Bartlett advised a consortium of private equity firms, led by Silver Lake Partners and including the Blackstone Group and Kohlberg Kravis Roberts & Co (KKR), on its \$11.3 billion acquisition of SunGard Data Systems. A consortium consisting of Blackstone, Hellman & Friedman, KKR and the Texas Pacific Group also turned to Simpson Thacher for advice on the \$3.65 billion acquisition of Texas Genco Holdings, which was one of the largest public-to-private transactions of the year. The firm also provided legal advice to KKR, the Carlyle Group and Providence Equity Partners when it acquired the PanAmSat Corporation from the Direct TV Group for \$4.3 billion, and in March 2005 Tom Bell guided the Carlyle Group through a global buyout fund deal valued at \$7.85 billion.

Among other transactional highlights, in May 2005 Michael Wolitzer spearheaded the firm's advice to Quadrangle Capital Partners when it required guidance on its \$950 million acquisition of a target valued at \$1.6 billion. The firm also counts Hellman & Friedman Capital Partners as a key client, Michael Nooney advising it on a \$3.5 billion acquisition in June 2004.

Simpson Thacher has been extremely active in organizing funds. For example, the firm represented the Carlyle Group in connection with setting up its Carlyle Partners IV leveraged buyout fund valued at \$7.85 billion, and advised Hellman & Friedman when it sought advice over setting up Hellman & Friedman Capital Partners, a \$3.5 billion fund.

**Leading lawyers**

Richard Beattie  
Thomas Bell  
Richard Capelouto  
Dan Clivner  
Charles "Casey" Cogut  
Philip Ruegger  
Alan Schwartz  
Michael Wolitzer

**Key contact partners**

Thomas Bell  
Charles "Casey" Cogut  
Wilson Neely  
David Sorkin

**Skadden Arps Slate Meagher & Flom**

Skadden Arps Slate Meagher & Flom provides clients with the full range of private equity investment activities, including advice on middle-market and larger investments as well as venture capital transactions. The firm is particularly recommended for its capability in providing guidance on investment and exit structures relating both to traditional leveraged buyouts and recapitalizations.

The firm has an excellent private equity transactional practice, which is run jointly from the firm's east and west coast offices: Eileen Nugent oversees operations in New York, while her colleague Nicholas Saggese co-manages the team from the Los Angeles office.

In October 2004 Skadden was particularly busy closing two notable deals. In the first, private equity energy specialist the First Reserve Corporation sought advice from Allison Schneirov and her team in relation to its \$1.2 billion acquisition of the equipment unit division of the Ingersoll-Rand Company. And in the second, Howard Ellin led a team that counselled the Graham Packing Company, a portfolio company of the Blackstone Group, on its \$1.2 billion acquisition of Owens-Illinois' blow-molded plastic container business unit.

Skadden fielded a team led by Eileen Nugent that provided advice to AMC Entertainment when it was acquired for \$2 billion by Marquee Holdings, an investment vehicle owned by JP Morgan Partners. The deal closed three days before Christmas. And most recently, Skadden represented Providence Equity Partners, the Texas Pacific Group and DLJ Merchant Banking Partners as equity partners in a consortium with the Sony Corporation and Comcast on the \$4.8 billion acquisition of Metro-Goldwyn-Mayer.

**Leading lawyers**

Roger Aaron  
Howard Ellin  
Morris Kramer  
Peter Krupp

**Key contact partners**

Eileen Nugent  
Nicholas Saggese

**Weil Gotshal & Manges**

After a solid year, Weil Gotshal & Manges maintains its reputation as a solid choice for private equity matters. The chairman of the corporate department is Thomas Roberts, while Barry Wolf heads up the firm's global private equity practice and Jeffrey Tabak runs the New York practice. In total the firm has 27 partners and 69 associates working in this area, and numbers increased recently when Gilbert Friedlander joined the ranks as

a partner; Friedlander moved to the firm from an in-house position at Electronic Data System.

In one standout deal that closed in January 2005, Weil acted for Waren Acquisition (a consortium comprised of DLJ Merchant Banking, Thomas H Lee Partners, JP Morgan Partners and Bain Capital Partners) on its £1.61 billion (\$2.94 billion) acquisition of Warner Chilcott. The battle for Warner-Chilcott attracted attention from most of the market's leading private equity houses. The deal was complicated by the company's dual listing in the UK and the US, and by the fact that, while most of its business was in the US, its board and shareholders were in the UK. The deal included a right-to-match-competing-offer clause under which, if Warner-Chilcott received a competing offer, Waren had 48 hours to match it to retain the company's recommendation. The deal was also the first to use an implementation agreement for the benefit of the target; usually such agreements are used to secure protection for the bidders. The deal was nominated for *IFLR's* M&A deal of the year 2005.

In June 2004 Weil acted for Thomas H Lee in relation to its \$2.25 billion acquisition of a controlling stake in the Refco Group, a financial services organization. The practice had a particularly busy October 2004, closing two deals: in the first, James Westra led a team that acted for Quadrangle Capital Partners and Behrman Capital 4 in their investment in Daleen Holdings, a holding company that simultaneously acquired Daleen Technologies and Protek Telecommunications Solutions; and in the second, Douglas Warner advised the DLJ Merchant Banking Fund on the recapitalization of Jostens and on DLJ's sale to Kohlberg Kravis Roberts of the Von Hoffmann Corporation and Arcade Marketing, and their subsequent contribution by KKR to Jostens, for a total value of \$2.3 billion.

