

Private Equity Group Of The Year: Morrison & Foerster

By **Charlie Innis**

Law360 (January 28, 2022, 2:03 PM EST) -- The private equity practice at Morrison & Foerster LLP advised on 129 deals worth about \$80 billion last year, including several sizable cross-border deals and transactions involving special purpose acquisition vehicles, earning the firm a spot among Law360's 2021 Private Equity Groups of the Year.

Partner Patrick Huard, who helps lead the firm's private equity practice in the U.S., said collaboration is key to the group's success, particularly in cross-border transactions, which often call for attorneys to work across time zones and offices.

"I have found the culture here of that collaboration means people always pick up the phone, they're always willing to dive in, no matter the timelines or the reasonableness or unreasonableness of the request," he said.

MoFo's private equity attorneys guided companies on a number of big-ticket SPAC mergers in 2021. SPACs, also known as blank-check firms, raise money in initial public offerings in order to buy a private company and take it public. Many of the entities are sponsored by private equity players, and SPAC deals often involve a second round of private equity financing to help consummate the merger. The popularity of the vehicles boomed in 2020 and 2021.

The firm led blank-check company Pivotal Investment Corp. II in its \$1 billion merger with XL Fleet, a provider of electric and hybrid fleet vehicles. That deal closed in late December 2020 and the company went on to be valued at \$3 billion shortly after. The practice group also guided aviation infrastructure business Sky Harbour LLC on its merger with Yellowstone Acquisition Co., in a deal announced in August 2021 that values the combined company at about \$777 million. That deal closed on Jan. 25.

Also in 2021, MoFo guided Tokyo-headquartered SoftBank Group Corp., the largest investor in Social Finance Inc., in connection with the fintech company's deal to go public through a SPAC merger at a \$8.65 billion valuation. SoFi completed the transaction in May 2021.

Huard said the firm advised on more than 30 deals with SoftBank last year.

MoFo's private equity practice comprises 110 attorneys across 16 offices in the U.S., Asia, Europe and the U.K., including 62 partners, 40 associates and eight of counsel. A total of 15 attorneys joined the



global private equity team in 2021.

MoFo maintains an active presence in Asia, where the private equity group runs five offices — three offices in China, one in Singapore and one in Japan — with a total of 42 private equity attorneys stationed on the continent. The firm's largest private equity office overall is in Hong Kong, where there are 25 attorneys.

Marcia Ellis, the firm's global chair of private equity who is based in Hong Kong, said MoFo had predicted in late 2020 that in 2021 the SPAC craze would hit Asia.

"It turned out to be quite correct. We'd worked on quite a number of Asia-based SPACs and de-SPACs," Ellis said, adding that MoFo is also involved in advising clients on listing on the Hong Kong Stock Exchange.

Ellis led counsel for Silver Crest Acquisition Corp., which is backed by China-focused private equity firm Ascendent Capital Partners, on the SPAC's deal to buy Tim Hortons China, a quick-service coffee retailer. Announced in August 2021, the transaction valued the combined company at \$1.69 billion.

The deal required some finesse, as the Chinese government had changed its regulations with respect to companies that held a lot of data, and because of that change, MoFo needed to help the coffee company restructure its business, Ellis said.

"Although it's a very offline business — you know, we're just talking about coffee shops, right? But if you have a loyalty program, you have data about customers," Ellis said. "And that was sufficient data to be caught by this regulation."

Out of the 129 deals MoFo's private equity group advised on last year, about half were cross-border.

"We're really across the capital structure in Asia and very, very strong. And that strength really distinguishes us," Mitchell Presser, MoFo's global corporate co-chair, who specializes in private equity and M&A, said.

Presser, who joined MoFo in 2020, added that the firm has also led the way in advising on environmental, social and corporate governance standards, or ESG, which have grown increasingly important to private equity firms in recent years. The firm has had an ESG practice for over 20 years, which is "before most people could even spell ESG," Presser said, jokingly.

"Our ESG practice has been a phenomenal benefit to us in the private equity markets, because all of our private equity clients care about this and need the help and guidance in it," he added.

--Editing by Gemma Horowitz.