

DECISION

BUSINESS MAGAZINE

THE CORPORATE FINANCE LAWYER

An independent report

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The purpose of the following report was to identify and then validate the attributes, actual experience and performance of the corporate team at Thomas Eggar. The content was completely sourced by DECISION and written from interviews undertaken by its senior writers. Its compilation took place over a four-month period.

The report is also published as part of the journal's Corporate Lawyer Showcase project.

Thomas Eggar were not able to make any changes to the report, apart from the correction of any factual inaccuracies should they have occurred.

As a consequence, the views expressed by those who have been interviewed are not necessarily those of the firm.



Larry Dillner, Publisher

DECISION

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Described by Chambers Legal Directory as 'an established brand that instils confidence in clients', and with some 67 partners and a total staff of over 500, Thomas Eggar LLP have offices in Chichester, Gatwick, London, Newbury and Worthing. The firm works internationally through The Bridge Group (USA) and Avrio Advocati (Europe).

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KEY CORPORATE FINANCE PEOPLE



**CAROLINE ARMITAGE,
PARTNER**

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PERSONAL OVERVIEW:

“Strong project planning and management, being able to apply technical knowledge to achieve commercial goals, the ability to get on with people, being an effective negotiator - they would be high on my list of the characteristics of an effective corporate finance lawyer. You need to be able to understand what is the complete business picture if you are going to deliver what the client wants. That understanding also means that during the deal you know when it’s not necessary to get hung up on particular points. To meet the client’s objectives, the corporate finance lawyer has to be a problem solver, and that includes assessing risk so the client can make an informed decision - there’s

too much of this ‘on the one hand, on the other hand’ delivery of advice. I think problem solving as a skill is under recognised; finding a win-win solution for all the parties involved doesn’t just happen, and a characteristic of a problem solver is a natural ability not to duck responsibility! From experience of a whole range of transactions I don’t believe you can take technical knowledge as a given. The corporate finance lawyer needs to know the key triggers relating to tax, employment law; related issues which can have a financial and timing impact on the deal.”

INSIGHT:

The timescale for an acquisition was ten working days from December 17th, as the business concerned sold most of its product up to the new year after which it had a negative cashflow, so there was a short window in which the bank was prepared to provide support. Caroline Armitage put together the deal framework, which involved dealing with the receiver, liaising with her firm’s insolvency team, and acquiring three properties including the necessary reports for the funders who were relying on them for security.

A highly leveraged deal would enable one of the owner-directors to exit, and included vendor deferral and the need to accommodate the company’s growth plan to move into Eastern Europe. The complexity of the deal and the number of parties involved meant there were four law firms instructed. After two months, Caroline Armitage decided to bring everyone together for an all parties meeting because she could see it was necessary for everyone to identify and agree the issues which needed to be dealt with to enable the deal to cross the finishing line. Potential problems such as vendor security and deeds of postponement were agreed and the deal was completed to the timetable.

REFERENCE:

“You need somebody on your side who will stand up, make themselves heard and fight your corner. I’ve seen many occasions where that has not happened, though not with Caroline Armitage. Nobody gets one over on Caroline! And that’s one of the main reasons we appoint her. We jointly advised on the MBO of a quoted south coast based plc. I had been negotiating on behalf of the client on the price. They didn’t bring their advisers in until quite late on and

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then tried to renegotiate the deal. Caroline dealt with that superbly. She basically just stood her ground telling them she wouldn't allow them to get away with it. They knew they were trying it on and gave in. It's not about being aggressive, just having confidence in her ability to read a situation and then deal with it for the client."

