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2020 DEALMAKERS OF THE YEAR

D. Scott Bennett

Cravath, Swaine & Moore LLP

As corporate spinoffs go, creating a $30 billion public company out of nowhere is a big deal. It's even more notable when that business is being carved out of an even larger global company listed on two separate exchanges on two continents. But that's exactly what Cravath, Swaine & Moore partner D. Scott Bennett had to handle for health care giant Novartis AG, as it shed eye care device business Alcon at a valuation of $29.8 billion in a deal that closed in April 2019.

There was little roadmap for ensuring that Novartis' shareholders on the Swiss SIX exchange and the owners of American Depository Receipts, listed on the New York Stock Exchange, would be treated equally. "That's quite unusual," Bennett says. "It's never been done in a spinoff of this sort and certainly not of this size."

The Cravath team led by Bennett had to work closely with both exchanges to ensure that the new Alcon shares would be distributed to both sets of shareholders and could trade freely between exchanges. "If the stock wasn't trading correctly, that would have been a very bad fact pattern for everyone involved: banks, investors, Cravath," he adds.

The timing was dicey, too. Toward the end of the review process with the SEC, the U.S. government shut down, although the crisis was resolved just in time to get final filings reviewed and a new audit completed. "It made everybody a little nervous," Bennett says.

But in the end, the global share structure worked out, creating a model Bennett thinks others may follow in the future. And Novartis' shareholders were winners too: After tallying up the price of their existing holdings in the company and the newly issued Alcon stock, they're holding on to billions of dollars of new value. —*Dan Packel*

CRAVATH, SWAINE & MOORE LLP