Portfolio Media. Inc. | 111 West 19th Street, 5th Floor | New York, NY 10011 | www.law360.com
Phone: +1 646 783 7100 | Fax: +1 646 783 7161 | customerservice@law360.com

Asset Management Group Of The Year: Morgan Lewis

By **Kat Greene**

Law360, Los Angeles (January 23, 2018, 4:39 PM EST) -- Morgan Lewis & Bockius LLP flexed the power of its 200-lawyer asset management team to aid the nation's largest public pension fund structure and form new funds, represent Pioneer Investment Management USA Inc. in its €3.545 billion ($3.7 billion) acquisition by Amundi SA and help clients navigate the new so-called fiduciary rule, landing it among Law360's 2017 Asset Management Groups of the Year.

Morgan Lewis' success in 2017 was, in part, driven by active and successful work by clients including the California Public Employees' Retirement System, better known as CalPERS, the largest U.S. public pension fund, and Pioneer, which Amundi bought from UniCredit in a deal that closed in July, according to the firm.

Pioneer, which includes an investment adviser to 46 registered funds, a registered broker-dealer and other related businesses, turned to Morgan Lewis on the deal for advice on all aspects of the acquisition, which wound up including proxy statements for all 46 of those funds among other complications, according to the firm.

"It was very much a multidisciplinary transaction," partner Roger Joseph said.

And everyone at the firm was eager to help when their skills were needed on that deal, Joseph said.

"The great thing is, nobody says no," he said. "Everybody we turned to was happy to jump in and get involved and help, and that was really quite gratifying to see."

That cooperative environment, together with the group's sheer size and its lawyers' breadth of knowledge, has helped make the firm an attractive partner for the diverse group of clients Morgan Lewis represents, practice group leader Louis Singer said.

"At Morgan Lewis, it is assumed and the culture is such that we all focus on client service and an integrated approach so that we're serving our clients' needs in a way that benefits them," he said. "The absence of internal divisions, we think, makes us good at what we do."

The firm led CalPERS as it structured and formed captive hedge funds with $1.5 billion in notional amounts managed by LongTail Alpha LLC and Universa Investment LLC, as well as in connection with other leading global hedge fund managers, adding to an already robust pension plan practice.

The firm represents 21 U.S. public pension plans, including the five largest, Singer said. And Morgan Lewis said it also advises more than 50 other institutional investors.

Morgan Lewis also represented Transamerica-sponsored mutual funds and their adviser, Transamerica Asset Management, in regulatory, compliance, transactional and board related matters, including the company's creation of a new family of exchange-traded funds.

And it worked with GCM Grosvenor in the formation of two new private equity funds — Texas Emerging Manager Private Markets Program LP and Texas Emerging Managers Legacy Private Markets Program LP — in a pair of deals that landed more than $370 million in capital commitments for the former and in-kind contributions of 40 interests in private equity funds to the latter.

Morgan Lewis' asset management team also has a strong background in regulatory matters, with some 40 regulatory agency alumni from the U.S. Securities and Exchange Commission, the IRS, the U.S. Department of Justice, the Financial Industry Regulatory Authority and others.

Steeping themselves in knowledge about new and upcoming regulations, particularly with the fiduciary rule, gave the firm plenty of work to do in 2017.

The U.S. Department of Labor created a fiduciary rule that went into effect in June requiring investment advisers to put their clients' interests ahead of their own, setting a higher bar than the rule for brokers, which are required to recommend products that are "suitable" for their clients.

The rule spurred work for the firm, which advised broker-dealers and financial services companies on complying with the regulatory requirements and on strategic issues related to retirement plans and other investments.

"We saw that this was going to have a major impact and that our clients were going to have to react to it in so many different ways," Singer said.

And across the Atlantic, European regulators rolled out a rule called Markets in Financial Instruments Directive II in January 2016, limiting the way investment advisers, broker-dealers and mutual funds could peddle their research and trading businesses. Morgan Lewis was prepared, scoring approval from the SEC for broker-dealers to continue to provide research in exchange for compensation without forcing those firms to become more heavily regulated investment advisers, according to the firm.

Joseph noted that the firm's collective knowledge of regulations in the U.S. and Europe bolstered the attorneys' ability to respond quickly to the regulatory developments.

"It was really facilitated by our ability to bring to bear a deep understanding of both the European regulation, MiFID II, and the investment adviser regulations and broker dealer regulations in the U.S.," he said. "We were able to get that relief (for our clients), and it was quite unique."

--Editing by Alyssa Miller.