

MVP: Cleary's Jeffrey Karpf

By Tom Zanki

Law360 (November 20, 2019, 3:19 PM EST) -- Cleary Gottlieb Steen & Hamilton LLP partner Jeffrey Karpf steered a flurry of initial public offerings over the past year highlighted by social media giant Pinterest's \$1.4 billion IPO, plus an unusual \$2 billion stock offering by a California utility, landing him among Law360's 2019 Capital Markets MVPs.

HIS BIGGEST ACCOMPLISHMENT THIS YEAR:

Karpf helped guide Pinterest Inc.'s \$1.4 billion IPO in April, which was among the first of a wave of IPOs this year from "unicorns" — shorthand for private startups valued at \$1 billion or more.

Steering Pinterest's transition to the public markets was a complex task that required helping the company reorganize its capital structure and implement certain corporate governance arrangements, Karpf said. Pinterest specifically sought to create a dual-class structure, which reserved outside voting power for its founders.

The dual-class practice is common among many technology firms that are focused on carrying out a particular vision, though shareholders sometimes object to the idea. Karpf and the Cleary team helped Pinterest craft a structure intended to satisfy both the market and company founders.

Shares of Pinterest were well-received, immediately rallying after the company's debut. Pinterest has seen its shares decline more recently, like many unicorns this year, but its stock remained above its IPO price as of Nov. 15.

"The fact that it was one of the more successful IPOs this year made it particularly fun," Karpf said. "Seven months later, you look back on it and think of all we accomplished. It was a great result, and the company is still growing."



HIS PROUDEST MOMENT:

Karpf is distinctly proud of a \$2 billion common stock offering by California utility Edison International, in which he led a Cleary team that counseled the underwriters. The deal was unusual because utilities rarely issue common stock. But Edison urgently needed to raise money to contribute \$2.4 billion to a newly established wildfire liability fund required by California law in the wake of devastating fires.

“[Edison] had to rapidly come to market with a common stock deal, which was their first common stock deal in over 25 years,” Karpf said. “Being able to guide that on a rapid timetable at a time when they were responding to the new California wildfire legislation was something I was proud of, not only myself but for the entire team here at Cleary.”

WHY HE'S A CAPITAL MARKETS ATTORNEY:

Capital markets must work within rules set by the U.S. Securities and Exchange Commission. But within those rules, Karpf noted that lawyers can be creative in helping their clients achieve business goals.

“There is a lot of creative thinking around how to work within the confines of the rules to solve problems that companies want to solve,” Karpf said.

Skilled capital markets lawyers also interact with a wide range of sectors, which Karpf finds rewarding.

“You really get to know companies, their disclosure, and understand their businesses, which is fun in getting to do it across a lot of different industries,” Karpf said. “I know about tech companies, utilities and financial institutions — there is a pretty broad variety of businesses that you get to see as a capital markets lawyer.”

HIS ADVICE TO JUNIOR ATTORNEYS:

The best way to master capital markets is to embrace a wide mix of offerings, Karpf said, and to learn about varying deal structures.

“Try to take on as broad a variety of capital markets matters, so you can learn about different structures and different strategies and how to think about complying with different kinds of rules and regimes,” Karpf said. “By doing lots of different things within the capital markets space, it gives you an ability to compare and contrast and learn. That helps you provide judgment in terms of coming up with solutions when you confront your next conundrum that a client throws your way.”

— *As told to Tom Zanki*

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 2019 MVP winners after reviewing nearly 900 submissions.