

Banking Practice Group Of The Year: Sullivan & Cromwell

By **Emilie Ruscoe**

Law360 (January 30, 2020, 3:17 PM EST) -- Sullivan & Cromwell LLP's financial services group advised client SunTrust Bank Inc. on its \$66 billion, all-stock merger of equals with BB&T, which formed one of the country's largest banks and represents the largest transaction since the financial crisis. This accomplishment has earned the group a place among Law360's 2019 Banking Practice Groups of the Year.

Mitchell Eitel, the managing partner of Sullivan & Cromwell's financial services group and a member of the firm's management committee, told Law360 that he thinks the group's organization, and the way it fits with the rest of the firm, has set it up for success.

The financial services group, comprising about 30 partners and 50 non-partners, is nested within the firm's general practice group, whose members work closely with attorneys across the firm, in particular its litigation group.

"The lawyers in our financial institutions group all do a wide range of things: They are regulatory lawyers, transactional lawyers, and in many cases, they work on enforcement matters," explained Eitel.

This multidisciplinary strategy gives the firm an advantage over competitors, he said.

"Our belief is that by having lawyers who do the full range of regulatory and transactional advisory work, we provide a product that is unique," Eitel added.

Jeffrey Scott, a New York-based Sullivan & Cromwell partner, said this approach was essential for effectively tackling legal matters faced by the firm's biggest clients.

"From your first day at Sullivan & Cromwell as a litigator, you are trained not just to handle civil litigation, not just to handle regulatory matters or law enforcement matters, but to handle the broad array of matters that our clients face," he said.

The necessity of being able to think across practice areas is especially critical for meeting the needs of financial services clients, Scott said.



"For financial institutions, because they're heavily regulated and because they are in many cases in the spotlight, especially in the wake of the financial crisis, when they have a litigation problem, it tends to be a multifaceted problem. You will have civil litigation, regulatory examination and investigations, as well as potentially law enforcement-related matters at the state, national and international level," he said.

For example, Scott recalled how he has handled, at the same time, a U.S. Department of Justice investigation, a U.S. Securities and Exchange Commission investigation, a multi-state attorneys general investigation, and as a plethora of related civil litigation, all of which arose out of the same problem.

Managing everything holistically is an efficient way to approach a client's issues, Scott said.

"Where you take a multidisciplinary approach, you have a much better insight into the strategies that will be most effective in handling the matters," he said.

That attorney range was on display as the group worked on the merger on behalf of SunTrust, resulting in a deal that defied expectations.

"There was some element of popular wisdom that the time has passed for large bank deals because there would be regulatory concerns and excessive regulatory scrutiny regarding them," Eitel said.

But nonetheless, he said, in the wake of the financial crisis, analysts had anticipated "that at some point in time, consolidation activity in the banking industry would pick up again, and that we would see some transactions of size."

That said, "it really took quite a long time for that to happen," according to Eitel.

The merger of SunTrust and BB&T, which are now together called Truist Financial, was made possible by a strong merger-of-equals structure, he said.

"The key is to have the right two institutions, because they have to be able to look at one another and decide that they can do a deal that makes sense from the perspective of generating real value for their shareholders," said Eitel.

The announcement of the deal in itself spurred similar developments, he said.

"In this market, the transactions now that have been done subsequent to SunTrust all have followed this pattern, with one or two notable exceptions," he said, citing as an example the merger between First Horizon and IberiaBank.

Along with other prominent banking clients, including Wells Fargo and fintech company Varo, the group has started 2020 aiming to replicate its winning strategies from 2019.

"We all work together every day throughout the practice in order to produce the best results for our clients, and that level of teamwork, coordination, cooperation and communication among us is really important, because it's part of our culture and it's part of our culture that we think benefits our clients," said Eitel.

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