

PHOENIX BUSINESS JOURNAL

The art of the deal

MERGERS AND ACQUISITIONS ARE HEATING UP IN PHOENIX AS THE ECONOMY IMPROVES

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Sometimes the best way to grow a business is to absorb the competition, and this week's list is the people in town who do the heavy lifting: merger and acquisition lawyers.

Dan Mahoney, a partner at Snell & Wilmer who concentrates his practice in mergers and acquisitions, securities, venture capital and private equity, corporate law and advising corporate boards, explains why mergers are popping up all over, and all the legal gymnastics it takes to join two companies.

What are some of the challenges of M&A work? First, as an M&A attorney you tend to be the quarterback of the transaction and must coordinate and direct a lot of different parties. M&A transactions, particularly larger, sophisticated M&A, involve main players such as sellers, buyers, financing sources, escrow agents, regulatory bodies, et cetera. One significant subset of that are the array of different legal experts that are needed, such as corporate, intellectual property, tax, employee benefits, real estate, regulatory and a number of others.

Second, time constraints – usually, when the parties sign the letter of intent and decide they want to pursue a deal, it is all systems go and get the deal done tomorrow. While there are many variables and impediments to closing that are outside of your control, in large part the buck stops with you as the lead M&A attorney and you need to find a way to get the deal done quickly and efficiently. There is a saying, “time kills deals.”

Third, personalities – with all of those different parties and players comes a lot of different personalities. Some are easy to deal with and some can be a challenge, especially when so much is at stake for many of the parties involved.

What is happening in terms of mergers in the

BIG DEALS OF 2013

Phoenix landed one of the largest U.S. acquisitions last year when US Airways Group Inc. bought out American Airlines. Here's a look at the list of the year's top 10:

RANK	BUYER	TARGET	PRICE
10.	Applied Materials	Tokyo Electron	\$10 billion
9.	Spectra Energy Partners	Spectra Energy Corp. assets	\$10 billion
8.	US Airways Group	American Airlines	\$11 billion
7.	Thermo Fisher Scientific	Life Technologies	\$13 billion
6.	Liberty Global	Virgin Media	\$16 billion
5.	Publicis Groupe	Omnicom Group	\$17 billion
4.	Comcast	NBC Universal Media	\$17 billion
3.	Michael Dell, Silverlake	Dell Computers	\$25 billion
2.	Berkshire Hathaway, 3G Partners	H.J. Heinz	\$23 billion
1.	Verizon	Verizon Wireless from Vodafone	\$130 billion

SOURCE: DEALOGIC

Valley, what industries are merging, why? It is hot. I closed two M&A deals this morning, have another one closing next week and have a number of them in the pipeline. I am hearing similar stories from a number of my partners and colleagues. You can call it pent-up demand by companies with chasing or private equity groups needing to deploy capital. However you slice it, there is a lot of money chasing deals and looking for a good home.

What is the current landscape of mergers in Arizona, is it speeding up, slowing down? How does that compare to pre-recession mergers?

It is speeding up. I had a friend of mine who is a financial adviser tell me that we are in the third inning of the business cycle and ramping up with fundamentals looking positive. (Information technology) certainly feels like that is manifesting itself in the M&A market in Arizona and elsewhere.

In terms of multiple acquisitions at a time, what are the additional challenges that come with a fast-growing client? Integration. I have a few clients that are very acquisitive. I have closed four acquisitions in one day for the same client before. Once the acquisitions are done, though, my work

may be largely over, but the buyer's work has just begun. They have to try to integrate these companies and their people into their business, systems and culture. The last one can often be the biggest hurdle, particularly when the targets being acquired are international operations.

At Snell & Wilmer you have 15 M&A lawyers, while others on our list have fewer, why the high volume (comparatively)? We are the largest law firm in Arizona and as a result we are seen as a leader in the legal community. Accordingly, a lot of companies and clients come to us and we need to be staffed to service them as they generate lots of different types of legal needs, including M&A.



Dan Mahoney