Peter Samuels, Samuels Corporate Ltd:

DEAL PROFILE:

Acquisitions

Pre-print business	£3.8m
IT systems house	n/d
Storage systems business	n/d

Disposals

Food company the management team	n/d to
Fully quoted company to media group	£80.2msale
IT company	n/d

Management Buy-Out

Computer group	n/d
Business services company	n/d



**DAN BASTIDE,
PARTNER**

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PERSONAL OVERVIEW:

"It's important that a corporate finance lawyer is practical and down to earth. You've got to be on the same wavelength as the client. Your technical skills have to be complemented with imagination because in order to really help the client gain a competitive advantage, you've got to find or create solutions to what might seem like impossible problems. The corporate finance lawyer must be able to function without the comfort of going down tram lines! That requires self-confidence which I must say is the complete opposite of arrogance. Self-confidence is not being frightened by difficult situations because of your skill-set and experience; arrogance is trying to bluster your way through. A lawyer's technical ability is often taken as read. Should it be? I think it's hard for someone to make an objective judgment on the technical ability of a lawyer they are considering. There is a huge

body of law on which corporate finance sits, and when I get the deal away I have got to make sure that I'm not putting my client in what might be a difficult situation two, three or five years down the line."

INSIGHT:

From the outset of the deal, it became clear to Dan Bastide that there was a level of resentment between the management buy-out team and the vendor. In reality, the MBO was the only option for the seller, but the team felt they were paying more simply because they had been prevented from doing the deal earlier. Because of all the emotion, Dan Bastide saw it was necessary to distance the principals from each other, so he negotiated with the vendor's advisers and then plugged the principals back in once the 'upstream' position had been established. Because the two parties could now see the deal was 'happening', they were more disposed to focusing on the finishing line.

REFERENCE:

"We used Dan for some sophisticated restructuring and he headed up our flotation on AIM.. At Thomas Eggar they come as a team with a range of experience, but what is really

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valuable is their excellent project management. It's not necessarily a legal skill, or even something that lawyers are trained in, but having that ability makes such a difference. With our restructuring I was also impressed with Dan's ability to think outside of the box. I know it's a cliché, but some lawyers seem to be there purely to use 100 words rather than ten, or they'll tell you that something isn't a good idea and then sit on their hands. Dan and the team added good ideas rather than just being legal machines. He was willing to go to places other lawyers hadn't been before, and that was very useful."

Alistair Hancock, chief executive, Rubicon Software Group plc

DEAL PROFILE:

Acquisitions

Printing business from administrators	£1m
Food distributor	£12m

AIM flotation

Dragonfly Investments plc	
Ringprop plc	

Banking

For MBO acquisition finance	n/d
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For BIMBO acquisition finance	n/d
For MBO acquisition finance	n/d
For MBO acquisition finance	£2.5m

Disposals

Fund Raising	
Syndicated loan facility acting for property fund	£390m
Bilateral secured loan facility acting for property fund	£30m
For AIM company	£3.2m



**ANGELA FOSTER,
PARTNER**

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PERSONAL OVERVIEW:

"I would define a corporate finance lawyer's real value as being able to assess the potential risk to the client and then to cut to what effect it will have on the bottom line. Each client will react differently to risk - it's down to circumstance, not just their personality - and

the lawyer has to know where it fits with their business and personal objectives. That process includes making sure the client is up to speed. An AIM float I was instructed on was the first time the directors had taken a company through the process; so, for example, it was an imperative that I was satisfied they understood the warranties they were giving. In a corporate finance transaction, it is necessary to be an effective negotiator because a deal is all about finding a solution which works for both sides. Of course you've got to hold firm where necessary, but I come back to the word effective. I would also highlight the importance of client service - a lawyer has to be accessible, and while a client knows I'm not working for them exclusively, they expect me to return a phone call without having to be chased."

INSIGHT:

Because an element of the consideration was deferred, the seller of a 50% interest in a joint venture company wanted some comfort in case the business faltered. Angela Foster drew up a clause which stated that if the client wasn't paid in full by a specified time, he would be in a position to force the sale of the company."

