The Private Equity Review

Second Edition

Editor
Kirk August Radke

Law Business Research

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EDITOR'S PREFACE

This second edition of *The Private Equity Review* contains the views and observations of leading private equity practitioners in 24 jurisdictions, spanning every region of the world. This worldwide survey reflects private equity's emerging status as a global industry. Private equity is not limited to the United States and western Europe; rather, it is a significant part of the financial landscape in developed countries and emerging markets alike. Today, there are more than a dozen private equity houses that have offices around the world, with investment mandates matching such global capabilities. In addition to these global players, each region has numerous indigenous private equity sponsors.

As these sponsors seek investment opportunities in every region of the world, they are turning to practitioners in each of these regions and asking two key commercial questions: 'how do I get my private equity deals done here?', and the corollary question, 'how do I raise private equity money here?'. This review provides many of the answers to these questions.

Another recent global development that this review addresses is the different regulatory schemes facing the private equity industry. Policymakers around the world have recognised the importance of private equity in today's financial marketplace. Such recognition, however, has not led to a universal approach to regulating the industry; rather, policymakers have adopted many different schemes for the industry. The following chapters help provide a description of these various regulatory regimes.

It remains to be seen how 2013 will treat private equity sponsors, and whether the world will see uniform opportunities for deals and fundraising in all regions, or rather a series of disjointed stories, with opportunities in some regions and none in others.

I wish to thank all of the contributors for their support of this second volume of *The Private Equity Review*. I appreciate that they have taken time from their practices to prepare these insightful and informative chapters.

Kirk August Radke
Kirkland & Ellis LLP
New York
March 2013

Chapter 5

CHILE

Andrés C Mena, Salvador Valdés and Francisco Guzmán[1]

I OVERVIEW

Chile continues to offer an attractive business environment. Chile was the first Latin American economy to join the Organization for Economic Cooperation and Development, and is party to dozens of free trade agreements (including with the United States, the European Union, Mexico, South Korea and Brazil). In terms of competitiveness in Latin America, according to the ranking published by the Latin American Private Equity & Venture Capital Association ('LAVCA'),[2] Chile has remained the country with the best overall conditions for the private equity industry for seven years in a row. As a result, private equity in Chile has grown significantly: there are now approximately 37 investment funds (as compared to 31 last year) with an estimated amount of investments of $600 million, and 24 management firms. Seventeen of these funds are private equity funds with investments of about $342.6 million, and 20 funds correspond to venture capital funds with investments of about $256.8 million.[3]

i Deal activity

The private equity industry has grown aggressively as a result of changes in the statutory corporate, capital markets and tax framework implemented since 2000. According to the LAVCA Scorecard 2012, investors value the overall environment of institutional and legal certainty, the protection of intellectual property rights, the transparency of the judiciary and the protection of minority shareholders' rights. In addition, Standard

1 Andrés C Mena is a partner at Kirkland & Ellis LLP. Salvador Valdés is a partner and Francisco Guzmán a senior associate at Carey.

2 LAVCA Scorecard 2012.

3 See Chilean Association of Investment Funds Administrators ('ACAFI'), 'Venture Capital and Private Equity in Chile' (2012).

and Poor's recently raised Chile's credit rating from A+ to AA-. With this upgrade, Chile became the country with the best credit rating in Latin America and located twenty-third worldwide (comparable to Japan, Estonia and Taiwan).

Still, the private equity industry is in an early stage, which makes it particularly attractive for new investors. Unlike other countries (such as Brazil) the number of sponsors in the market is still limited and new players are attracted by the opportunity for better value.

The bigger players (i.e., funds with assets over $100 million and with a regional and not purely national focus) are managed both by foreign entities (such as Advent or CVC) and by some regional players (such as Linzor Capital Partners or Southern Cross Group). Other key sponsors in the country are Blackstone, Quilvest, Brookfield, KKR and Partners Group. These funds use local feeder funds to raise capital, mainly from institutional investors. Other key local players include Aurus, Celfin (recently merged with BTG Pactual), Larraín Vial, Independencia, IM Trust and Moneda Asset Management.

