

A YEAR IN REVIEW

2018

Dechert
LLP



Falling Flowers

Bass, mahogany, painted steel

This sculpture by American artist James Surls creates a dramatic focal point to the atrium in Dechert's New York City office

Political, regulatory and economic change posed significant challenges to our clients and their businesses in 2018.

We've had the honor of representing new and long-standing clients in matters that have engaged the full scope of our talents as a firm – our knowledge, our experience and the collaborative spirit we draw on when coming together as a global team to find answers to the most demanding questions.

As we've helped our clients achieve success, our firm has grown in many ways, including the number of professionals, the depth of our talent and the scope and complexity of the work we do.

In the pages ahead we highlight a selection of matters that shaped 2018 and helped to define our year. In some, we saw years of litigation come to an end with definitive wins for our clients. In many, we broke new ground and achieved results that will have far-reaching impact on the industries in which we work. We've also made a difference through our enduring commitment to pro bono. Dechert lawyers completed more than 85,000 hours of pro bono in 2018, serving local communities and providing vital assistance to those most in need.

Dechert entered 2019 with an international team of 1,000 lawyers, the result of a strategic effort to develop our core practices and expand our global community. Many of our practice groups have benefited from the experience and energy of a strong class of new lateral hires. In one of Dechert's largest-ever lateral acquisitions, we welcomed a team of 29 lawyers to the product liability and mass torts group – bringing further strength to our acclaimed litigation team. In December 2018 our partnership grew with one of the firm's largest rounds of partner promotions, 16 lawyers across nine cities.

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Of course, a strong team can't thrive without a supportive environment. In recognition of Dechert's commitment to creating a positive workplace, we gained certification as a Great Place to Work®, following an independent survey of Dechert associates, partners and business service professionals in our U.S. offices. Through a new parental leave policy in the United States, we now provide for 12 weeks of paid parental leave for anyone becoming a new parent, either through childbirth or adoption, regardless of gender. We've made great strides introducing initiatives that promote flexible working, inclusivity and health and wellbeing.

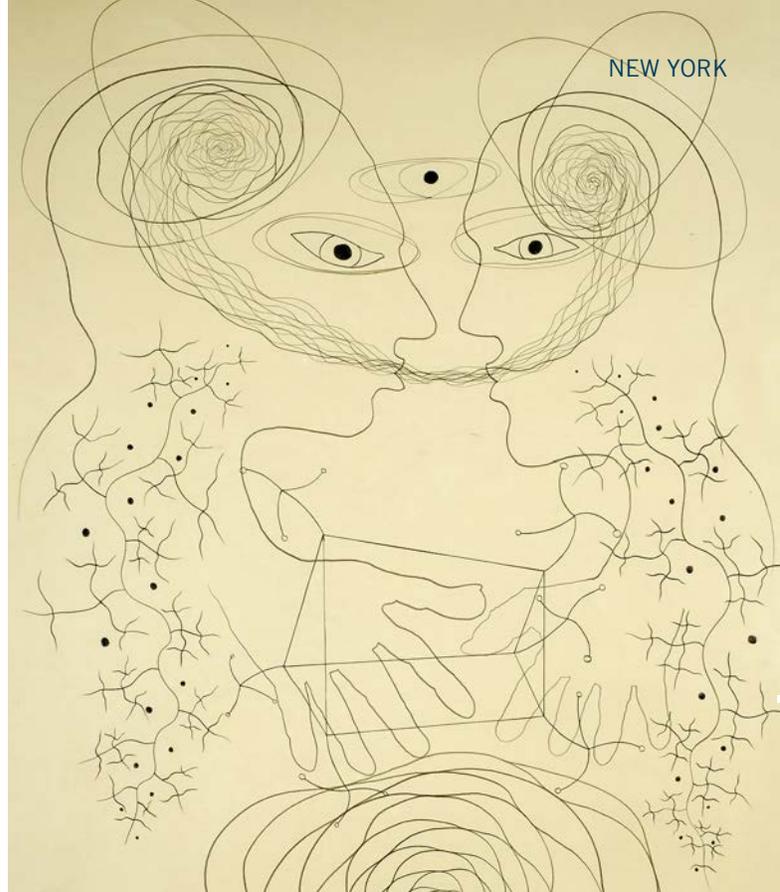
A vital part of Dechert's strategy for development is continually to evaluate the service we provide and how it can be improved to meet the changing needs of the people with whom we collaborate. Just over a year ago we introduced an Innovation Task Force, which has been busy working with key practice groups to find new tools to enhance the way we work. Dechert has always worked in innovative ways to provide solutions for clients; by investing in creative uses of technology, we can also be sure these solutions are delivered in a sophisticated and forward-thinking way.

Dechert's achievements in 2018 would not have been possible without the continued support and trust we receive from our clients, colleagues and alumni. We look forward to finding new opportunities with you in the year ahead.



Henry N. Nassau
Chief Executive Officer

Andrew J. Levander
Chair



DECHERT, A GLOBAL PATRON OF THE ARTS

Dechert was named an international winner at the Corporate Art Awards 2018 in recognition of our 765-piece art collection, displayed in our offices around the world. Each piece was selected or commissioned to inject creativity, dynamism and energy into the workplace, creating a stimulating environment for employees and clients alike.



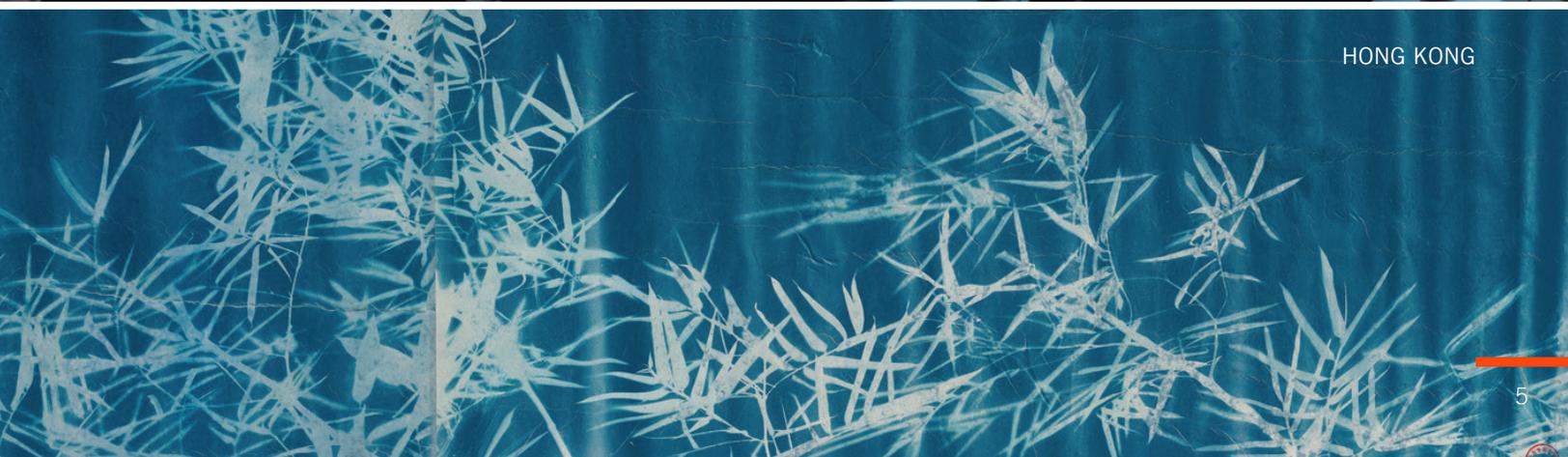
SINGAPORE



NEW YORK



HONG KONG



CVS Health: Paving the way for the largest health care transaction in history

In December 2017, CVS Health announced its plans for an acquisition that would reshape the nation's health care industry. The pharmacy services leader proposed to buy leading health insurer Aetna for US\$70 billion, with an aim to improve access to health care in communities and more effectively integrate pharmacy and medical information.

