

Dealmakers Q&A: Faegre Baker's Douglas Wright

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Douglas R. Wright is a partner in the Denver office of Faegre Baker Daniels LLP, and is the head of the firm's securities and public companies practice in Colorado. His corporate finance practice emphasizes securities transactions, financings, and mergers and acquisitions for a broad range of industries. These include telecommunications, manufacturing, transportation, technology, gaming, oil and gas, and mining. He has acted as securities counsel to numerous Nasdaq and New York Stock Exchange-listed companies, handling public offerings, reviewing U.S. Securities and Exchange Commission filings, addressing compliance issues and providing corporate governance advice to clients' boards of directors and committees.



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As a participant in Law360's Q&A series with dealmaking movers and shakers, Douglas Wright shared his perspective on five questions:

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

A: One of the deals I worked on in the early 1980s, the roll-up of Petro-Lewis public oil and gas limited partnerships into the American Royalty Trust, was very challenging due to the intense time pressures and complexity involved in preparing a 300-page prospectus/proxy statement and managing countless details around the 100 partnerships being rolled up into the trust. It was an amazing experience of teamwork that culminated in an overnight charter flight to Washington, D.C., to file boxes of papers with the SEC the next morning to get the offering effective, something that we did back in the pre-EDGAR days. This deal set the standard against which I've measured other transactions over the many years since then.

Q: What aspects of regulation affecting your practice are in need of reform, and why?

A: Securities regulations should be streamlined. Laws like Dodd-Frank have added meaningless requirements such as conflict minerals that require companies to spend valuable time and money complying. In particular, the securities regulations disproportionately affect smaller reporting companies. Although some steps have been taken to help smaller reporting companies, the SEC should do even more to eliminate burdensome requirements, including simplifying disclosures and financial statement requirements.

In addition, the Public Company Accounting Oversight Board, which was created by the Sarbanes-Oxley Act, has added a whole new dimension of requirements (and fear) for public accounting firms, which are being foisted upon public companies as the accounting firms have to check additional boxes. This is another example of a few bad apples like Enron and WorldCom creating a crushing regulatory environment for thousands of other well-meaning companies.

Q: What upcoming trends or under-the-radar areas of deal activity do you anticipate, and why?

A: Unless we see another substantial economic downturn, private company M&A activity will be robust for years to come due to the need for aging baby boomers to exit their businesses. Older family members passing their businesses on to younger generations is far less likely to happen these days, so retiring owners need an exit. With an abundance of cash and readily available credit, both financial buyers like private equity firms and strategic buyers are ready to snap up these companies.

Q: What advice would you give an aspiring dealmaker?

A: Intense intellectual curiosity will serve you well. Don't just learn the Xs and Os of dealmaking — expand your horizons to learn about other facets of the dealmaking business, whether it's the intricacies of tax or benefits law, understanding accounting and financial statements, or how the investment banking business works. Also a solid understanding of the art of negotiation and reading body language is very helpful.

Q: Outside your firm, name a dealmaker who has impressed you, and tell us why.

A: Martin Lipton of Wachtell Lipton is an amazing dealmaking story and an institution in the world of mergers and acquisitions. The inventor of the poison pill continues to be a leader in the M&A community even into his eighties. His annual commentary on the state of boards, corporate governance and corporate law is priceless.

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