The firm also provided legal advice to a consortium of private investors, led by Lindsay Goldberg & Bessemer and including Creamer Investments and Peterson Partners, on the acquisition of Utah's Envirocare. Partner Glenn West's advice extended to the debt and equity financing used to fund the acquisition, as well as the acquisition of an adjacent facility.

#### Leading lawyers

Thomas Roberts  
Jeffrey Tabak  
James Westra  
Barry Wolf

#### Key contact partners

Glenn West  
James Westra  
Barry Wolf

#### Willkie Farr & Gallagher

Willkie Farr & Gallagher's private equity practice advises investors and financial advisors on the full range of private equity transactions, such as leveraged buyouts, spin-offs and recapitalizations.

Providence Equity Partners and Warburg Pincus recently came to the firm for advice in relation to one of the largest-ever software buyouts, whereby the Science Applications International Corporation sold its telecommunications software and services subsidiary, Telcordia Technologies, to Providence Equity Partners and Warburg Pincus for \$1.35 billion. Steven Gartner was the Willkie lawyer overseeing the deal. The firm advised Warburg Pincus again, this time as an affiliate of the company that acquired Polypore from shareholders (led by the InterTech Group and GTCR Golder Rauner) for \$1.2 billion. As part of the deal, Warburg Pincus – one of the largest private-equity firms with \$9 billion under management – put \$400 million into Polypore.

Another standout matter saw the firm provide legal advice to Morgan Stanley and Merrill Lynch, as financial advisors to satellite company IntelSat, when it was bought for \$5 billion by Zeus Holdings, a holding company comprised of Apax Partners, Apollo Management, Madison Dearborn Partners and Permira.

In May 2005, Thomas Cerabino led a Willkie Farr & Gallagher team that represented the Fortress Investment Group in relation to its agreement to acquire Liberty Group Publishing from buyout firm Leonard Green & Partners for \$530 million. Liberty Group's board of directors and shareholders, which included affiliates of Leonard Green, unanimously approved a definitive agreement for Liberty to merge with an affiliate of Fortress. Fortress Investment is a global alternative investment and asset management firm with around \$15 billion-worth of equity capital under management.

Also in May 2005, Steven Gartner acted for Warburg Pincus and the Texas Pacific Group on its agreement to purchase high-profile retailer Neiman Marcus for \$5.1 billion. Neiman Marcus, with sales gains outpacing those of most department store chains, operates 37 stores, including two Bergdorf Goodman locations in New York. The deal was reported widely in the press, including *The Wall Street Journal* and *The New York Times*.

#### Leading lawyer

Steven Gartner

#### Key contact partners

Thomas Cerabino  
Steven Gartner  
Steven Seidman

## Project finance

### Recommended firms

Tier 1

**Latham & Watkins**

**Milbank Tweed Hadley & McCloy**

**Sullivan & Cromwell**

Tier 2

**Skadden Arps Slate Meagher & Flom**

**White & Case**

Tier 3

**Chadbourne & Parke**

**Debevoise & Plimpton**

**Dewey Ballantine**

**Jones Day**

**Shearman & Sterling**

**Simpson Thacher & Bartlett**

Tier 4

**Allen & Overy**

**Baker Botts**

**Davis Polk & Wardwell**

**LeBoeuf Lamb Greene & MacRae**

**Mayer Brown Rowe & Maw**

**Orrick Herrington & Sutcliffe**

**Vinson & Elkins**

Tier 5

**Bingham McCutchen**

**Freshfields Bruckhaus Deringer**

**Morrison & Foerster**

**Winston & Strawn**

### Latham & Watkins

Latham & Watkins continues to be a dominant project finance law firm in the US, and the practice, under the expert supervision of departmental head Andrew Singer, retains a presence in Boston, Chicago, LA, New Jersey, New York, Northern Virginia, Orange County, San Diego, San Francisco, Silicon Valley and Washington DC. The firm continues to develop its global practice with the same enthusiasm.

In one standout deal, Latham & Watkins advised the Export-Import Bank of the US and Italian export credit agency Sace, as lenders, on \$10 billion-worth of financing for the expansion of gas lines on the Qatargas II project by the Qatar Petroleum-ExxonMobil joint venture. The financing included two 7.8 MMTA LNG production facilities, including an onshore and offshore plant, designed to supply gas to the UK from natural gas reserves in Qatar's North Field. The gas chain includes the construction and chartering of eight new LNG tankers, the construction of regasification facilities in the UK, and a new pipeline that will connect to the UK National Gas Transmission System. From Latham, Andrew Singer led a team of lawyers on the deal, while White & Case acted as adviser to Qatar Liquefied Gas Company, which was the borrower in the deal, completed in December 2004.

Latham & Watkins also served as arranger's counsel on behalf of ABN Amro and Lehman Brothers with respect to the \$4.4

billion bank and bond financing for the remaining construction expansion of Tengsizchevroil, the largest oil producer in Kazakhstan, and advised Credit Suisse First Boston, as lead joint bookrunner, on an issue of second priority secured notes by Midwest Generation and the Midwest Finance Corporation, indirect subsidiaries of Edison Mission Energy. The \$1.7 billion financing was for the acquisition of Illinois plants from Commonwealth Edison, including six coal-fired generating plants totalling 5,621MW. Latham fielded a large team on the deal, including William Voge, Jennifer Bralower, Adam Cohen, Kirk Davenport, David Langer and Leila Sayegh.

