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Q&A With Hunton & Williams' Jay Moore

T. Justin Moore III is head of the Hunton & Williams LLP's corporate team. His practice focuses on mergers and acquisitions, corporate finance, corporate governance and securities regulation.

Moore represents public and private companies in M&A transactions, and his clients also include private equity funds and related portfolio companies. His corporate finance experience includes public and private equity and debt financings, while his industry experience encompasses consumer products, software, coal, biotechnology, chemicals and manufacturing.

Q: What attracted you to your practice area?

A: I grew up in a family of business executives and lawyers and always had a strong interest in both areas. I knew fairly early on that not only did I want to attend law school, but I also wanted to pursue an MBA. While working on both degrees, I had a summer internship with Hunton & Williams where I worked with several business groups. Although I interned with two other firms while in graduate school, I ultimately concluded that Hunton & Williams was a perfect fit and I never looked back.

Q: What is the most challenging deal you've worked on, and why?

A: There are two that immediately come to mind. The first involved a middle market New York Stock Exchange chemical company selling a third of its assets to a Fortune 50 company. The deal was complicated because it involved an asset transfer in which, post-closing, the buyer and the seller would be sharing certain manufacturing facilities and some personnel.

Given this sharing arrangement and the normal issues associated with an industrial company, there were extraordinary challenges in allocating risks associated with environmental, labor, permitting, and real estate issues. As the lead corporate lawyer, the challenge was staying on top of all the major deal points in each discipline and bringing the deal to closure in a manner that protected my client's interests.

The second deal involved representing a portfolio company owned primarily by two separate private equity funds. Several aspects of this deal made it particularly challenging.

First, there was a difference in opinion between the two firms as to whether or not to sell. Our client had received an unsolicited offer from a strategic buyer. One of the private equity firms found the offer fully priced while the other firm did not.

Additionally, it was a human resources business, which meant the company's assets walked out the door every night. The management team was not excited about working for the buyer.

A further complication was the tightening of the current market. There were numerous doubts as to whether the transaction would close. It was particularly challenging because we had four parties at the negotiating table — management, two different private equity investors and the buyer — three of which were on our side. It called for a soft touch just to keep all of the parties at the table and on the same page.

Negotiations lasted six months before it became fully apparent the buyer could not finance the transaction. Ultimately one of the private equity firms decided to take its proceeds in stock rather than cash and the transaction closed after nine months of negotiations.

This deal was a test in managing the conflicting interests of multiple parties on our side of the table while counseling them on their fiduciary duties at the same time.

Q: What are the most challenging legal problems currently facing clients in your practice area?

A: There is a lack of liquidity and access to debt capital in today's market. Coupled with that, the market has not adjusted to realistic valuations. Some sellers still have an inflated sense of valuations and, for buyers, leverage is not available at historical levels. Buyers and sellers will have to become more realistic about valuations, and credit markets will have to soften so there is a middle ground.

Q: Where do you see the next wave of activity in your practice area coming from?

A: Many of our corporate clients have spent the last six months shoring up their balance sheets and preparing to make strategic acquisitions. I expect that activity will pick up at the end of this year into next year. Private equity firms are feeling pressure to deploy capital, and as realistic valuations begin to take hold, we will see more transactions with high levels of initial equity capital.

Q: Outside your own firm, name one lawyer who's impressed you and tell us why.

A: Martin (Marty) Barrington, executive vice president and chief compliance and administrative officer of Altria Group Inc. is an attorney who has impressed me. We worked together as young attorneys at Hunton & Williams before Marty left to become in-house counsel for Philip Morris. He has an incredibly effective way of dealing with people, allowing him to gain confidence from his peers and lead a legal team successfully. He is intelligent, extremely focused and very effective.

Q: What advice would you give to a young lawyer interested in getting into your practice area?

A: Sometimes young attorneys come out of law school thinking they want to focus in a particular niche area but they should have an open mind, especially as the markets change. The most important thing for a young lawyer to have is depth of experience. Working for different partners on different types of matters makes an associate a more valuable asset.