

## MVP: Cravath's Richard Hall

*Law360 (November 26, 2018, 11:06 AM EST)* -- Richard Hall of Cravath Swaine & Moore LLP has helped guide companies in billions of dollars of global mergers and acquisitions, including German gas company Linde AG in its \$70 billion merger with Praxair and GKN PLC in the unsolicited £8.1 billion (\$11.4 billion) takeover bid from Melrose Industrials PLC, earning him a spot as one of Law360's 2018 Mergers & Acquisitions MVPs.

### ***HIS BIGGEST ACCOMPLISHMENT THIS YEAR:***

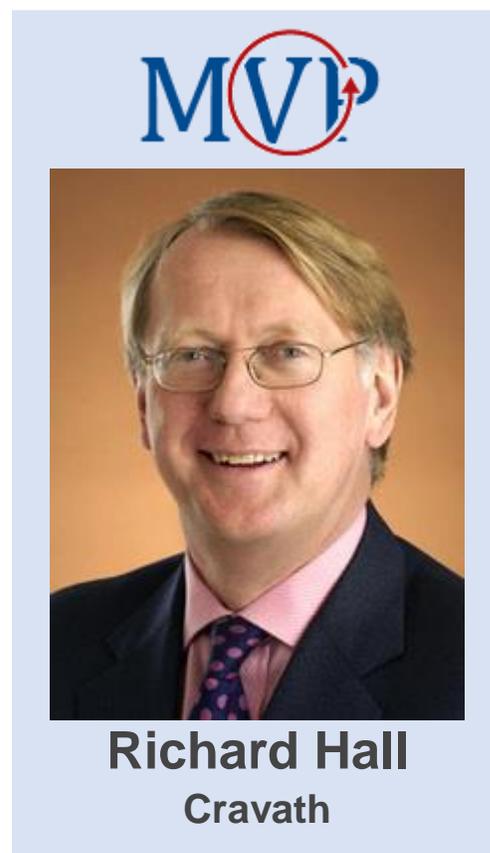
Hall represents German-based gas giant Linde AG in its pending \$70 billion merger with U.S.-based Praxair Inc., which is currently seeking U.S. regulatory approval after receiving approval from the European Commission in August.

"The normal way of structuring a transaction like this would have required the new holding company as the bidder for Linde to declare satisfied or waived irrevocably all the closing conditions to the offer, bar the regulatory approval, well before regulatory approval would have been received," Hall said.

He noted that tax issues related to U.S. inversion rules created an obstacle for the parties, as both Linde and Praxair could not run the risk that the transaction would be treated as an inversion.

"So we had to come up with a way of giving each side assurance that the desired tax treatment was available all the way through to the closing. Notwithstanding the German regulatory position that once the offer had expired, the only condition left would have been receipt of regulatory approval. So we came up with a solution to that problem that is completely new, we are confident that nobody has done anything like this ever before. What we came up with is the idea that upon the occurrence of certain events, neither party, Linde or Praxair, will be required to use efforts to solve the regulatory problem."

Hall noted that both parties were able to sign the business combination agreement feeling comfortable



that if there was a change in tax law, they would be able to get out of the transaction by including an efforts covenant that frees either party of an obligation to get the transaction closed.

***HIS BIGGEST CHALLENGE THIS YEAR:***

While Hall and his team came up with a novel solution to alleviate concerns in the Linde-Praxair merger, he told Law360 that a bigger challenge presented itself while representing GKN in the unsolicited £8.1 billion (\$11.4 billion) takeover bid from Melrose and the proposed \$6.1 billion combination of GKN's driveline business with Ohio-based auto parts company Dana Inc.

"The GKN-Dana transaction was a bigger set of challenges from a negotiation and structuring perspective. Coming up with a cross-border reverse RMT transaction across the U.K. and the U.S. raised a whole lot of difficult integrated negotiation and drafting challenges. Getting that transaction to the signing was probably my most significant challenge of the year. Unfortunately, we lost out to the competing bid."

In March 2018, GKN shareholders accepted the £8.1 billion takeover bid from Melrose, bringing an end to the long-running fight for control of the company.

***WHY HE BECAME AN M&A ATTORNEY:***

"It is a career path that permits me to meld structural complexity with a job that is intellectually demanding, but at the same time closely connected to the real world and people who are trying to achieve things that matter to the world outside of my little bubble," Hall said.

Hall noted that while the Linde-Praxair transaction was very difficult intellectually, and coming up with the solution was difficult, he is drawn to the fact that his work helped real people get a deal done that allows them run their companies and realize their value to shareholders, stating that "there aren't many jobs that combine all those features."

***HIS ADVICE TO JUNIOR ATTORNEYS:***

Hall said that one of the most important things that a young attorney in the mergers and acquisitions practice can do is make sure that they are testing themselves.

"Professional satisfaction comes — here I'm going to paraphrase President [John F.] Kennedy — from doing things not because they are easy, but because they are hard. It is a natural tendency of young lawyers, when they are faced with professionally difficult situations, to run and try to find an easier situation. So for young M&A lawyers that is often manifested in them wanting to do what they have done before."

Hall said that early specialization, for the most part, is not a good thing and said that young attorneys should strive for a broad practice and recognize the value of keeping avenues for other opportunities open by learning as much as they can.

"If you find yourself wanting to do something that you have done before, then you should search your

soul as to whether what you are actually doing is running from the challenges or hiding from the challenges by limiting yourself to what you have done before.”

— *As told to Darcy Reddan*

*Law360's MVPs are attorneys who have distinguished themselves from their peers over the past year through high-stakes litigation, record-breaking deals and complex global matters. A team of Law360 editors selected the 2018 MVP winners after reviewing nearly 1,000 submissions.*

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