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Lisa Lathrop

Partner
Private Equity



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Lisa Lathrop, Partner—Private Equity

Lisa Lathrop acts as the principal lawyer for private equity funds during the full life cycle of their portfolio company investments, from acquisition through disposition. During nearly 20 years of practice at Jones Day, Lisa has worked on a wide variety of deal structures in jurisdictions around the globe. Her extensive experience also includes the representation of privately held businesses and other strategic buyers and sellers in connection with their M&A activity.

Describe your practice area and what it entails.

I work with Jones Day's private equity clients during the full life cycle of their portfolio company investments. As a first step, I advise the client in a transaction to acquire companies. When the private equity client owns a company, I work closely with that company's management team to achieve their business and growth objectives by consummating additional acquisitions and negotiating commercial contracts. I also have the opportunity to coordinate with my colleagues across practices and offices to provide counseling on everyday issues that arise in operating a business. Doing so gives me the opportunity to continue to learn about many different areas of the law. Finally, I work alongside the private equity client in its sale of the portfolio company.

What types of clients do you represent?

Jones Day represents many of the leading private equity funds across the globe. My practice focuses on the representation of those clients and their portfolio companies. I also work with our strategic M&A clients to help them understand negotiating positions that may be unique to private equity buyers or sellers.

What types of cases/deals do you work on?

Most of the transactions I work on are leveraged buyouts (i.e., the purchase of a controlling interest in a company in which a portion of the purchase price is paid with debt financing). A typical acquisition transaction starts with structuring the investment in a manner that complies with the private equity fund's agreement with its investors. There are many parties and competing interests involved in negotiating a private equity transaction. In addition to negotiating with the seller, I will negotiate with the lenders that provide the debt-financed portion of the purchase price, the co-investors that

help the private equity sponsor fund the equity portion of the purchase price, and the members of the management team at the company being purchased in connection with their employment and investment arrangements. Jones Day's private equity clients invest in a wide range of industries across many jurisdictions, so each transaction is unique and provides an opportunity to be creative and solve problems.

How did you choose this practice area?

I knew I wanted to be a corporate lawyer, but private equity chose me, and I couldn't be happier about that! When I was a junior associate, I worked on a wide range of M&A transactions. At that time, Jones Day did not have a separate private equity practice. After I had been at the firm for approximately two years, its Private Equity practice was developed, and because I was working with some of our largest private equity clients, private equity became my designated practice. I didn't object to that because I enjoyed the work, and it gave me the opportunity to continue working with some of my mentors. In choosing a practice area, I believe equal weight should be given to the substance of the practice and to the colleagues you will be working with in that practice. Being satisfied with both is key to a successful career.

What is a typical day like and/or what are some common tasks you perform?

The typical day includes adapting to the unexpected. As the primary coordinator of the deal negotiations, I have to remain flexible and ready to pivot to a new task or jump in to solve an issue at a moment's notice. While no two days are ever the same, each one is fast-paced and includes some combination of conference calls, video calls, emails, negotiations, document drafting, and internal meetings and collaboration with colleagues. Often, my day ends with a call to clients or

colleagues on the other side of the world as they are waking up to begin the workday in Asia or Australia.

What training, classes, experience, or skills development would you recommend to someone who wishes to enter your practice area?

Most of the knowledge needed to be a private equity lawyer is obtained on the job. Jones Day spends a lot of time on formal training, not only for our newest associates, but also for the associates moving on to the next stage of their careers. In addition, there is no substitute for learning by doing and observing. For a junior associate, taking the time to listen to senior lawyers negotiate, along with asking questions about the reasons for drafting changes, is an invaluable way to learn and the first step in developing your own negotiation and drafting style. Paying attention to detail, drafting precisely, and problem solving are skills that will help a junior associate leave a lasting impression on senior attorneys and clients alike.

What is the most challenging aspect of practicing in this area?

The timelines in private equity transactions are often very compressed and will only become more challenging as technology improves. The competitive pressures of deal auction processes often require documents to be produced and problems to be solved under tight time pressures. Jones Day's dedication to serving our clients, our intensity of effort, and our ability to collaborate with colleagues across the globe are key to successfully meeting the time pressures required to help our clients be successful.

What do you like best about your practice area?

I have always appreciated the people I work with, both my colleagues and the clients, as well as private equity's connection to business. As a junior associate in private equity, I had the opportunity to work with clients directly very early in my career. I had daily interactions with my peers at private equity funds and established relationships, including friendships that still exist today. As the junior deal team members, we learned how to negotiate transactions side by side and developed a rapport that continues to exist now that we lead deal teams together. Although I like private equity's connection to business, I (like

many of Jones Day's private equity lawyers) do not have a business background. I like to say that I obtained my business degree by working with private equity funds every day. Most of the clients I work with are not lawyers; therefore, when an issue arises in a transaction or there is a dispute over a deal term, I have to use business terminology rather than legal jargon to explain why the issue is relevant and how the matter could impact the business going forward. The learning curve was steep, but I have a deeper appreciation and understanding of operating a business now than I had before I worked in private equity.

What are some typical tasks that a junior lawyer would perform in this practice area?

Junior lawyers in private equity perform a variety of tasks, all critical to the closing of transactions. The junior lawyer is responsible for understanding the diligence (i.e., background information) of the acquisition target, perhaps the most important part of any transaction. The junior lawyer will be called upon to explain the acquisition target's business in order to identify issues and will be asked to help draft the agreements in a manner that protects the client's interests. Junior lawyers also are involved in drafting ancillary and closing documents and helping to coordinate the closing of the transaction.

How important is it to understand your client's business, and how can junior attorneys gain this insight?

Understanding your client's business is critical for client service and effective advocacy. In negotiating transactions, there is no universal right or wrong position, but there is a position that is right for your client. Without an understanding of the client's business, you are not able to satisfy the client's objectives or address the client's concerns. Put in the extra effort to understand the client by reading publicly available information; discussing the client with colleagues who have prior experience with the client; and, most importantly, really listening when the client speaks. In the private equity space, it is also essential to understand the private equity industry in general. Even if you work on the M&A side of private equity rather than the fund-formation side, a deep understanding of how private equity funds are structured and operate will make you a more effective M&A private equity attorney.

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