Such a merger would represent the largest health care transaction in history, and thus would elicit intense government and public scrutiny. Leading our team were partner Mike Cowie, who handled the antitrust work on 2011's largest deal – Medco's US\$29 billion sale to Express Scripts – and partner Rani Habash, who helped to lead the antitrust defense on both deals. As the transaction process picked up speed during 2018, Dechert's experience with high-profile mergers would prove invaluable.

The CVS-Aetna merger investigation was one of the broadest for any U.S. merger in terms of public opposition and regulatory oversight. The merger's effect on competition was reviewed by the U.S. Department of Justice, 19 state attorneys general, 38 state insurance departments, and Congress. What's more, powerful private groups, such as the American Medical Association, conducted relentless campaigns to urge regulators to block the transaction.

In the face of such headwinds, Dechert executed a multi-pronged advocacy strategy to ease regulators' concerns and show how the merger would benefit the health care system and patients alike. Working closely with CVS Health, Dechert's strategy included:

- *Turning big data into an advantage.* Antitrust enforcers globally have been viewing companies' customer data stockpiles with great skepticism. But Dechert showed how bringing together siloed health data can help solve some of the U.S. health care system's inefficiencies, lower costs, and reduce gaps in patient care. The DOJ concluded the combination had the potential to "generate benefits by improving the quality and lowering the costs of the health care services that American consumers can obtain."
- *Illuminating the benefits of vertical mergers.* Dechert demonstrated to the Justice Department through the use of economic evidence that our client's merger did not raise the types of competitive issues that prompted the DOJ to block the AT&T-Time Warner transaction. For our deal, the DOJ cleared all vertical theories of harm.
- *Delivering a consistent, fact-driven argument.* To neutralize political and public opposition, Dechert worked with CVS Health experts to create jargon-free messaging that illuminated the merger's benefits – then we helped ensure strict message discipline across multiple business teams throughout the deal process.

On October 10, 2018, the DOJ and five state attorneys general provided conditional approval of the merger. Then, on November 28, 2018, the US\$70 billion CVS-Aetna deal closed – the largest health care services transaction in history.

CVS Health's acquisition of Aetna was the overall winner in *The American Lawyer's* "Global M&A Deal of the Year" category at the 2018 Global Legal Awards



Mike Cowie was named to *National Law Journal's* list of Regulatory & Compliance Trailblazers in 2018

Upheld: Circuit Court victory halts thousands of claims against leading cholesterol drug

In June 2018, the U.S. Court of Appeals for the Fourth Circuit handed pharmaceutical giant Pfizer a resounding victory by upholding a lower court's dismissal of a multidistrict litigation (MDL) alleging that the company's anti-cholesterol drug, Lipitor, had caused Type 2 diabetes in thousands of patients.

The court's decision was also a triumph for Dechert partner Mark Cheffo, who for more than a decade has been national counsel to the company in litigation involving Lipitor. Beginning in 2015, Cheffo led a team that prevailed in a series of Daubert motions and prevented the plaintiffs from bringing a single case to trial. The federal MDL court excluded all general causation evidence at all doses (other than the highest dose), which affected thousands of cases that represented about 90 percent of the docket.

The court excluded virtually all of the plaintiffs' experts' opinions that Lipitor is not effective for women and dismissed their core "no efficacy" claims as pre-empted. Also excluded were significant portions of the plaintiffs' regulatory and marketing opinions and their specific causation experts in the first two trial cases. The MDL was closed less than three years after it was created.

Dechert's team also manages parallel state court litigations. In addition to other notable successes, in West Virginia, the team obtained dismissal of all claims filed by non-resident plaintiffs in a 40-plaintiff action and obtained voluntary dismissals of nearly all of the remaining cases. The team also prevailed on motions to dismiss two Michigan actions under that state's product liability statute.

Dechert's Product Liability and Mass Torts practice group was named a winner in *Law 360's* Practice Groups of the Year series, which honored the law firms behind the biggest deals and litigation wins of 2018



"After the first specific causation ruling, our team persuasively argued to the court that no case would survive summary judgment. We proposed an order to show cause process, which paved the way for Pfizer to file an omnibus summary judgment motion as to the thousands of cases in the MDL."

Mark Cheffo Partner

Vision: Creating the world's largest business development company platform

As banks have been increasingly hamstrung by regulations, business development companies (BDCs), which lend to small and midsize companies, have gained ever-greater popularity with alternative asset managers.

Leading BDC player FS Investments had a vision: to create the world's largest BDC platform by forming a partnership with KKR, a global investment firm with strength in multiple asset classes. The challenge? Amalgamating the two institutions' BDC platforms without disrupting fund operations – and convincing the stockholders of each to approve such a deal.

FS, with the larger BDC platform, called on Dechert to handle the high-stakes transaction. Led by corporate partner James Lebovitz, the team also included corporate partners Eric Siegel and Bart Winokur, tax partner Steven Clemens and financial services partner David Harris. Dechert began its work – creating a new joint advisor to four FS-sponsored and FS-managed (FSIC) BDCs and two KKR-managed Corporate Capital Trust (CCT) BDCs. Our team would also be tasked with drafting the advisor's operating agreement and investment advisory agreements for each of the FSIC and CCT BDCs.

As the amalgamation would be founded on unequal commitments – with the FSIC funds totaling US\$14 billion in assets under management, compared to the CCT funds' US\$4 billion – the tie-in had to achieve FS and KKR objectives while preserving each party's flexibility to pursue separate ventures in the future. Dechert had to anticipate potential points of stress, ensure agreements on responsibilities, and clarify solutions that could endure far into the future.

The agreement for the new joint relationship earned the approval of the boards of directors or trustees for each FSIC and CCT BDC. Dechert proceeded to assist with regulatory approvals as well as a proactive – and ultimately successful – effort to secure approval from stockholders of both FS and KKR.

The transaction closed in April 2018, creating the world's largest BDC platform with US\$18 billion in assets.

