

Skadden's Strength

An Interview with Eileen Nugent,
Mergers and Acquisitions Partner, Skadden, Arps, Slate, Meagher & Flom LLP

EDITORS' NOTE Eileen Nugent is a senior M&A partner, co-head of the private equity practice, and the firm's New York office leader. Her recent representations include Burger King Holdings, Inc. in its \$4 billion acquisition by 3G Capital Management, and Cephalon in connection with its unsolicited offer by Valeant Pharmaceuticals and its sale to Teva Pharmaceuticals for \$6.8 billion. Nugent has also counseled clients such as Warner-Lambert Company, Trane Inc. (formerly American Standard), SmithKline Beecham, Endo Health Solutions, and Donna Karan International Inc. on multibillion-dollar deals. She is a graduate of Cornell University and Brooklyn Law School.



Eileen Nugent

FIRM BRIEF Founded in 1948, Skadden, Arps, Slate, Meagher & Flom LLP (www.skadden.com) ranks among the world's most respected law firms. With 23 offices, approximately 1,800 attorneys, and more than 40 distinct areas of practice, the firm serves clients in every major international financial center. Skadden's clients include approximately 50 percent of the Fortune 250 industrial and service corporations, as well as financial and governmental entities, start-up companies, and nonprofits.

What is behind the strength of the Skadden brand?

Being a Skadden partner is an extraordinary experience, especially handling M&A. You walk into any boardroom anywhere in the world and have instant recognition and immediate credibility.

Our dedication to the highest quality legal work and client service goes back to our roots and has played a significant role in our development as a firm and as a brand. In the firm's early days, clients put us on retainer in part to guard against the chance of ever having to face us in the boardroom or the courtroom. While retainers have fallen out of fashion, the rationale behind them endures: When you show up with Skadden on your side, people take you very seriously.

Still, there is often a marked difference between how outsiders view Skadden and how we see ourselves. I'm very active in our on-campus interviewing process and I've noticed that law students talk about the firm as if we were a historic institution – an old-line, white-shoe

firm. But we were founded only 64 years ago and still think of ourselves as the new kids on the block – the upstarts with something to prove. Joe Flom grew up in Brooklyn, the son of working class immigrants from Russia. I'm from Woodside, Queens, a first generation Irish-American, and the first one in my family to go to college. Skadden attracts smart, hardworking, hungry people.

What distinguishes Skadden from its competitors?

What I continue to find remarkable and what distinguishes us from other firms is the degree to which the exceptional level of talent extends to every member of the team – our bench strength is unbelievable.

A complex, cross-border matter typically requires a team of attorneys from a wide range of disciplines, and our teams are staffed by top attorneys across the board. The 2012 edition of *Chambers USA* ranked 249 Skadden lawyers as leaders in their practices – more than any other firm. We were recognized in 84 practice categories, and in 33, we were ranked top-tier.

Many of these practices – such as structured finance, tax, real estate, and CFIUS – are associated with smaller, specialized boutique law firms. But we've built complementary practices that allow us to provide top-of-the-line service for every aspect of a matter.

Skadden's platform and global reach – our ability to handle complex cross-border matters, not just on the public company side but also in private equity, litigation and arbitration, and other areas – also sets us apart. Our international growth has been skillful and strategic. We don't just have offices in all of the world's key financial centers, but also talented local attorneys. Our ability to handle, for example, local corporate and tax issues in Paris, Sao Paulo or Singapore, is second to none.

How would you describe the current state of the private equity market? Are you optimistic?

In 2010 and 2011, we saw a substantial rebound of private equity investment activity in the U.S. However, in 2012, those numbers have taken a hit – in the first half of the year, activity was down by about 20 to 30 percent compared to last year; that's a substantial drop in investment, somewhere in the neighborhood of about \$150 billion.

One reason for hope going forward is the tremendous amount of PE capital that remains available for investment – so-called “dry powder.” Some estimates put the total at nearly \$1 trillion. A number of factors have contributed to keeping that money on the sidelines: the hesitancy for investors to jump into the market during challenging economic times; the unpredictable conditions for leveraged loans and high-yield bonds; and various new regulations that complicate certain types of investments. In 2010 and 2011, the impact of these factors appeared to be diminishing. In 2012, hesitancy appears to have returned. The question, at some point, will be whether this money is still “on the sidelines” or whether it is no longer in the game.

Are there opportunities for women at the senior levels of the legal industry?

I think the idea of a “glass ceiling” is dated or at least lacks sufficient nuance to capture the contemporary experience of women attorneys. In my view, there are a series of ceilings, but it's only the highest one that remains rather firmly in place. Most lawyers, and for that matter most clients, became accustomed to women attorneys long ago. At Skadden, which I consider truly gender blind, we named our first woman partner more than 40 years ago and roughly half of our associates are women. The percentage of female partners has steadily grown and women comprise 45 percent of our most recent partner class. But at the highest levels of the profession, particularly within the field of mergers and acquisitions, there still are very few women – at most five or ten who could be considered leaders at the apex of M&A. In that sense, I still believe it's still a bit harder for women to rise to the very top.

That said, the practice of law is an exceptional profession in a very positive and meaningful way for women. Lawyers are advisors – we counsel clients, we give them advice. Therefore, many of the stereotypes about women, some of which may even have an element of truth – that we're more empathetic, that we're better listeners – work to our advantage.

Ultimately, the need for effective service typically outweighs any last vestiges of chauvinism. People want the best doctor, the best accountant, and the best lawyer. When you're in a profession that values smarts – and I'm in such a profession – at the end of the day, a client would rather have a talented, effective advisor who is green and from Mars than a new golf buddy. That's why I never bothered to learn how to play golf. ●