

**Q.** As the economy shifts back into gear, who drives you forward?

**A.** Manatt.  
**Mergers and Acquisitions.**

**Connecting  
clients in  
today's  
market.**

U.S. stocks are advancing. Banks are beginning to lend again. And corporate America and private equity are sitting on stockpiles of cash. Looks like the deals are lining up for mergers and acquisitions in 2011.

Troubled economic waters led to a diminution of deals in 2008 and 2009, but interest in M&A resurfaced in 2010. In North America, there were \$362.3 billion worth of deals in the first half of 2010, up 8.7 percent in value compared to the same time in the prior year. While overall volume was flat, certain sectors, such as technology and healthcare, experienced an uptick during the year. There were more than 70 technology deals in 2010, a whopping 112 percent increase compared to the previous year.

As the door shuts on the decade, look to 2011 for a major M&A splash. Survey projections show a sharp jump in mergers and acquisitions activity in the financial, healthcare and media sectors. In the financial sector alone, M&A is expected to increase 75 percent in 2011 compared to the prior year.

One of the drivers of the economy's revival is the consumer, who demonstrated some robust spending this past holiday season. Another positive economic sign? Banks are now turning on the lending spigot, encouraging risk-taking among companies that weathered the storm and are now in a stronger position to borrow. Those loans can help businesses expand, create new jobs and make them more viable as acquisition targets.

Certainly, the economy hasn't been kind to all. But those companies that paid down debt and generated strong cash flow will be on the hunt for opportunities. Almost 30 percent of companies have net cash, according to *The Wall Street Journal*.

Much of the M&A interest hinges on the healthcare sector, where firms will be cutting deals in response to new legislation as a way to reduce costs and manage risks. Expect to see nonprofit hospitals being courted by for-profit businesses interested in tapping the hospital sector and the potential for consolidation among managed care companies.

Technology is another attractive sector. In 2010, the industry was led by three kingpins—Google, Oracle and IBM—which generated 50 deals. Social and digital media, along with mobile, security and cloud technologies, are hot segments that have reinvigorated an industry looking for ways to move top-line sales.

Financial reform will force the hand of M&A in the financial services sector, prompting some banks and companies to shed noncore services, especially riskier business units, such as proprietary trading and consumer credit businesses. As a result, the focus will be on divestitures and not mega-mergers, similar to a deal earlier this year by Citigroup to sell its private equity business.



**Q. Who do companies trust for savvy representation in the dynamic digital space?**

**A. Manatt.**

**While traditional record companies struggle with dwindling sales, music publishing is a more stable business with healthy returns generated from songs played on the radio and television, in movies and advertising and more. Manatt attorneys are on the pulse of this changing sector, which is creating new niche and global opportunities for music entrepreneurs in the digital age.**

In just under two years, **BMG Rights Management**, the joint venture of Bertelsmann AG and Kohlberg Kravis Roberts & Co., has grown into the fifth-largest global music publisher thanks to its four acquisitions this year. With Manatt's help in evaluating the risks and rewards of these acquisitions, BMG purchased the song rights of Cherry Lane Music Publishing, whose roster of songwriters includes Elvis Presley; Stage Three Music, a London-based independent music publisher, from its shareholders Apax Partners, Ingenious Ventures and the management; Evergreen Copyright Acquisitions LLC, which netted it a catalog that includes songs recorded by artists such as Eric Clapton, MC Hammer, Michael Jackson and Nick Drake; and Chrysalis, one of Britain's biggest independent music publishers, and its 100,000-song catalog that includes works by David Bowie, Michael Jackson, Cee Lo Green, Sheryl Crow and Blondie. These deals have catapulted BMG to the forefront of the music publishing business with its new premium music assets.

**Q.** Who anticipates the twists and turns of the road ahead?

**A.** Manatt's M&A attorneys.

Some deals by their nature can turn into marathons. The legal team at Manatt knows how to keep pace and resolve any regulatory challenges, deftly meeting demands one by one. Staying the course, Manatt attorneys manage multiple facets of the transaction while keeping clients and government agencies abreast of any related issues or concerns that may arise so that everyone is in step to reach the finish line.

