

# Practice Leader Insights From Mayer Brown's James West

By **James West** (May 6, 2025)

*In this Law360 U.K. Expert Analysis series, practice group leaders share thoughts on keeping the pulse on legal trends, tackling difficult cases and what it takes to make a mark in their area.*

*In this installment, James West, co-leader of Mayer Brown's private equity practice, discusses the challenges of conducting complex deals at pace, the benefits of maintaining a relatively light regulatory framework in the private equity arena, and why the current economic climate has led to a need for the industry to be more flexible in its approach to dealmaking.*

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## The Most Challenging Matter I've Worked On

We have recently done some complex deals where multiple private equity houses come together to invest in one asset, like the acquisition of V. Group Holdings Ltd. that we completed for Star Capital Partnership LLP last year.

Most private equity transactions that we work on are conducted at considerable pace. That's hard enough when you have two parties negotiating, but when you add multiple coinvestors that all have their own know-your-customer requirements, appetite for risk and in-house equity terms, that can become a very intense and time-consuming work stream.



James West

I think the most challenging transaction that I ever worked on was the acquisition of Virgin Media Ltd. by Liberty Global Ltd. when I was at Fried Frank Harris Shriver & Jacobson LLP.

At the time, there were 300-plus companies in the Virgin Media Group structure, and I was a junior lawyer tasked with putting in place the security of all of these companies.

Each of these companies had names like "Luton North" or "Grimsby South," because each of them represented a fiber optic cable business that had been acquired to build the network.

We worked day and night for weeks, and finance associates such as Korey Fevzi, who now heads up the finance team at Cravath Swaine & Moore LLP, would call me up at 2 a.m. asking me about "Plymouth East," which was a wind-up, and didn't exist, but that didn't prevent hours of me panicking that I had missed one.

## Laws and Regulations in Need of Reform

In the U.K, the private equity arena has faced increasing calls for reform over recent years. However, in my view and that of many others in the industry, its success in the U.K. and other parts of the world can largely be attributed to the relatively light regulatory framework that has historically governed private equity funds and their investments.

Despite recent calls from U.K. financial regulators, including the Bank of England, the Prudential Regulation Authority and the Financial Conduct Authority, for increased scrutiny of private equity firms' use of complex leverage structures, policymakers should be careful to consider the potential implications of additional regulation.

Concerns about macroeconomic effects, riskier financing, sector concentration, interconnectedness, transparency issues and potential spillover effects have been heard from these regulators and other commentators in recent years. However, the grass might not be greener with a more stringent regulatory framework.

Increasing regulation on private equity firms could inadvertently stifle the flexibility and dynamism that have contributed significantly to the industry's success. Restricting private equity firms' ability to employ diverse financing structures and leverage strategies could limit their capacity to generate high returns and drive economic growth.

Moreover, placing additional regulatory burdens on private equity firms might discourage investment activity, leading to reduced access to capital for businesses across various sectors. For instance, as FCA CEO Nikhil Rathi noted last year, overburdening the industry with regulation that lacks proven effectiveness could hinder access to finance for businesses of all sizes at all levels of the market.

Rather than imposing stricter regulations, a more balanced approach could involve enhancing transparency and improving existing regulatory frameworks. Addressing valuation governance concerns through robust internal processes, high-quality data inputs and clear documentation might help to mitigate the risks associated with subjectivity and conflicts of interest.

By focusing on transparency and accountability, regulators can address their concerns without compromising the strengths of the private equity sector, ensuring continued growth and success in the U.K. and beyond.

### **Important Developments and Trends I'm Tracking**

From a legal perspective, the last few years have been tough for mergers and acquisitions and private equity, with deal volumes down considerably on the highs of 2021 and the first half of 2022. Inflation and interest rates have been considerably higher than the post-2008 period, and global economies have had anemic growth. At the same time, sellers have been reluctant to reduce multiples and prices, especially private equity sellers that may have bought assets five years ago at high multiples and are now faced with potential losses or bad deals.

This has led to a need for the industry to be much flexible in its approach to dealmaking. We have seen many more deals that are not debt financed, but instead are either financed through vendor loans or by the equity investment being shared by a number of coinvestors. We have also seen a significant increase in club deals, where private equity funds team up to buy assets. Other mechanisms, like earnouts, are now common in almost every deal, whereas through the 2020-2022 period I don't think I saw a single earnout across 20 or so deals.

From an industry perspective, one of the themes we have seen over the last few years is a generational shift at a number of funds, with investment professionals at or around the junior partner level leaving to start up their own funds. This is a very brave move, especially in an environment like this. It's very impressive to see how these new funds progress and

grow.

### **A Lawyer I Admire**

Well, I can't answer this question without mentioning my wife, Kathryn, as she would never forgive me! We met on our first day at university in the queue for old secondhand books. We studied together for our time at university, and I think she instilled in me a work ethic that I never really had before. She also provided me with notes for missed lectures, which was invaluable.

We both managed to leave with first-class degrees, but she obviously came top of the year and beat me in pretty much every exam, something I have come to live with.

I think for lawyers in my field, I would have to say that there are two of my mentors who both really instilled in me different skill sets that have defined the kind of lawyer that I am.

I worked a lot with Giles Elliot when I was a trainee at Jones Day, and I think we had similar personalities. He taught me how to effectively use that to win over clients, and also a noncombative style and positive approach to negotiation that I still believe are the most effective ways of achieving the goals of both clients in an M&A dynamic.

The other is Jerry Walter, who I worked with at Fried Frank for many years. He had a far more detailed approach to lawyering than me, and he drilled that side of being a lawyer into me.

Ultimately, you always have to ensure that the legal work is delivered to the highest of standards, and you have to get things right, otherwise clients will quite rightly go elsewhere very quickly. When I am in the office late at night checking that the return of capital waterfall works as intended when reviewing associates' drafts of articles, I think that is Jerry's influence.

As of now, I really like the team at Squire Patton Boggs LLP, who I have worked with multiple times over the last year or two on deals for Vitruvian Partners LLP, Marlin Equity Partners LLC, and others — Paul Mann, Charles Leeming, Ben Squires, Julian Thatcher and Giles Chesher.

They are all excellent lawyers but also a pleasure to work with, which is so important. There's no point scoring or big egos, and it's all about collaborating to get a deal done in an efficient and fair manner, which I think provides far greater deal certainty. That's what most midmarket clients want — ultimately, we are deal facilitators.

### **My Advice to Junior Lawyers**

A career in private equity, especially in the midmarket, is, to my mind, all about building strong relationships, whether that's with clients, advisers or other lawyers. Clearly you have to do a great job when the work comes in, that's a given, but you have to put the time in with the individuals involved in the industry.

Luckily, the U.K. midmarket is full of a highly diverse and interesting group of people, and it's a real pleasure and privilege to work with these people. It's the part of my job that I really enjoy the most, and I consider many of my clients to be some of my closest friends.

I would encourage any junior lawyer to spend time building those relationships, as the more

you put in the more you get out. From trainees up, we encourage all of our associates to go out and meet their peers at client private equity firms, whether that's for coffee, breakfast or drinks, as in 10-15 years' time these people will be the dealmakers and the ones instructing the lawyers.

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