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BEST CONTRIBUTION BY A LAW FIRM



BUD FORCE

Jan Sharry and Garrett DeVries with Haynes and Boone LLP led the team representing Aviall Inc. in its sale to aviation behemoth The Boeing Co.

WINNER

Haynes and Boone LLP



Haynes and Boone LLP has represented aviation parts and services company Aviall Inc. through good times and bad.

When The Boeing Co. approached company leaders about a possible purchase last year, the times got very busy.

In May 2006, Boeing announced it had agreed to purchase Aviall for about \$1.7 billion, paying stockholders \$48 a share, a 27% premium over the company's closing price the previous trading day.

Closing the deal took more than eight months and every available conference room at the law firm's Dallas offices, as it handled due diligence issues and other negotiations — all while keeping things under wraps, said Jan Sharry, who heads

the corporate finance group at Haynes and Boone and was part of the team representing Aviall.

About 40 lawyers representing Boeing showed up in Haynes and Boone's Dallas office to gather information prior to the sale.

"There wasn't a stone Boeing left unturned," Sharry says. "This was a huge deal for them. They were paying cash, so they wanted to get it right."

A distribution network and Internet-based service that links buyers and sellers of aviation parts, Aviall reported 2005 net income of \$56.5 million on revenue of \$1.3 billion.

Buying it gave Boeing another portal to expand its fast-growing services division. It was the aviation giant's first major acquisition in a decade, and the first since James McNerney became CEO.

"Imagine coordinating all that information," Sharry said. "We had to set up almost every available conference room for meetings covering every conceivable issue — (Employee Retirement Income Security Act), employment, environmental, intellectual property, change-of-control agreements, ongoing litigation and anti-trust issues, plus all the corporate issues, including presentations to shareholders."

Another challenge was dealing with the two vastly different corporate cultures.

"Aviall has a very entrepreneurial bent in the way they approach customers and do business, while Boeing, a big company, is more bureaucratic," Sharry said. "They were two very different companies; the challenge was combining them."

The deal had Haynes and Boone operating at the top of its game. At the same time, the firm also was handling other big mergers and acquisitions, including representing ClubCorp in its \$1.8 billion sale to KSL Capital Partners.

"We all learned a little more about coordinating due-diligence efforts," Sharry said. "We learned how to resolve issues. No one at Boeing wanted to be second-guessed; you had to constantly give rationales for everything."

Aviall was spun off from Ryder System Inc. in 1993 and had worked in recent years to attract funding to fuel growth. In 2001, The Carlyle Group, a private equity

firm, led a \$135 million investment in the company.

In 2005, Haynes and Boone represented Aviall in connection to the underwriting resale of 4 million Aviall shares held by The Carlyle Group.

The Boeing deal resulted in a sweet payoff for Aviall's investors, employees and leaders, Sharry said.

"They had come a long way," she says. "They had had so many financial challenges since they were spun off.

They had a deal working that was a victim of 9/11 and the resulting slump in the airline industry and they moved forward.

"The fact that we were able to help them when they were down, help them as they grew and help them in a way that benefited all our friends there was a real high for us."

— *Kathryn Hopper*