

Mergers & Acquisitions Group Of The Year: Cravath

By Elaine Briseño

Law360 (February 12, 2024, 2:16 PM EST) -- Cravath Swaine & Moore LLP guided the Snyder family through a tense environment to seal the \$6.05 billion sale of the Washington Commanders and advised WestRock's complicated \$20 billion combination with Smurfit Kappa, earning the firm a spot among Law360's 2023 Mergers and Acquisitions Groups of the Year.

Mark Greene, head of the firm's corporate department and leader of its international practice, said Cravath's experience handling even the most complex deals prepared it for the high-profile sale of the Washington Commanders. Greene said the National Football League has the most rigorous regulations of the professional sports leagues in the U.S.

"The Washington Commanders sale was the most complicated, and there were a number of factors that made it so," he said. "It was high-profile and very public. There were a variety of interested parties, each bringing a different profile, all against the backdrop of the NFL rules."

Daniel Snyder and his wife, Tanya, announced in April that they had sold the team for a record \$6.05 billion to a group led by Apollo Global Management LLC co-founder Josh Harris and NBA legend Magic Johnson. The sale came during a tumultuous time for the organization and the Snyders, who were being investigated by multiple entities over allegations of sexual harassment and misconduct and financial improprieties. There was even an indication that NFL owners were willing to force the Snyders out.

"When dealing with an individual instead of a corporate client, it's all very personal," Greene said. "It adds complexity to it. All of those things combined make for a very interesting and rewarding transaction."

Part of Cravath's role was helping the Snyders withstand the onslaught of publicity surrounding the family, the organization and the transaction. He told them to block out the media scrutiny, which he said turned out to be the right advice.

"The entire process played out very publicly, and it was not very favorable for Dan and his wife, Tanya," Greene said. "I told them: 'We have tremendous interest and many qualified buyers. Just block the noise out, because it's just a distraction. Just focus on the deal and the process and the bidders.'"

While most deals require firms to tap into a wide range of legal practice areas and expertise, the



Commanders sale presented a case where Cravath didn't have a designated expert.

"[Potential buyers] each availed themselves of experts of the NFL ownership rules," Greene said. "I kind of chuckled, because you know what the language is of those rules? English. It's all phrased in a comprehensible way to anyone that can read and understand the English language. We did not have an expert, and we kind of figured it out."

The firm's mergers and acquisitions practice is based mostly in its New York office, with more than 100 lawyers, including 20 partners.

Another complex transaction was WestRock's merger with rival Smurfit Kappa, an Irish paper and cardboard maker. Cravath advised WestRock on the deal, which created the world's largest listed paper and packaging company by revenue. The firm had to navigate listings on the New York Stock Exchange and the London Stock Exchange, multijurisdictional regulatory requirements and the significant amount of equity to be issued.

"The key to all of this is the experience that we have in transactions [that] allows us to identify upfront where issues might arise," said Richard Hall, head of Cravath's M&A practice for Europe, the Middle East and Africa. "We have a familiarity of deal structures and how certain issues are going to play out in context of what we want to do."

The firm also excels at cross-border transactions that often must withstand the scrutiny of multiple regulatory agencies.

One of those regulatory-heavy deals was the acquisition of Westinghouse Electric Co. LLC. by Brookfield Renewable Partners LP and Cameco, a transaction valuing the target at \$7.9 billion. Cravath guided Canada-based Brookfield, which purchased a 51% stake in the company, with Cameco owning the remaining 49%.

"The Westinghouse deal was substantial," Hall said. "Taken as a whole, it was not materially more difficult than we expected at the outset. It has been a little longer than we anticipated because the regulators took their time."

The companies announced the deal in October 2022 and Britain's antitrust regulator, the Competition and Markets Authority, signed off on it in November 2023, finding it would not substantially lessen competition.

Pennsylvania-based Westinghouse is one of the world's largest nuclear services businesses, Hall said. It operates in highly regulated sectors and has contracts critical to entire countries and governments. The transaction required the firm to tap into a wide range of legal practice areas and expertise.

Things can get particularly complicated when handling transactions involving biopharmaceutical companies that have developed drugs that are still in trials or have just entered the market. It's the type of risk Cravath always analyzes, said corporate partner Bethany Pfalzgraf.

"We dig deep not just on the legal issues, but scientific," she said. "It's really about creating a collaborative team with your client."

The firm represented Biogen Inc. in its \$7.3 billion acquisition of Reata Pharmaceuticals Inc. this past

July. As part of the deal, Biogen acquired Skyclarys, the first U.S. Food and Drug Administration-approved treatment for the neuromuscular disorder Friedreich's ataxia. Pfalzgraf said an important aspect of that deal was helping their client secure support agreements from certain Reata stockholders to vote in its favor.

"There is always a risk you don't get that approval of stockholders," she said. "We helped secure 36% of the 50% of votes required in favor of the deal while negotiating the deal."

--Additional reporting by Jade Martinez-Pogue, Al Barbarino, Irene Madongo and David Steele. Editing by Linda Voorhis.

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