

THE AMERICAN LAWYER

An ALM Publication

americanlawyer.com

APRIL 2019

2019 DEALMAKERS OF THE YEAR



DIEGO M. RADZINSCH/ALM

HOLLY FECHNER,
LEFT, AND MARK
PLOTKIN

Holly Fechner & Mark Plotkin

Covington & Burling

Qualcomm's defense of a hostile takeover presented an unprecedented situation—and required an unprecedented strategy.

Covington & Burling has handled public policy work for Qualcomm Inc. for more than a decade, but in late 2017, the San Diego-based chip maker approached partner Holly Fechner, alerting her of a hostile takeover bid by Singapore-based Broadcom Ltd., the largest takeover attempt ever in the semiconductor industry.

Qualcomm was facing the prospect of losing control of the company in a proxy fight launched by Broadcom in an effort to get Qualcomm to accept its \$121 billion takeover bid.

Given that a foreign entity was attempting to take control of a critical technology company, Fechner brought in partners David Fagan and Mark Plotkin and notified the Committee on Foreign Investment in the United States of the transaction.

But the situation—and strategy—was unprecedented.

"CFIUS, in its current form, has been around since 1988, and in all those years, with the authority to review foreign acquisitions of control of U.S. businesses, never has one of those ever involved a proxy fight," Plotkin says.

On the eve of the shareholder vote in March, CFIUS sided with Covington and issued an interim protection order delaying the vote. One week later, President Donald Trump issued a final order prohibiting Broadcom's pursuit.

"When you do something for the first time like this you hope to get it right and you hope that the government gets it right as a matter of public policy, but you never know for sure until you actually get the result," Fagan says.

—Meghan Tribe