The *Financial Times* ranked Dechert among the ten most innovative firms for legal expertise in North America in its 2018 North American Innovative Lawyers Awards

The FS/KKR transaction was recognized in the “Managing Complexity and Scale” category

Dechert's asset management practice group was selected by *Law360* in its Practice Groups of the Year series, which honored the law firms behind the biggest deals and litigation wins of 2018

“There were tens of thousands of stockholders, widely spread across the investment world. Failure to secure their approval would almost certainly have seen the deal collapse.”

James Lebovitz Partner

Unbreakable: Family-owned egg producer stands up to antitrust suit at trial

Pennsylvania-based R.W. Sauder began selling poultry and eggs from Lancaster County farms during the Great Depression. Despite decades of success, the family-owned company faced potential oblivion in 2008 when a consortium of class-action law firms sued Sauder and other egg producers, alleging a conspiracy to reduce the supply of eggs in the U.S.

The plaintiff class – including supermarket chains, leading retailers and others – contended that the 13 egg producers had conspired with a trade association to reduce or limit the U.S. egg supply by slaughtering hens early, exporting eggs at a loss, and taking part in an animal welfare program that the plaintiffs claimed was actually an effort ultimately to reduce the U.S. hen population.

Sauder turned to Dechert’s antitrust team to fight the lawsuit. Dechert’s team achieved an initial victory by defeating certification of a putative class of indirect egg purchasers. However, a class of direct purchasers and a powerful group of plaintiff firms pursued the lawsuit. Plaintiffs were seeking US\$1.1 billion in damages, before trebling, prompting ten of the 13 producers to settle before trial for US\$140 million.

Undaunted by those settlements, Sauder resolved to continue the fight by proceeding to trial. Sauder had confidence in Dechert’s defense strategy and faith in the justice system. Dechert’s successful trial strategy aimed at demonstrating Sauder’s independence from the other defendants. Our team distilled business complexities into concepts the jury could grasp: Sauder had strived to improve hens’ living conditions and productivity and had exported eggs only when it made business sense to do so.

In June 2018, after a five and a half-week trial and seven days of deliberations in the Philadelphia Federal Court, Dechert achieved a decisive victory when the jury concluded that, while a conspiracy existed, Sauder had not joined it.

Steven Bizar and Christine Levin were named “Winning Litigators” in *National Law Journal’s* prestigious annual contest in 2018



Christine Levin and Steven Bizar

“Antitrust lawyers at many firms talk tough, but have virtually no antitrust trial experience, which puts their clients at a disadvantage throughout the litigation process. By contrast, our team begins formulating a trial strategy from the very beginning – and is always prepared to execute it.”

Steven Bizar Partner

“Bruising” saga: US\$20 billion restructuring for Brazilian telecom leader

When leading Brazilian telecom provider Oi filed for bankruptcy protection in June 2016, it represented the largest judicial reorganization ever in Latin America. The company, which had global ties, sought protection on US\$20 billion in financial obligations, filing judicial reorganization and insolvency proceedings in Brazil, the Netherlands, the UK and Portugal, as well as a Chapter 15 bankruptcy case in the U.S.

Dechert’s financial restructuring team acted as U.S. and international coordinating counsel to the International Bondholder Committee (IBC), one of the largest of Oi’s creditor constituencies, whose members held more than US\$2.7 billion of the debt. Led by Allan Brilliant, the team also included Shmuel Vasser and Craig Druehl (restructuring); Benjamin Rosenberg and Eric Brunstad (litigation); Charles Weissman, Jeffrey Katz and Howard Kleinman (corporate); and Steven Clemens (tax).

Brazil’s regulatory environment and Oi’s economic impact – employing 100,000 Brazilians and serving 40 million people – made the case challenging. Government agencies were critical constituencies to any restructuring proposal. Adding to the complexity were the number of creditor groups, some of which were at odds.

Reuters described the ensuing 18 months of litigation and boardroom intrigue as “bruising.” Oi’s shareholders argued for a plan that would preserve their equity while handing large losses to creditors. Meanwhile, Oi management’s attempts to negotiate with other creditor groups was stymied as shareholders sought to control negotiations. The disputes came to a head in November 2017 when Oi’s chief executive resigned, citing death threats.

The CEO’s resignation proved to be a turning point. The IBC filed a motion arguing that the company’s shareholders were acting in bad faith by seeking to undercut management. The court agreed, taking the extraordinary step of awarding exclusive rights to Oi’s new chief executive to conduct debt talks without consulting the company’s board.

Oi soon negotiated a restructuring plan with the IBC and other creditor groups which allowed the bondholders to exchange the bonds for new bonds, common shares and warrants. The plan was approved by the creditors at a creditors’ meeting in December 2017. The plan was approved by the Brazilian court in January 2018 and by a Manhattan bankruptcy judge in June 2018, making the US\$20 billion debt-for-equity swap fully enforceable in the U.S. The swap was completed successfully in July 2018.

“Global Finance Deal of the Year”
The American Lawyer’s 2018 Global
Legal Awards

“Restructuring of the Year”
Latin Finance 2018 Deals of the
Year Awards

“Cross-Border Restructuring Deal of
the Year (Over \$10B)”
M&A Advisor 13th Annual
Turnaround Awards

Dechert was named to the *Global Restructuring Review* “GRR 30,” placing it among the global elite of law firms with leading restructuring and insolvency practices

Rebuilding: Egypt's bold steps to access capital markets strengthens reserves

After sustained political and economic upheaval stemming from the 2011 Arab Spring, Egypt's foreign currency reserves plummeted from US\$36 billion to less than US\$15 billion in 2016. That year, the Egyptian government launched a series of economic reforms, among them an effort to find new sources of international funding from the capital markets.

In pursuit of this capital markets strategy, Egypt's finance ministry called upon the talents of Dechert partners Camille Abousleiman and Patrick Lyons, who in quick order oversaw Egypt's issuance of an aggregate of US\$11 billion in bonds, including the country's largest bond ever and the first triple-tranche bond to emerge from the African continent.

In February 2018, Dechert represented Egypt as U.S. and English counsel in connection with the update of its Global Medium-Term Note Program, which doubled its size to US\$20 billion. Shortly after, Dechert guided Egypt through two further issuances under the program: a US\$4 billion triple-tranche bond (closed in February 2018) and a €2 billion dual-tranche euro-denominated bond, which represented the country's first euro-denominated international capital markets transaction.

This latter bond offering was 3.8 times oversubscribed, attracting purchase orders of €7.5 billion from more than 350 investors in 35 countries. The high demand for the issuance was seen as a reflection of foreign investors' confidence in the reform measures undertaken by Egypt's government.

Such confidence is reflected in the dramatic rebound of Egypt's international reserves. As of April 30, 2018, these reserves had reached US\$44 billion, compared with US\$14.9 billion in 2016. Net foreign direct investment has similarly recovered, from a low of US\$3.7 billion in 2012/13 to US\$7.9 billion in 2016/17. Following the success of this transaction, Dechert also advised Egypt on the issuance of two other series of bonds, which were used as part of a repo transaction by the Central Bank of Egypt.