The size of most funds (private equity and venture capital) ranges from $15 million to $40 million.[4] This is in line with the trend of Latin America, as according to LAVCA in 2012 the market shifted towards smaller funds and mid-sized deals.[5]

Typically, foreign sponsors enter the country associated with local firms, which have a better understanding of the local market. For instance, the Spanish firm Altamar arrived in Chile in 2011 associated with a local firm, intending to raise $200 million.

New deals (at least reported deals with publicly available information) decreased considerably during 2011. There were a total of 11 reported deals in Chile during 2011 for an aggregate amount of $42 million, an overall decrease as compared to 2010, when there were 22 deals for an aggregate amount of $346 million. Anecdotal evidence suggests that the number and volume of actual new transactions (as opposed to only reported ones) was considerably higher. Exits, however, in any event increased considerably compared to the previous year, with five exits consummated for an aggregate amount of $892 million (as compared to one exit in 2010 for $75 million).

The table below shows reported deals in Chile during 2011 compared with deals in either countries in the region.

Country breakdowns	*2011 investments*				*2011 v. 2010 (growth %)*	
	Amounts		*Distributions*			
Country	*No. deals*	*$ deals (in millions)*	*No. deals*	*$ deals*	*No. deals*	*$ deals*
Argentina	11	65	6%	1%	10%	-30%
Brazil	90	4,167	52%	64%	10%	-24%
Chile	11	42	6%	1%	-50%	-88%
Colombia	15	622	9%	10%	-21%	31%
Mexico	22	459	13%	7%	16%	118%

4 Ibid.

5 2012 LAVCA Mid-Year Report.

Country breakdowns	*2011 investments*				*2011 v. 2010 (growth %)*	
	Amounts		*Distributions*			
Country	*No. deals*	*$ deals (in millions)*	*No. deals*	*$ deals*	*No. deals*	*$ deals*
Peru	2	375	1%	6%	-78%	407%
Other	22	775	13%	12%	29%	48%
Total	173	6,504	100%	100%	-3%	-10%

Source: 2012 LAVCA Industry Data

The table below shows exits in Chile during 2011 compared to those in the other countries of the region. Although no final figures are available for 2012 at the time of writing this chapter, we provide information on specific deals closed in 2012 in Section III, *infra*.

Country breakdowns	*2011 exits*				*2011 v. 2010 (growth %)*	
	Amounts		*Distributions*			
Country	*No. deals*	*$ deals (in millions)*	*No. deals*	*$ deals*	*No. deals*	*$ deals*
Argentina	5	1,853	9%	18%	0%	328%
Brazil	19	5,718	36%	54%	-14%	182%
Chile	5	892	9%	8%	400%	1,085%
Colombia	8	888	15%	8%	33%	1,027%
Mexico	3	N/A	6%	N/A	-57%	N/A
Peru	4	526	8%	5%	0%	177%
Other	9	704	17%	7%	125%	165%
Total	53	10,581	100%	100%	8%	204%

Source: 2012 LAVCA Industry Data

ii Operation of the market

The terms of private equity deals are fairly consistent with industry standards. Frequently, transaction documents are based on US forms (including contracts drafted in English if one of the parties is a non-domestic party). Usual terms include representations and warranties, purchase price adjustments, anti-dilution provisions (including full ratchets), affirmative and negative covenants, events of default, indemnities and non-compete clauses. Shareholders' agreements are generally used for the corporate governance of the target company and to restrict the transfer of shares for the benefit of the private equity sponsor.

In some cases, the private equity seller may agree to escrow arrangements to secure buyer claims until the lapse of the statute of limitations (generally five years). Arbitration is the preferred dispute resolution mechanism for these transactions in almost all instances.

