

Tax Group of the Year: Davis Polk & Wardwell

By Jonathan Randles

Law360, New York (January 06, 2014, 7:24 PM ET) -- Davis Polk & Wardwell LLP attorneys advised clients on the tax implications of some of the largest deals of 2013 — including multibillion-dollar transactions involving H.J. Heinz Co. and Comcast Corp. — earning them a spot among Law360's Tax Practice Groups of the Year.

The firm drew upon its diverse range of tax expertise in mergers and acquisitions, international transactions, debt financing and other areas. Davis Polk advised iconic ketchup maker Heinz on its acquisition by Berkshire Hathaway Inc. and investment firm 3G Capital Partners LP, and Comcast's \$16.7 billion acquisition of General Electric's 49 percent common equity stake in NBCUniversal.

Harry Ballan, a partner in Davis Polk's tax department, said Monday that the firm's strength in capital markets, mergers and acquisitions and convertible debt positioned the firm's tax team for a successful year. He said the diversity of Davis Polk's tax practice helps the firm do well despite fluctuations in the market.

"I think what's different with Davis Polk is the excellence we have in all of the practice areas across the tax department," Ballan said. "It's the strength across the board. This is a team of smart people."

The depth of Davis Polk's tax practice was on full display in 2013 as the firm had a role in some of last year's largest deals. The firm advised its clients on financing connected with Verizon Communications Inc.'s takeover of Verizon Wireless, the largest wireless service provider in the U.S.

Davis Polk advised JPMorgan Chase Bank NA, Barclays PLC, Morgan Stanley & Co. LLC and Bank of America Merrill Lynch, which were joint lead arrangers on a loan that helped finance the deal, and JPMorgan Chase Bank as administrative agent.

The financing included a \$61 billion unsecured bridge loan facility, a \$12 billion unsecured term loan facility and a \$2 billion unsecured revolving credit facility, which allowed Verizon to buy out its joint venture partner, British telecom Vodafone Group PLC. It is the largest such financing ever consummated, according to Davis Polk.

The sale ended a 14-year-old partnership between U.S.-based Verizon and the U.K.'s Vodafone, which teamed up in 2000 in order for Vodafone to enter the American mobile market. The transaction allowed Verizon to take full control of its cash-rich wireless business.

Davis Polk also advised Heinz on its \$28 billion acquisition by an investment consortium lead by 3G Capital and Warren Buffet's Berkshire Hathaway. The transaction was the biggest private equity buyout in five years and the largest ever in the food industry.

The firm's attorneys also provided tax advice on some of the largest deals in the health and pharmaceutical industry. Davis Polk attorneys advised Aetna Inc. on its acquisition of Coventry Health Care Inc. in a deal valued at \$7.3 billion and advised Warner Chilcott PLC in connection with its \$8.5 billion acquisition by Actavis Inc.

“Each year brings its own opportunities and challenges,” Ballan said. “I think the list of deals you see here has a mix of strategic and financial impetus.”

Davis Polk has long been considered one of the leaders in U.S. and international tax law. The firm's tax department, which added several new associates in 2013, has approximately 45 lawyers, including 14 partners.

The majority of the tax group is based in New York City, with the firm's other tax attorneys located in Menlo Park, California, and London.

In recent years, the firm has also been building its presence overseas. In 2012, Davis Polk added its first English law-qualified tax lawyer in the U.K., partner Jonathan Cooklin. He came to Davis Polk after a decade at

Freshfields Bruckhaus Deringer LLP, where he had served as the head of that firm's insurance tax group in London.

“This has been a wonderful year for us, and it is clear evidence that we are on the right track in terms of breadth and focus,” said Davis Polk partner Po Sit who had been with the firm since 1988.

--Additional reporting by Natalie Rodriguez, Kelly Rizzetta and Kurt Orzeck. Editing by Stephen Berg.