

## THE AMERICAN LAWYER

### Versatility and 'Fearlessness' Drive Sullivan & Cromwell's Corporate Practice

By Andrew Maloney

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In a world where dealmakers were mostly still trying to warm back up, Sullivan & Cromwell's corporate department didn't really break stride.

The firm's corporate group has led all law firms in announced mergers and acquisitions deal value for the past three years, according to some analyses, and brought the firm to the doorstep of the \$2 billion annual revenue mark while advising on multiple matters that could very well define this decade, and decades to come.

"I think it was good overall and particularly good under the circumstances," said Scott Miller, co-chair of Sullivan & Cromwell and a partner in the firm's corporate practice, on the group's performance over the last couple of years.

Sullivan & Cromwell was named General Corporate Practice of the Year, from a list of nine finalists, at The American Lawyer's Industry Awards last month.

According to the firm, its 509 corporate lawyers account for about 55% of overall revenue.



Sullivan & Cromwell office.

That means the practice was responsible for more than \$1 billion of the firm's roughly \$1.87 billion in revenue for 2023. It also advised on global announced deals totaling more than \$431 billion last year, according to LSEG Data & Analytics, and advised on announced deals totaling \$517 billion in 2022.

The firm's corporate, or "general" practice, as it's called at Sullivan & Cromwell, is aptly named. The firm encourages its deal lawyers to be generalists. That cultivates a "fearlessness" in younger lawyers, and helps its lawyers overall develop "as broad of a tool kit as possible," Miller said. That philosophy also works as something of a shield from market downturns.

"I think in large part because we really promote the idea of our lawyers being versatile—we don't have silos or siloed practices—so we encourage all of our lawyers and partners to follow the market to some degree, and also develop and follow relationships with clients that aren't limited to a particular practice area or particular type of transaction," Miller added.

Perhaps most notably, OpenAI's industry-shaking, multibillion-dollar deal with Microsoft was not only guided by Sullivan & Cromwell partners Nader Mousavi and Mark Schenkel (for which they were chosen among *The American Lawyer* 2024 Dealmakers of the Year), it could shape the future of artificial intelligence and AI-related transactions. The deal gave the AI startup the resources—reportedly more than \$13 billion, as well as computing power supplied by one of the industry's most durable tech giants—as well as the flexibility to advance the technology ethically.

Of course, AI tools existed well before the deal, and well before the founding of OpenAI. But the company's release of ChatGPT was unquestionably a tipping

point in its popularity across industries and around the globe. Now, the AI revolution is something of a consensus even among Big Law firms, which haven't always been known as the most nimble businesses. Miller said the deal helped establish the value of the technology and increased the motivation for established companies to acquire it or develop it themselves.

The firm also shepherded the cryptocurrency exchange FTX through what it described as "one of the most complex bankruptcies ever," one which entailed millions of creditor claims, hundreds of disputes and dozens of government investigations, with an estimated total value between \$14.5 and \$16.3 billion.

Underscoring its commitment to emerging tech, the firm also doubled its footprint in Silicon Valley, relocating to a 40,000-square-foot space in late 2023.

The firm also pointed to counseling Seagen in its \$43 billion acquisition by Pfizer, the "largest all-cash pharma takeover in history" and one which Sullivan & Cromwell partner Matthew Hurd, also recognized as a 2023 Dealmaker of the Year alongside partners Melissa Sawyer and Renata Hesse, said was really about the drug manufacturing giant "investing \$43 billion in the fight against cancer."

Miller, the Sullivan & Cromwell co-chair, also said he thinks there are going to be more of these types of transactions in the near future, ones in which smaller, incubator-like companies can "swing for the fences" with a focus on new drugs or tech, and then

make a deal with a larger pharmaceutical company, which can promote and distribute those innovations, reaping benefits without having to pour millions or billions of dollars into development up-front. On this deal in particular, though, “I think it’s clearly Pfizer seeing the therapeutics around cancer treatments being incredibly important to their business,” he added.

Looking ahead to 2025 and beyond, Miller said he expects deals involving alternative financial products or institutions to “continue to expand pretty dramatically.” As that happens, he said, traditional banks will look to stay competitive.

“I think there will be consolidation in the smaller banks. The banking sector will look to continue to be competitive as these new technologies emerge,” he said, pointing to partners such as senior chair Rodge Cohen, whom he called the “dean of bank M&A,” and Mitch Eitel, managing partner of the firm’s financial services group. “And I think we’re well positioned for that,” he added.

### **Highly Commended: Davis Polk & Wardwell**

Davis Polk & Wardwell’s corporate practice was also worthy of recognition this year, receiving a “highly commended” honor in General Corporate Practices of the Year as it pulled in tens of thousands of deals valued at nearly \$3 trillion since mid-2022. Those eye-popping numbers are in part attributable to the firm’s position in the structured products business, with the firm noting it has represented more than half of the 10 largest banks on those kinds of volume deals, where it’s common to have only one outside firm involved.

But Davis Polk has also been involved in some of the most significant matters of the last couple of years. In what is arguably the banner law firm merger of the decade so far, it represented Shearman & Sterling in its combination with Allen & Overy to create A&O Shearman, which officially launched this year. Davis Polk also worked on the \$6 billion acquisition of the NFL’s Washington Commanders, the largest ever for a pro sports franchise.