Camille Abousleiman was named as one of *The American Lawyer's* Dealmakers of the Year 2018

Dechert was ranked by Cbonds among the top law firms globally to have acted as legal advisor for issuers and arrangers for emerging market international bonds, in a league table covering deals from the first half of 2018



Patrick Lyons and Camille Abousleiman

SK hynix and the US\$18 billion acquisition of Toshiba's chip unit

The US\$18 billion sale of Toshiba's prized memory chip unit was one of the most closely inspected deals since the 2008 financial crisis – and widely reported as one of the most tortuous and politically charged cross-border deals of recent times. Dechert advised a major investor and long-term client, Korea's SK hynix – the world's second-largest memory chipmaker and fourth-largest producer of state-of-the-art NAND flash memory – achieving an innovative financial structure to channel substantial investment into the acquisition.

Toshiba was a reluctant seller. Its memory chip unit, the Toshiba Memory Corporation (TMC), the world's second-largest producer of NAND flash memory, was a valuable asset. Yet with Toshiba facing bankruptcy after posting multibillion-dollar losses in the U.S. nuclear energy industry, the Japanese giant concluded that the sooner it sold TMC, the better.

After a number of early bids, the winning consortium took shape. Bain Capital agreed to spearhead the group, alongside SK hynix and four U.S. technology companies – Apple, Dell, Kingston and Seagate. To defray political concerns in Japan, the U.S. investors agreed to acquire non-voting, non-convertible preferred shares in TMC. To overcome antitrust concerns in China and elsewhere while maintaining Toshiba's strict timeline, SK hynix agreed to accept certain restrictions pertaining to equity ownership and information access. It then asked Dechert to devise a transaction structure that would answer antitrust concerns in the shortest time frame possible.

Dechert's novel solution took the form of a convertible-bond instrument and fund investment structure which was key in allowing the acquisition to comply with antitrust regulations in China and other jurisdictions.

Other obstacles also had to be overcome, including attempts by competing bidders to derail the transaction. Rising trade tensions between the United States and China threatened further delay, requiring SK hynix and Dechert to play a bridging role among the parties to keep the deal on track.

Despite the obstacles and challenges, the transaction closed successfully on June 1, 2018. Dechert's innovative financing structure played a critical part in bringing together the world's fourth-largest and second-largest NAND manufacturers.



Led by David Cho (Hong Kong), Dechert's deal team comprised more than 50 lawyers from 12 offices – including the corporate team's Giles Belsey (London), Stephen Leitzell (Philadelphia), John Markland (London) and Xiao Yong (Hong Kong); Dean Collins (Singapore), financial services; Alec Burnside (Brussels) and Michael Weiner (New York), antitrust; Jeremy Zucker (Washington, D.C.), international trade; Andrew Wong (Los Angeles), litigation; and Violetta Kokolus and Joshua Rawson (New York), intellectual property.

“M&A Deal of the Year for North Asia”
at *The Asian Lawyer's Asia Legal Awards*, 2018

“Japan Deal of the Year,” “M&A Deal of the Year (Premium),” “Technology, Media and Telecommunications Deal of the Year” at *Asian Legal Business' ALB Japan Law Awards* 2018

“M&A Deal of the Year” at *Asian Legal Business' ALB Korea Law Awards* 2018

People and culture

Dechert began 2019 with a headcount of more than 1,000 lawyers across the firm's global offices.

Among our new arrivals we welcomed lateral partners who brought further strength and experience to key practice areas – dispute resolution, corporate, finance and regulatory. In one of the firm's largest rounds of promotions, Dechert also elected 16 new partners across nine offices worldwide.

As we grow our global team, we grow our global community. At Dechert, we believe that building community within the workplace and with our clients is the key to our success.

"It's important that Dechert not only attracts best-in-class talent; we also need to nurture that talent and give people the opportunities they need to succeed. The recognition we've received in 2018 is a solid reflection of the culture of community we've built within our global team; one which cultivates creativity, respects and values everyone's voice, and empowers people to do their very best work."

Alison Bernard Chief Talent
and Human Resources Officer

Certified as a Great Place to Work®, based on ratings provided by U.S. Dechert employees in anonymous surveys

Named by *Working Mother* as one of the 2018 Best Law Firms for Women and Top 100 Companies for Women

Named one of the Best Places to Work for LGBT Equality; achieved a perfect score on the Corporate Equality Index by the Human Rights Campaign

Won Best Training – Vacation Scheme in the AllAboutLaw Awards 2018

Placed #7 in the U.S. 2018 Summer AmLaw Survey



New to the partnership



Matthew Banham
White Collar Crime, London



Sheila L. Birnbaum
Product Liability & Mass Torts, New York



Timothy Bowden
White Collar Crime, London



Michelle Bradfield
International Arbitration, London



Roger A. Burlingame
White Collar Crime, London



Matthew J. Carter
Corporate, Washington, D.C.



William Cejudo
Tax, Washington, D.C.



Mark S. Cheffo
Product Liability & Mass Torts, New York



Timothy M. Clark
Corporate, New York



Hayden Coleman
Product Liability & Mass Torts, New York



Dorothy Cory-Wright
Litigation, London



Michael S. Darby
Corporate, Philadelphia



Robert Darwin
Corporate, London



Chad E. Davis
Intellectual Property, Boston



F. Amanda DeBusk
International Trade, Washington, D.C.



Christopher Desmond
Finance & Real Estate, Boston



Darshak S. Dholakia
International Trade, Washington, D.C.



Melissa L. Duffy
International Trade, Washington, D.C.



Douglas W. Dunham
Product Liability & Mass Torts, New York



Douglas E. Fleming III
Product Liability & Mass Torts, New York



Matthew H. Fischer
Finance & Real Estate, New York



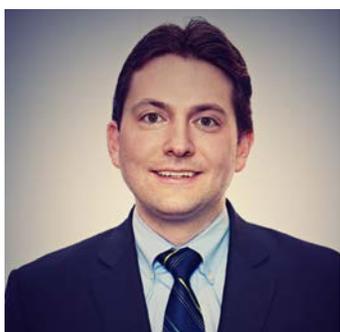
Samuel H. Gilbert
Finance & Real Estate, Boston



Gennady A. Gorel
Finance & Real Estate, Philadelphia



Daniel Hawthorne
Tax, London



Matthew R. Hays
Finance & Real Estate, Chicago



Katherine A. Helm
Intellectual Property, New York



Anthony S. Kelly
Litigation, Washington, D.C.



Stephen J. Kelly
Finance & Real Estate, Dubai



Noah M. Leibowitz
Intellectual Property, New York



Angela M. Liu
Litigation, Chicago



Michael H. McGinley
Litigation, Philadelphia & Washington, D.C.



Cameron Mitcham
Finance & Real Estate, London

New to the partnership



Robin Nunn
Litigation, Washington, D.C.



Harry S. Pangas
Corporate, Washington, D.C.