Earlier this year, Latham & Watkins advised the New York branch of Calyon on its \$503 million non-recourse debt facility, granted to provide funding for the construction of the 375MW Mankato Energy Center in Minnesota and the 250MW Freeport Energy Center in Texas. Lathams advised the New York branch of Calyon, while Dewey Ballantine acted as adviser to Calpine Steamboat, the borrower.

Credit Suisse First Boston was another client, which came to the firm in connection with the \$1.7 billion bond issue of second priority secured notes by Midwest Generation, and Midwest Finance. The financing is designated for the acquisition of Illinois plants from Commonwealth Edison, including six coal-fired generating plants, with a combined output capacity of 5,621 MW.

### Leading lawyers

Kelley Gale  
David Gordon  
Michele Penzer  
Jonathan Rod  
Andrew Singer  
William Voge

### Key contact partners

David Gordon  
John Sachs  
Andrew Singer  
William Voge

### Milbank Tweed Hadley & McCloy

Although it is strong in many areas of finance, it is in the project finance arena that Milbank Tweed Hadley & McCloy really shines. Under the guidance of practice head Richard Brach, the "excellent" project finance group has continued to maintain a leading project finance practice, and in 2004 closed around \$21 billion-worth of deals. Brach has recently seen additions to his team, with Melinda Creasman, Richardo Exantus and Ada Liu all joining the firm as associates, which means that the firm now has 16 partners and 56 associates working on project finance in the US.

Among the highlights of the past year, the firm advised the Cintra-Macquarie consortium on the \$1.83 billion Chicago Skyway privatization, a 99-year agreement to acquire the concession to toll and operate the Chicago toll road. The firm also represented Tractebel Electricity & Gas International, as project

sponsor, on the \$550 million syndicated Sohar IWPP project in Oman, which consisted of the development of a 585MW combined-cycle gas turbine plant and a water desalination plant that will handle 33 million imperial gallons a day. The Mitsubishi Corporation and the Marubeni Corporation of Japan, as project sponsors and equity investors, also turned to Milbank for advice on the \$910 million development and financing of the PDET oil transport project in the Campos Basin off the coast of Brazil.

The firm also worked for the project company in the \$380 million financing of the Al Ezzel independent power project (IPP) in Bahrain, the country's first such project. Further work came as the firm advised on the Brascan hydro project, on which it represented a banking syndicate led by Citigroup, ABN Amro and Scotia Capital in relation to Brascan's \$874 million acquisition from Reliant of 71 hydroelectric power plants, funded through a non-recourse \$500 million bridge loan provided by a banking syndicate.

Further Latin American work saw the firm act for Citigroup as underwriters of the El Cojon hydro-electric IPP project, which involved the issue of \$300 million of securities to part-fund a project whose overall cost was \$500 million, and represent the lenders on the \$250 million Veladero mine financing in Argentina, a notable project that marked the first project financing in Argentina since Argentina's economic crisis, as well as the first export credit agency-backed transaction in Argentina and the first political risk insurance programme set up for the country.

In another highlight, Milbank advised the lenders and lead arrangers, including HSBC Securities and SG Corporate & Investment Banking, on the \$822 million credit facility used to finance the construction of Cheniere Energy's Sabine Pass LNG project, which at the time of closing was the largest LNG financing to date in the US.

#### Leading lawyers

Dan Bartfeld  
Richard Brach  
Edwin Feo  
Jonathan Green  
L Douglas Harris  
Eric Silverman

#### Key contact partners

Dan Bartfeld  
Jonathan Green  
Eric Silverman

#### Sullivan & Cromwell

Frederic Rich runs Sullivan & Cromwell's project finance practice, which, after an extremely impressive year and numerous recommendations from peers, has gained promotion to the top tier this year. Part of the reason for this is the firm's ability to combine successful US and Latin American practices, making the firm well-placed to win instructions from US investors seeking to finance projects in the increasingly active Latin American market. Its credentials are also boosted by partner

Sergio Galvis, who is generally considered to be one of the most experienced finance lawyers in Latin America.

In one Latin American project, Sullivan & Cromwell served as US counsel to Transportadora de Gas del Perú (TGP) on the financing of its \$850 million Camisea pipeline project in Peru. The development of the project includes development of the Camisea gas fields, as well as two parallel pipelines running through environmentally sensitive areas of Peru. Financing for the project included loan agreements with the Inter-American Development Bank and Corporación Andina de Fomento, and additional financing for the pipeline was raised through a \$270 million domestic bond offering by TGP. The offering was the largest issue ever completed in Peru, and the project itself is both Peru's largest-ever gas project and one of the most significant capital investment programmes in Peru's history.

In the related parallel pipeline deal, meanwhile, Sullivan & Cromwell acted for a consortium comprising Hunt Oil, Pluspetrol, Tractebel, Sonatrach, the SK Corporation, Graña y Montero and Techint, as operators in relation to the financing and construction of a 732km gas pipeline and a 561km liquids pipeline over the Andes Mountains and through the Amazon. The deal formed part of a development of one of Latin America's largest reserves of natural gas and associated liquids, and the financing was raised through the above-mentioned bond issue and loan agreements. The financing was signed in August 2004 and funds were disbursed on December 29 2004.

