



2015 Practice Group of the Year

Capital Markets

Capital markets lawyers at Kirkland & Ellis LLP guided a debt offering for the massive Kraft-Heinz merger, helped clean power yieldco TerraForm Global go public and pulled off other high-stakes deals in 2015, earning a place among *Law360's* Capital Markets Practice Groups of the Year.

After riding a wave of major initial public offerings onto last year's Practice Groups list, Kirkland & Ellis' capital markets team continued to thrive in 2015 despite a marketwide slowdown in IPOs, finding plenty of opportunities to help businesses issue new shares and debt securities amid the often choppy equity markets.

"Our focus is more on the issuers' side and less on the underwriters' side than most other firms, and that is due primarily to our desire to focus on companies," said Joshua N. Korff, a capital markets partner in Kirkland & Ellis' New York office. "We represent many private equity funds, we represent many large companies, and that's where we want to be active."

Sure enough, major corporate clients kept the practice busy in the past year.

Korff said he spent much of his time working on debt finance deals for H.J. Heinz Co., which joined forces

with fellow food giant Kraft Foods Group Inc. in a \$62.57 billion merger that was announced in March and closed in July. Kirkland & Ellis was part of Heinz's legal team for the deal itself, but the firm's involvement didn't start or end with the signing of the merger agreement.

Ahead of the Kraft deal, Kirkland & Ellis had guided Heinz on a \$2 billion high-yield offering of senior secured notes in January 2015. That issuance was designed to help Heinz pay down some of its existing term debt, the company said at the time.

But that transaction was small potatoes compared with what Heinz and its Kirkland & Ellis lawyers

served up next: a \$12 billion package of debt offerings to help finance the Kraft-Heinz deal. The June offering spanned national borders and encompassed multiple tranches of debt.

"We had to tranche out the securities in a manner that would meet market conditions in various jurisdictions, and it ended up being essentially four or five different offerings that we all had to coordinate with various local laws and various local clearinghouses," Korff said.

Another challenge, Korff said, was juggling older debt with the new borrowings without throwing off the capital structure of the Kraft Heinz Co.

"In this case, we had some debt, primarily on the Kraft side, that was going to remain outstanding, so we had to find a way to structure the transaction such that all of the new debt we wanted to incur for the surviving company would fit in under

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that existing debt,” Korff said. “Ultimately, we were able to choose which debt to take out and which debt to leave in, in a way that allowed us to incur new debt in compliance with the debt that we chose to stay in.”

Other major clients that turned to the firm for help with debt offerings in 2015 included Boeing Co., Solera Holdings Inc., Charter Communications Inc. and Restaurant Brands International Inc., the latter formed by the 2014 merger of Burger King Worldwide Inc. and Tim Hortons Inc.

Korff, who was one of the Kirkland & Ellis lawyers to represent Burger King in the Tim Hortons tie-up, continued his relationship with the combined company by helping it issue first-lien notes in a \$1.25 billion high-yield offering in May.

“Because of the market forces and the relative yields associated with first-lien notes versus second-lien notes or unsecured notes, there was significant interest savings that could be achieved by refinancing some of that junior debt with first-lien debt,” Korff said.

Meanwhile, the firm continued to build on its reputation as a go-to firm for IPOs and subsequent equity offerings. One of the firm’s most closely watched IPOs was the \$675 million August debut of TerraForm Global Inc., a clean energy-focused yieldco and unit of SunEdison Inc.

Dennis Myers, a Chicago-based capital markets partner with the firm, said the TerraForm Global debut was

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his biggest project of the year. TerraForm Global’s portfolio of power-generating assets expanded dramatically through acquisitions while the company prepared its IPO, Myers said.

“These deals where they were assembling the projects were happening concurrently with the [U.S. Securities and Exchange Commission] review process, so a lot of times, we were literally waiting for the signature pages to come through in order to revise the S-1 to get those projects and that description into the S-1,” Myers said.

To make matters more complicated, he said, TerraForm Global was buying up assets around the world. Each time the company bought into a new jurisdiction, it needed to learn the risks and benefits of the market, all with the help of Kirkland & Ellis.

Alongside TerraForm Global’s IPO, Kirkland & Ellis helped the company with an \$810 million high-yield debt offering.

Also significant for the firm was the Hong Kong trading debut of train traffic-control systems giant China Railway Signal & Communication Corp. Ltd. The August offering raised about \$1.42 billion.

Meanwhile, with offices in Beijing, Hong Kong and Shanghai, the firm advised a group of placing agents on

the sale of \$3.1 billion in new shares by brokerage China Galaxy Securities Co. Ltd. The placement amounted to China’s largest follow-on offering at the time of the announcement, according to Kirkland & Ellis.

The firm also struck some deals for itself, adding new partners Richard Aftanas, who joined in New York from Skadden Arps Slate Meagher & Flom LLP, and Matthew Pacey, who joined in Houston from Vinson & Elkins LLP.

Korff said he sees another busy year ahead for the practice group, as the firm has “a backlog of IPOs” held up by poor market conditions that he hopes to launch in the coming months.

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