

M&A Group Of The Year: Sullivan & Cromwell

By Adam Rhodes

Law360 (January 18, 2019, 11:12 AM EST) -- Sullivan & Cromwell LLP has helped steer some of the year's largest deals, including AT&T's \$108.7 billion deal for Time Warner and Harris Corp. and L3 Technologies' roughly \$35 billion merger of equals, earning the firm a spot as one of Law360's Mergers & Acquisitions Groups of the Year.

This year's award marks the fifth time Sullivan & Cromwell's M&A practice has been named a Practice Group of the Year, having previously earned recognition every year from 2013 to 2015 and again in 2017.

At Sullivan & Cromwell, the core group of lawyers doing M&A work full-time is about 25 partners worldwide, though a high percentage of corporate lawyers do M&A work, M&A group managing partner Joseph Frumkin told Law360. Across the entire corporate practice, however, more than 50 partners do a significant amount of M&A work, Frumkin added.

Those dealmakers, Frumkin said, are spread between the firm's offices in New York, Los Angeles, London and Frankfurt.

"It is and has been for many years one of the firm's largest practices," Frumkin said of the M&A group. "It really fits very much into the historic sweet spot of Sullivan & Cromwell's work for clients which is to do high-profile, bet-your-company, highly complex transactional matters and M&A fits into that."

Just months ago the firm helped Bayer complete one such deal, when it represented the German drug and chemical maker in a late-May deal with the U.S. Department of Justice that helped it win approval of its \$62 billion buyout of Monsanto.

Bayer had originally stuck a deal to buy the U.S. agrochemical company in September 2016 for \$128 per share in a deal that Sullivan & Cromwell partner Matt Hurd called the largest all-cash deal ever completed, the largest acquisition of a U.S. company by a foreign acquirer and the largest acquisition ever by a German company.

But those milestones were only some of the challenges the attorneys steering the deal had to contend with, Hurd said. After what he called an "unfortunate" press leak, Hurd said the timing of the deal was



not entirely in the firm's control.

The deal also had to contend with what Hurd characterized as "political chaos and regulatory uncertainty" that resulted in unprecedented scrutiny.

To successfully close that transaction, which included a deal with the DOJ and commitments to the European Commission to unload seed, pesticide and agricultural technology assets to BASF SE, Hurd said the firm needed a "deep bench of talent, extensive preparation, vital and relevant experience and close long-term relationships with client personnel at all levels."

The Bayer-Monsanto deal is just one example of the firm's work steering longstanding clients through transformational deals, fellow partner Frank Aquila said. Hurd echoed that sentiment, noting that those deals are what makes the firm such a standout in the sector.

"Our ability to evolve as clients evolve is one of the things that keeps our practice so vital, and the opportunity to evolve as these great clients evolve is what keeps the practice so intriguing and interesting for us," Hurd said.

As for the firm's other work this past year, the firm steered U.S. mall operator GGP Inc. in a \$9.25 billion deal inked in March to be bought by Brookfield Property Partners LP. Brookfield previously made an offer in November 2017 for a maximum of \$7.4 billion, but that offer was rejected by a special committee of directors that were not affiliated with Brookfield.

The firm also represented Texas-based Andeavor in a \$23.3 billion cash-and-stock deal to be bought by Marathon Petroleum Corp. in late April.

In what the firm touted as the largest-ever merger for the defense industry, Sullivan also advised Harris Corp. in a roughly \$35 billion merger of equals with L3 Technologies Inc., inked in October, that stood to create the sixth-largest defense company in the U.S.

With respect to AT&T's recently closed \$108.7 billion deal for Time Warner, the firm represented the telecom giant with respect to the transaction, unveiled in October 2016, not the litigation that eventually ended in the company's favor in June. The case is currently on appeal.

For budding firms and attorneys who want to one day boast a standout M&A practice of their own, Frumkin said "an unusual blending of skills" is key.

"You've got to have a high level of technical legal ability and you've got to have a high level of commercial sensibility, because these deals happen inside highly pressurized commercial contexts," Frumkin said.

But successful M&A work isn't a solo practice, Frumkin noted, adding that a team of attorneys with expertise in a variety of areas, including executive compensation, securities, environmental laws and potential litigation exposures are also important assets for firms who want a standout practice.

Aside from that, however, Aquila said some creativity goes a long way.

Firms and attorneys alike need to be adept at "understanding the financial, commercial and strategic

objectives of our client, what it is they're trying to accomplish and being creative and innovative enough to be prepared to formulate a different approach when that is warranted unlike any areas of the law and finance in general," Aquila said.

--Additional reporting by Matthew Perlman, Chelsea Naso, Benjamin Horney and Darcy Reddan. Editing by Alyssa Miller.