

Private Equity Group Of The Year: Davis Polk

By Elise Hansen

Law360 (December 4, 2020, 6:44 PM EST) -- Davis Polk & Wardwell LLP helped an investor consortium buy RSA from Dell Technologies for more than \$2 billion and is assisting KPS Capital Partners in its \$2.1 billion bid to buy bankrupt auto company Garrett Motion, earning it a spot among Law360's Private Equity Practice Groups of the Year.

The firm's private equity work spans several different practice areas, but around 30 partners are routinely involved in private equity deals, said partner William Chudd, who co-heads the private equity group. Even attorneys who focus on private equity advise strategic and corporate clients in transactions as well, an arrangement partner John Amorosi highlighted as a strategic strength.

"We think the diversity of that experience enables us to better serve our private equity clients when they're opposite corporates," said Amorosi, who co-heads the private equity group. "The corporate mindset and the private equity mindset are very different; the manner in which they make decisions is very different; the hot buttons they have are very different, and helping our private equity clients understand that and navigate that I think can offer significant value to our private equity clients."

The private equity work has been taking up an increasing portion of the firm's mergers and acquisitions practices as private investment funds have grown in clout in recent years, corporate partner Michael Davis added.

"As a strategic priority we've really focused on building out the practice," Davis said. "It's a combination of looking at the market and seeing where the pools of capital are, but also thinking about where our institutional strengths as a firm lie and really capitalizing on that."

Davis highlighted the firm's financing, tax, regulatory and executive compensation practices as being crucial to a well-executed private equity deal.

"If you look at ... the breadth of our practice areas and strength across the board, it's really an area that I think people thought, 'This really plays to our strengths,'" Davis said.

Among the major transactions the firm has helped steer in the past year include the acquisition of



cybersecurity firm RSA. An investor group led by private equity firm Symphony Technology Group inked a deal in February to buy RSA from Dell Technologies for \$2.075 billion in cash, and the deal closed in September.

Symphony at the time was working with a fund size of about \$1 billion and had to quickly raise capital for the deal, said Amorosi.

"They raised most of the capital from their [limited partners] in a very short period of time," he said, adding that the group's bid required careful structuring in order to remain attractive in a competitive bidding process.

Davis Polk is also guiding KPS Capital Partners LP in its \$2.6 billion stalking horse bid for auto parts maker Garrett Motion Inc. Garrett filed for bankruptcy in September, and has since received approval from a New York bankruptcy judge for KPS' bid to set the floor for the sale of its assets.

The firm's work with KPS "plays to our strengths," said Amorosi. "Our colleagues in restructuring are world class, and we've been able to take advantage of their expertise to steer a client successfully to a great opportunity and we're trying to bring that to closure."

Salt producer Kissner Group Holdings LP and its investors also looked to the firm for guidance in Kissner's sale to Stone Canyon Industries Holdings LLC. Kissner was backed by funds associated with private equity firm Metalmark Capital LLC as well as a joint venture between Demetree Salt LLC and private equity shop Silverhawk Capital Partners.

The deal, which closed in April, was the culmination of numerous transactions for that client, including bolt-on acquisitions, financings and refinancings, Davis noted.

"[The deal] really shows how through the life of a private equity transaction we can really bring the full services and strength across our practices to bear on a transaction," he said.

Chudd noted that these transactions typify the type of work Davis Polk is targeting, after years of building up its strengths in the private equity market.

"It may have taken a little bit of time to get that recognition," he said. "Now we've fully shown the market what we can do in terms of our private equity practice."

--Editing by Jay Jackson Jr.