Stephen R. Pratt
Corporate, Philadelphia



Stephen S. Rabinowitz
Intellectual Property, New York



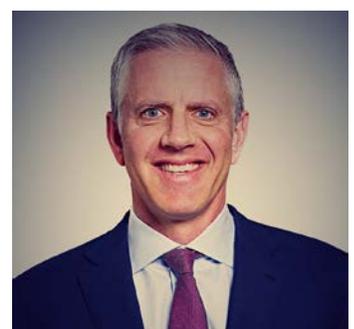
Steven W. Rabitz
Employee Benefits & Executive
Compensation, New York



Anne-Charlotte Rivière
Corporate, Paris



Erica Stein
International Arbitration, Brussels & Paris



David H. Stern
Litigation, Los Angeles



Jonathan R. Stott
Corporate, Philadelphia



Marianna Tothova
Financial Services, London & Luxembourg



Privat Vigand
Finance & Real Estate, Paris



Yang Wang
Corporate, Hong Kong



Carol Widger
Financial Services, Dublin



Bert L. Wolff
Product Liability & Mass Torts, New York

Promoting diversity and inclusion

“2018 has seen Dechert form new affinity groups and win numerous awards for our efforts to foster a transparent and inclusive culture. In many ways, championing diversity is part of our DNA – Dechert’s women partners in the 1970s were trailblazers of their time. We also understand that there is no place for complacency. We continue to build on our achievements and push ourselves further every day.”

Satra Sampson-Arokium Director of Diversity and Inclusion

Dechert received recognition for both influence and innovation in the work of two of our affinity groups and diversity champions.

Dechert Heroes, an affinity group set up to address issues affecting active-duty service members and military veterans, was recognized as an “innovation in diversity” by *Profiles in Diversity Journal*. The group builds on Dechert’s long-standing work representing veterans through pro bono, and is led by finance partner and former Marine Corps sergeant Krystyna Blakeslee – who was also named a “Working Mother of the Year 2018” by *Working Mother*.

Savoy magazine named litigation partner Vincent Cohen in its “Most Influential Black Lawyers” list for 2018. He was also honored with a Diversity Leader Award by *Profiles in Diversity Journal*. As the leader of Dechert’s Black Affinity Group, Cohen has been an advocate for diversity at Dechert since joining the firm in 2016.

In the Aspiring Solicitors 2018 All Star Awards, Dechert was recognized for All Star Sustained Performance in Recruiting Outstanding Diverse Talent

We earned a spot on the 2018 Diversity Best Practices Inclusion Index in recognition of our efforts and commitment to recruitment, retention and advancement, company culture and transparency



“On joining Dechert, I took over leadership of the Black Affinity Group – a role that is close to my heart. Diversity and inclusion is taken very seriously at Dechert, and I’ve had the

opportunity to build on the advancements already made by the group to further develop the culture of support and interconnectivity within the firm.”

Vincent Cohen Partner

A cross-border acquisition of a health care innovator

French technology company Echosens SA – a provider of non-invasive diagnostic products and services for physicians to assess and manage patients with chronic liver diseases – had firmly established itself as an innovator in the health care industry. However, the company was in need of a strategic investor to further its international growth.

Key to Echosens SA's expansion was for private equity firm Astorg to acquire a controlling stake in the tech company from various minority shareholders. For this, they engaged a multidisciplinary team of Paris-based lawyers to advise on the complex legal aspects – corporate (Alain Decombe and Charles Cardon), merger control (Mélanie Thill-Tayara), tax (Sabina Comis), employment (Philippe Thomas), IP (Marie Fillon) and regulatory (Sophie Pelé) – of the transaction.

Dechert's cross-border and cross-sector experience proved pivotal. The shareholding brought together a listed Chinese industrial company, a Franco-Chinese fund, an American fund, a Chinese family office, a French fund, and individual shareholders as well as a management team. Negotiations needed to reconcile the expectations and constraints of each party in regards to exit conditions, governance and taxation.

The bid required an antitrust filing in China and clearance by the Chinese competition authority (MOFCOM) – made difficult by a lack of precedent as to market definition of Echosens' cutting-edge technology. The opinions of multiple stakeholders, including regulatory authorities, companies and industry associations, needed to be sought within a short timeframe. Dechert achieved a clearance decision from MOFCOM within just two months – a significant outcome, especially with the Chinese New Year falling between signing and closing.

Another key feature of the deal was the protection of industrial property rights in China. Dechert worked closely with third-party Chinese IP specialists to ensure strong and effective rights protection policies, in particular to guard against potential Chinese counterfeiters.

For the fourth consecutive year, Dechert was named to *Law360's* "Global 20" list of law firms with the greatest global reach and expertise



Alain Decombe and Sabina Comis

"This was a unique deal involving diverse parties and calling on the talents of a multi-skilled Dechert team. The result was an important strategic success for our client."

Alain Decombe Partner

Smart buy: Singapore's GIC joins consortium for US\$20 billion private equity deal

Singapore has one of the world's highest per-capita GDPs and is often top-ranked for quality of life. One driver of Singapore's economic prosperity is GIC, which manages the nation's US\$100 billion+ of foreign reserves.

In 2018, a Dechert team led by Mark Thierfelder and Jonathan Kim acted as lead counsel to GIC as it joined a strategic partnership between Thomson Reuters and a Blackstone-led consortium that also included the Canada Pension Plan Investment Board and Blackstone-managed private equity funds. The consortium acquired a 55 percent stake in Thomson's F&R business, a financial technology platform which has since been rebranded as Refinitiv.

The total investment, valued at US\$20 billion, was noted by *Mergermarket* and *Law360* as "the largest private equity deal signed during the first six months of 2018." A highly complex transaction that presented various regulatory and commercial challenges, Dechert advised GIC on all aspects of the transaction, including the consortium arrangement, the definitive M&A documentation, and the multijurisdictional regulatory approval process.

Dechert has guided GIC through many significant deals in recent years as it has increased its exposure to blue-chip assets throughout the world.

Dechert was ranked among the top law firms for private equity deals around the world in the Pitchbook 2Q (1H) 2018 Global League Tables

Thomson Reuters named this matter the second largest PE-backed acquisition in the past three years



"We are proud to have represented GIC in one of the largest PE deals of recent years. Private equity is in Dechert's DNA, and as a practice we continue to expand and develop our offering."

Mark Thierfelder Partner

Complex carve-out: Multijurisdictional deal brings focus to PE client's portfolio company

At the end of 2017, multinational packaging products leader Coveris made the decision to sharpen its focus on its EMEA and UK food and consumer businesses, which would mean selling some of its other units, including its rigid packaging businesses.

Sun Capital, the private equity firm that owns Coveris, turned to Dechert – and partner Christopher Field – for assistance with the divestiture. The selling price: €700 million. The buyer: private equity firm Lindsay Goldberg.

The transaction was highly complex, involving a corporate carve-out structure and would play out across 15 jurisdictions with multiple logistical and procedural challenges. Coveris was also in the process of selling most of its U.S. operations in a similar carve-out, which demanded additional complex arrangements between the various groups.

