



2016 Practice Group of the Year

Private Equity

Kirkland & Ellis LLP has spent the last year advising The Blackstone Group, KKR & Co. L.P. and other leading private equity firms on complex acquisitions and transactions involving billions of dollars, earning it a spot among *Law360's* Practice Groups of the Year.

Jon Ballis, a senior partner in the firm's corporate practice group and a member of the firm's global management committee, told *Law360* that Kirkland & Ellis has seen steady growth in securing both midsize and large buyout deals, tailoring strategies to individual companies to make sure they get what they want.

He said Kirkland has historically been plugged into business in the middle market, but that over the last several years it's become one of the go-to firms for large leveraged buyouts as well — including the \$6 billion acquisition of TeamHealth in the health care industry, billed as the second-largest deal of its kind in 2016.

"Perhaps most importantly, we continue to capture more opportunities with private equity firms that we haven't historically represented," Ballis said.

He explained that the firm's breadth of attorneys — more than 400 in the private equity practice area — plus a litany of longstanding clients, gives the practice group a strong foothold in the market to capture new business. He said the global firm's opening of a Houston, Texas, branch in 2014 that rapidly expanded to the current 90-attorney office also bolstered its offerings.

"As a result of that, we have significant deal flow. We know

the market very well. There are no trends, there are no market terms that we're not fully conversant in," he said.

Notably, Kirkland helped guide Blackstone's acquisition of physician staffing firm TeamHealth in a blockbuster deal worth roughly \$6.1 billion in October.

Under the terms of the deal, funds affiliated with The Blackstone Group, alongside unidentified co-investors, will pay \$43.50 per share in cash to acquire Knoxville, Tennessee-based TeamHealth Holdings Inc., according to a statement. TeamHealth, which supplies doctors to U.S. hospitals, employs more than 19,000 health care professionals nationwide.

Kirkland was also instrumental in Blackstone's private equity joint venture that bought four power plants for \$2.17 billion from electric utility American Electric Power Co. Inc.

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The deal, announced in September, saw Blackstone join forces with ArcLight Capital Partners LLC to execute the sale that the utility touted as a long-term strategic move.

AEP, which serves more than 5 million U.S. customers across 11 states, said it would hand over three natural gas-powered plants in Ohio and Indiana, as well as the coal-powered Gavin Plant in Ohio, to the private equity joint venture in exchange for the \$2.17 billion in cash.

Kirkland turned its attention to the sports arena when it represented KKR in the acquisition of mixed martial arts company UFC. KKR joined entertainment and sports giant WME IMG and other private equity partners — Silver Lake, Michael Dell's MSD Capital LP and MSD Partners LP — in the deal valued at \$4 billion and announced in July.

Upon closing, Ultimate Fighting Championship Chairman and CEO Lorenzo Fertitta agreed to step down from day-to-day operations of UFC, but both he and his brother Frank Fertitta III planned to retain a passive minority interest in the organization, WME IMG said.

In February 2016, Kirkland guided Madison Dearborn Partners' sale of Illinois-based Sage Products LLC to its peer, medical device manufacturer Stryker Corp. The buyer cast the move as one that bolsters Stryker's ability to offer prevention-based treatments and services.

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The all-cash deal saw Stryker pick up a company in Sage Products that makes and distributes disposable products for a range of medical needs, including oral care, skin preparation and protection, and patient cleaning and hygiene, among others. The company's focus is on products that prevent and treat hospital-acquired conditions.

Complex deals such as these are representative of the firm's strategy that involves applying creative thinking to stand out in the market, Ballis explained.

"Competition for valuable assets is fierce, and I think smart private

equity firms are more and more attempting to find angles where they can differentiate themselves in trying to purchase that asset," he said.

He said highly complex and tailored structures involving billions of dollars are driving the market — as opposed

to cookie-cutter transactions — and Kirkland is keeping up.

"Those sorts of creative structures often demand an intense amount of legal thought and effort, so it allows us to add value in those kinds of deals," he said.

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