

Q&A With Dorsey & Whitney's Chris Bellini

Law360, New York (October 14, 2011, 1:37 PM ET) -- Christopher J. Bellini is a partner Dorsey & Whitney LLP's corporate group, in the Minneapolis office. He is chairman of the firm's private equity practice and specializes in the areas of mergers and acquisitions involving publicly and privately held companies, and private equity acquisition and divestiture transactions. He also has experience in the areas of corporate and securities law as well as in corporate governance and compliance matters.

Q: What is the most challenging transaction you have worked on and what made it challenging?

A: The most challenging transaction I have worked on is our representation of several U.S. affiliates of Robert Bosch GmbH in the sale of substantially all assets of Bosch's North American foundation brakes business to an affiliate of a subsidiary of Akebono Brake Industry Co. Ltd., a Japan-based public company engaged in the manufacture and sale of automotive and industrial brakes and train components.

The assets transferred to Akebono included Bosch's brakes manufacturing plants in Clarksville, Tenn., and Columbia, S.C., certain machinery and equipment currently located at four other Bosch plants in North America, and contracts with major suppliers and customers of the business. The business sold to Akebono generated revenues of approximately \$580 million in 2009.

This was an exceptionally complex "carve-out" asset sale, due to the need to relocate assets from Bosch plants that were not part of the sale, the need for a series of ongoing manufacturing and supply arrangements between Akebono and Bosch, as well as the licensing of patents and technology.

Q: What aspects of your practice area are in need of reform and why?

A: In public company M&A transactions generally, I believe there needs to be reform on M&A strike suit litigation. No matter how high the premium being paid, now matter how thorough a board's processes were in approving a deal and no matter how complete the target company's disclosure, the announcement of an M&A transaction will bring with it numerous, boilerplate complaints.

These complaints almost universally lack merit and fail to serve the interests of the target company's shareholders. Rather, these suits typically end up in disclosure-only settlements, with a disclosure "value" being paid by the target company to the plaintiff attorneys (with nothing being paid to the target shareholders).

Q: What is an important deal or issue relevant to your practice area and why?

A: One of the biggest developments in the private equity industry is the new regulatory requirements facing many private equity firms. Pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act, the Securities and Exchange Commission created new registration requirements under the Investment Advisers Act of 1940 that generally require many advisers to private equity funds to register with the SEC as investment advisers.

This is a fundamental change in the private equity industry, as private equity firms will need to adjust to operating their businesses in a regulated environment. This will include the adoption and implementation of written compliance policies and procedures that are perhaps more formal than current practices. Even those funds that are exempt from registration will be required to maintain certain records subject to examination by the SEC and submit certain reports about their holdings to the SEC.

Q: Outside your own firm, name an attorney in your field who has impressed you and explain why.

A: I worked across from Jeremy Veit of Kirkland & Ellis in the sale of SoftBrands Inc. to an affiliate of Golden Gate Capital and was very impressed with his straightforward approach to deal making. He was a strong negotiator on behalf of his client, but very reasonable in his manner.

Q: What is a mistake you made early in your career and what did you learn from it?

A: My biggest mistake was thinking that I didn't want to be a lawyer and leaving the practice of law as a mid-level associate to become an investment banker. While investment banking provided an incredible learning opportunity, I truly missed advising clients on the legal aspects of transactions. Fortunately, I was able to rejoin my firm after a two-and-a-half-year hiatus.