

THE LIST

Arizona attorneys see continued M&A activity for state in good or bad economies

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Corporate mergers and acquisition activity has been on a bit of a downswing for the past three years, but that doesn't mean

companies aren't doing deals.

U.S. deals totaled \$2.13 trillion during 2017, according to Pitchbook, with 10,769 deals taking place. That was down about 8.5 percent in dollar amounts from the peak post-recession activity in 2015 but well above the worst years following the economic crash.

Arizona is not immune to the deal making. During the second quarter of 2018, there were 51 deals in the state, and since the start of 2016, Arizona has seen between 40 and 60 deals on average per quarter, according to PricewaterhouseCoopers.

Behind every deal is usually a team of lawyers working through the process of the merger or acquisition. This week's list highlights the Valley's biggest M&A legal firms, and we asked two list representatives, Tom Curzon, co-practice leader of Osborn Maledon in Phoenix, and Scott Weiss, partner at Scottsdale firm Weiss Brown, about the local market and how they get involved in deals.

When you get involved in a deal, is it usually close to the beginning of the process or the end of the process? Do lawyers work to get the deal done or help make a done deal work?

Curzon: Typically our most significant involvements are in the process of making the deal itself, and less so in the integration process after the closing. We are typically involved in the investment banker selection, if there is one, then later in the letter of intent or term sheet negotiation, and if the LOI or term sheet is signed, we are deeply involved with the client in the process of drafting, negotiating and closing the deal paperwork and facilitating diligence and issue resolution along the way.

Weiss: When representing a client in an M&A transaction, I like to get involved at the very beginning, typically at the term sheet stage. You can avoid some major hazards with some up-front planning and gaining agreement on big items. A helpful lawyer will work to show the various paths available rather than pointing out all the roadblocks.

What do you expect for mergers and acquisitions here in the Phoenix area through 2020, in comparison to what



Tom Curzon

we've seen during the past two years?

Curzon: We believe there will be at least as many, if not more, M&A transactions in Arizona, with two main areas of activity: an increasing number of technology company deals based on the growth of that sector here, and aging of the baby boomer generation and transactions that are intended to provide liquidity for the boomers as they retire from active business.

Weiss: We have had a very busy year in 2018, and we believe we will continue to see more of the same for the Phoenix area through 2020. The interesting part of our job is we often see the different industries where our clients are putting their capital to work, which gives us a nice viewpoint to spot trends.

Are mergers more likely when the economy is growing in a robust fashion, or when money is tight and the markets are down?

Curzon: Mergers are likely in each of those economies but for different reasons. In a down economy, mergers may be struck in order to achieve

strength to survive the conditions, or opportunistic acquisition by a stronger player of a weaker player who might not otherwise survive. If lenders aren't lending into deals as much, deal structures may take the form of carryback financing or stock deals in order to finesse the lack of funding capital. In up economies, growth goals and availability of financing may drive more deals than just survival or opportunism.

Weiss: An Arizona-based M&A practice will be busy and active not only

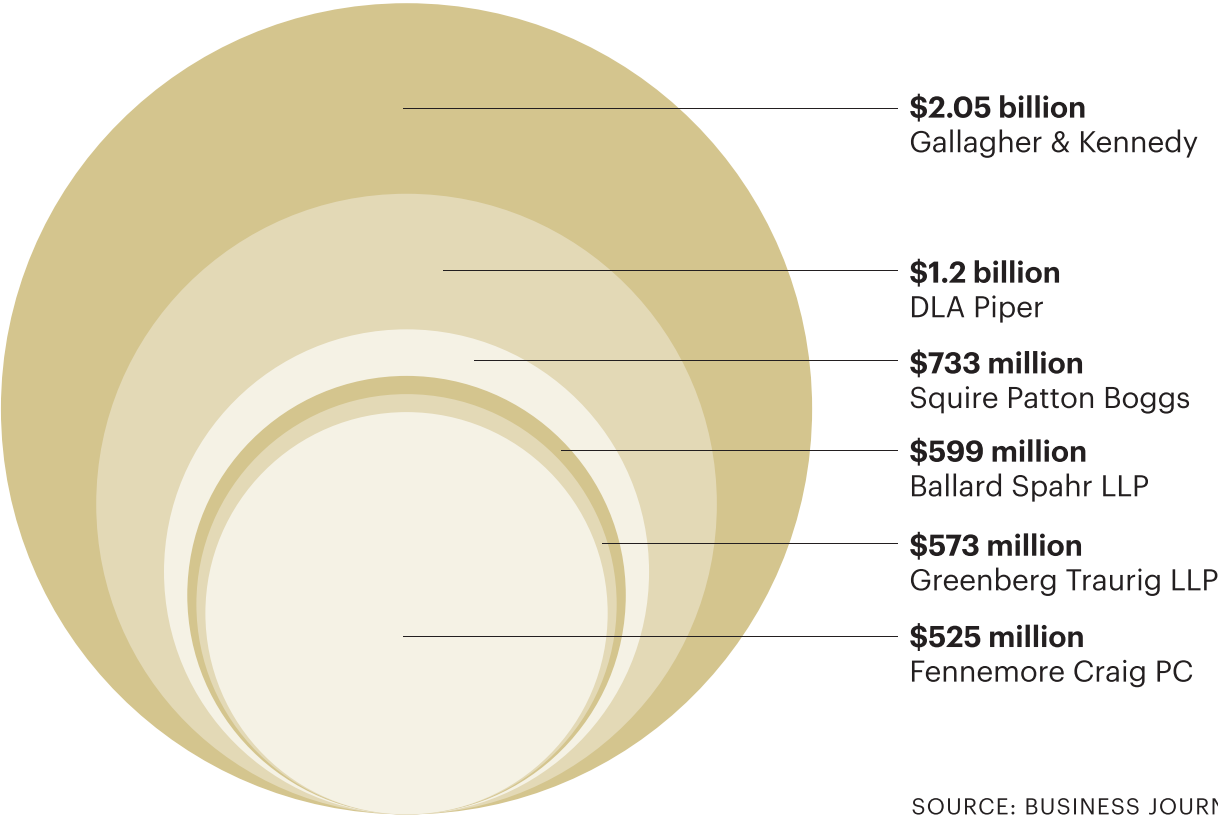
when the economy is growing, but also when markets are down. There are buying and selling opportunities in both types of markets, the main variable is the type of transaction on which we are working. In an up market, there are many high-dollar transactions, typically coupled with capital raises. In a down market, clients get opportunistic buying distressed assets, which result in very interesting transactions, again often involving financing.



Scott Weiss

INSIDE THE DEALS

This week's list ranks law firms by the number of attorneys specializing in M&A. Each of the Valley's law firms working on M&A deals will bring two or more companies together for each transaction. Here's a look the top six firms ranked by what they reported as the total dollar value of M&A deals they helped orchestrate.



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