

# **Latham & Watkins Advises Knowledge Universe in Acquisition by Partners Group**

Partners Group, the global private markets investment manager, has agreed to acquire Knowledge Universe's US early-childhood education business (KUE LLC) on behalf of its clients. KUE LLC is the largest for-profit provider of early childhood education in the United States and the parent company of KinderCare Learning Centers, as well as the brands Children's Creative Learning Centers (CCLC) and Champions. The transaction is expected to close later this year.

**Latham & Watkins LLP** represented Knowledge Universe in the transaction with a corporate team led from the firm's Los Angeles office by partner Brad Helms, with associates Jordan Miller and Alyssa Chi. Advice was also provided on finance matters by partner John Jameson and associate Mark Morris in Los Angeles; on real estate matters by partner David Meckler and associate Hilary Shalla in Orange County; on employee benefits matters by partner Laurence Seymour in Los Angeles and associate Julie Crisp in San Francisco; on tax matters by partner Samuel Weiner in Los Angeles and associate Enrique Rene de Vera in Chicago; on intellectual property matters by counsel David Kuiper in Orange County; on environmental matters by partner Michael Feeley, with associates Aron Potash and John Morris in Los Angeles; and on antitrust matters by counsel Sydney Smith in Washington, D.C.

KinderCare Learning Centers has been educating and caring for children for over 45 years and has a strong reputation for delivering high-quality educational programs through approximately 1'400 centers in 38 states. KinderCare is on track to achieve 100% national accreditation of its centers in 2016. In May 2015, the company saw its 1'000th center achieve

this prestigious accreditation milestone, which signifies a program is of the highest quality recognized nationally in the early-childhood education field. KinderCare is KUE LLC's largest subsidiary.

KUE LLC owns two additional education businesses, CCLC and Champions. CCLC provides early-childhood care and educational services similar to those offered by KinderCare, in partnership with corporate clients, government agencies and leading universities. It currently provides programs for more than 200 clients and operates approximately 100 centers. Champions partners with schools to offer before- and after-school educational and developmental programs. It currently runs over 400 programs across the US.

Following the investment, Partners Group will work with the KUE LLC management team on several initiatives to expand its programs and enhance the experience for families enrolled at its centers, drawing on its long track record of investment in the education sector globally.

Tom Wyatt, CEO of KUE LLC, comments: "Partners Group shares our passion for positively impacting the lives of children and families every day through quality education. Families will see the same experienced, dedicated teachers and the same exceptional programs as we continue to build on our strong foundation. I'm extremely proud of our employees' hard work over the past three years in transforming our company financially and culturally. It's rewarding to now have the potential to support even more children within our programs."

Joel Schwartz, Managing Director, Private Equity at Partners Group, will join the Board of KUE LLC once the transaction completes. He states: "KUE LLC is an innovative market leader that has achieved measurable impact with its early-childhood educational programs. Since 2012, Tom Wyatt and the rest of the executive team have increased the focus on engagement amongst both employees and families, leading to increased

enrollment. They have also invested in a new curriculum and increased support for professional development, leading to a rapid climb in the number of centers gaining national accreditation through professional organizations such as the National Association for the Education of Young Children. We are looking forward to working alongside the executive team to build on this momentum and further raise the bar for standards in early-childhood education in the US.”

The transaction has fully committed financing from Credit Suisse, Barclays and Bank of Montreal and is subject to regulatory approvals and customary closing conditions. Credit Suisse, Barclays, BMO Capital Markets, Goodwin Procter LLP and KPMG LLP are advising Partners Group on the transaction.