

## Review of 2002 Corporate Experience

2003-01-01

In 2002 our corporate clients faced the combined challenges of a sluggish economy, a sharp decline in both public and private capital markets and an unprecedented focus on corporate governance. Still, we expanded our client base and helped clients continue to maximize the opportunities for success in difficult circumstances.

### Venture Capital

Venture financing transactions remained a cornerstone of our corporate practice, reflecting our longstanding work with technology, life sciences and entrepreneurial companies. Despite tight market conditions in 2002, we served as company counsel in more than 150 venture financings raising more than \$1.5 billion. Over the past three years, we have been company counsel in more than 500 venture financings raising over \$10 billion. We are counsel to more venture-backed companies in the eastern half of the U.S. than any other law firm in the country.

We helped many current and future market leaders obtain venture financing in 2002, including some of the largest and most prominent deals of the year:

In **life sciences**, we advised:

- **Infinity Pharmaceuticals** (\$70,000,000)
- **Microbia** (\$26,000,000)
- **Surface Logix** (\$25,000,000)
- **Syntonix Pharmaceuticals** (\$35,800,000)

In **software** and **Internet**, we represented:

- **Netezza** (\$20,000,000)
- **170 Systems** (\$14,000,000)
- **Princeton eCom** (\$10,000,000)
- **ReliCore** (\$14,000,000)

In **telecom** and **wireless**, we counseled:

- **Airvana** (\$40,000,000)

- **Arbor Networks** (\$22,000,000)
- **Equipe Communications** (\$40,000,000)
- **Nauticus Networks** (\$26,000,000)

During the year, we also represented a number of public company clients on significant PIPE financings.

## Public Offerings

For more than a decade, Hale and Dorr has been the leading law firm in the eastern U.S. for IPOs. Reflecting the year's market conditions, our public offering practice continued to emphasize follow-on offerings and Rule 144A placements. In 2002, we handled more than 30 public offerings, Rule 144A placements and other capital markets transactions valued in excess of \$5 billion. In the past three years, we have participated in more than 125 public offerings, Rule 144A placements and other capital markets transactions raising over \$30 billion.

During 2002, we represented market leaders in life sciences, healthcare, telecom, government contracting and retailing in various complex public offerings and Rule 144A placements:

- **Centene** (\$123,750,000 common stock follow-on offering)
- **Medicines Company** (\$32,800,000 common stock follow-on offering)
- **PerkinElmer** (\$300,000,000 Rule 144A note offering)
- **SRA International** (\$103,500,000 IPO)
- **Staples** (\$325,000,000 Rule 144A note offering)

We also represented the underwriters in public offerings by C-Cor.net, Fisher Scientific, Helix Technology, IONA Technologies, Printcafe Software and PS Business Parks, among others.

## Mergers and Acquisitions

This year we advised companies on more than 100 M&A transactions valued at more than \$10 billion. In the past three years, we have completed more than 400 mergers and acquisitions valued in excess of \$60 billion. This year's M&A highlights included:

- **Aspen Technology's** purchase of Hyprotech for \$99,000,000 in cash
- **Innoveda's** acquisition by Mentor Graphics in a cash tender offer for \$160,000,000
- **Keane's** acquisition of SignalTree Solutions for \$62,000,000 in cash
- **Millennium Pharmaceuticals'** acquisition of COR Pharmaceuticals for \$2,000,000,000
- **Ocean Spray's** sale of Nantucket Nectars to Cadbury Schweppes
- **OTG Software's** acquisition by Legato Systems for \$455,000,000 in a stock merger
- **Raytheon's** sale of its aircraft modification and integration business to L-3 Communications for \$1,130,000,000 in cash
- **SilverStream's** acquisition by Novell for \$221,000,000 in stock
- **SkillSoft's** stock merger with SmartForce valued at \$413,000,000
- Various other M&A transactions for clients such as **BE Semiconductor Industries**, **Cognizant Technology Solutions**, **EMC**, **Epic Therapeutics**, **Exact Software**, **Infinium**