A typical sale process starts with the negotiation by the parties of the basic terms and conditions of the transaction, typically in the form of a term sheet. Term sheets may include indicative offers subject to due diligence conditionality. Often, the buyer will conduct the due diligence before the announcement of the transaction to the market, but a fair number of deals are announced without any due diligence having been carried out. Diligence outs remain the norm, but it is standard practice for sellers to impose minimum thresholds and objective tests. Definitive purchase agreements will still be subject to conditionality, especially as they are relevant to governmental authorisations. For instance, in concentrated markets the approval of the antitrust authority will be a likely requirement, and transactions in the utilities sector will also require approval by the relevant authority (the sanitary authority in the water industry, the energy authority in the electric industry, etc.). If the sale process involves an IPO, prior approval by the Securities and Insurance Commission ('the SVS') will be required.

Unless there is an IPO, a deal will typically take between three and six months to close (of course, depending on the negotiations of the parties and the complexities of the deal, a particular transaction may take longer or shorter to close).

The management of portfolio companies usually have a significant portion of their compensation tied to stock options and other rewards linked to the performance of the company. Alignment of incentives and favourable tax treatment make this type of compensation very desirable in Chile.

II LEGAL FRAMEWORK

Chile allows for a number of corporate entities with different results in terms of control.

A Chilean corporation is managed by a board of directors, with certain specified decisions reserved to the shareholders.

A corporation can be publicly traded, or 'open', private or 'closed'. An open corporation is one that has issued equity shares registered with the SVS. Registration is voluntary, except where the corporation has 500 or more shareholders, or if at least 10 per cent of its capital stock is held by at least 100 shareholders. Open corporations are supervised by the SVS. All other corporations are closed. Closed corporations are not subject to the supervision of the SVS unless they are issuers of publicly traded securities (whether equity or debt) or if otherwise required by a special regulatory frame (for example, insurance companies).

Corporations are managed and controlled by a board of directors appointed by the shareholders. The board has the broadest authority over the corporation and its affairs. Closed corporations must have at least three board members, open corporations at least five.[6]

There are statutory withdrawal rights for shareholders pursuant to which a shareholder can put its shares to the corporation upon certain actions being approved.[7]

Corporations in Chile require at least two shareholders.

6 An open corporation with a market capital capitalisation over a certain threshold (currently about $50 million) must have at least seven board members.

7 Actions such as the conversion of the corporation into a different corporate type (LLC, SpA, etc.), a division or a merger of the corporation, a sale of substantially all of the assets of the corporation, the granting of guarantees or liens with respect to third-party obligations, *inter alia*, result in statutory withdrawal rights. A corporation's charter may provide for additional withdrawal rights.

Chilean law also provides for a corporate type similar to Delaware's limited liability company, with two critical distinctions: Chilean limited liability companies ('LLCs') require a minimum of two members, and Chilean LLCs require unanimous consent to amend their charter in any respect, accept new members or to allow existing members to assign their interest.

Share companies ('SpAs') combine the best attributes of a corporation (free assignability of the equity interests) with the contractual flexibility of an LLC (the SpA does not require unanimous consent for amendments of its charter). An SpA can be formed by one or more persons (individuals or legal entities), and allows for any type of corporate agreement save for a few mandatory rules.

SpAs allow for a single equity holder and can have as many equity holders as desired. If an SpA, however, reaches the number of equity holders that would render a corporation an open corporation, then it will automatically become an open corporation.

If provided for in their charter, SpAs are allowed to make capital calls and issue equity interests if resolved by management (i.e., without the consent of the equity holders). Unlike corporations, there are no statutory pre-emptive rights (again, except as contemplated by the organisational documents). The organisational documents may indicate minimum or maximum percentages or amounts of capital that are to be directly or indirectly controlled by one or more shareholders. The repurchase of their own equity interests is allowed for SpAs. Contrast this with corporations, which can make capital calls only if agreed by the shareholders. Statutory pre-emptive rights apply to equity issuances by a corporation. Corporations are also generally prohibited from acquiring their own shares and must distribute minimum statutory dividends (at an amount of 30 per cent of net earnings).

