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## **Q&A With Hunton & Williams' Steven Patterson**

J. Steven Patterson is co-head of the U.S. mergers and acquisitions group at Hunton & Williams LLP. His practice focuses on mergers and acquisitions, securities compliance, corporate governance matters and public and private securities offerings, for domestic and international clients.

### **Q: What attracted you to your practice area?**

A: Deal-making involves creating a whole out of disparate parts, and I have always enjoyed that. The process of building a deal is satisfying: balancing competing interests, working with others, seeking compromise and common ground. Seeing tangible results for hard work is very gratifying. This work also satisfies my long-time interest in international law, as I work with many clients that operate internationally or who are expanding internationally.

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

A: I worked for a European-based client that was acquiring a U.S. company. Structuring the deal for this acquisition was very challenging because of the differences in the respective legal systems in Europe and the U.S.

Meshing two very different legal systems was extremely complicated. What also made this deal challenging was the level of communication demanded between the two companies and their legal teams, with both in-house and outside counsel. We had to make sure everyone was on the same page in terms of what each jurisdiction's legal system would require for the deal to go through.

The acquisition was successful, but it took a considerable amount of coordinating to get it there, much more so than a standard deal.

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

A: There is tremendous pressure on corporate legal departments to do more with less — including pressure on staffing and budgets. Companies must keep up with an ever-changing regulatory environment while also handling the added legal work required if they want to expand through M&A activity. They are relying just as much on outside counsel, but with significantly more budget pressure, which requires flexibility and creativity from outside counsel.

In addition, the financial crisis has meant increased regulatory scrutiny for companies, particularly from the SEC. New shareholder access rules, if adopted, and related regulations will require that companies adjust how they operate.

The current challenging environment does present opportunities, however. Companies that have stable credit can leverage that to refinance credit agreements at lower rates. They can take advantage of their strong position to secure better terms. The demand for bonds issued by stable companies is also strong, putting these businesses in a position of significant advantage.

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

A: We are already seeing an increase in M&A activity as companies who have come out of the economic downturn relatively unscathed look to capitalize on their strong position and expand. Primarily they are doing this by acquiring distressed businesses that are either already in bankruptcy or close to it.

In addition, both the SEC and Congress are expected to follow through with financial regulatory reform, and companies are currently waiting to see what that entails. That will be the biggest factor in securities activity over the next several years. Corporate boards will also face issues from regulatory reform, particularly with respect to broader powers for shareholders.

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

A: Bob Buckholz, a partner at Sullivan & Cromwell LLP in New York, is a lawyer who has impressed me. Bob and I worked on a carve-out IPO of a Canadian company followed by a spin-off of the company. He really impressed me because he has such a great command of securities laws and an excellent ability to come up with practical solutions to overcome challenging issues. He also impressed me because his mastery of the law hasn't changed him from being the collegial, down-to-earth person that all great lawyers should be.

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

A: Young lawyers should try to get as much exposure to as many different types of transactions as possible. They should focus on both corporate M&A transactions and securities law, ensuring they have broad experience with both. This makes them much more valuable to clients because they are more versatile in helping clients think strategically.

In today's economic climate, every lawyer, not just those new to the practice, should treat each project like it's their only project. You just don't get second chances like you might have in the past. Your best marketing tool in uncertain economic times is always your last project.