

Fund Formation

Kirkland & Ellis LLP helped several of its corporate clients raise and close high-value funds over the past year, including representing Francisco Partners on the closing of nearly \$17 billion in capital commitments between two of its flagship funds that were both oversubscribed and exceeded target fund sizes, earning the firm a spot as one of Law360’s 2022 Fund Formation Groups of the Year.

Kirkland partner Justin Solomon told Law360 that he has worked with Francisco Partners for more than a decade, and this latest fundraising round was significant because the private equity company had been growing at a strong rate.

Its two funds — Francisco Partners VII LP and Francisco Partners Agility III LP — were significant increases from prior funds, indicative of the strong demand for the company, given their market-leading performance, Solomon said.

“It’s a fascinating process working on a fund like that because you’re dealing with so many investors from so many different jurisdictions ... so it really forces you to be on top of your game,” he said.

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a lot of issues pretty regularly, I would bet more than a lot of our peer firms, so it allows us to speak to issues based on our personal experience,” Solomon added.

Kirkland’s fundraising efforts for Francisco Partners attracted more than 160 institutional investors from 30 countries, including new investors and strong support from existing investors, according to the firm. The fundraiser was completed on July 13.

Kirkland is a full-service law firm with 3,000 lawyers spread out across core disciplines. The firm’s fund formation group boasts roughly 580 attorneys

located in nearly 20 offices worldwide, according to Kirkland partner Nicole Washington.

Solomon said Kirkland’s corporate clients usually don’t need to go anywhere else for their legal needs, and the fund formation group does “the full spectrum of funds regardless of size and strategy.”

He added that both he and Washington have several clients for which they work on all the day-to-day fund work, whatever that may entail.

“If people are doing minority-stake sales or they’re dealing with very sensitive employee hire or fire

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issues or succession planning, we end up really being responsible for all those things on a daily basis,” Solomon said.

Washington said the firm is “focused on trying to go above and beyond as partners to our clients.”

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A few months before the Francisco Partners fundraiser, Kirkland also advised Clearlake Capital on the successful closing of its seventh flagship private equity

fund, Clearlake Capital Partners VII, with more than \$14.1 billion in commitments. According to the firm, the fund had an initial target of \$10 billion, and ultimately, it more than doubled the size of its predecessor, which had closed in April 2020 with \$7.1 billion.

The fundraising was done virtually in half a year, and the firm added more than 50 new investors.

At the start of 2022, Kirkland also represented Blackstone Inc. in forming and fundraising Blackstone Capital Opportunities Fund IV. According to the firm, the fund’s value at the final close was \$8.75 billion.

Solomon said the firm is proud to have Blackstone — one of the top private equity firms in the world — as a consistent client.

One of the challenges that arise with working on such large funds is that it involves the largest investors who are dealing with regulatory issues and are also always changing, Solomon said.

Washington added that over the past year, they saw many investors and clients go to new jurisdictions, which was something Kirkland was able to help navigate.

With Kirkland’s fund formation group’s success in 2022, Solomon said there are always possibilities for growth but added that the firm and the practice group “has never been about growth for the sake of growth.”

“We have been continuously growing over the last five years, but it’s been strategic, it’s been adding certain capabilities ... or opening groups in different offices ... so I think we will continue to grow but not just for the sake of growth,” he said.

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