

## Private Equity Group Of The Year: Weil

By **Matthew Thomas**

*Law360 (January 30, 2020, 1:55 PM EST)* -- Weil Gotshal & Manges LLP's private equity practice helped close some of the biggest deals in the industry, including SoftBank's \$9.5 billion rescue of WeWork following its failed IPO and Brookfield's \$4.8 billion majority stake in Oaktree Capital Group, making it one of Law360's 2019 Private Equity Groups of the Year.

The firm's role guiding SoftBank's \$9.5 billion investment in WeWork — an 80% stake in the company on the heels of a tumultuous failed IPO process that also saw the departure of ex-CEO Adam Neumann — was a highlight in a strong year for the practice group. The deal, approved in October, came some seven months after the practice group also advised Brookfield Asset Management Inc. on a \$4.8 billion majority stake in Oaktree Capital Group LLC. Thanks in part to that transaction, Brookfield and Oaktree now command some \$475 billion worth of assets under management.

The practice group's leaders underlined the difficulty of Brookfield's \$4.8 billion investment in Oaktree, a deal that has resulted in one of the largest asset managers in the industry.

"Anytime you buy a founder-owned business that's public, there's tons of complexity associated with it," Douglas Warner, co-head of Weil's private equity practice, said. "I think both the SoftBank transaction and the Brookfield transaction are good examples of why clients come to Weil. We are excellent at complexity."

Although Weil's private equity team didn't handle Japan-based SoftBank's initial WeWork investment in the first quarter of last year, they were later called in when the real estate startup's planned IPO began to unravel.

"They pulled us in, given our expertise in the corporate side of things as well as the finance side, to come up with a creative solution to ensure that WeWork didn't fall apart," Kevin Sullivan, also private equity co-head, said. "It's very much a marquee-type investment for us."

Besides the Brookfield deal and WeWork's rescue financing, Weil's private equity team closed several other multibillion-dollar transactions in 2019. These deals include SoftBank investments in autonomous driving technology companies such as Uber-affiliated Advanced Technologies Group and GM-owned Cruise.



The Vision Fund, SoftBank's technology investment arm, placed \$333 million into ATG in April with Weil's help. Toyota and automotive manufacturer DENSO also contributed to the deal, raising the value of the unit to \$7.5 billion. ATG focuses on developing autonomous ride technology for its corporate parent and ride-hailing giant Uber.

The Vision Fund also helped inject another \$1.15 billion into GM's Cruise, also in the business of developing commercial autonomous driving services, in May. Following the deal, Cruise was reported to be valued at \$19 billion.

"We probably helped SoftBank put close to \$15 billion worth of capital to work last year," Sullivan said.

Warner said clients like SoftBank are drawn to work with the firm on a variety of transactions besides thornier issues like the WeWork restructuring or Brookfield-Oaktree deal, in part because of their growth equity expertise. Those growth equity clients include companies like Providence Equity Partners, TCV and Guidepost Growth Equity, the firm said.

And this sets Weil's private equity team apart from the competition. "It's part of a broader platform that we have in growth equity that's just quite killer," Warner said.

The practice group's focus on growth equity is the "largest and most active" of its kind, Sullivan said.

In 2018, Weil helped TCV inject \$120 million into travel marketing startup Sojern and later helped the San Francisco-based firm invest another \$550 million into Peloton. The popular fitness startup went on to raise nearly \$1.2 billion in its initial public offering in September.

Private equity is key for Weil. As the firm's largest practice group, making up nearly one-third of the entire firm, the group boasts some 150 attorneys at five U.S. offices: New York, Boston, Dallas, Houston and Silicon Valley. Including international offices, the practice reaches 300 attorneys in total.

"We've been a pioneer here," Sullivan said. "The numbers speak for themselves."

Going forward, Sullivan said the firm looks to build off its successes in 2019.

"Private equity as an industry is growing and we're going to continue to invest in it because it's one of the most important practice areas, if not the most important practice area, for the firm," Sullivan said. "It's an area where there's still a lot of opportunities."

--Editing by Orlando Lorenzo.