

CDT Weekly Roundup: Seven Firms, 44 Lawyers, 9 Transactions Worth \$3.57B

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By Claire Poole

(Sept. 18) – Get ready for more fundraising by oil and gas-focused private equity funds as the sector recovers on the back of higher commodity prices.

First Reserve is planning a \$3 billion raise for its 14th fund, according to a Reuters report last week. And Goldman Sachs-backed Riverstone Holdings hopes to put together \$5 billion for its seventh fund, also per Reuters.

According to financial data provider Preqin, energy-focused private equity firms raised \$213 billion between 2015 and 2017, up 36 percent over the previous three years.

Even so, two of the giants of oil and gas private equity investing seem to be tempering their expectations.

First Reserve's new fund has a 11.7 percent smaller target than its 13th vehicle, which raised \$3.4 billion (after targeting \$5 billion). And Riverstone's new fund is expected to be 2 percent smaller than its previous fund, which raised \$5.1 billion. Blame poor returns during the downturn for the lower targets.

Meanwhile, transactions handled by Texas lawyers fell off considerably last week, with only nine deals versus 13 the previous week. And the value only amounted to \$3.57 billion, 39 percent lower than the \$5.9 billion hit the previous week.

The transactions were generated in more varied sectors than the usual oil and gas industry. Rental, healthcare, tradeshow, food and real estate deals all made a showing – evidence that Texas is no one-trick pony.

Only seven firms and 44 lawyers were involved in the deal flow, versus 10 firms and 131 lawyers the previous week, and all the transactions involved M&A and private equity. There weren't any

capital markets transactions – the second week in a row – except for an update to an initial public offering The Texas Lawbook had already covered. See the bottom of the story for more details.

Winston advises Kainos' Florida Food on sale to MidOcean Partners

Dallas food and consumer-focused private equity firm Kainos Capital said Sept. 11 it sold Florida Food Products to an affiliate of MidOcean Partners for an undisclosed sum.

Winston & Strawn advised Florida Food Products with a team that included Texas partners **Christina Tate** (M&A), **Brett Johnson** (IP), **Chip Gage** (finance) and **Jeff Smith** (real estate).

Florida Food's financial advisor was Houlihan Lokey with a banker out of its Chicago office

Gibson Dunn represented New York-based MidOcean with lawyers outside of Texas.

Headquartered in Eustis, Florida, Florida Food is a formulator and manufacturer of vegetable- and fruit-based ingredients providing clean label solutions to the food, beverage and pet nutrition industries.

The 60-year-old company was founded by the Brown family. Kainos purchased part of it in 2016, bringing in CEO Jim Holdreith to lead it through its next growth phase.

Kainos managing partner Andrew Rosen and partner Kevin Elliott were both involved in the investment.

Kainos has invested more than \$2 billion in equity in 60 transactions valued at \$10 billion. The firm typically invests \$50 million to \$150 million per portfolio company.