

SPOTLIGHT

– Afik Turgeman

Afik Turgeman is an Israeli law firm, that was recently chosen as a member of the esteemed organization, the Euro-American Lawyers Group (www.EALG.com), an association of independent law firms founded in 1985 with over 30 members worldwide.



● Doron Afik, senior partner of Afik Turgeman and head of the M&A department, comments.

The world-wide financial crisis creates many Mergers & Acquisition opportunities, but also a need for more sophisticated solutions for legal escorting of such transactions. In today's market, where businesses are trying to minimize their costs, but still would like to consummate the market opportunities, firms worldwide are required to cut costs (sometimes below their profitability level) and still lose clients because of the cost of transaction. We interview attorney Doron Afik of the Israeli law firm of "Afik Turgeman" (winner of the AI M&A firm of the year in both 2011 and 2012), who have developed an "out-of-the-box" solution for this new market need – Afik Turgeman supplies M&A legal management services for transactions worldwide, using local offices for the fine-tuning of the transaction and for the local due-diligence work.

WHY WOULD A UNITED KINGDOM CLIENT PREFER TO WORK WITH YOUR FIRM AND NOT USE ITS UK ADVISOR?

We are approached by both clients and law firms worldwide. One of the disadvantages of the local firms (not necessarily in the UK) is that they are adapt to the local laws and sometimes know their client and their way of thinking too well – they cannot really think "out-of-the-box" for their clients. Our firm's expertise is international M&A and we have worked world-wide – we are not tied to the "old" solutions already given to the client, but are able to sometimes bring "fresh" ideas, which may be vital in international transactions, especially in today's volatile market.

Price is also a factor. Due to the currency rates, our prices, as an Israeli firm, will be considerably lower compared with any UK, European or American law firm of our standard.

ISN'T IT A RISK FOR A LAW FIRM TO "SEND" A CLIENT YOU WAY? DOESN'T THE LAW FIRM RISK LOSING THE CLIENT?

The risk does not exist for two reasons. First, the client will always need its local law firm. The client will need to continue working in its local market, and we cannot compete in that market. If the client seeks a new firm, the chances of switching from its local firm are high. If its local firm is in fact making the referral, the chances are that it will be the one used by us for the local aspects of the transaction and (even if it does not lead the transaction) it will do some of the work and retain the client for later work.

IF YOU CANNOT GIVE LOCAL ADVISE TO THE CLIENT LATER, ISN'T IT BETTER TO USE ITS LOCAL ADVISOR WHO CAN CONTINUE ESCORTING IT IN THE FUTURE?

Not necessarily. In fact, in some cases we are approached specifically because the client or the law firm would like the local firm not to be at the front in the transaction. The client and its local firm will need to work with the counterparty in the future and sometimes it is even better to use an external expert to do the "dirty work" of negotiation, thus preventing any "bad-blood" between the parties in future joint work.

AS AN ISRAELI FIRM, HOW ARE YOU ABLE TO ADVISE IN TRANSACTIONS THAT ARE NOT SUBJECT TO ISRAELI LAW?

The language of M&A is not limited to a specific law. We will always retain local advise in each of the jurisdiction involved, for the fine-tuning and the local law related issues. It will be either the local law firm with which the client works, or any other firm that we can recommend to the client. The fact that we are members of the Euro-American Lawyers Group enables us to get local advice by excellent counsels in most jurisdictions.

CAN YOU GIVE US AN EXAMPLE OF A TRANSACTION OF THE TYPE YOU MENTIONED ABOVE?

A car-industry conglomerate active in several countries in Eastern Europe and held by Western European companies sold an entire branch of its activity to a German company in

a deal worth over 30 million Euros. Our firm managed the transaction, which involved 11 different legislative systems. For over a month I was travelling between Stuttgart, Budapest, Bucharest, Luxembourg and Amsterdam. While local lawyers were involved, the customer had one lawyer who prepared the main frame and conducted the main negotiations. Without using this method, the transaction would likely have taken much longer, cost at least twice as much, and not all issues would have necessarily been resolved.

IS THE METHOD ALSO AFFECTIVE WHEN NOT SO MANY JURISDICTIONS ARE INVOLVED?

Yes. For example, a French company hired our services for a complex transaction for the purchase of an American post-chapter-eleven company and its German subsidiary. We provided the main-frame of the work and used an American colleague and a German colleague for the local issues, each of which supplied a limited amount of work, despite the complexity of the transaction. The client received a very swift and smooth transaction at a price which was less than half of what it would otherwise have paid.



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