

# Asset Management Mergers and Acquisitions

Skadden

With more than 20 years of experience, Skadden's asset management M&A team has handled transactions of all kinds involving publicly traded and privately held asset management firms.

Skadden is one of the few major law firms worldwide with a group of attorneys dedicated to transactions involving asset management, wealth management, broker-dealer and related financial services businesses. In recognition of our work, we are ranked in Band 1 for Asset Management M&A in *Chambers USA*.

We are conversant with the wide variety of legal, financial, tax, regulatory and commercial issues that these transactions present. As a result, we have developed considerable fluency in related disciplines — including tax, compensation and the applicable regulatory regimes — and a deep understanding of the underlying investment products.

Our asset management M&A team has worked on a wide array of mergers and acquisitions, advising traditional retail and institutional managers with a limited suite of conventional products; diversified firms with numerous platforms offering a full range of products through multiple distribution channels; alternative asset management firms, such as hedge funds, private equity funds, and funds of funds; managers of specialized product offerings such as ETFs and CDOs; investment advisers; investment banks; broker-dealers, including online brokerage firms; and service providers, such as hedge fund administrators.

Our experience includes acquisitions, carve outs, minority investments, management buyouts, restructurings, joint ventures and capital markets transactions. We have extensive experience in transactions involving the acquisition of less than 100 percent of a firm, ranging from controlling stakes to passive minority positions involving a variety of economic and governance terms (such as traditional common equity and partnership interests); interests structured as revenue shares; and interests structured in multiple classes to reflect different rights to different cash flows (*e.g.*, management fees and incentive fees). We also are well versed in the governance, liquidity, regulatory and other issues arising in such transactions.

We also have worked with a large number of clients based outside the U.S. in their acquisition of or investment in asset management firms worldwide.

We have been involved in most of the largest and most complex U.S. and cross-border transactions over the past decade, including: Arnhold and S. Bleichroeder Holdings Inc.'s sale of a majority of First Eagle Investment Management to Blackstone and Corsair Capital; Russell Investments' sale to London Stock Exchange Group; Epoch Holding's sale to The Toronto Dominion Bank; Société Générale's sale of The TCW Group to The Carlyle Group; Pacific Century Group's acquisition of the third-party asset management business of American International Group; BlackRock's acquisition of Barclays Global Investors; BlackRock's combination with the Merrill Lynch Investment Managers business; and Citigroup's sale of its asset management business to Legg Mason.

Our asset management M&A team has worked on many significant corporate transactions in the asset management industry, including the IPOs of Carlyle, Fortress, Och-Ziff and Blackstone, as well as traditional equity and debt financings. Our attorneys have particular experience assisting clients with restructuring their corporate structure and ownership in connection with IPOs. We also have advised on internal reorganizations of some of the largest hedge fund and private equity management firms in order to address succession, platform extensions and other issues, including The TCW Group's restructuring of its relationship with EIG Energy Partners, Caxton Associates' ownership restructuring, Pequot Capital's split-up and Pacific Century Group's investment in Highstar Capital Management.

Our practice also includes assisting clients in designing and restructuring ownership and cash and equity compensation arrangements for a wide range of asset management firms, both in connection with our transactional work and independently. Many of these arrangements involve novel legal and economic structures.

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## Selected Experience

We have been involved in transactions of all sizes, including some of the largest and most complex U.S. and cross-border transactions over the past several years. Our experience across the spectrum of asset management transactions has greatly increased our market knowledge and ability to work effectively and efficiently for clients in transactions of all types and sizes.

Our representations have included:

- Affiliated Managers Group in its acquisition of an equity interest in Baring Private Equity Asia
- American Capital, Ltd. in its \$3.4 billion merger with Ares Capital
- Arnhold and S. Bleichroeder Holdings in its sale of First Eagle Investment Management to investment funds controlled by Blackstone and Corsair Capital
- BlackRock in its acquisition of:
  - the assets of BlackRock Kelso Capital Advisors
  - Infraestructura Institucional
  - Barclay Global Investors for \$13.5 billion
  - in its \$9.8 billion merger with Merrill Lynch Investment Managers LP
- the underwriters in the IPO of The Carlyle Group L.P.
- Caxton Alternative Management in connection with the sale of a minority investment by the Goldman Sachs Petershill Fund in Caxton Associates LP
- Credit Suisse Group in its sale of the Customized Fund Investment Group to Grosvenor Capital Management, L.P.
- DST Systems in its acquisition of Wealth Management Systems Inc. and Red Rocks Capital, LLC
- E\*TRADE Financial:
  - in its sale of GIX Securities to Susquehanna International Group
  - in its US\$725 million acquisition of Aperture New Holdings, Inc., the ultimate parent company of OptionsHouse, LLC
- Epoch Holding in its sale to The Toronto-Dominican Bank for \$668 million
- Janus Henderson Group plc in its pending \$7.4 billion acquisition by Trian Fund Management and General Catalyst
- John Hancock Retirement Plan Services in its acquisition of the retirement plan services business of New York Life Investment Management
- Lehman Brothers Holdings Inc. (post-bankruptcy estate) in its sale of its minority interest in D. E. Shaw & Co. to Hillspire, LLC (family office of Eric Schmidt)
- Marsico management group's leveraged acquisition of Marsico Capital Management from Bank of America
- Massachusetts Mutual Life Insurance Company in its \$400 million acquisition of the Retirement Plans business of The Hartford Financial Services Group, Inc.
- MassMutual Financial Group in the combination of Capital Management and Baring Asset Management
- National Financial Partners, Inc. in its \$1.3 billion sale to Madison Dearborn Partners
- Neuberger Berman Group in the:
  - \$12.5 billion combination of its Dyal Capital Partners division and Owl Rock Capital Group to form Blue Owl Capital
  - pending acquisition of MIO Partners Inc. from McKinsey & Company
- Northwestern Mutual Life Insurance Company and Frank Russell Company in their sale of the Pantheon funds of funds business to Affiliated Managers Group, Inc. for up to \$1 billion
- Nuveen Investments in its sale of Nuveen Investments to TIAA-CREF by Madison Dearborn Partners for \$6.25 billion
- Old Mutual plc in its managed separation of OM Asset Management plc
- Pacific Century Group in its acquisition of American International Group's third-party asset management business for up to \$500 million
- Raymond James Financial Inc. in its acquisition of the private client services business of Deutsche Bank Securities Inc.
- Reverence Capital Partners in its acquisition of Russell Investments
- the management team of River Road Asset Management in the sale of River Road Asset Management to Affiliated Managers Group by Aviva
- Russell Investments in its sale to the London Stock Exchange Group for \$2.7 billion
- Smith Breeden Associates in its sale to the Amundi Group
- Société Générale in its sale of The TCW Group to the Carlyle Group and TCW Management
- Solus Alternative Asset Management in its sale of a minority interest to Blackstone Capital Partners