

Society hosts talk on regulation overreach



Dominic Fracassa / Daily Journal

Daniel Wheeler, left, and Federalist Society representative David A. ... special counsel at Sheppard, Mullin, Richter & Hampton LLP, held ... examining instances of possible overreach by banking and financial ... titled "Regulating Outside the Law: A Troubling Trend in Banking," was ... San Francisco office and featured Wheeler speaking and fielding questions ... appear to exceed statutory limits.

Faulkner sponsors golf classic



Photo courtesy of McManis Faulkner

Partners Michele Corvi, William Faulkner and Michael Reedy at the 16th ... Scholarship Golf Classic late last month in San Jose. The firm was ... the event, which raises funds for Santa Clara University School of Law

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SAN FRANCISCO, SATURDAY, JULY 26 – 5 P.M.

SUNDAY, JULY 27 – 8 P.M.

SACRAMENTO, SATURDAY, JULY 26 – 5 P.M.

SUNDAY, JULY 27 – 10 P.M.

LOS ANGELES, SATURDAY, JULY 26 – 5 P.M.

SUNDAY, JULY 27 – 8 P.M.

10:30AM LOS ANGELES, SUNDAY, JULY 27 – 5 P.M.

LOS ANGELES, SATURDAY, JULY 26 – 3 P.M.

SAN DIEGO, SATURDAY, JULY 26 – 5 P.M.

BERNARDINO, SATURDAY, JULY 26 – 5 P.M.

SUNDAY, JULY 27 – 8 P.M.

Breitburn Energy taps Latham for \$1.6B deal

LA-based oil and gas producer acquires QR Energy of Houston to create \$7.8B entity

By Dominic Fracassa
Daily Journal Staff Writer

Latham & Watkins LLP represented Los Angeles-based oil and gas producer Breitburn Energy Partners LP in its \$1.6 billion acquisition of QR Energy LP, a deal that would create the largest master limited partnership focused on oil production, the companies said Thursday.

Master limited partnerships, or MLPs, are publicly traded limited partnerships that distribute quarterly earnings to shareholders, a structure which allows them to avoid paying federal and state taxes as a corporation would.

Houston partners Sean T. Wheeler and Michael E. Dillard and Los Angeles partner Steven B. Stokdyk led the Latham team. A Latham spokeswoman said the firm couldn't comment on the deal.

QR Energy, headquartered in Houston, was advised by Vinson & Elkins LLP with a team led by Houston partners Jeffery Burton Floyd and Jeffery K. Malonson.

MLPs are somewhat unusual entities in the U.S., according to Stoel Rives LLP partner Michael N. Mills, who works extensively in the oil and gas industry and was not involved in the deal.

"They're limited by federal law to companies that develop natural resources," he said. In

the U.S., "you only find them in the petroleum industry, the oil and gas extraction industry, or in the pipeline industry for the transportation of those products."

Breitburn estimates that the combined company will be worth \$7.8 billion and expects to produce the equivalent of about 57,000 barrels of oil per day.

Both Breitburn and QR engage in what's known as "conventional" oil and gas development, in contrast to "unconventional" extraction methods like hydraulic fracturing.

Master limited partnerships are somewhat unusual entities in the U.S., according to Stoel Rives LLP partner Michael N. Mills.

The congruent technical operations and overall approach to oil and gas production that both companies share will help foster a more seamless tie-up overall, Mills said.

QR shareholders will receive 0.9856 of a Breitburn stock for each share they own, or about \$22.48, a 19 percent premium over QR's closing stock price Wednesday.



STOKDYK

The deal will be tax-free for QR's shareholders, Breitburn said, with the exception of shareholders who own Class C convertible preferred stock, who will receive \$350 million in cash.

Including QR's debt, the deal is valued at around \$3 billion. Boards of directors at both companies have approved the deal, which is expected to close late this year or early 2015.

Breitburn will add an additional board member that both companies will have a hand in choosing.

Latham's team included Los Angeles partners David M. Taub and Laurence J. Stein.

Gibson, Dunn & Crutcher LLP counseled UBS Investment Bank, which acted as Breitburn's financial adviser. Bracewell & Giuliani LLP acted as legal counsel to a special conflicts committee formed by QR's board of directors.

dominic_fracassa@dailyjournal.com

Hyundai, Kia fuel economy class action likely to settle

Continued from page 1

multiple options being offered to consumers.

Kia and Hyundai have already put in place a voluntary reimbursement program that refunds 115 percent of the additional fuel costs in cash. Consumers can also choose a service credit voucher worth 150 percent of their extra gas expenditures or a new car voucher for 200 percent.

The approximate \$400 million figure, which Carey gave after the hearing, would be based on

all consumers taking the dollar-for-dollar reimbursement offer through the class action settlement.

The underpinnings of the case deal with a range of Hyundai and Kia models that were discovered to underperform in mileage tests. In 2012, the Environmental Protection Agency issued a notification that the auto manufacturers were under investigation for inflating fuel costs, which set off a rash of litigation. The cases were consolidated in a multidistrict litigation in

February 2013 before Wu in the Central District.

While preliminary approval of the settlement has been guaranteed for Aug. 21, Shon Morgan, a partner at Quinn Emanuel Urquhart & Sullivan LLP and the lead defense attorney in the case, said the final approval likely wouldn't happen until spring 2015.

The case is *In re: Hyundai and Kia Fuel Economy Litigation*, 2:13-md-02424 (C.D. Cal., filed Feb. 6, 2013).

henry_meier@dailyjournal.com

BRIEFLY

Individual teacher evaluations related to standardized test scores are not subject to public disclosure, a state appellate panel ruled this week. In an opinion by Div. 8 of the 2nd District Court of Appeal, justices reversed part of a trial judge's decision forcing the Los Angeles Unified School District to disclose teachers' names with their Academic Growth Over Time or AGT scores — a figure measuring a teacher's effect on his or her students' performance on the California Standards Tests. *Los Angeles Unified School District v. Superior Court of Los Angeles County*, B252693 (Cal. App. 2nd Dist. Div. 8, July 24, 2014). The Los Angeles Times sued the district in October 2012 after officials released AGT scores for individual teachers at over 650 schools, but with their names and school site locations redacted. Los Angeles County Superior Court Judge James C. Chalfant ruled the teachers' names weren't exempt from disclosure under the California Public Records Act. The appellate justices disagreed. "We

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San Francisco Daily Journal
(ISSN:1059-2636)

Established as a daily newspaper in 1893.

Published daily except Saturdays, Sundays and New Year's Day, Dr. Martin Luther King Jr. Day, Presidents' Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day by Daily Journal Corporation. 915