Rounding out a trio of Latin American deals, the firm advised Minera Argentina Gold, as borrower, on the \$610 million Veladero Gold project in Argentina, a wholly owned subsidiary of the Barrick Gold Corporation. Financing the project included \$250 million-worth of senior secured loans provided by a consortium of lenders including the US Export-Import Bank, Export Development Canada and KfW. The loans were designed to absorb certain political risk on the debt portion of the capital structure, resulting in Barrick Gold and the lenders sharing the exposure to future adverse political developments in Argentina.

The firm has also been busy outside Latin America. For example, Sullivan & Cromwell served as sole international finance counsel to Tengizchevroil on its \$4.4 billion expansion financing project. The financing consisted of \$1.1 billion-worth of senior secured notes issued under Rule 144 and Regulation S to international investors, and a further \$3.3 billion was raised through senior secured debt provided by affiliates of ChevronTexaco and ExxonMobil as co-lenders. At \$4.4 billion, the financing was the largest project financing ever in the CIS. The expansion financing used a hybrid structure that incorporated elements from traditional project bond structures, corporate financings and structured receivables transactions. The credit was also cashflow-based rather than asset-based, and as such, investors were given security over accounts and rights to receive oil sales proceeds but not assets.

The firm also represented Kenmare Resources and its subsidiary borrowers on a titanium mining and processing project in Mozambique. At \$367 million, the Moma titanium project was a landmark transaction for a number of reasons. In terms of

size, it was the largest greenfield mine project financing ever completed in sub-Saharan Africa, the largest limited-recourse project financing for a mining junior/independent to date, and the equity raised for the project was arguably the largest as a proportion of market capitalization ever on the London Stock Exchange. The project was named African mining deal of the year by Project Finance magazine.

#### Leading lawyers

Sergio Galvis  
Christopher Mann  
Frederic Rich

#### Key contact partners

Andrew Dietderich  
Sergio Galvis  
Frederic Rich  
Christopher Mann

### Skadden Arps Slate Meagher & Flom

In the words of one client, “Harold Moore is a legend,” and the gravity of his reputation and experience is a large reason why Skadden Arps Slate Meagher & Flom’s project finance practice is so good. Moore leads the practice, which comprises 10 partners and 30 associates and which has a strong focus on global energy. However, the market does not believe that the practice begins and ends with Moore – the firm has been careful to ensure that there is plenty of younger talent coming through the ranks, and both Lance Brasher and Martin Klepper also came in for plenty of praise from peers and clients.

One of Skadden’s standout deals of recent times was its representation of BNP Paribas as agent for a group of international banks that provided financing for the \$10.2 billion Qatargas II project, a liquefied natural gas project in Qatar. Qatargas II is the third-largest financed capital project in history, behind the Eurotunnel and the Taiwan high-speed rail project.

Skadden also represented Semptra Energy LNG in connection with its execution of a 20-year LNG sale and purchase agreement with BP and its Tangguh LNG partners for the purchase by Semptra of 3.7 million tons of liquefied natural gas per year (the equivalent of 500 million cubic feet of natural gas a day). At the time of writing, the deal value was estimated to be between \$15.5 billion and \$18 billion.

Last year the firm also represented the Enron Corporation on the sale of its ownership interest in the Dabhol project in India to affiliates of the General Electric Company and the Bechtel Group. Skadden fielded a large team on the deal that included partners Martin Klepper, Lance Brasher and Edward Meehan and associates Babak Hoghooghi, Joseph Beach, Jeremy London and Sarah Downing.

#### Leading lawyers

Lance Brasher  
Martin Klepper  
Harold Moore

#### Key contact partners

Julia Czarniak  
Harold Moore  
Sarah Ward

### White & Case

Arthur Scavone and Troy Alexander are the joint heads of White & Case’s US project finance team, which this year has made up two new partners: Chris Cross and Villiers Terblanche, both of whom were promoted from associate level. This means the count of lawyers in the project finance team now stands at 21 partners and 35 associates. One satisfied client praised White & Case’s projects department because “it has the resources, and knows what it takes, to get these deals done,” while another praised the firm’s “commitment to client needs, their vast amount of experience and their knowledge of the company and its businesses.”

White & Case represented the underwriters, led by Credit Suisse First Boston (CSFB), in a Rule 144A and Regulation S offering of \$365 million-worth of senior secured bonds issued by FPL Energy National Wind, and which were followed up by a \$100 million offering of senior secured bonds by holding company FPL Energy National Wind Portfolio. This project was the most recent of series of deals on which the firm has represented CSFB in financings for FPL Energy, which is the largest owner of wind power generating projects in the US. A combined team of advisers from the project finance, securities, real estate, environmental, tax and bankruptcy groups completed these complex transactions in three months. Previous transactions in the series include a \$380 million senior secured bond issue by FPL Energy American Wind (the first-ever capital markets project financing of a wind project in the US) and the follow-on \$125 million Rule 144A bond financing for FPL Energy Wind Funding.

Another highlight saw Scavone lead a team that advised the US Export-Import Bank on the project financing of a \$1.6 billion ethylene cracker, pipeline, and polyethylene/normal olefins petrochemical facility in Qatar, and represent sponsor Guinea Alumina Corporation, a subsidiary of the Global Alumina Products Corporation, on the development and project financing of a \$2.4 billion bauxite mine and alumina refinery in the Republic of Guinea.

