

Sealing The Deal: Greenberg Traurig Guides ICE In Israel

By **Zachary Zagger**

Law360, New York (October 17, 2014, 4:05 PM ET) -- Greenberg Traurig helped guide one of the world's largest stock and derivatives trading exchange companies, Intercontinental Exchange Inc., in its first major investment in Israel despite a deal-making process that was sometimes interrupted by the escalation of the country's ongoing war.

Atlanta-based attorney David I. Schulman led the Greenberg Traurig team as it represented ICE in its \$350 million purchase of Israel-based technology company SuperDerivatives in a deal that closed earlier this month.

The cross-seas deal presented several challenges as ICE, an operator of several global securities exchanges based in Atlanta and New York City, was looking to make its first acquisition of an Israeli company, particularly as the negotiations coincided with the flare-up of Israeli-Palestinian violence over the summer.

Though ICE was not an existing client of Greenberg Traurig, Schulman said, the company turned to the firm in part because of its capabilities in Israel, with its Tel Aviv office that opened in 2012, and because of its office in Atlanta near ICE's headquarters, which enabled the firm to facilitate a deal of this nature.

"They wanted a large law firm that could handle the sophistication and complexity of the deal, they wanted someone in Atlanta, as well as a firm with experience handling transactions both inbound and outbound in Israel," Schulman said.

SuperDerivatives, based in Tel Aviv and incorporated in the U.S., is a provider of risk management analytics, financial market data and valuations services, adding to ICE's products suite and data capabilities. The deal was the latest in a busy couple years for ICE, which acquired NYSE Euronext Inc. last year, later spinning off Euronext NV back to a stand-alone company in a \$1.2 billion initial public offering.

In the deal, Greenberg Traurig was able to leverage its experience handling deals in Israel.

"Greenberg Traurig is so well suited to be involved in a transaction like this because of our footprint nationally in the United States and internationally in Tel Aviv, where the transaction occurred," said Theodore I. Blum, a member of Greenberg Traurig's main team on the deal.

The negotiations for the deal, announced in September, started in May, just before violence broke out between Israel and Palestine. Though the events created somewhat of a distraction, with issues such as attorneys in Israel sometimes having to temporarily leave conference calls to head to bomb shelters, they

were able to work through it as the parties remained committed to the deal.

“It was in a way more interesting that it had so little impact on the deal,” said Joey T. Shabot, a shareholder in the firm’s Tel Aviv office. “They were very much aware but it did not reduce their appetite for acquiring the company.”

“There were times when the sellers were unsure how the buyer would react to the news in Israel, but we assured them they were still interested,” he said.

Greenberg Traurig’s relationship with ICE back in Atlanta and its several attorneys who speak Hebrew — including Shabot and Schulman, who both spent a significant part of their lives in Israel — enabled the firm to facilitate the communication between the parties and ensure that the events did not impact the deal.

“We were able to on this transaction, work through some episodic moments that were challenging due to the events that occurred during the transaction, drive through that, and get everyone on the same page of creating a good transaction for both parties,” Blum said. “Frankly, I really think that a big part of our being able to do this was having a relationship with the client here in Atlanta and in the Tel Aviv office allowing us to work according to the schedule and the needs of the seller.”

Schulman, who has been working with Israeli companies for the past 20 years, said the deal is also a testament to the hard work of the sellers and their Israeli counterparts.

“Oftentimes foreigners’ views of Israel are shaped by news reports and the ongoing conflict that goes on in that region,” Schulman said. “And when they get there they expect to see people in a bunker mentality, but in reality it is a vibrant economy and people go about their daily lives in quite a regular way.”

The deal, structured as a reverse triangular merger, also presented specific legal issues, like receiving approval from the Israeli tax authorities. Additionally, Schulman said that it is customary for employees of Israeli technology companies to receive options and share in the proceeds of an exit, and Greenberg Traurig helped structure the deal in this way.

In the end, Greenberg Traurig was able to help ICE cross the geographic and cultural divide in its first acquisition in Israel.

“They were entering a sophisticated but new market and they needed a world class law firm with skills in Israel,” Shabot said. “I’m not sure if there is another law firm in the world that has the kind of capabilities that we do.”

The Greenberg Traurig team was led by David I. Schulman along with Theodore I. Blum, Stacy Orr Gallant, Joey T. Shabot, David Dykeman and Gary Epstein, and included Ronald W. Eisenman, Sylvie A. Durham, Seth J. Entin, Mary K. Marks, Mindy B. Leathe, Adam Snukal, Kelly Terribile, Naomi Feinstein, Peter Hall, Natasha Wilson, Jonathan Perry, Robert Simon, Beth Mayfield, Victor Polk, Gabrielle DiBernardi, Roman Fayerberg, Bethany Stokes, Aaron Katz, Andrew Sharpe, Armando Gonzalez and Brandon Hueber.

Herzog Fox & Neeman provided local counsel.

SuperDerivatives was represented by White & Case LLP.

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