

THE RECORDER

ATTORNEYS OF THE YEAR



Leif King

Skadden, Arps, Slate,
Meagher & Flom

In 2012, Leif King had the opportunity to take the lead role advising on a “legacy deal,” something that may only come about once in a career.

The corporate partner in the Palo Alto office of Skadden, Arps, Slate, Meagher & Flom led the charge for Yahoo Inc. when it sold back half its stake in the Chinese e-commerce company Alibaba Group Holding Ltd., for \$7.6 billion. It was both the largest global e-commerce deal ever and the largest deal between a U.S. company and Chinese company.

The deal made Yahoo a walloping profit on its initial \$1 billion investment from 2005, with King advising the search company throughout that entire process. His relationship with the company dates back to 2001.

For King, 42, the chance to work on a deal like this is why he became a corporate lawyer. “I love the art of negotiation and figuring out a structure that strikes the best deal for my clients, but that everyone thinks is fair.”

In the deal, Yahoo sold back half of its 40 percent stake in Alibaba for \$6.3 billion in cash and \$800 million in new shares. It also renewed a licensing agreement for Yahoo China, with the Sunnyvale-based company getting an additional \$550 million up front. Yahoo will then sell half its remaining stake in an Alibaba IPO. It will be able to unload the remainder in the open market following the IPO.

The deal was complicated by widely publicized animosity between the two sides, with Alibaba CEO Jack Ma making several attempts in the past few years to buy back Yahoo’s position.

“The stakes were so high with all of the negotiations,” King said. “There is a fundamental tension with a share repurchase. The parties have been operating as partners, but then all of a sudden each side is trying to get the best price they can.”

In addition to those tensions, the deal had its share of logistical challenges and was spread out over three countries since Japanese telecommunications company Softbank Corp. owns 30 percent of Alibaba and was involved in the negotiations. Much of the work was done from Silicon Valley, but we “had to play the jet-lagged away game, too,”

he added. The coming year is unlikely to provide any respite. King expects the M&A market to remain strong with the continued availability of inexpensive debt.

There will likely also be more deals similar to the \$800 million recapitalization and secondary stock sale of online survey company SurveyMonkey at the end of the year. King advised the privately held company as its early shareholders cashed out to the tune of \$444 million, while it simultaneously refinanced \$350 million of debt.

King has spent the past 15 years at Skadden. His wife is also an attorney and “a source of support and inspiration.” Ivonne Mena King, a white-collar partner in the Palo Alto office of Foley & Lardner, does not cross paths professionally with her husband, but he calls her his “secret weapon” for advice on the Foreign Corrupt Practices Act. “She understands when I am on a midnight call with people in China.”

— Joshua Sisco

Reprinted with permission from the March 25, 2013 edition of THE RECORDER © 2013 ALM Media Properties, LLC. All rights reserved. Further duplication without permission is prohibited. For information, contact 877-257-3382 or reprints@alm.com. # 501-04-13-04