REFERENCE:

"Our desire is to have an adviser on the legal

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side who thinks commercially, who is able to focus on getting the deal done and is able to flag up anything which isn't the norm and provide the necessary analysis of the risks so we can clearly see the best way forward. I can think of a deal where at the completion meeting something wasn't going to plan which could have put the bank's position at risk. Angela Foster provided a quick assessment of the possible repercussions and provided us with two options in a way which enabled us to have the confidence that we were making the right decision."

Head of Corporate Banking
High Street Bank

DEAL PROFILE:

Takeovers

	Deal value
Leicester City FC	n/d

Disposals

Portsmouth FC	n/d
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**NEIL HART,
PARTNER**

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PERSONAL OVERVIEW:

"At the end of the day, corporate finance is all about people, and therefore the absolutely key ingredient of an effective corporate finance lawyer is the ability to listen, observe, to find out the motivation of the people around the table - and to use that understanding to deliver what the client wants to achieve. The job of the corporate finance lawyer starts with an understanding of what lies behind the proposition, the elements which really matter to the client. The corporate finance lawyer also needs to have a thick skin. You can't take offence at plain speaking, and you need to take a tough line when it's in your client's best interests. And you need a really good support team; colleagues who are up to speed who can step in with specialist advice as and when required."

INSIGHT:

A disparate group of working shareholders, who had built their business into a valuable proposition, wanted to accept an offer from an American group for their IT company. But Neil Hart recognised there were different motivations for the sale and that a united front had to be presented to the purchaser as each of the founders would be continuing with the company after the sale. He persuaded the "strong individuals with equally strong individual opinions" to agree which of them would lead the transaction and to agree a collective response to the key issues.

REFERENCE:

"Neil Hart speaks and presents himself with great authority, but by giving a calm, considered view rather than being bombastic. While other lawyers might go through the legal implications with the client, he uses his experience to suggest where the client can go on that issue. His approach meant that on one transaction I can recall, I question whether it would have completed without his input."

Darren Boocock, Partner, Deloitte

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DEAL PROFILE:

Acquisitions

Ramada Gatwick Hotel	n/d
Aerospace company	£2.8m
Nursing home business	£18.5m

Disposals

Electrical product manufacturer	n/d
Holding company	£1.5m
IT company	£2.3m

Management Buy-Outs

Tapes/Conversions business	n/d
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**DAWN STALLWOOD,
PARTNER**
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PERSONAL OVERVIEW:

“The role of the corporate finance lawyer is to enable the client to make an informed choice. That means you have to be able to understand the bigger picture, the context of the deal, the

motivation of both parties. It also means coping with the volume of documentation which comes at you, so the lawyer has to appreciate and learn the art of delegation to a well-organised team behind him/her. That means your full attention is on the key issues that matter to the client. I would also say that one of the attributes of a corporate finance lawyer has to be the ability to keep a sense of perspective. If you don't know which points are mission critical, then everything becomes very intense and that will only add to the tension. You need to remember that a corporate finance transaction is a deal between two parties - it's not confrontational; it shouldn't feel like litigation!”

INSIGHT:

Because of his workload, the managing director was struggling to progress a PFI deal, so Dawn Stallwood took on the role of in-house lawyer for the transaction, taking responsibility for the co-ordination of the company's internal issues with each of the department heads. Her project management included scheduling the necessary meetings through to completion.

REFERENCE:

“I come to a corporate finance transaction with a background in engineering and sales so I need

to be able to trust my lawyer. Dawn Stallwood understands the business, and knows what we are trying to achieve, it means we can talk openly. I can discuss ideas and issues with her before deciding to take a course of action. It also means that when I ask ‘what do you think’ she is able to provide advice in a practical sense, not from a theoretical position.”

Bob Chewter, NSSL
Satcom-Solutions

DEAL PROFILE:

Acquisitions

Telecoms company	n/d
Financial services company	n/d
Parador Properties	n/d

Disposals

Travel company	n/d
Redhill Analysts	n/d

Management Buy Outs

Europa Ltd	n/d
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Thomas Eggar
61-partner firm with offices in
Chichester, Gatwick, London, Worthing.