As lead counsel to Sun Capital, Dechert coordinated all legal aspects of the sale, including leading the negotiations and handling completion. The cross-practice project team also included Jane Scobie (tax), John Markland, Giovanni Russo and Gareth Clark (corporate) and Alec Burnside (antitrust).

The transaction closed in July 2018, leaving Coveris with 25 strategically located manufacturing facilities, a strengthened balance sheet, and a sharper focus.

Dechert's private equity practice was selected by *Law360* in its Practice Groups of the Year series, which honored the law firms behind the biggest deals and litigation wins of 2018

Dechert was named "European M&A Law Firm of the Year" at *The Deal's* inaugural awards in Europe



Chris Field

"Chris Field and his team at Dechert did a great job throughout the entire sale process. From managing the preparations to negotiations and post-closing, they were always proactive and delivered quality advice."

Nikolaus Hubmann Vice President at Sun Capital

Silver lining: Bolivia avoids 95 percent of arbitration treaty claim over mining dispute

Dechert's international arbitration team scored a major victory in 2018 on behalf of Bolivia in an arbitration begun in 2013 by South American Silver (SAS).

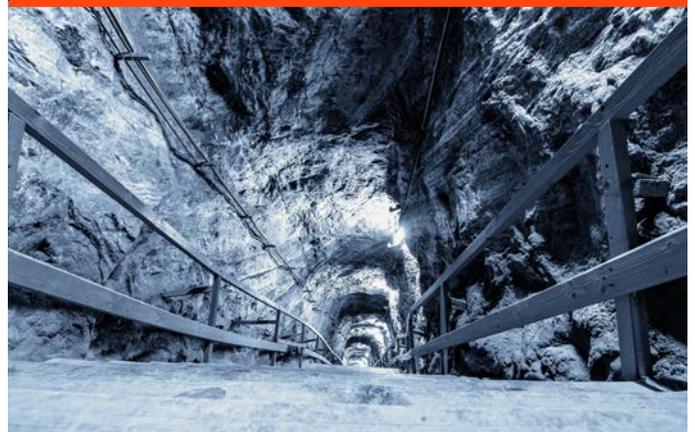
SAS held ten mining concessions in the Potosí department of Bolivia, where its exploration work disregarded local indigenous people's rights. Resulting violence triggered a reversion of the concessions to the Bolivian state in August 2012. Subsequently, SAS began proceedings against Bolivia, with the two parties agreeing to have the Permanent Court of Arbitration act as administering authority.

Bolivia called upon Dechert partners Eduardo Silva Romero and José Manuel García Represa, with Juan Felipe Merizalde Urdaneta, for representation. SAS argued that Bolivia had unlawfully expropriated its investment and failed to pay just and prompt compensation, and that Bolivia had breached its obligations to afford SAS fair and equitable treatment and full protection and security. SAS sought damages of over US\$385 million for harm it claimed to have suffered.

The tribunal held a two-week hearing in Washington, D.C. in July 2016, and then conducted two years of deliberations before finally communicating its awards to the two parties in November 2018. The tribunal found that both the reversion of the concessions to the state and Bolivia's prior conduct complied with the fair and equitable treatment standard. Further, Bolivia had at all times afforded full protection and security to SAS and its investment. Additionally, the tribunal found that Bolivia had carried out a lawful expropriation, as the reversion fulfilled a public purpose and the state had observed the treaty's due process requirement.

Although the tribunal took the view that Bolivia had breached the requirement to provide prompt and adequate compensation, it did not follow SAS's grossly inflated quantification of compensation of some US\$385 million, plus interest. Instead, it awarded SAS an amount equal to its investment in the concessions – roughly US\$18.7 million, plus interest. This represented a 95 percent reduction in our client's financial obligation.

Dechert's international arbitration practice was honored at *Global Arbitration Review's* GAR Awards 2018 as "the practice that impressed the most in 2017"



"What was particularly gratifying is that the tribunal requested an amount that corresponded to our client's valuation of the investment in the arbitration – and that matched the sum our client offered SAS before the arbitration."

Eduardo Silva Romero Partner

Vexed no more: Lawyer's lawsuit spree shut down after four years

It's difficult to prove that an individual is a vexatious litigant – particularly when the individual is a *lawyer*. But after homeopathic remedy-maker Boiron had endured four years of repeat litigation concerning its over-the-counter flu medicine – with four different plaintiffs lodging copycat claims in three different jurisdictions, but all represented by the same lawyer – Boiron took the unusual step of asking a judge to sanction the attorney in question.

Boiron's four-year legal battle, led by Dechert partner Christina Sarchio, centered on class-action consumer fraud claims alleging that the company's flu medicine was merely a placebo. In Illinois, Dechert helped Boiron defeat the plaintiff attorney's attempts to certify a class, twice winning Seventh Circuit affirmation. In California, a trial jury found for Boiron, deciding that the plaintiff had barely attempted to prove its case. The Ninth Circuit affirmed that verdict in 2018. Unfortunately, as Dechert continued to win key decisions, the plaintiff's attorney kept finding new clients and new jurisdictions to keep cases alive.

But, in September 2017, when the attorney sought to voluntarily dismiss the central case from Illinois federal court in order to refile it in a state court, Sarchio saw an opening. She went back to the federal judge and brought a vexatious litigation motion *personally* against the attorney. Her strategy worked: in January 2018, the district court dismissed the federal case with prejudice, which precluded the lawyer from refiling in state court. It also kept jurisdiction – and preserved Boiron's right to renew its motion for vexatious litigation should the lawyer refile another frivolous claim with a new plaintiff in the next two years – an unprecedented and rare result.

In addition to delivering this resounding victory for Boiron, in February 2018 Sarchio helped ExxonMobil secure dismissal of a consumer protection complaint brought by the Attorney General of Washington, D.C.

Christina Sarchio was named as one of *Profiles in Diversity Journal's* "Women Worth Watching" in 2018

Dechert was recognized in *The Lawyer's* "Global Litigation Top 50" in 2018



"Claims like this never get to court. Most people just pay. But Boiron was sure of its facts, confident in its evidence, and convinced it had done nothing wrong. It had the courage to fight the case and win."

Christina Sarchio Partner

Leading the way in an evolving global funds space

In one of London's most significant fund launches of 2018, Dechert advised Soloda Investment Advisors on the establishment of a Cayman Islands-domiciled macro fund managed by Hashim Dhoda, spinning out from Moore Capital. The fund launched with over US\$100 million.

In the U.S., we represented Morgan Stanley AIP Alternative Lending Fund, a closed-end fund registered under the Investment Company Act of 1940, which was organized to invest primarily in loans originated through marketplace lending platforms. Dechert advised on a range of state and federal regulatory issues raised by investing in and holding loans through a fund structure and crafted the related regulatory disclosure in the SEC registration statement, as well as advising on structuring investments in the fund consistent with applicable regulatory requirements. The transaction presented a number of novel issues as very few '40 Act funds have been organized in such a way.