However, most notably an SpA may issue preferred shares accruing fixed or variable dividends. Features like preferred dividends accruing from specific businesses or assets are permitted.

Chile also has investments funds. These can be structured as public funds (which are subject to substantive regulations by the SVS restricting the type and amount of assets in their portfolios, transactions with affiliates and periodic reporting to the market) or private funds (which are not subject to such regulations). Only public funds can publicly offer their securities.

i Sponsors' controlling investment of an entity

A sponsor seeking control of an investment in Chile will have to consider the specific features of each type of corporation.

Where the sponsor wishes to acquire control of a corporation, it will require at least the control of the number of shares required to control the board of directors and corporate decisions in shareholders' meetings, typically a majority of the outstanding shares. A number of material corporate actions require approval by at least two-thirds of the outstanding shares.[8] Some of those actions (such as the sale of more than 50 per cent

8 Actions such as the conversion of the corporation into a different corporate type (LLC, SpA, etc.), a division or merger of the corporation, a sale of more than 50 per cent of its assets, a

of the assets and the creation of preferred shares) are material to private equity or venture capital sponsors. No corporate actions require unanimous consent of the shareholders.

Chilean law explicitly recognises shareholders' agreements and provides that they need to be 'deposited' with the corporation as a condition of the parties to it making claims against third parties based on such agreements. Chilean law, however, provides that shareholders' agreements are not enforceable against open corporations insofar as they create restrictions on the transfer of shares.[9] As a result, frequently liquidated damages clauses are agreed to by the parties in amounts large enough to create the appropriate incentives.[10]

SpAs provide the broadest flexibility in terms of contractual structuring provisions. The express recognition by the statute of contractual requirements in terms of maximum (or minimum) levels of equity interests held by its members, the fairly broad flexibility to trigger increases or reductions in equity capital, the ability to repurchase their shares, *inter alia*, make SpAs highly desirable vehicles for private equity investors.

Uniquely, SpAs' charters can provide for 'squeeze-outs', whereby a minority holder can be forced to sell its interest upon another holder acquiring a certain threshold percentage. SpAs also allow for preferences consisting of multiple vote shares (and shares without voting rights).

In summary, a private equity sponsor will benefit significantly from the flexibility provided by an SpA when setting up a holding vehicle for its investment. By the same token, a sponsor investing in an existing SpA will need to conduct thorough due diligence and understand the implications of the SpA's organisational documents.

ii Structuring considerations for sponsors not domiciled in Chile

The key structuring considerations will be driven by control issues (as previously discussed), tax issues and the regulatory framework relevant to the industry in which the investment is made. For example, a number of activities in Chile have to be – at least directly – performed by corporations (banking, insurance, retirement funds administrators, etc.). In addition, corporations are the only corporate entity that allow for an IPO.

Similar to US tax law, Chilean law creates incentives for the use of leverage in a private equity transaction. Subject to certain conditions, Chilean tax law allows for tax deductions on account of interest payments. The same deduction does not exist for dividend payments.

Ordinarily, dividends remitted to non-Chilean sponsors are subject to a 35 per cent withholding tax rate. Interest payments are taxed at the same 35 per cent rate, but a 4 per cent reduced withholding rate applies, *inter alia*, to interest payments on loans

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decrease in its equity capital, the valuation of equity contributions made in assets other than cash, the reduction in the number of members of the board of directors, *inter alia*.

9 Section 14 of the Chilean Corporations Act.

10 In general, liquidated damages clauses are enforceable in Chile even if they are considered a 'penalty' or do not bear a direct relation to the expected damages caused by the breach of the relevant obligation.

made by foreign banks and financial institutions. In some cases, however, such as when the debt is guaranteed with cash or cash equivalents provided by third parties, in order to qualify for the reduced 4 per cent rate a 3:1 debt-to-equity ratio will have to be satisfied.