White & Case’s extensive international network of offices means that its global reach – particularly into emerging markets – is tough to beat, and investors’ increased enthusiasm for Latin American projects recently has been a fruitful source of work for the firm.

For example, Constructora Internacional de Infraestructura (CIISA) sought advice from the firm in relation to financing the two-unit 750MW El Cajón hydroelectric generating facility in the state of Nayarit, Mexico. After an international public bidding process conducted by the Comisión Federal de Electricidad (Mexico’s state-owned electricity provider), CIISA was awarded a \$757 million agreement for the development and construction of El Cajón, the largest public infrastructure project so far contemplated by the administration of Mexican pres-

ident Vicente Fox. The financing was comprised of a \$230 million Rule 144A bond offering and a \$452.4 million syndicated bank loan, and partner Vic Desantis oversaw the deal from the firm's Washington DC office.

In another regional highlight, White & Case advised a consortium comprising Canada's Aecon Group, the Airport Development Corporation of Canada and Andrade Gutierrez of Brazil on the concession awarded by the government of Ecuador for the private management and operation of the Mariscal Sucre airport in Quito, Ecuador. The transaction, valued at \$600 million, involves the financing, development, construction and operation of a new international airport in Ecuador's capital, Quito.

The firm also fielded a team led by Precilla Almodovar and John Narducci to represent Autopista del Maipo Sociedad Concesionaria, as concessionaire, and Cintra Concesiones de Infraestructuras de Transporte as sponsor, in connection with the Rule 144A monoline-guaranteed bond financing of a 265.5km toll road running from Santiago to Talca in Chile. The project was one of a series of toll road financings in Chile to have benefited from White & Case's input.

#### Leading lawyers

Troy Alexander  
Victor DeSantis  
Edward Neaheer  
Nandan Nelivigi  
Arthur Scavone  
Sandra Warren

#### Key contact partners

Troy Alexander  
Arthur Scavone

#### Chadbourne & Parke

With a primary focus on the energy sector, Chadbourne & Parke maintains an active practice under the guidance of Chaim Wachsberger, the head of the global projects practice. The practice is split between the firm's Houston, New York and Washington offices: six partners and 17 associates are based in New York, two partners, four of-counsel and one associate are in Houston, and 13 partners and 7 associates work out of Washington. As well as Wachsberger, management of the regional offices is handled by Keith Martin in Washington and David Schumacher in Houston.

Chadbourne & Parke has a wealth of experience acting on projects both in emerging and in established markets. In one emerging markets highlight, the firm acted for the International Finance Corporation on its \$406 million financing of Transierra, the owner of the Gasoducto Yaciuba Rio Grande, to develop a Bolivian pipeline that will transport natural gas from the San Alberto and San Antonio blocks owned by the shareholders for final delivery to Petrobras in Brazil. In another, Wachsberger and Jonathan Finklestone represented Metropolitan Transportation Solutions (MTS) in a tender to finance, build and operate the first line of the Tel Aviv Metro,

while a third emerging markets deals saw Chadbourne act for Credit Suisse First Boston in relation to financing the Yam Tethys offshore Israel natural gas project, which included the March 2005 bond financing of developments in the Maris B gas field and related facilities. And the El Paso Corporation turned to the firm for advice over the \$400 million project financing of the Cheyenne Plains natural gas pipeline.

The firm also wins plenty of instructions to act on domestic projects, and the past year has been no exception. The power sector has been a particularly abundant source of work. For example, the firm represented GE Commercial Finance when it provided \$218 million-worth of financing to the Calpine Corporation in connection with financing the two-unit, 600MW gas-fired Fox Energy Center power project in Kaukauna, Wisconsin. And Richard Sonkin spearheaded Chadbourne's advice to Carlyle/Riverstone, in partnership with the FPL Energy Group, in connection with the purchase of the majority of ownership interests in five 30MW Solar Energy Generating System (SEGS III-VII) assets in the Mojave desert.

Among the year's other highlights, Sonkin stepped up to the plate again when Dexia Credit Locale sought advice from the firm in connection with the \$18.7 million financing of the Adrian natural gas storage field owned by the Steuben Natural Gas Storage Company. The field, with its associated facilities (including a 15 mile natural gas pipeline), was developed to store 6.2 billion cubic feet of natural gas in the Onondaga Reef Formation in Steuben County, New York.

#### Leading lawyers

Noam Ayali  
John Baecher  
Peter Fitzgerald  
Richard Sonkin  
John O'Sullivan  
Chaim Wachsberger  
Paul Weber

#### Key contact partners

Keith Martin  
David Schumacher  
Chaim Wachsberger

#### Debevoise & Plimpton

Debevoise & Plimpton's project finance team has plenty of experience in a wide range of matters, but has a focus on infrastructure projects, airport privatizations and project financing restructurings. Robert Gibbons and Ivan Mattei are the co-heads of the practice, whose numbers have remained stable over the past year at six partners and 24 associates. A mixture of market recommendation and a healthy deal roster has prompted Debevoise's promotion in the rankings this year.