A flagship London event for fund managers

Co-sponsored by Dechert, Carne and PwC, Funds Congress brings together investment managers from all asset classes and jurisdictions to discuss the challenges and opportunities defining the year ahead – industry trends, regulatory priorities, global developments and strategies for change.



"With almost 1,400 people through the door, this is the largest funds event in London. I am incredibly proud of the phenomenal Dechert team that works so hard to make it happen."

Gus Black Partner

Turning the page on a decade-long conspiracy case

Curtis Circulation Company, the largest national distributor of single-copy magazines in the U.S., was one of several defendants in antitrust action based on allegations of a group boycott, brought by magazine wholesaler Anderson News.

In January 2009, Anderson had announced that it was imposing a surcharge on publishers for each magazine delivered to retailers and would cease to ship magazines for any publishers who declined to pay. After many publishers refused the surcharge and stopped shipping magazines to Anderson, the wholesaler suspended operations.

Anderson filed a complaint in the U.S. District Court against a number of publishers, distributors and wholesalers, including Curtis, alleging that the defendants had engaged in an unlawful group boycott under Section 1 of the Sherman Act. Although the district judge initially granted a motion to dismiss the claims, the Second Circuit reversed the decision.

Two years of fact and expert discovery followed. A Dechert team, led by partner George Gordon, took the lead in briefing and presenting oral argument under the Supreme Court's decision in *Matsushita* – which provides that in order to avoid a summary judgment, plaintiffs must present sufficient evidence to exclude the possibility that defendants acted independently.

The district court again concluded the alleged conspiracy was implausible, the district judge describing it as an "ill-conceived and badly executed plan" on Anderson's part rather than a group boycott. And, on appeal where the Dechert team again took the lead on briefing and in oral argument, the Second Circuit panel affirmed 3-0, observing that under *Matsushita* Anderson's evidence was not enough to survive summary judgment.

"The Second Circuit's decision in this matter is an important precedent. It provides a useful clarification regarding how the Matsushita standard should be applied in analyzing the record and expert evidence in antitrust conspiracy cases."

George Gordon Partner

Fast thinking: Innovation at Dechert

As emerging technologies disrupt the legal marketplace and the way we work, law firms need to not only adapt – but take the lead. Driving innovation at Dechert is the Innovation Task Force, a cross-practice collective of lawyers and technology specialists whose mission is to foster fresh thinking within the firm.

In just over a year, the Innovation Task Force's initiatives are already beginning to transform aspects of Dechert's work methods.

Working with artificial intelligence

In keeping with one of the biggest recent developments in legal technology, Dechert is adopting AI to be more dynamic in the delivery of our legal services and save project teams considerable time and effort. The Innovation Task Force has worked with Dechert lawyers to identify key areas where machine learning can be incorporated into our work processes.

Road-testing tools with key practice groups

Working with large practice groups, like Dechert's corporate and securities team and finance and real estate practice, our innovation leads are evaluating workflows and discovering where new tools and systems can be put to use for better accuracy and efficiency.

Having always been innovative with our legal advice and solutions, at Dechert we are now also channelling our innovative efforts into how we deliver those solutions – for the benefit of both our lawyers, and our clients.



“In forming the Innovation Task Force and defining our strategy, we recognized early on that we would need a variety of skills and roles involved. As well as lawyers who understand the firm’s day-to-day work, and information technologists, who are adept at finding solutions, we created the role of a Legal Innovation Manager to bring the various parties together, accelerate our ability to define pragmatic solutions and champion innovation within our practice areas and throughout the firm.”

Michael Barrett Chief Information Officer

Award-winning innovation

Recognized for innovation in the North America, Europe and Asia categories in the *Financial Times* Innovative Lawyers Awards 2018

Consistently ranked by the *FT* among the world's most innovative law firms, Dechert was placed in the top ten for innovation in legal expertise in North America, and jumped two places to 16th most innovative law firm in Asia in 2018

Awarded Best Law Firm at the Alt Credit European Services Awards 2018, in recognition of providing excellent customer service, technological innovation and overall service to alternative credit fund managers



"The law firm of the future needs to be forward-thinking in its conduct and in how it intersects technology into its legal processes. In coming years, we foresee technology playing an ever more important role as it shifts from being a supporting tool for lawyers, to one that enters the lawyering process itself."

Thor Alden Legal Innovation Manager

"The work of the Innovation Task Force is all about harnessing specific tools to allow us to work better and faster. New technology can enhance our work by freeing up our time so that we can conduct our work more quickly and efficiently, and it opens us up to new opportunities for expanding our practice and improving our service."

Adam Levin Partner and Chair, Innovation Task Force

State Farm: Laying the groundwork for a Second Circuit victory

Dechert's product liability team argued and won an important victory for property insurer State Farm, with the client not only cleared of liability on claims for breach of contract and deceptive trade practice – but also spared the real risk of numerous further lawsuits.

The team was led by partner Douglas Dunham, with counsel Ellen Quackenbos playing a key role in drafting the successful appeal briefs for State Farm.

The plaintiffs – Connecticut homeowners who had taken out an insurance policy with State Farm – alleged their home had been built with defective concrete, which was now causing their foundation to crumble. They claimed that, in denying their insurance claim for losses arising from the crumbling concrete, State Farm had breached their contract.

In October 2018, addressing these issues for the first time, the Second Circuit held that as a matter of law, State Farm had no liability on claims for breach of contract and unfair dealing to the plaintiffs. The Second Circuit found that the plaintiffs' claims were barred, among other things, by the cracking and defective materials exclusions in their insurance policy.

"It was a very important case of first impression that we won for State Farm."

Douglas Dunham Partner

Top REIT: Three hundred properties, four transactions – and one big close

In the largest structured U.S. real estate deal in a decade, Dechert helped top lenders Citi, Bank of America and Barclays to originate nearly US\$5.4 billion to support financing of Blackstone's US\$7.6 billion purchase of Gramercy Property Trust, a leading investor in industrial properties.

Led by global finance partners David Forti and Justin Gdula, the Dechert team advised the three banks on eight separate mortgage, mezzanine and bridge loans, which demanded diligence on more than 300 industrial, warehouse and office properties across 26 U.S. states. The team's work included structuring properties secured by ground leases and those subject to payment-in-lieu of taxes leases.

held on the balance sheet, and the sale of the portions of the loan structured as mezzanine debt, including negotiating intercreditor agreements.

Dechert, a leader in commercial real estate finance law, is consistently recognized as one of the few law firms with the experience needed to complete a transaction of this size and complexity.

In a display of the firm's broad capabilities, Dechert also assisted with securitization of US\$2.5 billion of the transaction, the syndication of portions of the loan being

White collar: high-stakes, complex and global

In one of the most important regulatory investigations currently active in Europe, Dechert's white collar team continues to act as lead counsel for the world's second largest manufacturing and engineering corporation in its space, for all criminal investigations into alleged wrong-doing relating to funding and sales. We are also advising the investment arm of a Middle Eastern government on a global investigation into complex financial crime, corruption and parallel litigation.

