

## Dealmakers Q&A: Reed Smith's Kristin Wells

*Law360, New York (September 04, 2014, 12:06 PM ET) --*

Kristin I. Wells is the deputy practice group leader of Reed Smith LLP's corporate and securities group and concentrates her practice on mergers and acquisitions for public and privately held companies, with extensive experience in cross-border transactions. She is a member of the firm's mergers and acquisitions and capital markets teams, and also leads the firm's sports team.

She has structured numerous corporate acquisitions and dispositions in various industries, including several with international operations, deal teams and issues. In the past three years, she has led several global deal teams in numerous countries, including two acquisitions that each were over \$1 billion. Additionally, Wells has significant experience representing major and minor league sports franchises, including the Pittsburgh Penguins and the New York Cosmos, as well as investor groups in the acquisition of major and minor league sports franchises and supporting those sports franchises in their ongoing business operations and governance issues.



Kristin Wells

As a participant in Law360's Q&A series with dealmaking movers and shakers, Kristin Wells shared her perspective on five questions:

### **Q: What's the most challenging deal you've worked on, and why?**

A: One of the most challenging deals that I have handled has to be the cross-border transaction that I was leading this past year just as 251(h) was newly effective under the Delaware General Corporate Law. New 251(h) allows an acquirer in a two-step M&A transaction to complete the second-step merger without stockholder approval under certain circumstances following a tender offer where the acquirer accumulates sufficient shares to approve the merger agreement. The purpose of 251(h) is to streamline the process and eliminate the time and cost associated with stockholder votes on the back end. Our deal and merger agreement was one of the first to incorporate the 251(h) process and so several technical questions arose regarding the proper methods of implementing new 251(h) in the merger agreement.

Adding to the uncertainty created by new 251(h), was another small complicating factor — the United States federal government shutdown of 2013. The shutdown occurred in the interim period before closing, as we were awaiting regulatory approvals, including CFIUS (Committee on Foreign Investment in

the United States) clearance. It is not a typical occurrence for the federal government shutdown to potentially throw a wrench into your deal timing and plans. Ultimately though we successfully navigated the issues associated with the government shutdown and regulatory approvals and the availability of the new 251(h) provisions also allowed us to close quickly and efficiently.

Being a deal lawyer necessarily means that you never have it mastered, because the regulatory and other landscapes are constantly changing and transactions always come with new aspects you've never encountered previously. This is a challenge in my practice, but at the same time it is what I find the most rewarding and interesting part of my career.

**Q: What aspects of regulation affecting your practice are in need of reform, and why?**

A: Talk about a loaded question! Well, the thorn in every public company M&A practitioner's side is shareholder litigation. I've seen recent reports indicating that shareholder litigation now arises in 94 percent of M&A deals valued at over \$100 million. Few, if any, reach trial and many are settled with what most would describe as minimal value to the shareholders. The process is not only time-consuming and costly, it is also extremely unpalatable for clients who are often extraordinarily frustrated by the realities of shareholder litigation in the current environment.

Additionally, having a global practice results in an additional layer of complexity for me as it can be very difficult to explain the process and typical resolution of these cases to non-U.S. based clients. In a world where we thrive on deal-making, many M&A lawyers hope for some level of reform to reduce what has now become a forgone conclusion — shareholder litigation obstructing the deal closing.

**Q: What upcoming trends or under-the-radar areas of activity do you anticipate, and why?**

A: Companies around the world continue to move into new markets and jurisdictions as both strong macroeconomic and political forces drive globalization. Cross-border M&A remains a highly effective tool to implement certain business strategies for companies.

There has been a noticeable increase in cross-border M&A activity in recent months that could signal the beginning of a sustained rise in international acquisitions, which will permit companies to push to achieve their desired global presence. In addition, based on my own clients, as well as reports that I have reviewed, companies seem extremely positive about their cross-border dealings, with many rating their most recent cross-border transactions a success. It seems as if most companies who have completed recent cross-border transactions are planning to undertake additional cross-border transactions over the next couple of years.

In my experience, successful cross-border M&A transactions require cohesive coordination by a team of global M&A practitioners (lawyers and nonlawyers) with an understanding of the local political, cultural and legal demands and requirements.

**Q: What advice would you give an aspiring dealmaker?**

A: I've been fortunate to have great dealmakers mentor me throughout my career, including Chuck Greenberg, the prominent sports industry attorney most often credited with representing Mario Lemieux in the acquisition of the Pittsburgh Penguins, National Hockey League team, as well as being part of Rangers Baseball Express' purchase of the Texas Rangers, Major League Baseball team. My

mentors taught me an enormous amount about the deal process and I regularly have passed along my words of wisdom to aspiring dealmakers. Here are a few:

- Learn to be a critical listener. Many attorneys like to hear themselves speak and often speak too much. If you are a good listener, you can often determine the underlying issues and solve problems for your clients quicker.
- Develop your own style. Styles that are effective for some people may not be for you, so take bits and pieces and create your own. Develop your own style from what you appreciate or don't appreciate in the dealmakers you observe.
- Get comfortable being uncomfortable. Deals are filled with variables and the sooner you recognize that nothing will be smooth or straightforward or follow a particular path, the better.
- Build the absolute best team around you — the best experts, best communicators, the most team-oriented players who are motivated and intelligent. You are only as good as the team you build. In the end, be selfless and give your team all the credit they deserve.
- Manage your emotions and remain calm under pressure. When chaos ensues on a deal, and it inevitably does, try to remain calm and focused without being dragged into the negativity. Being calm will allow you to develop creative solutions to the parties that can ultimately hold the deal together.

**Q: Outside your firm, name a dealmaker who has impressed you, and tell us why.**

A: Jonas Halvord, director of mergers and acquisitions at SKF is one dealmaker that has consistently impressed me. His expertise and gravitas is immediately apparent while at the same time he presents with a grace and, dare I say, charm that puts others at ease — creating a very productive negotiation setting. He also has a good sense of humor, which is most effective during and after negotiations. It never ceases to amaze me that no matter the industry, geographic region, specific product line, or unique issues presented, Jonas demonstrates a command that inevitably is crucial to closing the deal. It also doesn't hurt that Jonas is never unpleasant when I have to call him at 4 a.m. in the morning in whatever city he has landed in at the moment, to deliver what, as all deal lawyers know, can never be good news.

*The opinions expressed are those of the author and do not necessarily reflect the views of the firm, its clients, or Portfolio Media Inc., or any of its or their respective affiliates. This article is for general information purposes and is not intended to be and should not be taken as legal advice.*

---