CAROLINAS CORPORATE UPDATE

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Corporate/M&A Alert

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2015 was a record year for M&A and a record year for the K&L Gates Carolinas corporate practice. We are pleased to have partnered with our clients to advise them on a variety of notable strategic transactions, investments, and capital market offerings in this active and dynamic market.

Our Carolinas corporate practice consists of more than 45 lawyers located in our Charleston, Charlotte, Raleigh, and Research Triangle Park offices. Our team, which includes numerous partners recognized in *The Best Lawyers in America, Chambers*, and/or *Super Lawyers* for corporate practice, is experienced in handling a wide range of matters, including the types of transactions described below. In addition, our Carolinas corporate lawyers regularly leverage the firm's global platform to support our clients across a variety of geographies, industries, and legal specialties.

We are pleased to share the following representative engagements from 2015:

STRATEGIC TRANSACTIONS

We advised public and private companies, both domestic and foreign, in their strategic M&A transactions and investments, including:

- **Allegion**, a global security products and solutions provider (NYSE: ALLE) and its affiliate Schlage Lock Company, in its acquisition of Zero International, a recognized leader in door and window products for commercial spaces.
- **DARA BioSciences**, a North Carolina-based specialty pharmaceutical company primarily focused on the commercialization of oncology treatment and supportive care pharmaceutical products (Nasdaq: DARA), in its merger with Midatech Pharma PLC, an international specialty pharmaceutical company focused on the development and commercialization of multiple, high-value, targeted therapies for major diseases with unmet medical need (Nasdaq: MTP).
- **Duke Energy**, the largest investor-owned utility in the United States (NYSE: DUK) and certain of its affiliates, in numerous acquisitions of companies developing photovoltaic solar electric-generating facilities.
- **Fluid-Flow Products**, a leading distributor of process controls and fluid handling products in the Mid-Atlantic and Southern United States, in its sale to AEA, a New York-based private equity firm.

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- **Hexagon AB** (Nasdaq Stockholm: HEXA B) and its subsidiary, **Intergraph Corporation**, the world's leading provider of enterprise engineering software, in its acquisition of EcoSys Management, a best-in-class provider of enterprise planning and project controls software.
- **Jenzabar**, a leading provider of software, services, and strategies for higher education, in its acquisition of RJM Systems, a provider of information management systems for colleges and universities.
- **Kaman Corporation**, an industrial conglomerate that operates in the aerospace and distribution markets (NYSE: KAMN), in its acquisition of G.C. Fabrication, a New Jersey-based distributor of electrical power, automation, process controls, specialized HVAC, water and wastewater systems, and communication and networking devices, from a premier set of global manufacturers.
- **KBI Biopharma**, a leader in biopharmaceutical contract development and manufacturing of biopharmaceutical products, in connection with its merger with an affiliate of JSR Corporation, Tokyo-based CMIC Holdings Co. Ltd., and Innovation Network Corporation of Japan.
- **New South Companies, Inc**., a subsidiary of Vancouver-based Canfor Corporation (TSX: CFP), in its acquisition of Anthony Forest Products Company, an Arkansas-based forest products company.
- **Noël Group**, a private industrial management company that invests in niche industrial businesses, in its recapitalization of Nomacorc, the global leader in the production and distribution of synthetic wine closures, and **Vinventions**, the parent company of Nomacorc, in its subsequent acquisition of Rudolf Ohlinger, a screwcap and natural cork manufacturer and distributor.
- **Novozymes**, a global biotechnology company headquartered in Denmark (CO: NZYM B), in its acquisition of Pacific Vet Group-USA, an Arkansas-based developer and producer of probiotics for animals.
- **Red Ventures**, a leading digital marketing services company, in its strategic investment in Ampush, an industry-leading provider of native in-feed mobile advertising on Facebook, Instagram, Twitter, and Pinterest.
- **Securitas AB**, a Stockholm-based global provider of security service and solutions (Nasdaq Stockholm: SECU-B), in its acquisition of the North America-based electronic security business from Diebold (NYSE: DBD) for a purchase price of approximately $350 million.

PRIVATE EQUITY TRANSACTIONS

We assisted numerous investment funds in an array of leveraged acquisitions, financings, recapitalizations, divestitures, and other transactions, including:

- **Capitala Group**, who manages private funds and a publicly traded business development company, **Capitala Private Finance** (Nasdaq: CPTA):
  - together with KS Bold, LLC, in their acquisition of BTM Company, LLC, a manufacturer of specialized metal forming machine tools and presses used for sheet metal clinching and precision piercing;

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- in their debt and equity investment in Fresh Dining Concepts, an Auntie Anne's Inc. franchisee that operates 22 in-line stores, baking kiosks, and satellite retail units;
- as term agent, collateral agent and term lender, in a unitranche debt facility, the proceeds of which supported an equity sponsor's leveraged acquisition of Western Window Systems, a market-leading designer and manufacturer of doors and windows.

- **Carousel Capital**, a private equity firm focused on the Southeastern United States:
  - in its disposition of Copac Global Packaging, a leading provider of specialty packaging to domestic and global customers in niche markets;
  - together with its portfolio company, Joe Hudson's Collision Center, a leading provider of automotive collision repair services in the Southeastern United States, in its acquisition of Collision Central, a Texas-based collision repair service provider; and
  - in its disposition of Simpson Performance Products, the leading provider of critical motorsports safety equipment.
- **Colville Capital**, a Charlotte-based private investment firm dedicated to building private companies in the lower middle market, in its leveraged acquisition of Northeast Battery, the largest independent stored energy products distributor in the Northeast United States.
- **Copeley Capital**, a Charlotte-based private equity sponsor, in its leveraged acquisition of Leonard, one of the largest full-service retailers of pickup truck accessories, trailers, and storage units in the United States.
- **Ridgemont Equity Partners**, a Charlotte-based middle-market buyout and growth equity investor:
  - in its leveraged acquisition and recapitalization of Unishippers Global Logistics, a leading provider of third-party logistics services to small and medium-sized businesses across a national franchise network;
  - in its sale of Aurora Parts & Accessories, a leading distributor of aftermarket and replacement semi-trailer parts and accessories; and
  - in its sale of J.A.M. Distributing Company, a leading fuel and lubricants distributor, to Brenntag North America, Inc., an affiliate of Brenntag AG.

CAPITAL MARKETS TRANSACTIONS

We represented issuers in public offerings of equity securities, including:

- **Energous Corporation**, an innovative California-based developer of free charging technology (Nasdaq: WATT), in its $21 million public offering of common stock.
- **EnSync Energy Systems**, a Wisconsin-based leading developer of innovative energy management systems solutions serving the utility and commercial and industrial building markets (NYSE MKT: ESNC),

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in its issuance of Series C preferred stock, common stock, and warrants to strategic investors for an aggregate purchase price of $34 million and a related supply agreement.

- **Exact Sciences**, a Wisconsin-based molecular diagnostics company (Nasdaq: EXAS), which is committed to playing a role in the eradication of colorectal cancer, in its $175 million underwritten public offering of common stock.
- **WaferGen Bio-systems, Inc.**, a California-based life sciences company (Nasdaq: WGBS), in connection with its $17 million public underwritten offering of securities, including preferred stock, common stock, and warrants.

We appreciate the opportunity to continue working with our clients, colleagues, and friends, and hope to have the opportunity to work with you in 2016. Please contact any member of our team to obtain more information about our capabilities or for assistance with your legal matters.

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