In the U.S., we represented former FBI Director Comey in relation to a variety of investigations concerning the current administration, including before the Department of Justice and the U.S. Congress. In the course of the representation, Dechert litigated a motion to quash a subpoena to testify before Congress.

Dechert's white collar practice is well-versed in handling complex, multijurisdictional and often sensitive matters. We are defending Dr Chi Ping Patrick Ho, a Hong Kong resident and director of a Hong Kong-based NGO, in his criminal prosecution for alleged violations of the Foreign Corrupt Practices Act and money laundering charges. We also represent Carnival Corporation & plc and subsidiary cruise lines in connection with a five-year probation including a monitorship following a guilty plea by one subsidiary to criminal violations of federal environmental laws related to the discharge of oily wastes.

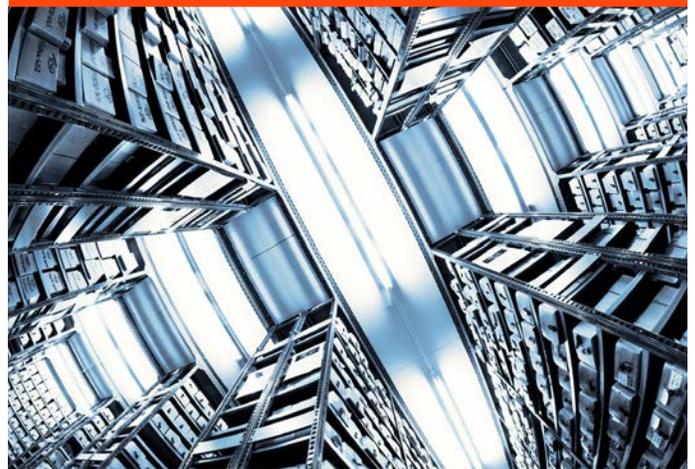
"The white collar matters our team has worked on in 2018 are an excellent example of our global footprint and skill at working across jurisdictions."

Neil Gerrard Partner

Dechert's white collar crime practice is ranked in Tier 1 of the *Legal 500 UK 2018*, which also recognizes 56 Dechert lawyers and 32 practices

2018 saw Dechert achieve its highest-ever ranking in the 2018 edition of *Global Investigations Review's* "GIR 30", with GIR noting "Dechert's impressive investigations practice" and "strong investigations teams on both sides of the Atlantic"

Dechert is ranked Band 1 in *Chambers UK 2019* for Financial Crime: Corporates



A positive commitment to supporting our communities

Dechert's long-standing tradition of providing pro bono counsel to those most in need has seen many of our lawyers gain public recognition for their vital work.



The *Financial Times* named Neil Steiner as one of the **ten most innovative lawyers in North America** for challenging restrictive voting laws that exclude or discriminate against certain individuals. As well as Steiner's individual accolade, Dechert was awarded a "Standout" ranking in the "Rule of Law and Access to Justice" category of the

2018 North America Innovative Lawyers Awards for blocking a law brought by the secretary of state for Kansas that called for individuals to provide proof of citizenship when registering to vote. The win has since formed the basis for blocking similar legislation in Georgia, Alabama and Arizona.

The Legal Aid Society of New York honored Dechert with a **2018 Pro Bono Publico Award** for providing "outstanding representation" to a Haitian domestic worker, trafficked to New York at the age of 14, forced into labor and denied wages. Dechert successfully secured settlement for the client and continues to provide vital assistance. Receiving recognition for their individual commitment to pro bono work were Negin Hadaghian, Sarah Lyons, Christopher

Mauro, Ryan Moore, Thomas Lee II, Amanda Rios, Kevin Brost, Kathryn Barrett, Ryan Strong and Rebecca Waldman. Waldman was also featured as a **Rising Star** in the *New York Law Journal*, honored for her white collar work as well as her active pro bono practice.

Richard Horowitz received a **Cornerstone Award** from the Lawyers Alliance for New York for pro bono counsel on contract, structuring and real estate matters to non-profit Brooklyn community organizations. He was one of just 12 honorees chosen from more than 1900+ Lawyers Alliance volunteers to receive the accolade.

Samantha Koplik received a **2018 Jeremy G. Epstein Award** from the City Bar Justice Center for the breadth and complexity of her pro bono work representing immigrant survivors of domestic violence.

The Education Law Center in Philadelphia honored Amy Ufberg, Marissa Tribuiani and Michelle Nguyen from Dechert's Private Client Group in its annual celebrations, for their work administering a trust for non-English speaking immigrant students who had been denied enrolment to public schools in the city of Harrisburg.

#1

Dechert was named #1 for international pro bono work by *The American Lawyer* for the third year running.

85,090

pro bono hours completed by our lawyers.

Standing up for detained immigrants

Working with Human Rights First and Aldea, the People's Justice Center, Dechert lawyers are providing much-needed aid to immigrant families detained at the Berks County Family Immigration Detention Center outside of Reading, Pennsylvania. On the ground, lawyers assist with intake and orientation of newly arrived families, and help to screen cases for legal merit. Remotely, Dechert lawyers provide telephonic preparation for families seeking asylum on the basis of credible fear, representing families in the interview process and in any appeals or requests for reconsideration in the immigrant court. Most of those apprehended at the Berks County Family Immigration Detention Center are mothers with young children fleeing persecution and violence in Honduras, El Salvador and Guatemala, who might otherwise be detained for weeks or months before being granted the opportunity to plead their case to an immigration judge.

Making a difference in our communities

Dechert partners with local, national and international pro bono clearinghouses, legal aid organizations and NGOs. Our partners include: PILnet, Human Dignity Trust, TrustLaw, Advocates for International Development, LawWorks, Community Legal Services (Philadelphia), Legal Aid Society (New York), Lawyers Alliance for New York, Human Rights First, Immigration Equality, Alliance des Avocats pour les Droits de l'Homme, The Human Trafficking Legal Center, The Lawyers' Committee for Civil Rights Under Law, Philadelphia VIP, Public Law Center (Orange County), Public Counsel and Bay Area Legal Aid.

Advocating for disabled workers' benefits

Dechert's London team continued its invaluable work for University House, an east London-based legal advice agency, with nine new cases in 2018 – and a 100 percent success rate. Based in one of London's most deprived boroughs, University House advocates for individuals with disabilities appealing a sudden disruption to their benefits payments. In recent years, welfare reform and changes to the assessment system have caused many individuals to be wrongfully denied out-of-work payments and needing legal help to appeal the decisions. With the strength of Dechert's representation through what can often be a drawn-out tribunal appeal process, numerous University House clients have had their payments reverted and their independence and dignity preserved.





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Jeddah* ▪ London ▪ Los Angeles ▪ Luxembourg ▪ Moscow ▪ Munich ▪ New York ▪ Orange County ▪ Paris ▪ Philadelphia ▪ Princeton
Riyadh* ▪ San Francisco ▪ Silicon Valley ▪ Singapore ▪ Washington, D.C.

* Dechert has in Jeddah and Riyadh an association with the Law Firm of Hassan Mahassni.

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