When structuring a transaction as a leveraged buyout, sponsors will have to ensure that the *pro forma* amount of debt of the target company (including the debt raised to finance the LBO), allow the surviving company to remain solvent. Chilean bankruptcy courts have jurisdiction to void transactions resulting in insolvent entities.

It is common to bridge a leveraged deal using short-term debt and then to refinance with long-term securities in the bond market.

Another reason for leveraging up a deal is that remittances of equity contributions to a foreign sponsor are first allocated to taxable retained earnings and profits. Accordingly, outflows of capital contributions can only be tax free if the Chilean business does not have accumulated earnings and profits that are taxable. There is no such requirement affecting principal payments on debt transactions.

iii Fiduciary duties and liabilities

The main source of fiduciary duties in the Chilean corporate context is the Corporations Act.[11] Directors of a corporation have an obligation to act with the degree of care and diligence that they would apply in their own affairs. They are jointly and severally liable for damages caused to the corporation or its shareholders for their fraudulent or negligent actions. The same principles apply to an SpA, unless it is not managed by a board of directors.[12]

As a result, a private equity sponsor will not, directly, be exposed to liability with regard to other shareholders. The shareholders of a corporation (or an SpA) do not generally owe fiduciary duties to each other, and are permitted to act in their own self-interest.

Areas of concern for a sponsor arise in the insolvency context. While the Chilean courts do not apply the 'zone of insolvency' test to the same extent that a court in the United States might,[13] the Chilean Bankruptcy Code[14] does provide for liability on account of actions that are fraudulent to creditors. For example, Chilean courts may void a sale of assets consummated within a year of the insolvency of a company. They are, however, very unlikely to find liability for a sponsor other than in the very narrow circumstances of a fraudulent voidable transaction expressly provided for in the Bankruptcy Code or under criminal fraud statutes.

11 Section 41.

12 Section 424 of the Chilean Commercial Code.

13 Delaware courts have created the 'zone of insolvency' concept, effectively extending fiduciary duties of a board of directors to creditors when a corporation is close to insolvency. See *Credit Lyonnais Bank Nederland, NV v. Pathe Communications Corp*, 1991 WL 277613 (Del. Ch. Dec. 30, 1991); *Weaver v. Kellogg*, 216 B.R. 563, 582-84 (S.D. Tex. 1997); *Official Comm of Unsecured Creditors of Buckhead America Corp v. Reliance Capital Group, Inc* (*In re Buckhead Am Corp*), 178 B.R. 956, 968 (D. Del. 1994).

14 Sections 74 to 81.

Recent experience confirms the liability shield for sponsors. The *La Polar* case has resulted in a large number of claims and litigation (including criminal prosecutions), but none against the private equity sponsor.

La Polar is a large retail company. It was controlled by Southern Cross for a number of years, during which La Polar appears to have, in what seems to have been a common practice, unilaterally (i.e., without the knowledge, let alone the consent, of its clients) changed the terms (including pricing) and conditions of retail loans to its customers. The practice was allegedly on a grand scale, and has resulted in several members of the management team (including the CEO and the CFO) being subject to criminal prosecution. In this situation, litigation has been initiated against the company itself, the management and some individual members of the board. No litigation has been initiated against Southern Cross (the manager of the fund that controlled La Polar) or against any investors in the fund. Two years into the La Polar fiasco, the limited liability of the sponsor and the limited partners in a fund is holding firm in Chile.

