

## Tax Group Of The Year: Cravath

By Joshua Rosenberg

*Law360 (January 21, 2020, 4:31 PM EST)* -- Cravath Swaine & Moore LLP's tax division has been named one of Law360's 2019 Tax Groups of the Year. From advising Occidental Petroleum in a \$57 billion acquisition to advising Mylan on its \$50 billion merger with Upjohn, the firm was on the frontlines of some of the year's most noteworthy tax developments.

Cravath punches above its weight, given its relatively small size. The firm has six partners, one of counsel and one senior attorney.

The Cravath-counseled Occidental Petroleum Company unveiled a \$57 billion cash-and-stock offer for Anadarko Petroleum Corp. in April, which opened a public bidding war with Chevron over the oil and natural gas company.

The \$76 per share offer from Occidental Petroleum Corp. came after Chevron Corp. announced its planned \$33 billion — or \$65 per share — deal for the acquisition of Anadarko.



After it appeared that Chevron would win the deal, Occidental partnered with Berkshire Hathaway to secure \$10 billion to finance its bid and also revised its cash offer. In doing so, Occidental closed the deal in August, securing a major victory for the company and for Cravath.

That was a particularly challenging and exciting deal, Kara L. Mungovan, tax partner at Cravath, told Law360. It provided unique insight into how their client operates, given that the team worked "closely with a client in a way that was very intense when you're negotiating transactions of that size and with those stakes," she said.

Cravath also represents pharmaceutical company Mylan NV in its \$50 billion merger with Upjohn, a subsidiary of Pfizer.

Pfizer's off-patent branded and generic established medicines business is set to merge with Mylan in an all-stock deal structured as a reverse Morris trust led by four law firms, including Cravath, to form a new global pharmaceutical player with \$20 billion in revenue, the companies announced in July.

Under the deal, Pfizer Inc. unit Upjohn will join forces with Mylan NV in an effort to bolster both companies' efforts to grow their geographical footprints and product offerings, according to a statement.

The deal involves multiple transactions, J. Leonard Teti II, tax partner at Cravath, told Law360. In one dimension of the deal, Pfizer wanted to execute a tax-free spinoff with its subsidiary Upjohn, Teti said.

"Our client, Mylan, had an interest in making sure those goals were achieved," he said. "Otherwise, Pfizer would have much less interest in doing the transaction if they couldn't do it on a tax-efficient basis."

The companies said the platforms are highly complementary and will be able to reach more than 165 markets. Mylan's portfolio includes therapies in areas such as the central nervous and cardiovascular systems, anesthesia and infectious disease. Upjohn's portfolio includes branded drugs such as Lipitor and Viagra, and the company has a foothold in China and other emerging markets.

The deal finally involves a cross-border merger between Upjohn and Mylan, a Dutch company that was tax incorporated in the United Kingdom, Teti said. Cravath had previously worked with Mylan when the company incorporated in the U.K., Teti said, which helped the firm provide informed guidance in this deal.

Cravath also advised Viacom Inc. as it secured a \$30.5 billion merger with CBS, which resulted in a single company that owns many major brands, including Showtime, Nickelodeon, Comedy Central and Paramount Pictures. The deal closed in December.

The combined company, ViacomCBS, also includes a library of more than 143,600 television show episodes and films, according to a statement. Together, the companies say they'll reach 4.3 billion television subscribers in more than 180 countries.

Cravath relied on its expertise and experience in advising "mergers of equals" and presented a number of different tax structures that would be favorable to the interested stakeholders. The result was a timely merger, creating one of the world's largest media companies.

As announced in August, Cravath is representing New Media Investment Group Inc. in its bid to acquire Gannet Co.

The deal resulted in two major news industry players becoming an even larger media behemoth, creating an organization with more than 260 daily news and media outlets operating in 47 states and Guam.

The tie-up between Gannett and New Media came after Gannett worked to fight off a \$1.36 billion takeover bid from hedge fund-backed newspaper chain MNG Enterprises Inc. MNG unsuccessfully attempted to elect members to Gannett's board of directors earlier this year.

--Additional reporting by Chelsea Naso, Matthew Guarnaccia, Benjamin Horney. Editing by Peter Rozovsky.

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