In a deal that won *Project Finance International's* deal of the year award, Debevoise acted as US counsel to the MBIA Insurance Corporation in connection with a registered offering of MBIA-insured inflation-indexed local currency bonds by a Mexican administrative trust set up to securitize the right to col-

lect and receive tolls on the Cadereyta toll road in the Mexican state of Nuevo Leon. The transaction was a milestone in the development of techniques to finance infrastructure development because, unlike the dominant model for toll road financings in Latin America, the economic rights underpinning the financing do not arise under a long-term concession contract with the government.

In a separate MBIA Insurance Corporation matter – and one that won both *Project Finance Magazine's* Latin American refinancing deal of the year and *Latin Finance's* project finance deal of the year, the firm acted as US counsel in relation to MBIA's \$430 million project bond financing for the Santiago-Talca Toll highway in Chile. The transaction was the first time a shelf registration or bond line structure had been used for a Chilean infrastructure financing. And in a third instruction from the MBIA Insurance Corporation, Debevoise acted on its project bond financing for the Americo Vespucio Norte project in Santiago, Chile. At \$425 million, it was the largest long-term infrastructure bond in Chilean history.

Outside Latin America, but staying in the emerging markets, Debevoise advised Mitsui & Co, the Sumitomo Mitsui Banking Corporation and a syndicate of international foreign lenders on the \$700 million refinancing of the Tuban Petrochemical project in eastern Indonesia. The refinancing used a novel structure whereby a \$400 million loan was extended to KerisPetro Finance, a Dutch special purpose vehicle, which used the proceeds to purchase product delivery instruments from PT Trans-Pacific Petrochemical Indotama, the project developer, enabling it to pay for the cost of completion of the construction of an aromatics plant at the site of the Tuban project. To generate the cash flow necessary to repay the debt, KerisPetro swapped the product delivery instruments purchased from TPPI for petroleum products sold by the Indonesian state-owned oil company, Pertamina, and resold those products to Mitsui & Co.

And in eastern Europe, Debevoise advised Aeroflot Russian Airlines on its \$500 million development of a new world-class international airline terminal at Sheremetyevo International Airport in Moscow.

#### Leading lawyers

Steven Alden  
Robert Gibbons  
Ivan Mattei

#### Key contact partners

Robert Gibbons  
Ivan Mattei

#### Dewey Ballantine

Dewey Ballantine continues to maintain its active project finance practice under the watchful eye of practice leader Richard Shutran, who heads a highly respected team of 13 partners and 21 associates. The client list is long and impressive and includes such names as: BNP Paribas, JP Morgan Chase, the Calpine Corporation, Panda Gila River and JP Morgan Capital Bank.

In May 2004 Dewey closed two notable project financings. At the start of the month Betty Cerini advised BNP Paribas and Fortis Bank, as lenders and co-lead arrangers, on the \$106 million financing of Eline de Occidente. The financing comprised a syndicated loan, forwarded to finance the construction of three transmission lines and six substations in Sonora, Sinaloa, and Nayarit, Mexico pursuant to a public works contract with the Comisión Federal de Electricidad. And towards the end of the month, Arthur Hayes acted for Bayerische Hypo-Und Vereinsbank as lead arranger of the Equus Power deal.

In July 2004 the firm picked up a borrower-side instruction from Freeport LNG Development on \$450 million-worth of financing obtained for the construction of the Freeport Liquefied Natural Gas Terminal from the ConocoPhillips Company. Concurrent with the initial financing, ConocoPhillips also acquired an equity interest in the general partner of Freeport Liquefied Natural Gas. And the following month, Gregory Owens led a team that acted for Credit Suisse First Boston as arranger, collateral agent and administrative agent on the \$550 million financing of the K Gen/Duke Energy project.

Among the year's other highlights, Bayerische Hypo-Und Vereinsbank came to the firm for advice in relation to the \$60 million Equus Power financing, and Dewey also acted for the Kramer Junction Company when it sold its majority ownership in five 30MW Solar Energy Generating System (SEGS III-VII) assets in the Mojave desert to Carlyle/Riverstone, in partnership with the FPL Energy Group.

#### Leading lawyers

Betty Cerini  
Dev Sen  
Richard Shutran

#### Key contact partners

Betty Cerini  
Junaid Chida  
Richard Shutran

#### Jones Day

Jones Day has a solid project finance practice headed by Mark Haddad, and which focuses on the energy sector. Over the past year Jones Day has won roles on various emerging markets and domestic projects, and remains a solid choice of counsel.

In November 2004 James Salerno and Haddad joined forces with a team from the firm's Madrid office to advise the Acciona Group and Sacyr Vallehermoso on the development and financing of the \$672 million Américo Vespucio Sur toll road in Santiago, Chile. The firm also acted the Guangdong Dapeng LNG Company and its sponsors on a series of agreements for China's first liquefied natural gas (LNG) terminal and trunkline project. When completed, the project will supply imported gas from the Australia's north-west shelf project to Chinese customers in the Pearl River Delta area of Guangdong province and Hong Kong. The value of the transaction is about \$665 million in non-recourse project financing, provided by a syndi-

cate of Chinese banks. Also included in the agreement was an engineering, procurement and construction contract to provide for the construction of the LNG reception facilities that will receive, store and regasify LNG.

The firm's domestic projects instructions were equally impressive. In March 2005 Jones Day represented Top Deer Wind Ventures on the \$71.5 million project financing of the Top Deer wind project, which comprised the 80.1MW Top of Iowa project in Worth County, Iowa and the 80MW White Deer project in Arson County, Texas. In the first of two projects that had not closed at the time of writing, the firm advised the lead arranger and agent on the \$150 million project financing of a new ethanol production facility in the US Midwest, and in the second, Jason Leif led a team that acted for the Chevron Corporation on the proposed development of several gulf and west coast LNG import projects.

