



## Private Equity Sound Bite

### Reed Smith LLP Key PE Contacts

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### Anti-Bribery

Potential liability for the corrupt acts of third parties may not be high on the lists of concerns of the private equity community when considering potential investments. But, it should be. The Serious Fraud Office (“SFO”) has already highlighted that organisations involved in private equity with a connection to the UK could be exposed to liability under the “Corporate Offence” of the Bribery Act 2010 for the corrupt acts of companies that they actively invest in (no matter where those companies are based) unless the private equity company has adequate procedures in place to prevent this.

What are the practical implications for this on the private equity community? The SFO has made it clear that they expect institutional investors to satisfy themselves as to the business practices of the companies that they are investing in. Any failure to do this could have serious consequences for the investor (and even more so for any representative appointed as a director of the investee company). As part of the due diligence on the potential investment, the private equity investor will be expected to undertake a thorough assessment of the risks of the target engaging in acts of bribery and corruption. This should include a consideration of specific risks based on, for example, the target’s geographic location, the industry it operates in, its interaction with third parties and nature of the investment.

The SFO has made it clear that they will have little sympathy with any institutional investors who fail to carry out thorough due diligence before adding a company to their portfolio. It is impossible to prescribe with certainty the level of due diligence which will be deemed sufficient or when procedures to prevent bribery will be considered adequate. It is not an exact science, it will vary from case to case and each investment will need to be separately evaluated. We would be happy to discuss this with you and explain further.

For additional information, contact Charles Hewetson on 020 3116 2976 or [chewetson@reedsmith.com](mailto:chewetson@reedsmith.com).

## Private Equity Practice Recognition

### Client Testimonials and Chambers Recognition

#### On Reed Smith's 2012 Private Equity Oktoberfest at The Broadgate Tower, London

“It was a really enjoyable event – one of the best networking evenings I’ve been to. The atmosphere was fantastic and a really good crowd of young dealmakers.”

– Anya Cummins, Associate Director of Cavendish Corporate Finance LLP

#### Band 1 of 3 – Perry Yam Private Equity – UK-wide Chambers & Partners 2013

“Leading venture capital specialist Perry Yam recently moved to Reed Smith LLP in a much-publicised move. He is noted for the top-notch quality of his advice and his vast experience.” *Chambers & Partners 2013*



## Transaction Highlights

### Recent Deals Across Our Global Platform



Advised the management of **Le Chameau**, the French wellington boot-maker, which is a favourite of the Duke and Duchess of Cambridge, in its sale by Lafuma group to the United Kingdom private equity fund Marwyn, for over €16 million. Reed Smith Paris partner, Lucas d'Orgeval, was a key figure in the agreement found between Marwyn and the management of Le Chameau.



At about 3:30 a.m. Eastern Time on the morning of Monday, October 29, with Hurricane Sandy bearing down on the New York office, our client, **Patheon Inc.**, signed a share purchase agreement to acquire Banner Pharmacaps, a global specialty life sciences company with operations in the United States, Mexico, Canada, and The Netherlands, for \$255 million. Patheon's majority shareholder is JLL Partners, a New York-based PE fund. This transaction was led by New York Partner, David Grimes with a team of lawyers from across the Reed Smith platform.



Advised **Curtiss-Wright Corporation** on its agreement to acquire the assets that comprise PG Drives Technology, a business unit of Spirent Communications plc, for \$64 million in cash. PG Drives Technology is a leading designer and manufacturer of highly engineered controllers and drives used in a wide variety of advanced electric-powered industrial and medical vehicles. The acquired business will operate within Curtiss-Wright's Motion Control segment. This transaction was led by London based partner, Peter Teare.

## Global Expansion

### Reed Smith Platform Expands into Singapore Market



We have further enhanced our position as one of the largest law firms in the Asian legal market with the opening of a new office in Singapore, effective immediately. Singapore marks the firm's fourth location in Asia, having already established offices in Hong Kong, Beijing and Shanghai. "Singapore is emerging as one of the most important business centers in the world." said Gregory B. Jordan, Reed Smith's Global Managing Partner. "It is a natural place for Reed Smith, as one of the top firms for commodity trading and shipping." Reed Smith's Singapore office is led by Gautam Bhattacharyya, who has relocated from London.

One of the major drivers for Reed Smith's expansion is the burgeoning business activities of its major institutional clients in the energy and natural resources sector, in Singapore. "We're excited to follow the lead of our clients in the region and continue our strategic drive into key sectors including energy, natural resources, commodities and international trade, shipping and logistics," said Roger Parker, Reed Smith's Managing Partner for Europe, the Middle East and Asia.

Reed Smith is a global relationship law firm with more than 1,700 lawyers in 23 offices throughout the United States, Europe, Asia and the Middle East. Founded in 1877, the firm represents leading international businesses, from Fortune 100 corporations to mid-market and emerging enterprises.

## Private Equity Events Across the Region

### Networking Event in London

On Thursday 25th October, the European Private Equity Team hosted a Private Equity Oktoberfest Networking Event with traditional German food, beers and wine at The Broadgate Tower. The event was co-hosted in conjunction with the **British Private Equity and Venture Capital Association**. Approximately one hundred clients and contacts of Reed Smith's European Private Equity Team attended, representing many of the finest London based private equity funds including Blackstone, Bridgepoint, Caird Capital, Canter Equity, CBPE, Climate Change Capital, Doughty Hanson, Electra, Elysian, Endless, Foresight Group, Hermes GPE, Nova Capital, Pantheon, Piper Private Equity, Smedvig Capital, Sovereign Capital, Terra Firma, Vasari and Vision Capital.