

# The Metropolitan Corporate Counsel

www.metrocorpcounsel.com

January 2013

© 2013 The Metropolitan Corporate Counsel, Inc.

Volume 21, No. 1

## The Importance Of A Well-Integrated International Practice

*The Editor interviews Steve Blakeley, Partner in Charge of the firm's London office, Akin Gump Strauss Hauer & Feld LLP.*

**Editor:** As the Akin Gump partner in charge of the London office, please describe the strategy and the practice areas of that office.

**Blakeley:** Our strategy in London is extremely clear – we are building practices which reflect areas of legal practice in which Akin Gump has a strong reputation in the U.S. or globally and which would benefit from a London presence and English law capabilities. We are not interested in building a full-service English law practice to compete in the domestic UK markets. We're building specific practices which reflect areas in which Akin Gump already has a strong foothold. In that context, we have built five practices so far in London, the largest of which is the corporate practice, which itself has two aspects to it: (1) an M&A, joint venture and corporate transactions practice in emerging markets; and (2) a corporate finance practice.

Historically, "emerging markets" for us has meant Russia and other former Soviet Union countries. We have a very strong Moscow office. In recent years, our work in emerging markets has expanded to include the Middle East. We have had an office in Abu Dhabi for several years. We also have a growing India practice, and we've done some deals in Asia. Our transactional practice is very much focused on doing deals in jurisdictions where, for one reason or another, one or both parties do not wish to use local law. In these markets, English law is

usually the chosen law for those kinds of transactions, which is why they are handled in this office.

Since the roots of the firm are in Texas, our client base has a strong energy element, which is reflected in our international client base. We also have strong clients in the telecom sector and in other sectors as well. In addition, we do a range of private equity transactions, not as a pure private equity transactional house in London, but where private equity transactions are taking place in markets where we have special expertise with an industry sector, such as energy, or a geographical area, such as Russia.

**Editor:** Tell us about the second part of your corporate practice.

**Blakeley:** The second part of our corporate practice is capital markets, where we have worked on debt and/or equity listings on the London Stock Exchange, on AIM, on the Specialist Funds Market (where we did the very first listing), on Euronext (with Dutch counsel) and in Luxembourg. Like everything that we do in London, our capital markets practice is very much connected to, and integrated with, other areas where we have an existing strength. When we are acting for the issuer on a capital markets deal, you will usually find that we are representing a company from an emerging market, a company whose principal asset is in an emerging market, or an energy company from the U.S. We operate in capital mar-



Steve Blakeley

kets where our experience or expertise in the market, the sector or the geographical region is relevant to bringing that company to market.

Another interesting aspect of our emerging markets practice – and our Russia practice in particular – is that when Akin Gump opened its Moscow office in 1994, the firm made a decision to take the opportunity to represent blue-chip Russian corporate clients who at the time were increasingly looking to engage with the rest of the world. Big Russian corporate clients, such as LUKOIL; VimpelCom, which has grown into the sixth-largest mobile telephone company in the world; Metalloinvest, a metals conglomerate; UFG, an asset manager; and other companies of this nature and reputation have been at the heart of Akin Gump's practice in Russia. We have represented as the core of our transactional practice strong, well-managed Russian corporate clients, engaging with the CIS (Commonwealth of Independent States) and the rest of the world as they have expanded their operations globally.

We also help clients from the U.S., Europe and other parts of the world in transactions going into Russia. We've done some deals with Chinese clients, for example, which have invested in Russia in the last year or two. Our Russia practice is a very strong practice, involving transactional work, capital markets work and finance work with both domestic Russian and international clients.

**Editor:** I suppose Akin has long had ties to Russia with Bob Strauss having been our ambassador over there.

**Blakeley:** That's where it originated, and

**Akin Gump**  
Strauss Hauer & Feld LLP

*Please email the interviewee at [sblakeley@akingump.com](mailto:sblakeley@akingump.com) with questions about this interview.*

the firm is very committed to its Russia practice. Our Russia practice has been a very strong part of the development particularly of the London office, which has worked very closely with the Moscow office in helping those clients expand their activities globally.