#### Leading lawyer

Mark Haddad

#### Key contact partner

Mark Haddad

#### Shearman & Sterling

Cynthia Urda Kassis heads Shearman & Sterling project finance practice, which in the past has advised a series of clients including Citigroup, Mizuho, Mitsubishi, Placer Dome and BNP Paribas.

Much of Shearman's standout work over the past year has been in Latin America. In March 2005, Shearman & Sterling represented Mizuho Corporate Bank, as lead arranger, intercreditor agent and Nippon Export and Investment Insurance (Nexi) agent, and the senior lenders in relation to the \$910 million structured financing of the PDET offshore oil transportation project in Brazil, sponsored by Petrobras. The senior loans consisted of a \$491.4 million facility provided by the Japan Bank for International Cooperation and a \$327.6 million facility provided by a syndicate of commercial banks and insured by Nexi, with the rest of the funding coming from the Mitsubishi Corporation and the Marubeni Corporation as equity investors and subordinated lenders. The project will connect five offshore crude oil platforms with a central transportation platform to ship crude oil to refineries in Brazil and internationally.

Other emerging markets highlights saw Shearman & Sterling advise Placer Dome, as sponsor, on the \$1.86 billion Cerro Casale gold and copper mining project in Chile, and act for Mizuho Corporate Bank, as lead lenders of \$300 million-worth of financing, in relation to the Tuxpan V power project in Mexico, which was the first time that financing for an independent power project in Mexico was completed before construction began. Meanwhile, in connection with the development of the Choloma III power generating facility in Honduras, Shearman & Sterling counselled the lead arrangers and offshore US dollar lenders on the provision of a \$171 million financing, which marked the first limited-recourse project financing for an independent power project in Honduras.

Closer to home, Shearman & Sterling landed a high-profile role representing the Empire State Development Corporation (ESDC) in relation to the construction of the new 51-story Bank of America Towers in midtown Manhattan. The firm advised ESDC on the condemnation of the site, the granting of a ground lease to the development entity (a joint venture between the Durst family and Bank of America) and the negotiation of the financing of the construction. Construction of the \$1.3 billion tower should be completed in 2007.

Shortly before going to press, Shearman & Sterling represented Citigroup, BBVA Bancomer, HSBC and Banco Inbursa, as joint-lead arrangers, in relation to the \$400 million structured financing for the development and construction of a new passenger terminal and related facilities at Mexico City International Airport. The transaction was structured as a senior secured financing to a special purpose Mexican trust, the proceeds of which were applied by the trust to purchase from the concessionaire of the airport the airport usage fees payable by passengers using the airport during a specified period.

#### Leading lawyers

Robert Dineen  
William Giusti  
Patricia Hammes  
John Millard  
Cynthia Urda Kassis

#### Key contact partners

Jeanne Olivier  
Cynthia Urda Kassis

#### Simpson Thacher & Bartlett

Simpson Thacher & Bartlett continues to maintain a well-regarded projects practice, which has particular experience on deals in the domestic power market. Richard Miller heads the project finance team, which contains eight other partners and 25 associates.

In May 2004 Ken Wyman acted for the KeySpan Energy Corporation on the \$385 million leveraged lease financing of its Ravenswood Unit 40 Facility. Towards the end of 2004, the firm closed two matters in quick succession: Miller represented the Southern Union Company and GE Commercial Finance Energy Financial Services on the \$2.45 billion financing of the acquisition of Enron Corporation's core natural gas pipeline assets that closed in November, and David Sorkin led a team that guided Blackstone, Hellman & Friedman, Kravis Kohlberg Roberts & Co and the Texas Pacific Group through Texas Genco's acquisition of 11 fossil fuel electric generating plants and an interest in a nuclear power plant (with a combined capacity of around 14,000MW, which closed the following month.

The work continued into 2005; in an emerging markets deal completed in February, for example, Simpson Thacher fielded a team led by George Miller that advised Aeropuertos Dominicanos Siglo XXI on its \$265 million financing of a 30-year concession over six airports in the Dominican Republic.

**Leading lawyers**

Alan Brenner  
 Martin Jacobson  
 George Miller  
 Richard Miller

**Key contact partners**

Martin Jacobson  
 George Miller  
 Richard Miller

**Baker Botts**

Texan firm Baker Botts has a strong project finance practice with a particular focus on the energy industry. One standout instruction came from CenterPoint Energy, in relation to the \$3.65 billion sale of its power assets to Texas Genco. Notable for being the largest-ever non-utility purchase of power assets, the transaction included structuring the seller's bridge, interim and continuing financing and providing financing to allow CenterPoint Energy to repurchase the minority interest in Texas Genco owned by the public and acquire an additional interest in the South Texas Project nuclear power plant.

Among the year's other highlights, Baker Botts advised Freeport LNG Development on the \$700 million project financing of an LNG receiving, storage, and regasification terminal on Quintana Island, near Freeport, Texas, acted for Industrias Peñoles on the \$155 million construction of the Milpillas Copper Mine, represented AES Shady Point on the \$22.6 million non-recourse financing of a debt service reserve facility and a \$143.5 million refinancing of non-recourse project finance facility for the AES Shady Point 320MW coal-fired plant, and advised Excel Paralubes on its \$145 million financing of a lubricating base oil processing plant.

