

Daily Journal

FEBRUARY 5, 2014

Top Deals

Huge Twitter IPO proceeded without a hitch

By Dominic Fracassa
Daily Journal Staff Writer

They were the tweets heard round the world.

"We've confidentially submitted an S-1 to the SEC for a planned IPO. This Tweet does not constitute an offer of any securities for sale."

"Now, back to work."

Fittingly, after months of widespread and often feverish speculation about when Twitter Inc. would finally go public, the San Francisco-based microblogging company took to its own social media platform on Sept. 12 to announce that it had filed a confidential registration statement with the Securities and Exchange Commission — the first step on the road to one of the largest and most highly anticipated initial public offerings of the year.

"The novelty wasn't the fact that they publicly announced that they were filing, the novelty was the fact that they used their own platform as opposed to issuing a press release," said Wilson Sonsini Goodrich & Rosati PC Palo Alto partner Katharine A. Martin, who co-led the firm's representation of the company in its offering alongside partners Steven E. Bochner and Rezwan D. Pavri.

Martin said that Wilson Sonsini's deep bench of attorneys who are well versed in high-profile technology IPOs helped the firm win the work advising Twitter when the company shopped the job around.

"I think a lot of it had to do with the experience that we as a firm bring to bear," Martin said. "We've managed a lot of IPOs, representing issuers and underwriters, and we have a deep skill set in that area." The firm, she said, was also a "culturally good fit in terms of the type of relationship they wanted to have."

Twitter bumped up its IPO price twice in the days leading up to its debut on the New York Stock Exchange on Nov. 7, eventually settling at \$26 per share, well above its initial range of \$17 to \$20 per share. With 70 million shares for sale, the offering netted the company \$1.8 billion, making it the biggest IPO of a California company and the fourth-largest IPO in the U.S. in 2013.

The company's shares closed out their first day of trading at \$44.90 after reaching as high as \$50.09 — a gain of 93 percent — a testament to the fervent investor demand surrounding the offering.

The offering's underwriting syndi-

Katharine A. Martin



IPOs and other financings

LinkedIn Corp., \$1.2 billion follow-on offering, 2013

LinkedIn Corp., \$353 million IPO, 2011

LinkedIn Corp., \$621 million follow-on offering, 2011

Juniper Networks Inc., \$1 billion senior note offering, 2011

cate, headed up by Goldman, Sachs & Co., received counsel from Davis Polk & Wardwell LLP. Menlo Park partner Alan F. Denenberg, who led the firm's team, said all of the parties involved had to take extra precautions to keep information about the offering from leaking out before the company was ready to release its registration statement.

To avoid the pressures of constant media scrutiny surrounding the much-hyped offering, Denenberg said the teams working on the offering met in nondescript office buildings and even avoided using bags embroidered with logos that could have tipped off observant reporters.

"We were under such a magnifying glass," Denenberg said. "If someone showed up with a Goldman bag, there would have been an article."

Both Martin and Denenberg said a high degree of professionalism and an atmosphere of collegiality between Twitter, the underwriters and their respective counsels helped the offering launch without a hitch.

Steven E. Bochner



IPOs and other financings

Rocket Fuel Inc., \$116 million IPO, 2013

Zulily Inc., \$253 million IPO, 2013

Autodesk Inc., \$750 million note offering, 2012

InvenSense Inc., \$75 million IPO, 2011

Alan F. Denenberg



IPOs and other financings

Yahoo Inc., \$1.25 billion senior note offering, 2013

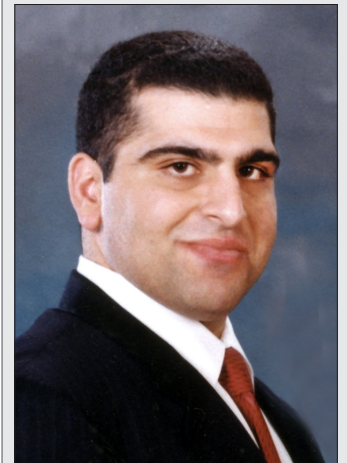
Workday Inc., \$530 million senior note offering, 2013

Equinix Inc., \$1.5 billion high-yield note offering, 2013

Solazyme Inc., \$227 million IPO, 2011

"Twitter kept the process traditional and straightforward and so they were able to run a process that worked very well for them," Martin said.

Rezwan D. Pavri



IPOs and other financings

Gigamon LLC, \$128 million IPO, 2013

Trulia Inc., \$102 million IPO, 2012

Infoblox Inc., \$120 million IPO, 2012

GoDaddy.com LLC, strategic investment by KKR and Silver Lake (terms not disclosed), 2011

"To have the opportunity to be associated with such great companies and assist them with milestones like this one has been amazing," she added.