

The latchkey lawyer

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Breaking up may be hard to do, but continuing to cohabit can prove to be far more complicated. Tomás Allende, chief regional counsel for The Rohatyn Group and newly-minted partner at Estudio Beccar Varela, talks about the challenges he faced juggling both roles.



Making the move from a senior corporate counsel to private practice can often prove a complex process, but few have arguably proved as head-scratching as Tomás Allende's transition from The Rohatyn Group to Estudio Beccar Varela back in April.

Having joined the hedge fund sponsor eight years ago as chief regional counsel for Latin America, Allende's departure was complicated by one simple fact: he did not leave the

company.

"It's very weird, my situation and as far as I know, no one else has done something similar," he admits. "It was very interesting when I moved to Rohatyn and I think it was a very smart move, even for Rohatyn, because I had a network of firms that I knew from [Argentina]. That was one of the reasons that they hired me because they knew that I was well-connected throughout the region...Most of them remember who sent them work, so they're repaying that debt to me now and they're sending me work."

Behind this decision was a mixture of pragmatism and necessity. When Allende joined Rohatyn, the company only had a presence in Argentina and Uruguay, so it made logistical sense to base the regional general counsel in its largest office in Buenos Aires, where the head of the group's illiquid business department Miguel Gutierrez was also based.

However, although Allende did rely on a US-based paralegal and a junior associate during his time at the company, he decided that the company's small footprint in Latin America did not justify having a legal team in the region. Consequently, the company's

regional legal team remained a one-man operation, which required him to assist Rohatyn on matters across the region, including the establishment of offices in Brazil, Peru and Mexico.

“Over that last eight years, I’ve been working mostly outside of Argentina, which is pretty original,” he says. “There are many companies that have their regional counsel here, but for a fund manager with very few investments here in Argentina, to have that position here was strange, but I don’t think it was a mistake.”

Without a readily available and fully formed team equipped to take over his responsibilities, Rohatyn faced the prospect of a protracted transition period while he trained up his replacement, or losing valuable knowledge if he left too soon and cut all employment ties with the company. For EBV, Allende’s protracted involvement in raising an innovative renewable energy fund for Mexico had already delayed his start date at the firm by a month and they were keen to get him on board; particularly ahead of an expecting uptick in private equity work. It was decided that he would temporarily continue in both positions.

However, reaching the point where Allende could become a partner at the firm, while also avoiding any conflicts of interest issues that may arise serving two masters, required substantial groundwork. Six months ahead of the move, Rohatyn and EBV worked closely together to smooth the process and lay out the expectations and limits of both roles. For Allende, a key element in ensuring an agreement could be reached was trust, both between the company and firm, and in him from both parties that he would be able to spot and avoid any potential conflicts. “I have in my [inner] hard drive the ethical rules, common sense and the conflict of interest rules I learned at Rohatyn,” he explains. “There is paperwork, but again this reflects the ethical rules and common sense. It’s something beneficial for both sides.”

Since making the move, Allende explains that he has already had to take several precautionary measures to ensure he does not violate the strict ethical or conflict of interest rules of either the company or firm. One recent example, which involved a Chinese company in which he helped Rohatyn make a capital contribution and which also had ongoing business with EBV, required him to cut communication with the lawyer managing the client and tread carefully. “We have a procedure [at EBV whereby] every time we start working on something, we send an email around to all the partners – the typical conflict of interest check,” he explains. “So of course, when this happened, I put ‘We have this, so please avoid any communication with me or my team about this

company until we get clearance from the company that we can represent them'. Sometimes it's complicated because I had been helping them before [moving] and it's a client of eight, 10 years."

While straddling both roles has occasionally required him to step back from particular deals or turn down work, it has also helped benefit both parties. Pointing to the renewables energy fund he was involved in shortly before transferring from Rohatyn, Allende explains that the process of getting the deal through meant he met many of the big players in the renewable energy sector, which could stand to benefit the firm. "Most of them are coming to Argentina, so most of them are contacting me because they know me, we have worked together and I am trying to help them with these bidding processes that are [happening] right now in Argentina," he says. "And [it happens] the other way around too. Sumitomo, which is a Japanese company, [came] here for a meeting with Beccar Varela, and I told them... 'let me introduce you to the Rohatyn people there, we have established a fund there and I can introduce you to the team'".

Challenging as making the move may have proven, Allende says it has been made far easier by his intimate knowledge of EBV. He began his career at the firm in 1995 and was made partner in 2006, months before he left to join Rohatyn. "They made me a partner here and then six months later I left for Rohatyn - I think they wanted to kill me," he says. "But I was a very experienced lawyer; I worked through the '90s in Argentina doing M&As and all the nice stuff, and all the restructuring in the 2000s. When I was hired by Rohatyn I had experience advising through the full cycle of the economy. Advising in Latin America, and in Argentina, gives you a pretty good experience in terms of all the things that you never thought could happen."

With Allende's engagement with Rohatyn coming to end this month, he will be free to concentrate on developing his private equity practice and assist his former employer as a preferred client. Furthermore, having lived most of his professional life through some of Argentina's darkest economic moments, his return to private practice could position him well to benefit from a wave of optimism about the direction of the country; particularly following the election of pro-business candidate Mauricio Macri at the end of last year, and flurry of economic and political reforms that have put the country back on the investor map. "A lot of people have told me that my timing was perfect because I moved to private practice when Macri won, but I explain that I made the decision when [rival presidential candidate] Scioli was winning...so I was lucky because Macri won and clearly changed everything."