**Leading lawyers**

David Asmus  
 Jay Kolb  
 Stephen Krebs  
 Stephen Miles  
 Stuart Solsky

**Key contact partners**

Maura Goldstein  
 Stephen Krebs  
 Stuart Solsky

**Davis Polk & Wardwell**

Davis Polk & Wardwell's project finance team has had a busy year. The firm advised Morgan Stanley, Merrill Lynch, and ABN Amro as initial purchasers on the \$1.25 billion Rule 144A offering of gas structured export notes by Gazprom, and acted for Morgan Stanley again when it lead managed a \$450 million offering by Asia Aluminum Holding, the proceeds of which were used to finance construction of a new aluminium rolled production manufacturing facility in China's Guangdong province.

In the first part of 2005, meanwhile, the firm represented the lead managers, led by IXIS Corporate & Investment Bank and Lazard Frères Banque, on the €253 million (\$311 million) Rule 144A and Regulation S rights offering of common stock by Euro Disney, the operator of the Disneyland Resort Paris. And in a borrower-side instruction, Davis Polk acted for Digicel International Finance on its \$385 million senior secured financing to enable Digicel to build a pan-Caribbean wireless telecom network.

**Leading lawyers**

Joseph Hadley  
 E Waide Warner Jr

**Key contact partner**

E Waide Warner Jr

**Other notable firms**

Under the leadership of David Slade, **Allen & Overy** continues to develop its US project finance practice, and now the firm's New York office has four partners and 11 associates dedicated to project finance work. In one highlight, last year the firm represented the developers in relation to the \$800 million north-south Novatrans Energis transmission project in Brazil. Financed by the Inter-American Development Bank and Brazil's BNDES, the transaction was the first internationally financed and privately owned and operated transmission facility in Brazil. Another emerging markets matter saw the firm represent Sociedad Concesionaria Vespucio Norte Express and its sponsors on a project bond financing, guaranteed by the MBIA Insurance Corporation, the proceeds of which were applied to finance the construction of a high-speed urban automated toll road in Santiago.

**Mayer Brown Rowe & Maw** continued to develop its project finance presence over the past year. Barry Machlin's practice advised the US Ex-Im Bank on the \$1.7 billion financing provided in relation to the Jawa Power Equity Sale and on the \$500 million financing of the EBIC ammonia plant in Egypt. In Latin America the firm represented the Bank of Nova Scotia, as administrative agent, and Scotia Bank Inverlat, FMO and Banco Nacional de Obras, as arrangers, of the \$70 million financing for three hydroelectric power plants in Mexico by Comexhidro, and on the domestic front John Schmidt represented the City of Chicago on the \$1.83 billion Chicago Skyway toll bridge project.

**Orrick Herrington & Sutcliffe** welcomed partner David Robbins into the partnership this year, boosting its credentials in the area. The practice now counts 22 partners and 24 associates, and is headed by Michael Meyers. Deal highlights included representing the lead arrangers on a \$1.19 billion loan to partially finance the City of Chicago's privatization of the Skyway toll bridge project, acting for the AES Corporation on its \$60 million acquisition of SeaWest Holdings, a leading developer and operator of wind farms in the US, and advising Japanese company Green Power Investment on a loan facility provided to the company by Giuliani Partners and Sage Capital Growth.

Earlier this year **Bingham McCutchen** advised Astoria Energy twice: first, on an \$825 million construction refinancing comprising \$725 million-worth of long-term bank loans and \$100 million in letters of credit, and secondly, on its \$983 million development of a 500MW gas-fired power plant in the Astoria section of New York City. A consortium of insurance companies, including Prudential Insurance, John Hancock and Metropolitan Life also turned to the firm for advice when they loaned \$235.5 million-worth of fixed-rate debt and senior and subordinated loans to FibroMinn, a 50MW renewable plant in Minnesota fuelled by turkey litter.

**Freshfields Bruckhaus Deringer** acted for WestLB, as lead arranger, on forwarding a \$30.6 million loan from a syndicate of banks and investors to the Sweeny Cogeneration Facility, which owns a 450MW natural gas-fired electric generating facility near Houston, Texas, and represented BNP Paribas on the \$100 million financing of the Prodisa project in Chile. This project involved the development of a hydro-cracking refining plant and also included an acid water treatment plant, a water demineralization plant, and an ammonium regeneration plant.

Appearing for the first time this year, **Morrison & Foerster**'s project finance practice offers a global reach, serving clients in Latin America, Asia, the Middle East and Africa, as well as in the US. Over the past year, Morrison & Foerster represented Transierra on its \$409 million Gasyrg pipeline project, which consisted of financing Transierra's 2002-2004 investment programme and increasing the capacity of the Gasyrg pipeline by means of a first compressor station. Mitsui & Co, the Calpine Corporation, and Chubu Electric Power Company also turned to the firm for advice in relation to the \$275 million financing of the Valladolid III project, a 525MW gas-fired combined-cycle power plant in Mexico, and the Marubeni Corporation and Unison Co selected the firm to advise them on the Youngduk wind farm project. At \$60 million, the project was the first wind farm ever developed in South Korea, and consisted of a 39.6MW wind farm power generating facilities and ancillary facilities in north Kyongsang.