A leading private equity firm, **Moelis Capital Partners**, was one of the key investors in a recapitalization of Opportunity Bancshares, marking Moelis' first investment in a bank. Manatt represented Moelis in the transaction, which was anything but routine. The regulatory approval process was complex and drawn out, because a substantial number of investors in the transaction were private equity funds. Federal and state regulatory agencies were particularly cautious. With Manatt's guidance, Moelis was able to complete the deal, helping Opportunity Bancshares transform itself with a new business plan. Opportunity Bancshares will be used as a platform bank to purchase additional banks in FDIC-assisted transactions on the West Coast.



**PACIFIC CAPITAL BANK, NA**

**Pacific Capital Bank, N.A.**  
sale of refund anticipation loan  
business to a newly formed entity  
(Santa Barbara Tax Products)

Counsel to Seller  
January 2010



**Sonus Networks**  
acquisition of assets from  
Winphoria Networks, Inc.,  
a subsidiary of Motorola, Inc.

Counsel to Buyer  
January 2010



RIGHTS MANAGEMENT

**BMG Rights Management**  
acquisition of  
Cherry Lane Music Publishing

Counsel to Buyer  
March 2010

**Alliant Merchant Services**  
sale to The Marks Hill Group

Counsel to Seller  
April 2010



Charter School Growth Fund  
Helping public education thrive.

**Charter School Growth Fund**  
acquisition of  
DreamBox Learning, Inc.

Counsel to Buyer  
April 2010



**Concord Music Group**  
acquisition of certain assets and  
music rights from Rounder Records  
Corporation and affiliates

Counsel to Buyer  
April 2010

**TSYS Acquiring Solutions, LLC**  
joint venture with First National  
Bank of Omaha

Regulatory Counsel to  
**TSYS Acquiring Solutions, LLC**  
April 2010

**Patient Safety  
Technologies, Inc.**  
control investment and  
management change

Counsel to Certain Investors  
and New Management  
June 2010



**Magnes Museum**  
merger with UC Berkeley

Counsel to  
**Magnes Museum**  
June 2010



**Healthfirst, Inc.**  
acquisition of  
Senior Health Partners

Counsel to Buyer  
July 2010



**HOULIHAN LOKEY**

**Houlihan Lokey  
Howard & Zukin**  
acquisition of Red Pine Advisors

Counsel to Buyer  
July 2010

**BMG**

RIGHTS MANAGEMENT

**BMG Rights Management**  
acquisition of Stage Three Music

Counsel to Buyer  
August 2010



**Danmer, Inc.**  
leveraged buyout from its  
existing majority shareholder

Counsel to Management  
August 2010



**Golden Coast Bank**  
control investment

Counsel to Investor  
August 2010

**MOELIS CAPITAL PARTNERS**

**Moelis Capital Partners**  
recapitalization of  
Opportunity Bancshares

Counsel to  
**Moelis Capital Partners**  
August 2010

**PACIFIC CAPITAL BANCORP**

**Pacific Capital Bancorp**  
recapitalization by  
Ford Financial Fund, L.P.

**\$500 million**

Counsel to  
**Pacific Capital Bancorp**  
August 2010

**ANSHEN + ALLEN**

**Anshen + Allen Architects, Inc.**  
sale to Stantec

Counsel to Seller  
September 2010



**Opus Bank**  
(formerly Bay Cities National Bank)  
recapitalization and change in  
control by private equity investors

**\$460 million**

Counsel to  
**Opus Bank**  
September 2010

**BMG**

RIGHTS MANAGEMENT

**BMG Rights Management**  
acquisition of Evergreen Music

Counsel to Buyer  
September 2010

**Evertec, Inc.**

acquisition of the merchant  
processing business of  
Banco Popular de Puerto Rico

