

Paris Smith & Randall brings City expertise to Southampton

Paris Smith & Randall is established in the Southampton area, but aware it has to keep moving forward. It has beefed up its banking expertise with the appointment of James McNeil. Bringing specific skills to the firm, he spoke to Sue Hughes

Businesses are increasingly fortunate in the south, in terms of the quality of legal expertise which is migrating from the City to the region, providing affordable, high calibre work. Paris Smith & Randall associate James McNeil is one such expert. He joined last summer after nearly a decade in the City with US firm Dechert and then Addleshaw Goddard, having been specifically recruited to head and run the banking and finance team.

"The firm has always undertaken banking and finance work, but perhaps in the past we may have been guilty of not publicising this fact as much as we should. Whilst it is currently the case that much of the high-end work remains in London, more and more work is now leaving London and my appointment has been strategic, in response to this. We are now attracting a growing amount of work formerly undertaken in the City and/or the Thames Valley area."

"Southampton is a very significant financial centre, with many blue chip firms and major UK and international banks located in the city or in the surrounding area. Also, changes in IT have meant that a conference call or video link can often, but not always, replace the need for a sit down meeting, therefore there are no restraints on geographical location – and that is what I am here to build upon."

With broad city experience of banking and finance, McNeil specialises in real estate finance and leveraged finance. He has acted for many of the leading providers of senior and mezzanine debt finance, plus the financing of a wide variety of assets – prestige office buildings, portfolios of industrial and retail properties, hotels, cinema complexes and other recreational facilities.

He has also advised lenders and borrowers in connection with funding acquisitions, including loans to all types of borrowers (domestic and overseas) including UK or offshore property companies, investment funds, partnerships, joint ventures and unit trusts.

Coming from a previous climate of where he was spoon-fed deals with little time to actually meet clients, McNeil is enjoying greatly this aspect of his move. He is building relationships with fellow professionals, such as the strong accountancy and business adviser offering centred



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on Southampton and the banks that operate in and around the Solent region and beyond: "It's very refreshing change and I am really enjoying establishing my own contacts and building on the excellent existing contracts that the firm already has."

The finance group – McNeil, Nick Vaughan, Stuart Allen and Andrew Heathcock – provides advice to UK and international banks, building societies and corporate clients, and is split into three distinct teams: real estate, project and acquisition, acting on deals ranging from below £1 million to in excess of £25m.

"Due to our strong and extensive corporate and property client base, we also have the opportunity of working alongside some very sophisticated and demanding purchasers of financial services," he explained. "This gives us a crucial insight and understanding of what these organisations require from their funders. We offer the combined expertise of our banking, property and corporate practices, together with all the necessary supporting practices."

With 26 partners, 13 associ-

- £48m syndicated loan for Southampton-based client;
- £8.5m debt facility for a residential developer to build new homes, with an affordable housing element, in the Weymouth area; and
- a £30m facility to a veterinary group to enable it to fund future acquisitions.

A deal that McNeil concluded last year was a £4.5m term loan to assist a provider of high voltage power units to the scientific industry, is of particular merit. It allowed Worthing-based Applied Kilovolts, a supplier of high voltage power supplies to the scientific instrument industry, to buy Brandenburg and simultaneously buy out the minority holding of its founder, thereby enhancing its product offering and allowing for expansion in the US. Both deals were completed with a funding package of £8.31 million provided by private equity firm Pi Capital and debt arranged by The Royal Bank of Scotland (RBS). RBS was advised on its funding by McNeil, Heathcock and Richard Atcherley. "This funding package will help the company significantly increase its client base and fast-track its growth strategy," said McNeil.

He concluded: "I believe that 2008 will certainly be more competitive if, as predicted, the rate of growth of the economy slows down. There is also no doubt that pre the 'credit crunch' a lot of the loan documentation did contain a number of borrower friendly terms and that therefore there will probably be a re-adjustment of the terms that lenders are prepared to lend on. However, there are still deals to be done, but it will be a question of finding the right opportunity – and if it's there, the banks will finance it."

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ates, two notaries and 33 lawyers, the firm is not only able to offer a broader range of expertise than its regional competitors, but also able to handle larger deals than such. They include:

- £12.25m term loan and £11m development facility to assist with the acquisition and development of a national chain hotel and related offices;
- £30m development acquisition and development funding in the professional services sector;
- £6m facility to joint venture development company to assist with development of retail outlets;
- £5.4m refinance of portfolio comprising hotel and rest homes;



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