III YEAR IN REVIEW

i Recent deal activity

The private equity industry was active during 2012. New players entered into the market and others consolidated their interest in the country with new acquisitions. Among the new sponsors that arrived is BTG Pactual, a Brazilian firm, which merged with Celfin, Chile's biggest investment bank. BTG Pactual is known for its aggressive investment strategy. Local analysts view the entry of a new big player like BTG Pactual to the Chilean market favourably. In addition, the Canadian firm Brookfield increased its ownership in the Vespucio Norte Express toll highway in Santiago with the acquisition of the remaining 45 per cent of its property in a consortium with other partners. Vespucio Norte Express is one of the busiest roads in the Chilean capital and also one of the most modern road connections worldwide. The transaction is worth approximately €230 million.

The venture capital industry was also busy in 2012. A representative transaction was the investment of Aurus Bios Investment Fund and Andrómaco Labs in Kinostics, a company formed by the Chilean university Universidad de los Andes to develop a breakthrough technology for the diagnosis of kidney failure. The intention of the parties is to use this company as a platform for the expansion of this new invention worldwide. In the technology sector, regional investor Kaszek Ventures acquired a stake in the Chilean service comparison startup ComparaOnline.com, a Chilean platform that compares insurance, financial and telecommunication products.[15]

ii Financing

From a regulatory standpoint, it is worth noting that Chilean institutional investors, especially pension funds, are a key source of liquidity for private equity in Chile. They can only invest, however, in publicly traded entities, and face significant restrictions if investing in foreign investment vehicles. As a result, international private equity firms

15 See also 2012 LAVCA Mid-Year Report.

generally use local feeder funds to raise capital from institutional investors. Banks are also authorised to participate in private equity deals through their affiliates. Restrictions on the amounts invested (determined as a percentage of their assets) apply.

The Chilean Economic Development Agency ('CORFO'), the state development agency, is a significant source of financing for private equity and venture capital. CORFO encourages entrepreneurship and innovation by providing resources to start-ups or in key sectors of the economy. CORFO can provide direct financing (up to 40 per cent of the equity of a company) or through lines of credit available to private equity or venture capital investors. CORFO's financing can be unsecured, thereby allowing for additional third-party leverage on a secured basis. By the beginning of 2012, CORFO had committed financing for 29 funds, of which 90 per cent were venture capital funds.

iii Exits

The most important exit during 2011 was the IPO on the health-care insurer Cruz Blanca SA. Linzor Capital Partners divested 44 per cent of its stake and raised approximately $235 million on its account. Subsequently, Linzor sold an additional 6 per cent participation in Cruz Blanca, valued at about $40 million. It is worth noting that by the time of the IPO, the market capitalisation of Cruz Blanca was $409.43 million, reaching $722.97 million in March 2012.

IV REGULATORY DEVELOPMENTS

i Regulatory bodies of the industry

Except for specific instances in the context of regulated industries, private equity transactions are generally not subject to special regulations restricting them. If a transaction involves public investment funds or public companies, a private equity sponsor is likely to have to deal with the SVS, which may exercise its overseeing powers. Private investment funds and private companies (including SpAs), on the other hand, are not supervised by the SVS.

For an IPO, both the issuer and its securities to be offered to the public need to be registered with the SVS. An application describing in detail the terms and conditions of the offer is required, and must include extensive information regarding the company (ownership structure, legal information, accounting, business and activities, risk factors, etc.) and its securities. The SVS has ample discretion to approve an application, and usually it will exercise it by asking for further information and for changes to the way information is presented. Once the observations are resolved, the issuer and the shares will be registered in the Securities Registry of the SVS. The SVS making observations is very common; however, an application not ending in an approved registration is extremely unusual.

ii Regulatory developments

Chile is adopting policies to establish itself as the entrepreneurial hub of Latin America.[16] These policies are part of the reform informally referred to as 'MKB', a (somewhat playful) acronym combining the ideas of capital markets reform and the bicentenary of Chile's independence. MKB intends to boost innovation and competition, as well as opening the Chilean financial market internationally. MKB includes reforms on several areas: taxation, consumer protection, the banking system, information and transparency at the governmental level, improvement of government performance, capital markets, access to new markets and improved financing.