**Editor: Please tell us about your other practice areas besides your corporate area.**

**Blakeley:** We also have a finance practice, which is integrated with our other practices, especially the corporate practice. In the finance practice, we represent borrowers. Our corporate clients need to raise debt as well as equity financing to expand their activities around the world. Our excellent team of finance lawyers in London represents our clients in those transactions. As with all finance practices which operate on the borrower side of the table, our finance lawyers have to be very flexible and broad-based in their finance skills since those borrowers may be doing a leveraged finance deal one day, a project finance deal the next day, and a syndicated loan on the third day. Our lawyers need to be able to deal with all aspects of finance work the clients bring to them.

We have a very strong investment funds practice replicating over the last 10 years the firm's market-leading investment funds practice in the U.S. We represent a mix of private equity funds and hedge funds. It is unusual for firms in this area to be equally strong in both of these disciplines. We have five partners in London now, having recently recruited two English hedge fund partners from an English law firm; they have boosted our hedge fund practice in particular. That practice is a classic example of the firm's building on its strength in international markets.

We also have a litigation and international arbitration practice (arbitration being particularly relevant to transactions in emerging markets, where it is usually adopted as the chosen dispute resolution mechanism) and a tax practice.

**Editor: Please describe your prominent role in representing hedge funds and other alternative investment funds.**

**Blakeley:** It's a very strong practice. The funds practice in New York is led by

Prakash Mehta, the head of the firm's funds practice. He, along with Steve Vine, has been instrumental in helping us build a funds practice in London. David Billings, a partner in the core funds practice in New York, relocated to London 10 years ago. When you have someone from the core practice relocate to your international offices to help build the practice, it makes integration of those practices much smoother and more effective. The growth of both our private equity funds practice and our hedge funds practice in London has been very successful. We're now recognized in the London market as one of the key funds players alongside probably four or five other firms. Having the combined U.S. and English law capability is a key to being able to sustain and develop a successful funds practice in the future.

**Editor: Why is the London practice described as "the gateway to Europe"?**

**Blakeley:** With the exception of our Geneva office, which is a hub for international arbitration, we do not have any offices, or plans to have offices, in continental Europe. Those markets are very well developed with high-quality law firms. In fact, in all European jurisdictions, there are two or three quality firms who have made it their strategy to remain independent and with whom we work. Entering those markets would detract from our focus on emerging markets. If our U.S. clients want to expand their activities into Europe, then lawyers in the London office will identify the appropriate law firm in the relevant jurisdiction and work with them in helping the U.S. client obtain the legal advice it needs.

**Editor: Please describe the office's work for Petrobras relating to the P-36 production platform.**

**Blakeley:** Petrobras, the national oil company of Brazil, is a client involved in a dispute in relation to the world's largest production platform, P-36, which sank after an explosion in 2001. It is a long-running case, which Justin Williams, who joined us in 2009 to head up our disputes practice, brought with him. It is a \$500 million dispute concerning the claimant's entitlement to further payment for the upgrade of the platform. Proceedings were commenced in 2002, and the case

has gone through various formulations, each of which Petrobras has ultimately won. It is an ongoing case. We continue to represent Petrobras very successfully.

**Editor: There has been a dearth of M&A activity recently in the U.S. What is the pace of that activity in the regions of the world that your office serves?**

**Blakeley:** M&A activity is moving at a faster pace than that in the domestic U.S. market currently. It would be wrong to describe it as being at full tilt, but we have been involved in some very significant transactions over the last few years. The VimpelCom acquisition of Wind Telecom and OTH was a multibillion-dollar transaction that boosted the company into the ranks of the sixth-largest telecom company in the world. We have been representing Renova in relation to the TNK-BP transaction. LUKOIL has been quite active in recent years with transactional work. Within emerging markets, there are opportunities for companies to find ways to expand by acquisition. While deals are being done, activity is certainly not back to pre-2008 levels, but the level of activity is higher than in domestic U.S. markets.

**Editor: Is there anything else you would like to add?**

**Blakeley:** We believe that the most successful way to build an office for a U.S. law firm in a market like London is to build a practice that is closely integrated with the firm as a whole. I think the mistake that some firms make is that they believe that they need to be in a particular market because it's a key financial center in the world. They enter the market by just making a series of lateral hires to create an office, which is not particularly connected to the firm's core practices and strengths. The result is a disconnected business that never really integrates successfully with the firm as a whole. The strength of our model is that our overseas offices are very much a part of the firm. The people who work here at all levels very quickly assimilate with the firm. Building an international practice carefully and sensibly so that the firm has a strong presence around the world is the key to a successful international practice. That is one thing that we've managed to do very well.