## Software and Varian Semiconductor

### Strategic Alliances and Licenses

In 2002, we handled hundreds of strategic alliance, joint venture and other technology-related agreements for clients, including deals that are helping to shape the future of science and technology:

- **Analog Devices** called on us for a wide variety of domestic and international product development, supply, OEM, license, cross-license and outsourcing agreements.
- We represented **deNovis** in its strategic alliance with IBM, under which deNovis' application software will run on IBM's e-business infrastructure to automate the processing of healthcare insurance claims, with the first user being Empire Blue Cross and Blue Shield with 4.7 million subscribers.
- We represented **D&B** in connection with its strategic agreement with Fair, Isaac and Company to jointly develop and deliver a comprehensive suite of robust small business credit and risk management solutions for the U.S. and European markets.
- We advised **EMC** in connection with its innovative outsourcing agreement with Accenture to provide open, platform-independent storage consulting services.
- We represented **Eyetechnical Pharmaceuticals** in its collaboration and license agreements with Pfizer to develop and commercialize ophthalmic products for the treatment of blindness.
- **Ocean Spray** retained us to help structure, negotiate and document its strategic operations alliance with Nestlé, designed to increase manufacturing capacity and improve supply chain efficiency.
- We assisted **Public Interest Registry** in structuring its successful bid to become the new Internet registry for the .org top-level domain name, and advised PIR on its relationships with the Internet Society, Afiliis, Verisign and ICANN.

### Investment Management Group

Our Investment Management Group advised over 200 open-end and closed-end investment companies on innovative fund products, reorganizations, corporate governance and shareholder proposal matters, and regulatory compliance issues. In the closed-end fund area, we represented leveraged funds sponsored by **John Hancock Advisers** and **Pioneer Investment Management** in public offerings of common and preferred shares that raised approximately \$2 billion. We also continued to expand our representation of private or "hedge" funds, organizing more than xx domestic and offshore funds and commodity pools. We represented **Mellon Financial Corporation** in its acquisition of HBV Capital Management. We also advised clients on the USA Patriot Act as it applies to their broker-dealer and public and private investment fund operations, and the Sarbanes-Oxley Act as it applies to investment companies and their service providers.

### International

Our International Group handled a wide variety of transactions worldwide this year, including the acquisition of facilities in China, Denmark, Germany, Israel and Japan by **MKS Instruments**;

numerous international distribution, sales and licensing transactions; and the merger of **Parthus Technologies (now CEVA, Inc.)**, an Irish public company, with a division of DSP Group, managed in Israel. In addition, we represented **Bookham Technology** in major asset acquisitions of the optical components divisions of Marconi Limited in the U.K. and Nortel Networks in the U.K., Canada and Switzerland. Boston-based Senior Partner Jorge Contreras did a tour of duty in the London office, and was succeeded by Mark Haftke in November as the new head of the U.K. intellectual property/information technology practice.

### **Hale and Dorr Venture Group**

The Hale and Dorr Venture Group (HDVG) completed its first full year in Waltham, serving the special needs of start-up companies. While start-ups remain a staple of the entire firm, HDVG's successful formula of working exclusively with start-ups has attracted many promising companies in its first 18 months. This year, HDVG expanded from its original base in Waltham to Princeton and Reston.

### **Public Company Leadership Recognized**

Our long-time leadership in counseling public companies received special recognition in 2002. Based on a survey of 52,000 directors and general counsel of public companies, *Corporate Board Member* magazine ranked Hale and Dorr as the number one corporate law firm in Boston. This year, we also welcomed **Amdocs**, **Ascential Software**, **Brooktrout**, **Centene**, **DoubleClick**, **Red Hat**, **SkillSoft** (formerly SmartForce) and **SRA International** as public company clients.

### **Focus on Corporate Governance**

Congress, the SEC and the major stock exchanges revamped many of the securities laws and regulations that public companies must follow. New and evolving responsibilities and liabilities created great uncertainty and the need for ongoing, practical and timely advice. Our lawyers were at the forefront in interpreting the new regime and developing best practices. Through emails, memos, model forms, presentations and seminars, we helped our clients navigate the new disclosure and corporate governance environment without being unduly distracted from their businesses.