

Kirkland, Stradling, Cooley Steer NetMotion Wireless Sale

By **Benjamin Horney**

Law360, New York (August 16, 2016, 2:42 PM ET) -- The Carlyle Group has agreed to buy network performance management software company NetMotion Wireless Inc. from fellow private equity firm Clearlake Capital Group LP, the companies said Monday, in a deal guided by Kirkland & Ellis LLP, Stradling Yocca Carlson & Rauth PC and Cooley LLP.

The financials of the transaction were not disclosed. The deal sees Carlyle pick up Seattle-headquartered NetMotion, which was founded in 2001, employs 114 people globally and boasts offices in North America, Europe and Japan. Carlyle will pay for the deal using money from two funds: the €657 million (\$740.7 million) Carlyle Europe Technology Partners III and the \$2.4 billion Carlyle U.S. Equity Opportunity Fund II LP, according to a statement.

For Clearlake, the sale marks its exit from NetMotion after roughly four years of ownership.

“We are proud of our successful partnership with Clearlake, and appreciative of the resources and software industry insights the Clearlake team brought to our business as we looked to accelerate the company’s growth trajectory,” Christopher Kenessey, CEO of NetMotion, said in a statement. “Our time with Clearlake has positioned the company, our employees, and our customers for future success.”

Behdad Eghbali and Prashant Mehrotra, a managing partner and a partner at Clearlake, respectively, said in a joint statement that the firm is “pleased to have sponsored NetMotion and to have worked closely with the talented management team and employees to transform the business and establish the company as a leading player in an attractive and high-growth segment of the mobile security software market.”

According to Clearlake, NetMotion’s revenue and earnings before interest, taxes, depreciation and amortization ballooned by more than 500 percent during its ownership thanks to initiatives related to new product launchings for the iOS and Android platforms and continued research and development, among others.

“We identified operational efficiencies, worked closely with the team to implement best practices in key functional areas, heavily invested in product and in sales and marketing, and expanded the company’s reach into new geographies,” Eghbali and Mehrotra said.

Michael Wand, a managing director at Carlyle and head of the firm’s Europe Technology Partners team, praised Kenessey and NetMotion in a statement of his own, noting that Carlyle and Kenessey have

worked together in the past.

“We are confident that he and his team will be able to develop NetMotion into a next-generation mobile performance management solution provider with global scale,” Wand noted, adding that Carlyle will specifically look to increase NetMotion’s presence in Europe, “where the company has early customer successes and a market ready for disruption.”

Evercore Partners advised NetMotion, and Atlas Technology Group served as financial adviser to the NetMotion board of directors.

Carlyle was represented by a Kirkland team featuring corporate partners Shawn O'Hargan, Armand Della Monica, Jason Kanner and associate Arlene Ortiz-Leytte.

Clearlake was advised by a Stradling Yocca Carlson & Rauth PC team featuring David Smith, Nicolai Schwarz-Gondek, Shahrooz Shahnava and Stephen Kong.

Clearlake was also advised by a Cooley team led by Mehdi Khodadad and featuring Alex Kassai, Daniel Elefant, Eddy Mata, Nik Talreja, Allison Peth, Jacqueline Grise, Sharon Connaughton, Christopher Hutter, David Hopkins, Eric Kauffman, Lois Voelz, Janet Cullum, Caroline Camp, Bryan Berman, Eric Kauffman, Stacy Crosnicker, Buff Miller, Amanda Pacheco, Kevin King and Danish Hamid.

--Editing by Patricia K. Cole.