Regulatory Counsel to Buyer  
September 2010



**American Hi Definition, Inc.**  
sale to NEP, Inc., a portfolio  
company of American Securities

Counsel to Seller  
November 2010

**BMG**

RIGHTS MANAGEMENT

**BMG Rights Management**  
acquisition of Chrysalis

Counsel to Buyer  
November 2010



**Cerberus Capital Management**  
acquisition of  
Caritas Christi Health Systems

**\$850 million**

Counsel to Buyer  
November 2010

**FdG Associates**

sale of portfolio company  
Vintage Nurseries

Counsel to Seller  
November 2010



**Foodbuzz, Inc.**  
merger with  
wholly owned subsidiary of  
Federated Media Publishing, Inc.

Counsel to Seller  
November 2010

**Jambo Media, LLC**  
sale to Undertone Media, Inc.

Counsel to Seller  
November 2010



**Belvedere Capital Fund II, L.P.  
and SoCal Bancorporation**  
sale of Professional Business Bank  
to California General Bank

Counsel to Sellers  
December 2010



**Covenant Care**  
recapitalization of Covenant Care

**\$120 million**

Counsel to  
**Covenant Care**  
December 2010



**Cox Health**  
acquisition of Springfield  
Neurological Institute, LLC

Counsel to Buyer  
December 2010

MOELIS & COMPANY

**Moelis & Company represented  
Ascent Media Corporation**  
sale of its creative and media services  
businesses to Deluxe Entertainment  
Services Group Inc.

**\$68 million**

Counsel to  
**Moelis & Company**  
December 2010

MOELIS & COMPANY

**Moelis & Company represented  
Ascent Media Corporation**

sale of its global content  
distribution business to  
Encompass Digital Media, Inc.

**\$120 million**

Counsel to  
**Moelis & Company**  
December 2010



**Sucampo Pharmaceuticals, Inc.**  
acquisition of Sucampo AG

**\$80 million**

Special counsel to Audit Committee  
of the Board of Directors of  
**Sucampo Pharmaceuticals, Inc.**  
December 2010



# M&A is back on track.

As the economy shifts back into gear, there are many routes to making a deal, with investors looking to mergers and acquisitions for quicker and more certain exits. But, without the right counsel on your side, you may be heading in the wrong direction or missing a full point inspection when it comes to due diligence.

On a crowded freeway, Manatt's lawyers can help put you in the fast lane. The M&A team at Manatt has deep industry experience working with a wide range of clients, both on the buy side and the sell side, helping public and private companies, entrepreneurs, family-owned businesses, private equity funds and large multinational corporations. Whether companies want to accelerate their market penetration or recapitalize for greater flexibility, or investors want a solid exit strategy, Manatt's strategic business advisors can navigate the complexities of any transaction.

What makes Manatt different and a most valuable partner to its clients? Manatt's strong bench means that clients have access to attorneys who are standouts in their fields—financial services, healthcare, media and entertainment, technology, consumer products, energy and natural resources, and real estate and land use. Businesses can rely on Manatt's nimble approach and rapid response time to seize on quick turnaround opportunities. That unprecedented access to counsel gives companies boutique law firm service delivered with Wall Street experience—meaning senior-level attorneys manage and strategize the transaction every step of the way.

Manatt's track record speaks for itself. For companies exploring M&A opportunities, having Manatt on their side positions them ahead of the pack. When a deal is looming, Manatt's lawyers provide unparalleled service and follow-through, developing due diligence strategies to evaluate the risks and rewards, advising on every aspect and structuring complex transactions in a tax-efficient manner.

## AREAS OF FOCUS:

- Mergers, stock and asset purchases
- Privatizations
- Proxy contests
- Recapitalizations
- Leveraged and management buyouts
- Tender and exchange offers
- Cross-border and domestic deals
- Private equity funding
- Fairness opinion representations
- Poison pills and other takeover defenses
- Special committee representations

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