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Skadden Represents A123 Before CFIUS

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China's Wanxiang Group Corp. won U.S. government approval to acquire the assets of A123 Systems Inc. on January 29. A U.S. Bankruptcy Court judge approved the sale of A123 in December after Wanxiang beat out a joint bid from Milwaukee-based Johnson Controls Inc. and Tokyo-based NEC Corp. Wanxiang won with a \$256.6 million bid. A123's limited government business was sold as part of the process to Chicago-based Navitas Systems for \$2.25 million.

The acquisition of the lithium-ion battery maker faced strong opposition from Congress because of alleged national security and intellectual property issues. Politicians also expressed concerns about the Chinese company's control over a government-funded company. The U.S. Department of Energy has funded \$132 million of a \$249.1 million federal grant to A123 since 2009.

After an extensive investigation, the Committee on Foreign Investment in the United States approved Wanxiang's acquisition without conditions.

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Skadden attorneys have been involved in some of the largest and most complex transactions reviewed and approved by CFIUS, and we are ranked as a leading firm for International Trade: USA by Chambers Global 2011. We have represented, or are representing, companies such as China Three Gorges Corporation, State Grid International Development Limited and China Huaneng Group, in front of CFIUS. The firm's experience with the CFIUS review process has given us a deep understanding of the arrangements necessary to resolve U.S. government security concerns presented by proposed transactions.

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