As part of these measures, 2012 was declared by the government as the 'year of entrepreneurship' and 2013 as the 'year of innovation'. In addition, and notwithstanding that the cost of starting a business is already one of the lowest of the region,[17] Congress recently approved a law that permits the incorporation of the different types of legal entities (including corporations, LLCs and SpAs) essentially for free and within a day.

The government is currently working on a new statute ('the Unified Law on Funds') with the aim of transforming Chile into a platform for the management of financial assets across the region. The new regulation would consolidate the current legislation on investment funds, mutual funds and investment funds of foreign capital in order to simplify and make their legal and regulatory framework consistent.

The draft Unified Law of Funds includes tax incentives, such as a tax exemption for foreign nationals investing in funds that hold more than 80 per cent of their assets outside Chile, as well as mechanisms to reimburse value added tax paid by foreign nationals in Chile. The government projects a three-fold increase in investment fund activity as a result of the Unified Law of Funds being enacted.

Finally, during 2012 the executive branch enacted regulations in connection with the corporate governance of corporations. The new regulations explicitly state that the directors have not only a right, but also an obligation to inform themselves about the affairs of the corporation. Directors are now under an obligation to affirmatively state and record in the board minutes their opposition to board resolutions in order to be exempt from personal liabilities for damages to the corporation and its shareholders. This should put an end to the practice of remaining silent during deliberations of the board and subsequently claiming opposition to resolutions of the board. The new regulations also make mandatory the appointment of independent experts in the context of the valuations of mergers, including with respect to mergers where the consideration is paid in shares.

The new regulations also permit attendance to board and shareholders' meetings by electronic means.

16 See *The Economist*, 13 October 2012 edition, referring to Chile as 'Chilecon Valley'.

17 See LAVCA Scorecard 2012.

V OUTLOOK

Chile has a competitive economy and a well-developed business environment. It has in place a smart regulatory framework with the necessary conditions to attract new investors and the private equity industry in general.

The new policies being implemented to improve the regulatory framework for investors in Chile, the continued growth of Chile's economy, the relatively early stage of the private equity industry in Chile and the number of exits (especially as IPOs) suggest the continued growth of the private equity industry in the country.

Appendix 1

ABOUT THE AUTHORS

ANDRÉS C MENA

Kirkland & Ellis LLP

Andrés Mena is a partner in the New York corporate group of Kirkland & Ellis LLP. He concentrates his practice on debt finance and secured lending, specifically in acquisition and leveraged financings for private equity and corporate clients. He has worked on a broad range of LBO financings, including cross-border, working capital, asset-based, restructurings and debtor-in-possession transactions. He is part of the firm's Latin American practice.

Mr Mena is a graduate of the University of Chicago Law School (LLM, 2000) and the Universidad de Chile in Santiago (JD, 1998). Prior to being admitted to the New York Bar, he practised in Chile as an associate at Morales & Besa in Santiago, focusing on corporate finance matters.

SALVADOR VALDÉS

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Salvador Valdés is a partner in the M&A practice group of Carey. He represents Chilean and international clients in mergers and acquisitions, joint ventures, financings and corporate restructurings. He also regularly advises banks, financial institutions and insurance companies in regulatory matters, securities offerings and derivatives transactions. Mr Valdés has worked on some of the most important M&A and private equity transactions in the Chilean market in recent years.

He is a professor of commercial law at Universidad Católica de Chile. He graduated from Universidad Católica de Chile, Law School (1992), and obtained a master of laws degree (LLM) from the University of Chicago Law School (1996). Between 1996 and 1997, Mr Valdés worked with Shearman & Sterling LLP, New York, focusing on M&A matters.

Mr Valdés has been recognised as one of the leading lawyers in Chile by recent surveys conducted by *Chambers & Partners* (Corporate M&A Band 1, 2010, 2011, 2012 and 2013), *IFLR*, Practical Law Company and *Latin Lawyer*.

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