Law360

2019 PRACTICE GROUP OF THE YEAR

M&A

Kirkland & Ellis LLP represented Bristol-Myers Squibb Co. on its $74 billion acquisition of Celgene Corp. and helped investment manager GLP on the sale of its logistics assets to Blackstone for $18.7 billion, earning the firm a spot among Law360's 2019 Mergers & Acquisitions Groups of the Year, the fifth year it has earned that distinction.

It was a banner year for Kirkland, which worked on 655 transactions globally in 2019, the second most of any law firm behind DLA Piper and the most in the United States, according to data from Mergermarket. And at nearly $494 billion, the total value of the transactions it worked on worldwide was behind only Wachtell Lipton Rosen & Katz.

"We're not just doing one segment of the M&A industry, or one type of deal, we're really doing every type of deal," Kirkland partner Daniel Wolf said.

Of Kirkland's 2,700 attorneys, it has about 270 partners who primarily work on mergers & acquisitions and private equity, the firm said. Of those, about 30 are based in the firm's New York office where they focus on major transactions and activist investor issues, it said.

Kirkland partner Sarkis Jebejian said he hopes the firm carries its momentum into 2020.

"Our ability to provide elite-level advice to the broadest range of clients across the full spectrum of M&A activities truly sets us apart," he said.

In January 2019, Kirkland client Bristol-Myers Squibb announced it was buying Celgene in a $74 billion deal, one of the world's largest transactions last year.

Kirkland was operating on a compressed timeline to announce the deal early that January, Wolf said. Much of the work on the transaction didn't begin until the second half of November 2018, a challenge given the number of lawyers gone for the holidays, he said.

"To pull together a launch of this size was a significant undertaking," Wolf said.

The deal closed in November 2019, but only after a challenge from investors and Celgene shedding its psoriasis drug Otezla for $13.4 billion to win approval from the Federal Trade Commission. The sale of Otezla to Amgen is the largest divestiture ever required by the FTC or the U.S. Department of Justice.

"It had almost everything you could ask for from a transaction," Wolf said.

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Winning support for the deal in the face of an activist investor campaign from Starboard Value and Massachusetts-based Wellington Management Co. LLP — a typically passive investment manager and Bristol-Myers Squibb's top institutional investor at the time — added another twist to the deal, Wolf said.

"We weren't just dealing with some gadfly that we had to brush off; we had some serious opposition from people who know the company," he said.

In response, Kirkland focused on winning the recommendation of proxy advisory firm Institutional Shareholder Services, which was seen as pivotal in gaining support of Bristol-Myers Squibb investors, a majority of which approved the deal in April.

Kirkland's representation of logistics-focused investment manager GLP in the sale of some of its assets to Blackstone for $18.7 billion was complicated for different reasons.

In that deal, announced in June, the challenge was coordinating a transaction requiring expertise in several different areas, including real estate investment trusts, investment funds, tax and more, Jebejian said.

"It really showcased our entire firm and our entire team," he said.

In that transaction, GLP sold portions of its U.S. business, including 179 million square feet of urban, infill logistics assets, making it the largest private real estate transaction in history, according to the company. The deal, which closed in September, nearly doubled the size of Blackstone's industrial assets, the private equity firm said.

The transaction required the expertise of lawyers across different practice areas due to the multifaceted nature of the assets, which were split across three separate funds and sold off as REITs.

"It really had our entire transactional corporate practice working together to get the deal done," Jebejian said.

GLP was also weighing the option for whether a sale or an initial public offering would yield a greater return on its investments. While GLP ultimately sold off its assets, other Kirkland attorneys worked on a potential IPO, requiring the involvement of a capital markets team, Jebejian said. Work on the deal took more than a year of effort as the privately held funds had to be organized for both possibilities, he said.

"We had a lot of balls in the air and had to deliver them all at the same time to help the client figure out what was the best option," Jebejian said.

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